



YEAR OF HARVEST
FROM VISION TO
EXECUTION

ANNUAL REPORT
2025





The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al-Saud

May God protect him

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince and Prime Minister

May God protect him

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Chairman's Statement



“In light of the growing demand for integrated urban destinations in Makkah, the strategy of Umm Al Qura for Development and Construction focuses on maximizing the value of its assets, accelerating operational activation, and achieving sustainable growth that balances economic return with social impact, while adhering to the highest standards of sustainability and governance.”

Esteemed Shareholders,

The year 2025 represents a significant milestone in the journey of Umm Al Qura for Development and Construction. The Company continues to execute its long-term strategy aimed at maximizing the value of its assets and accelerating the transition to more advanced stages of operational and investment activation, thereby enhancing the position of “MASAR” Destination as an integrated urban and investment destination in the heart of Makkah.

Throughout the year, the Company's focus remained on implementing its strategic priorities, most notably the initial public offering (IPO), increasing operational readiness, enhancing capital efficiency, and expanding the investment partnership base, alongside establishing a balanced business model that achieves sustainable growth and bolsters long-term returns for shareholders.

These trends were clearly reflected in the Company's financial performance during 2025, as the Company achieved exceptional growth across various financial indicators. Revenues rose to SAR 2.9 billion, an increase of 59.2% compared to 2024, while total income reached SAR 1.36 billion, achieving a growth of 61.7%. In addition, operating income recorded SAR 1.1 billion, an increase of 96.1%, and net income reached SAR 983.4 million, achieving an annual growth of 97.2%. This strong performance contributed to raising earnings per share to SAR 0.70, compared to SAR 0.38 in the previous year.

In parallel with financial growth, the Company continues to solidify sustainability as a core

component of its future strategy. This is achieved by integrating environmental, social, and governance (ESG) standards into its business model and decision-making processes, ensuring the efficient use of resources, enhancing social impact, and achieving long-term sustainable value, in line with the objectives of Saudi Vision 2030.

As we look forward to the next phase, we affirm the Company's commitment to continuing the execution of its strategy based on maximizing the utilization of “MASAR” assets, expanding operational activities, and strengthening financial and operational sustainability, thereby supporting continued growth and enhancing the confidence of shareholders and partners.

These results could not have been possible without God's help, the unlimited support from our wise leadership—the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness the Crown Prince, Mohammed bin Salman bin Abdulaziz (may God protect them)—and the unprecedented development renaissance that Makkah is witnessing thanks to their ambitious vision.

I also extend my sincere thanks and appreciation to my colleagues on the Board of Directors, the Executive Management, all employees of the Company. I would love to thank our partners for their efforts, which contributed to achieving these results. I also thank our distinguished shareholders for their continued trust, and we reaffirm our commitment to continuing our work to meet their aspirations and maximize value over the long term.

Abdullah Saleh Kamel

**Chairman of the Board
Umm Al Qura for Development and
Construction**

CEO's Statement



“The pilot operation represents a practical transition for ‘MASAR’ Destination from development to operation, spearheaded by operational readiness and visitor satisfaction, in preparation for an integrated operation that enhances service efficiency and sustainability, leading up to the full opening in 2026.”

Esteemed Shareholders,

The year 2025 represents a critical executive milestone in the journey of Umm Al Qura for Development and Construction, as the Company transitioned into the operational readiness phase for its flagship project, “MASAR” Destination, following the completion of major infrastructure works and the beginning of pilot operations for a number of vital facilities, in preparation for the full opening and operation during 2026.

During the year, the Company focused its efforts on completing the procedures for offering and listing on “Tadawul”, in addition to finalizing the foundational works that serve as the backbone for operating the destination, most notably the road and tunnel networks, integrated underground utility systems, transportation facilities, and digital infrastructure. This executive progress enabled an organized and seamless transition from the development and construction phase to the operational phase, according to a clear timeline and approved operational standards.

The year 2025 witnessed the beginning of pilot operations for King Abdulaziz Road, which serves as the primary axis of the destination and the central anchor for pedestrian and vehicular traffic, connecting “MASAR” Destination with the Central Area and the Holy Mosque. Trial operation is being implemented according to a phased approach aimed at testing system efficiency, enhancing readiness, and ensuring safety and traffic flow prior to full operation.

In the context of operational transformation, the Company focused on developing an integrated transportation system for the destination. This system features shuttle buses, pedestrian tunnels and paths, and parking facilities, all designed to keep traffic separate, boost mobility efficiency, and enhance the overall visitor experience.

Additionally, the Command and Control Center was fully equipped and linked to the main operational systems,

enabling the management of daily operations at the destination through a single platform that relies on data and real-time control.

At the level of digital infrastructure, the main data center has been set up, and the fiber-optic networks are now complete. This creates a robust technical framework that allows the destination to function as a cohesive smart urban ecosystem. It not only enhances service quality but also promotes operational sustainability and improves the overall user experience.

As the first operational phase approaches, the Company is preparing to shift into its role as the operator of the “MASAR” Destination, alongside being its owner and developer. This is a fundamental transformation that places the visitor at the heart of operational priorities and makes quality of experience, smooth movement, and service efficiency key elements of the performance system.

During 2025, the Company issued its second Environmental, Social, and Governance (ESG) report, reaffirming its commitment to a sustainable operational approach that supports the objectives of Saudi Vision 2030, enhances resource efficiency, reduces environmental impact, and develops human capital.

As we look toward 2026, we affirm our commitment to completing operational readiness and commencing the operation of the “MASAR” Destination’s facilities according to the highest standards, reflecting the scale of the investment implemented and translating the vision into an integrated urban experience that befits the status of Makkah.

In conclusion, I extend my thanks and appreciation to our wise leadership for their continuous support, to the Board of Directors for their guidance, and to all Company employees and our partners for the efforts they exerted, which contributed to reaching this advanced executive stage.

Yasser Abuateek

**CEO
Umm Al Qura for Development and
Construction**

The year

2025

is a pivotal transitional milestone in the Company's journey, as it transitioned from the real estate positioning phase to the actual investment enablement phase.



— This Report

The Board of Directors is pleased to present to our esteemed shareholders the Annual Report of Umm Al Qura for Development and Construction Company, the owner, developer, and operator of "MASAR" Destination, which is listed on the Saudi Exchange (Tadawul) under the Symbol (4325). The Report covers the fiscal year ending on 31 December 2025.

This Report is presented during a key strategic transition for the Company, shifting from a business model centered on real estate to one based on actual investment empowerment. Consequently, the results, which reflect years of dedicated work and development, enable us to brand this year as the "Year of Harvest".

This Report has been prepared in accordance with the highest standards of disclosure and transparency and is fully compliant with the requirements of the Corporate Governance Regulations issued by the Capital Market Authority (CMA). The Report includes a presentation of the operational and financial results, in addition to a review of the strategic initiatives executed during the year and their alignment with the Company's long-term vision and mission. The Report also highlights the key results realized across the

various sectors and departments, reflecting the Company's commitment to corporate excellence and innovation.

The Report further addresses the key substantive challenges encountered by the Company during the reporting period, and outlines the insights and experiences gained throughout its trajectory. Moreover, the Report underscores the Company's unwavering commitment to the principles of Sustainability and Social Responsibility, through initiatives aimed at generating a positive and lasting impact in line with the objectives of Saudi Vision 2030.

In conclusion, this Report sheds light on Umm Al Qura for Development and Construction Company's strategic priorities for the coming year, which chart a clear and defined path for continued future growth and success.

— Scope of the Report

The scope of this Report covers all the Company's activities across its various business segments, unless explicitly stated otherwise, and includes the Umm Al Qura's consolidated financial statements.

— Compliance

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia, in addition to the standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and the provisions of the Companies Law and the Company's Articles of Association (AoA).

— Reporting Period

The Report covers the period extending from 1 January to 31 December 2025, in accordance with the Company's adopted annual financial reporting cycle. The Company has also adhered to the methodology used in classifying and presenting the information outlined in the prior Board of Directors' report, with no material changes to the scope of coverage, except for minor stylistic adjustments in the presentation method.

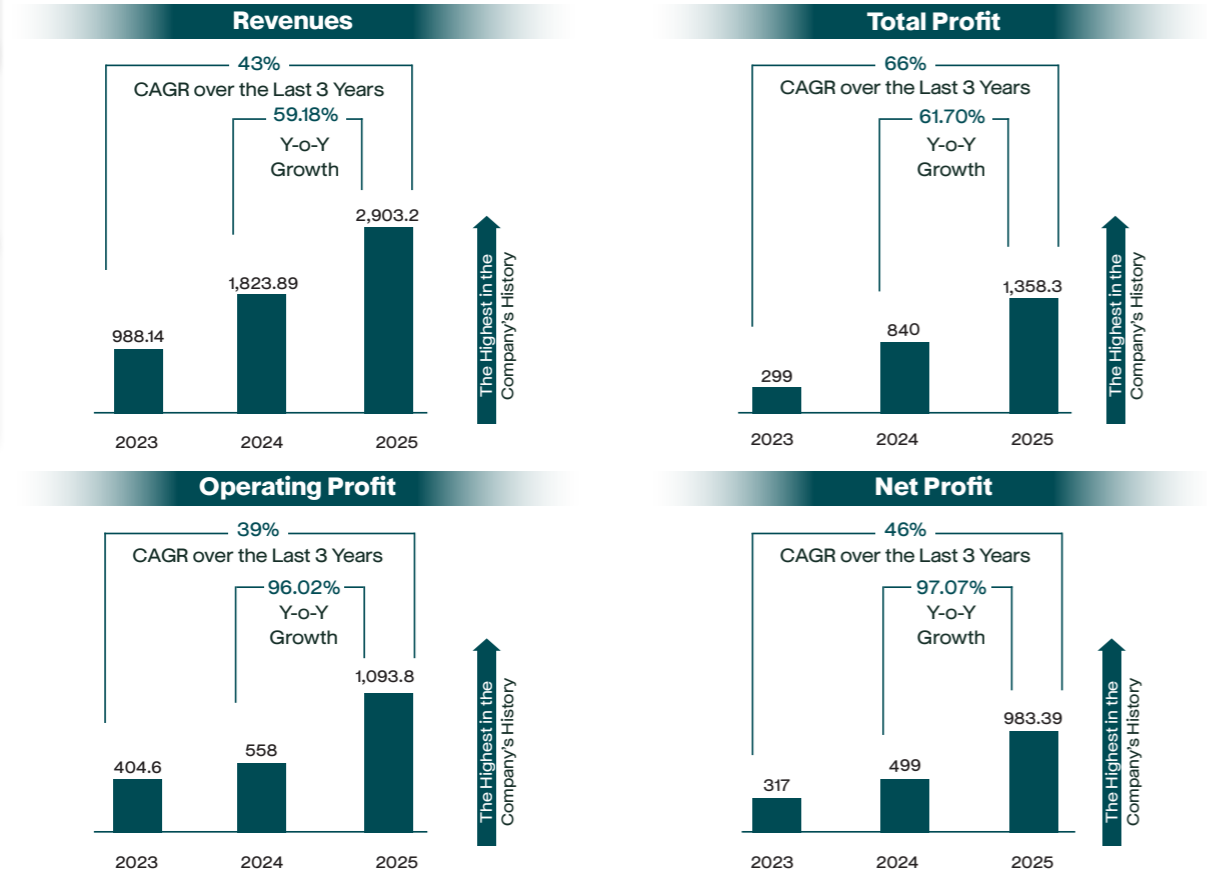
The Report has been issued in both Arabic and English. In the event of any discrepancy between the two aforementioned versions, the Arabic version shall prevail for the purposes of disclosure and documentation.



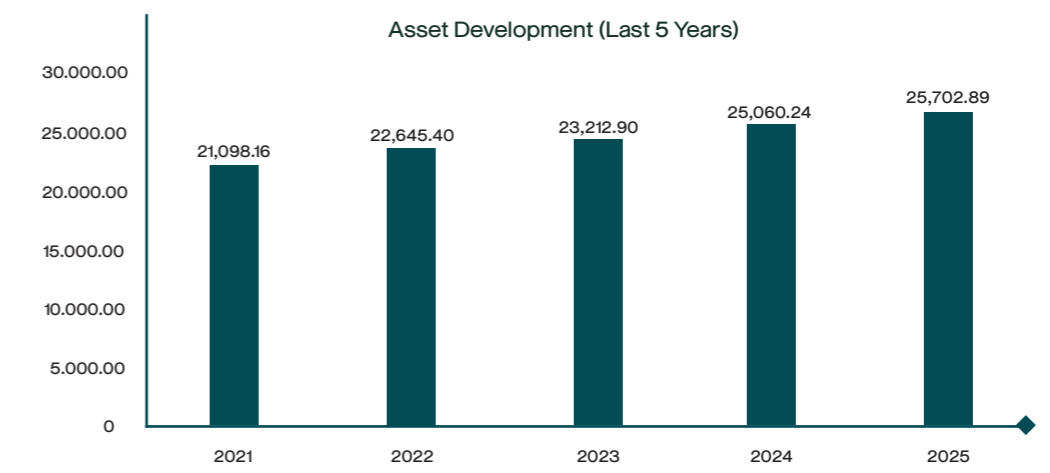
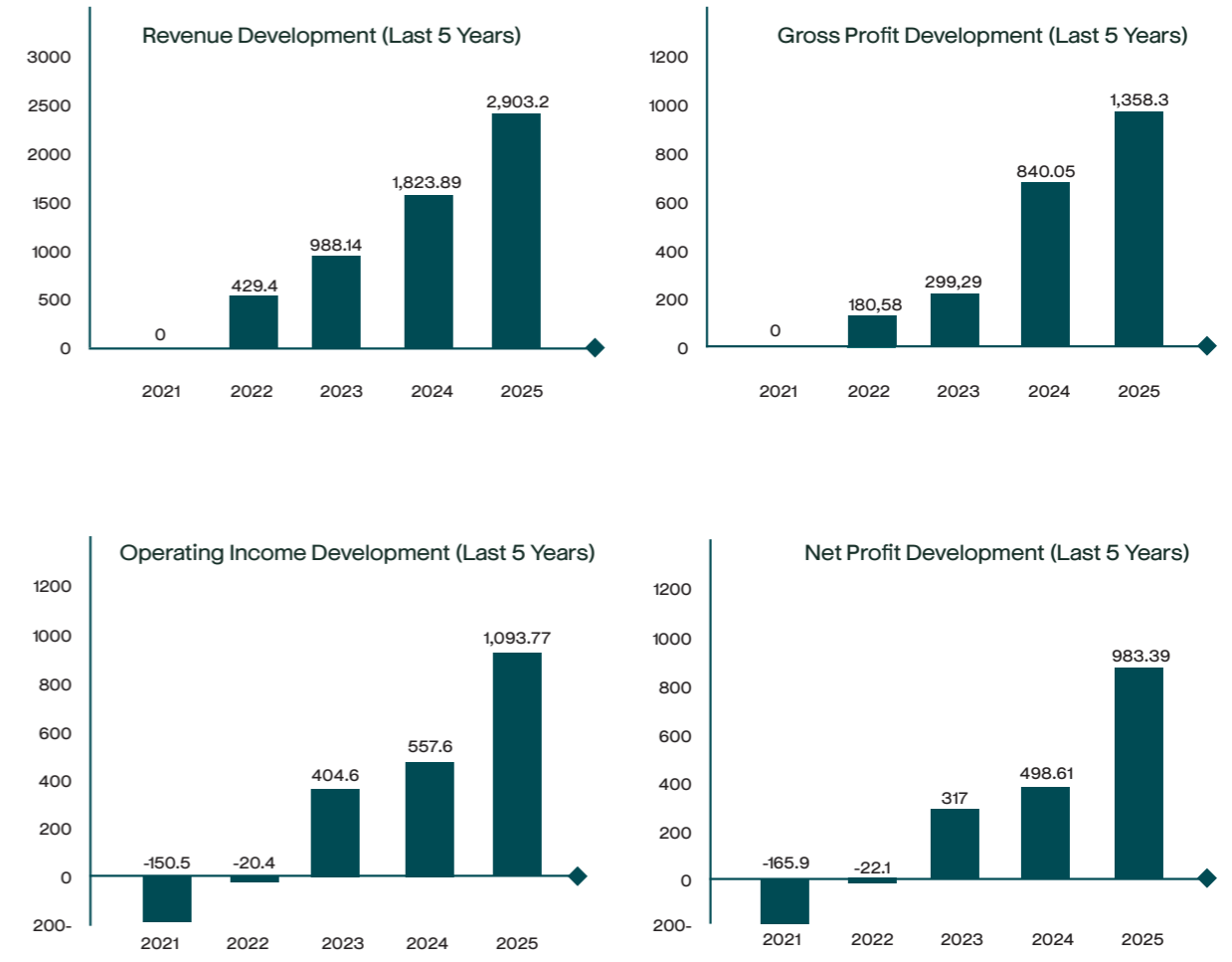
2025 Year of Harvest

Key Financial and Operational Results

(All Amounts in SAR Min)



(All Amounts in SAR Min)



Operational Data

(All Amounts in SAR Min)

Activity	2022	2023	2024	2025
Land Sales	429.40	988.14	1,813.03	2,890.63
Land Lease	--	--	10.86	12.59
Total	429.40	988.14	1,823.89	2,903.23

Section I

Overview

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The year
2025

was not merely the end of one phase and the beginning of another, but a year of consolidating the Company's new identity, demonstrating the strength of its financial model, and launching the turning point toward operation and sustainability.

Theme of the Year

◊ (Year of Harvest: From Vision to Execution)

Since its establishment in 2012, Umm Al Qura for Development and Construction has been on a transformative trajectory. One of the Company's most important phases will be completed by the end of 2025. This year truly witnessed the Company's shift from vision to execution, rightly earning to be branded as the "Year of Harvest". The ambitious vision launched over a decade ago has now been transformed into a fully integrated operational reality, with the completion of the destination's main infrastructure works. This is an unprecedented milestone in Makkah, representing the elimination of the biggest execution-related risks and paving the way to a new phase of empowerment, operation, and investment.

This historic transformation coincided with a series of landmark achievements that strengthened the Company's

position in the real estate sector, most notably its listing on the Saudi Exchange "Tadawul", making the Company today the largest listed real estate companies by market capitalization. The year also witnessed extraordinary revenue growth of 59.2% with the completion of "MASAR" Destination's primary infrastructure works, reflecting the strength of the business model based on the sale of land and the development of assets in a balanced and well-studied approach.

Furthermore, this year represents a turning point in the Company's corporate identity and operational approach, as it has transitioned from being a traditional real estate developer to a "Destination Developer" focused on designing and developing integrated visitor experiences. The hallmarks of this new identity have begun to emerge

through the Bus Rapid Transit (BRT) system, pedestrian walkways, parking facilities, and operational infrastructure built around the needs of Makkah's pilgrims and visitors. This is driven by the Company's pursuit to enhance the quality of the experience and visitor comfort in accordance with the highest standards. This lays the foundation for an operational phase that the Company will begin activating gradually, starting next year.

The completion of infrastructure works and the launch of pre-booking programs for investors also pave the way for a more transparent and consistent financial phase. Thus, shareholders can now monitor the Company's future cash flows more clearly until the completion of core assets such as hotel towers, the commercial sector, and other complementary assets within the destination, such as parking

facilities. These assets are projected to contribute to the primary revenue streams.

Accordingly, 2025 was far more than the close of one chapter and the start of another; it marked a defining moment in which the Company anchored its renewed corporate identity, affirmed the strength and future-readiness of its financial model, and set in motion a strategic shift toward integrated operations, sustainability, and long-term value creation. This milestone reflects the ambitions of Saudi Vision 2030 and positions Umm Al Qura for Development and Construction at the forefront of shaping the next generation of destination experiences in Makkah.



(The Company's business model is based on land sales, attracting investments, and developing assets in a balanced and deliberate manner)



Our Vision

Making state-of-the-art urban destinations that serve places and communities creating unparalleled experiences



Our Mission

Contribute to elevating the quality of life in the Kingdom of Saudi Arabia by making urban destinations according to the highest international standards



Our Values

Making it a point of honor to create projects that convey our values of flexibility, integrity, forward thinking, excellence

Company Overview

At the heart of Makkah, a visionary concept materialized, upon which Umm Al Qura for Development and Construction was established pursuant to Royal Decree No. (M B/6258). The Company began its journey not as a traditional real estate developer, but as a "Destination Developer" that anticipates the needs of pilgrims and visitors before they arise and innovates solutions to enhance their spiritual journey through an integrated experience that transcends basic services. This progressive approach has formed the essence of the Company's modern strategy, marking a transition from focusing on urban development to centering on the visitor experience as the primary driver of

its operations and offerings. Since its establishment in 2012, Umm Al Qura for Development and Construction has played a central role in developing King Abdulaziz Road and "MASAR" Destination, underpinned by a comprehensive vision and balanced investment approach. This approach has enabled the Company to leave its mark on the modern destination development industry through an urban destination that contributes to redefining the fabric of the urban landscape of the Holy Capital to better serve the residents of Makkah and its visitors, including both Hajj and Umrah pilgrims. Umm Al Qura for Development and Construction is the

exclusive owner and developer of "MASAR" Destination, with its operational and revenue-generating activities centered on primary segments: land sales, land lease, self-development, and joint ventures. Across an area of 1.25 million square meters, equivalent to six residential districts, the Company is developing an integrated urban infrastructure that represents a key component in achieving the objectives of Saudi Vision 2030 by establishing a modern destination appealing to millions of visitors and residents while preserving Makkah's authentic identity. "MASAR" Destination extends over an area of 3.65 kilometers, and its masterplan, upon completion, will comprise over

50,000 residential and hotel units, complemented by commercial centers, a hospital, and other essential facilities. Thanks to this urban diversity and development momentum, the destination transcends a conventional real estate project to establish itself as a blueprint for future cities, where development vision integrates seamlessly with urban innovation, reshaping the urban experience in Makkah to strike a balance between modernity and the spirit of place.

“MASAR” Destination Summary: Numbers Tell the Tale

“MASAR” Destination in Figures

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1.25 Mln ^{m²}
Total Project Area

158,000 ^{m²}
Open Space Ratio (OSR)

5.7 Mln ^{m²}
Gross Floor Area (GFA)

158,000 Residents
Total Projected Residential Capacity Upon Completion

330,000 ^{m²}
Commercial Areas

642,000 ^{m²}
Investment Plots Area

3.65 km
Pedestrian Walkway Length

363,000 ^{m²}
Total Road Network Length

11 Tunnels
Pedestrian Tunnels

320 ^m
Average Width of the Destination

161,000 ^{m²}
“MASAR” Destination Promenade, Open Areas, and Parks

36.5 %
Percentage of Land Under Development

203 Plots
Investment Land Plots

Agreements to Develop
74
Investment Land Plots

550 ^m
Distance from the Holy Mosque

141,000 ^{m²}
Area of the Mosque Centrally Located within the Project

100 %
Percentage of Completion of Major Infrastructure Works

100 ^m
Distance from Haramain Station

Key Components of "MASAR" Destination (by GFA)



62.63%

Hospitality Sector



29.55%

Residential Units



4.71%

Commercial Centers



3.11%

Other Facilities (Healthcare Centers, Office Units, etc.)



Milestones on the Path to Leadership

Incorporation and Launch of Transformation

Company incorporation and the launch of the slum clearance project, paving the way for urban transformation.

2012

Expropriation and Site Clearance

Initiation of property surveying and expropriation processes, alongside slum clearance.

2013

Infrastructure Development

Completion of slum clearance and initiation of excavation and infrastructure development activities.

2015

Comprehensive Title Deeds

The Royal Decree was issued, approving the issuance of four comprehensive title deeds, aimed at setting the defining hallmarks for the future landmark destination.

2021

2026

Operation

Completion of major infrastructure works, represented by the opening of "MASAR" Destination, the operation of power substations, and the operation of the solid waste treatment system and the ICT data center.

2025

- ◆ Listing on the Saudi Exchange (Tadawul)
- ◆ Completion of major infrastructure works.
- ◆ Soft opening of King Abdulaziz Road

2024

IPO Approval

The Capital Market Authority (CMA) approved the IPO on the Main Market of the Saudi Exchange (Tadawul).

2023

Transition to Profitability

The successful transition to profitability validates the success of the Company's financial sustainability model.

2022

Execution and Investment

The project successfully transitioned into the actual execution phase of its business model, driven by investment transactions and commencing revenue realization.

Key Achievements in 2025



03 February

Completion of the sale of two land plots with a total area of 5,588 m² for SAR 498.8 million within MASAR Destination in Makkah.



24 March

The listing of Umm Al Qura for Development and Construction Company and the bell-ringing ceremony marking the commencement of trading on the Saudi Exchange.



08 July

Selling two land plots to Wijhat Al Bayt Real Estate Company, a special purpose vehicle for Wijhat Al Bayt Fund and managed by Dinar Company, as a strategic development partner to develop two residential towers featuring about 412 units.



27 July

Inking an agreement to sell five land plots to Mohammed Al Habib Real Estate Company, to build five mixed-use towers featuring hotel, commercial, and residential units, with investments exceeding SAR 1.6 billion.



26 June

Inking an agreement to sell a land plot for SAR 255.8 million with the Manzil Investment Fund (a private real estate investment fund managed by Jadwa Investment).



29 June

Signing a land sale agreement with Watheeq Capital Fund and Retal Urban Development Company to develop a luxurious residential tower featuring up to 200 units, with an investment exceeding SAR 600 million.



14 August

Signing a land sale agreement with Jazeel Al-Bina'a, a special purpose vehicle of a real estate fund managed by SEDCO Capital, to develop a residential tower comprising 200 units, with an investment value over SAR 375 million.



01 September

Signing a reservation agreement for the sale of two land plots to Shulat Al-Wadi Real Estate Company, a special purpose vehicle of a real estate fund managed by SEDCO Capital, with up to SAR 1.4 billion investments to develop two residential towers.



07 September

Signing two reservation agreements for the sale of two land plots with a total area of 4,886.02 m² for SAR 438.8 million.



18 September

Signing of a reservation agreement for the sale of two land plots with Mosa Abdulaziz Al Mosa Real Estate Holding Group, within the prereservation mechanism for land sales, to develop two integrated towers (hotel and commercial) with investments exceeding SAR 1.3 billion.



16 November

Signing a reservation agreement for the sale of a land plot with Sharq Al-Asimah Fund Company, a real estate fund managed by Alistithmar Capital, to develop hotel units featuring approximately 195 hotel apartments, with investments amounting to SAR 493 million.



17 November

Entering into a sale agreement for a land plot with an area of 2,861.79 square meters for a value of SAR 204.6 million to Jazeel Al-Binaa Co.



30 September

Signing a reservation agreement with Numu Company for the sale of a land plot in the central area of MASAR Destination, with an investment of SAR 700 million to develop a hotel tower.



16 November

Signing a reservation agreement for the sale of two plots of land with Madar Al-Tasi Company (a real estate fund managed by Alistithmar Capital) within the pre-reservation model for the sale of land, to develop two residential towers, in collaboration with Dar Al-Majed Real Estate Company and Obeikan Real Estate Development Company, with investments over SAR 1.1 billion.



17 November

Completion of the sale of two land plots with a total area of 5,311.01 m² for 328.8 million SAR to Shulat Al-Wadi Real Estate Company.



18 November

Signing a reservation agreement to sell a land plot of 4,487.38 m² valued at SAR 210.7 million with BLOMINVEST and Heyazah Real Estate Development Company.



18 November

Signing an agreement to reserve two land plots with Buyout Al-Khomasih Group, a Madar Fund of BLME Financial Company to develop two residential towers comprising 547 residential units with investments exceeding SAR 1 billion.



18 November

Signing a community partnership agreement with Holy Makkah Municipality to develop and beautify the intersection of Prince Mohammed Bin Salman Road and the entrance to MASAR Destination, with an area of 224,000 m², as part of "For the Love of Makkah" initiative.



18 November

The leading global hospitality brand Marriott joined MASAR Destination through establishing the "Courtyard by Marriott Makkah MASAR" hotel, which marks the Group's 100th hotel in the Kingdom.



25 December

Signing two land sale agreements with a total area of 7,408.58 m² within the Masar Destination in Makkah.



Obtaining ISO 27001 Certification, reflecting the Company's commitment to implementing global best practices in governance and information security, alongside enhancing system reliability and data protection in line with the approved corporate governance framework.



The Company scored

85%

in its first participation in the GRESB Index, exceeding the average results of first participations, which usually stands at 68%, reflecting the progress made in applying environmental, social and governance standards.

Information for Shareholders

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A. Shareholder Information Table:

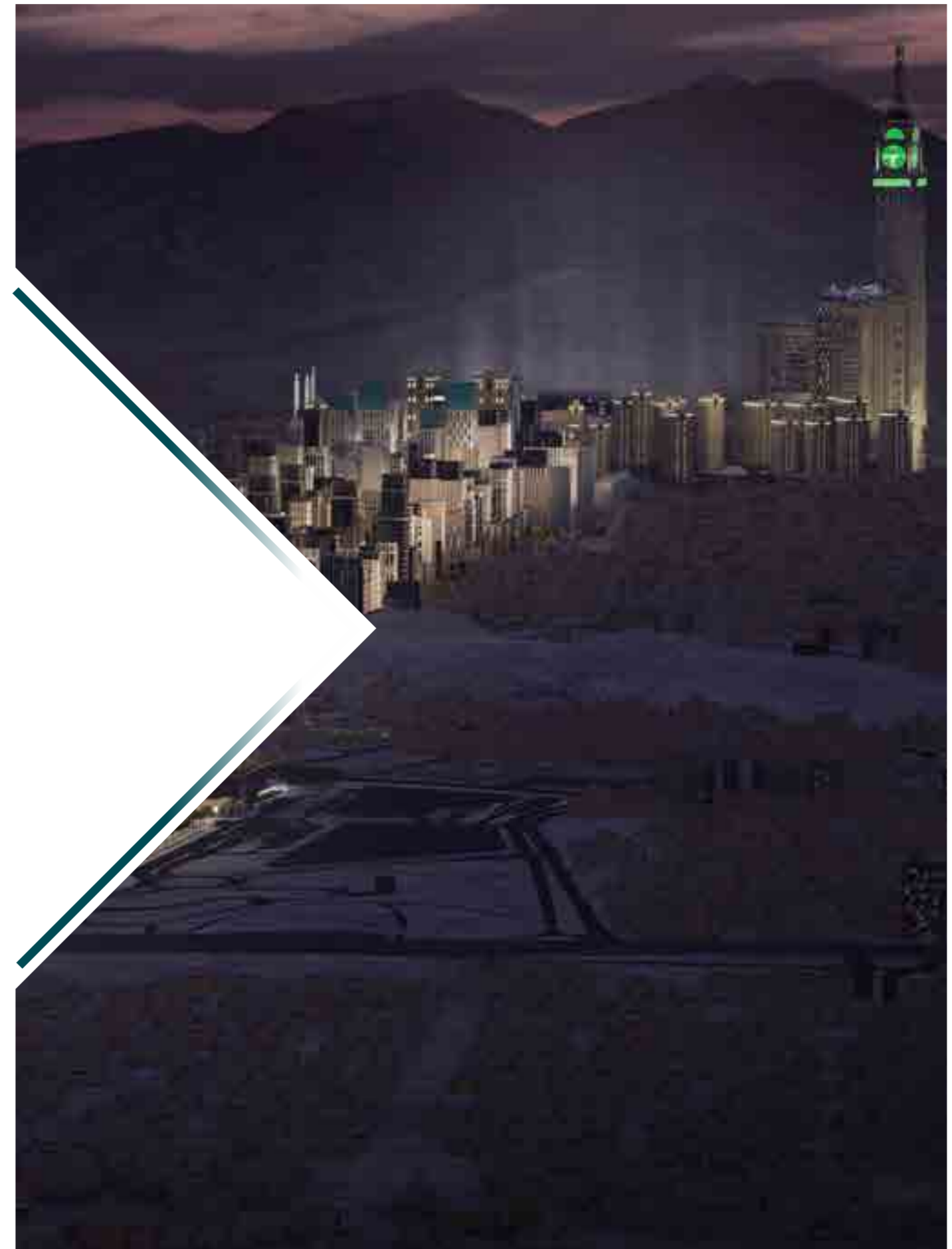
Date Established	2012
Listing Date	24 March 2025
Capital Market	Saudi Stock Exchange (Tadawul)
Short Name on Tadawul	MASAR
Company's Symbol on Tadawul	4325
ISIN Code	SA169G713IH8
Line of Business	Real Estate Development
Sector	Real Estate Management and Development
Number of Issued Shares	1.438 Bln Shares
Nominal Value/Share	SAR 10
Paid-up Capital	SAR 14.39 Bln
Foreign Ownership as of Year-End 2025	4.85%
Free Floats as of Year-End 2025	52.5%
Closing Price as of Year-End 2025	SAR 17.19
Market Cap as of Year-End 2025	SAR 24.73 Bln

Data based on the shareholders' register from "Edaa" website.

B. Major Company Shareholders as of 31 December 2025:

Shareholder Name	No. of Shares (Mln)	Percentage of Total Shares (%)
General Organization for Social Insurance (GOSI)	346.00	24.05%
Public Investment Fund (PIF)	234.29	16.29%
Dallah Albaraka Holding Company	103.15	7.17%

Data based on the shareholders' register from "Edaa" website.



C. Number and Classification of Shareholders:

	As of Year-End 2024	As of Year-End 2025
Number of Shareholders	154	167,266
Individuals	130	166,846
Institutions	24	420

D. Funds Affiliated with the Company:

Fund Name	Country of Incorporation and Principal Place of Business	Core Business Activity	Ownership Percentage at Year-End 2025
Alinma Makkah Development Fund I	KSA	Real Estate Investments	100%
Alinma Makkah Development Fund II	KSA	Real Estate Investments	100%



The Company's activities comprise real estate operations, including the purchase, sale, and subdivision of land and properties; off-plan sales activities; and management and leasing of owned or leased properties (non-residential). Additionally, the Company is engaged in construction activities encompassing general construction of residential and non-residential buildings such as schools, hospitals, hotels, and other facilities; construction of roads, streets, and sidewalks with associated road infrastructure; and construction of bridges and tunnels.



E. Evolution of Foreign Investor Ownership in the Company as of Year-End 2025:

Ownership of All Foreign Investors

As of 31 December 2024	As of 31 December 2025
0.0%	4.85%

F. Analyst Recommendations on the Company During 2025:

Research Firm	Previous Recommendation	Recommendation	Price at Recommendation (SAR)	Target Price (SAR)	Change
GIB Capital	Coverage Initiated	Neutral	23.04	24.60	6.77%
Mubasher Capital	Coverage Initiated	Coverage Initiated	15.00	18.00	20.00%
Alawwal Capital Co. (ALAWWAL)	Coverage Initiated	Coverage Initiated	15.00	27.03	80.20%
Alinma Capital	Coverage Initiated	Neutral	24.2	24.5	1.24%

G. Stock Performance in 2025:

Monthly Performance Analysis of the Company's Stock for 2025

Month	Current Closing Price	Previous Closing Price	Change	Change %
March	23.92	15.00	8.92	37.29%
April	25.00	23.92	1.08	4.32%
May	22.94	25.00	(2.06)	(8.98%)
June	24.92	22.94	1.98	7.95%
July	23.23	24.92	(1.69)	(7.28%)
August	22.60	23.23	(0.63)	(2.79%)
September	24.70	22.60	2.10	8.50%
October	24.17	24.70	(0.53)	(2.19%)
November	19.33	24.17	(4.84)	(25.04%)
December	17.9	19.33	(2.14)	(11.07%)

Data from Tadawul's Website

H. Stock Trading Activity for 2025:

Monthly Trading Volume for the Company's Stock in 2025

Month	Trading Volume (Shares)	Trading Value (SAR)	Number of Trades
March	147,693,753	3,236,459,338	251,850
April	19,844,5072	4,657,779,362	338,223
May	83,646,418	2,042,886,366	175,871
June	52,479,116	1,208,840,186	105,485
July	63,817,450	1,593,405,697	137,916
August	32,096,276	737,135,912	78,811
September	55,129,773	1,297,983,560	84,723
October	34,432,523	837,592,618	58,301
November	87,559,170	1,820,985,255	81,225
December	40,956,495	755,494,091	68,711
Total	796,256,046	18,188,562,385	1,381,116

Closing Price as of 31 December 2025

SAR 17.19

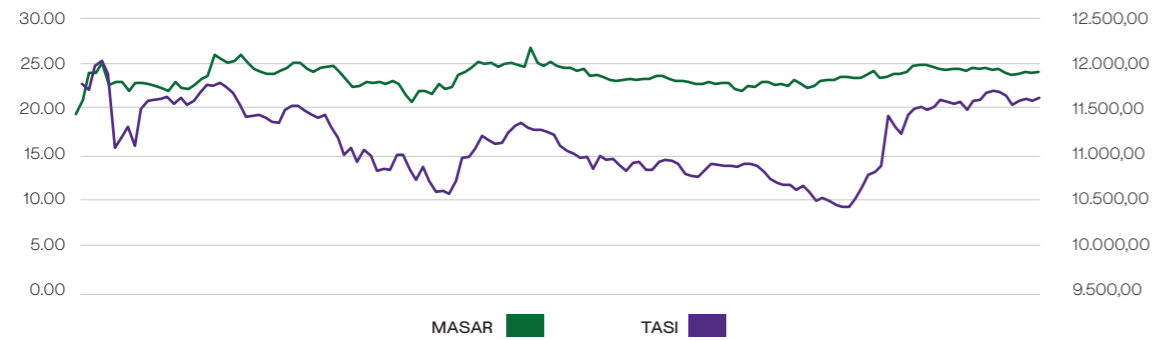
Highest Price During the Year/Date

SAR 26.98 on 09 July

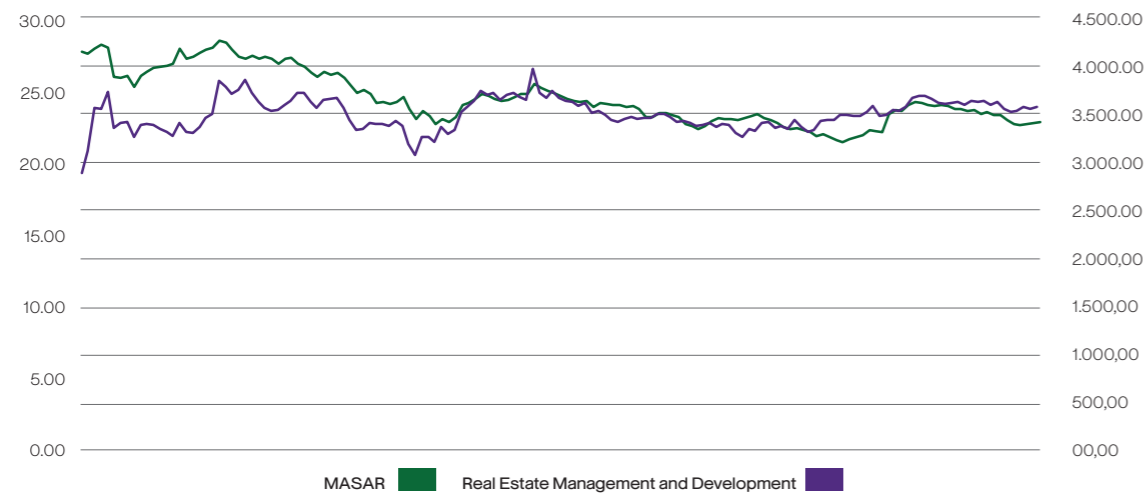
Lowest Price During the Year/Date

SAR 16.5 on 24 March

Umm Al Qura for Development and Construction Stock Compared to Tadawul All Share Index (TASI) in 2025



Umm Al Qura for Development and Construction Stock Compared to the Sector Index in 2025



Section II

Financial Performance

2

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CFO's Message



Dear Valued Shareholders,

The year 2025 stands as a defining milestone in the financial trajectory of Umm Al Qura for Development and Construction. We have achieved exceptional financial growth, catalyzed by the tangible progress of "MASAR" Destination and a strategic evolution of our revenue model, all while maintaining rigorous fiscal discipline and a robust financial position.

This momentum is reflected in our key metrics: revenue surged by 59.2% to SAR 2.9 billion, compared to 2024, driven by accelerated asset activation and landmark investment agreements. Gross income rose by 61.69% to SAR 1.36 billion, while operating income climbed 96.14% to SAR 1.1 billion, underscoring our heightened operational efficiency and improved cost structure.

Notably, net income witnessed a quantum leap to SAR 983.39 million, a 97.2% increase compared to the year before, boosting earnings per share (EPS) to SAR 0.70 compared to SAR 0.38, even with a 5% increase in the weighted average shares, a testament to our ability to generate sustainable shareholder value.

The Financial Department remains dedicated to optimizing capital and aligning cash flows with development and operational requirements, supporting our gradual transition from development to full-scale operations, and

strengthening the Company's readiness for the upcoming phase, which coincides with the full operation of the Destination in 2026.

The investment deals secured throughout the year have been instrumental in fortifying our future revenue streams and sharpening our long-term financial visibility. By maintaining a calibrated approach to risk and liability management, we continue to ensure sustained financial performance and a resilient financial position across different market conditions.

As we look to the horizon, we remain steadfast in our commitment to implementing global financial best practices and elevating our standards of transparency and governance. Our focus is clear: to drive a strategy that maximizes asset returns and delivers sustainable financial growth in lockstep with the ambitious objectives of Saudi Vision 2030.

In closing, I would like to extend my sincere gratitude to the Board of Directors, the Executive Management Team, and all our personnel for their collaborative efforts and dedication. We remain unwavering in our commitment to driving shareholder value and championing the Company's path toward enduring financial success.

Saeed Othman Al-Ghamdi

CFO

**Umm Al Qura for Development
and Construction**

Financial Performance Overview for 2025

STATEMENT OF MATERIAL VARIANCES IN OPERATING RESULTS: FY2025 VS. FY2024

Description	2024	2025	Amount	Change (%)
Revenue	1,823,890,442	2,903,226,919	1,079,336,477	59.17%
Cost of Revenue	(983,835,644)	(1,544,872,170)	561,036,526	57.02%
Gross Profit	840,054,798	1,358,354,749	518,299,951	61.69%
Other Operating Income	62,675,715	118,030,819	55,355,104	88.32%
Other Operating Expenses	(79,539,698)	--	--	--
General and Administrative (G&A) Expenses	(197,630,308)	(269,325,791)	(71,695,483)	36.28%
Selling and Marketing Expenses	(63,793,704)	(92,453,478)	28,659,774	44.92%
Provision for Credit Losses (PCL)	(4,122,012)	(20,837,896)	(16,715,884)	405.53%
Operating Profit	557,644,791	1,093,768,403	536,123,612	99.56%
Finance Income	16,354,730	13,809,081	(2,545,649)	(15.56%)
Finance Costs	(39,967,433)	(80,643,636)	(40,676,203)	101.77%
Income/Loss before Zakat	534,032,088	1,026,933,848	492,901,760	92.30%
Zakat	(35,421,888)	(43,544,646)	(8,122,758)	22.93%
Profit for the Year	498,610,200	983,389,202	484,779,002	97.23%

Development of Quarterly Financial Results: 2024 - 2025

(All Amounts in SAR Min)

Description	Q1		Q2		Q3		Q4	
	2024	2025	2024	2025	2024	2025	2024	2025
Total Revenues	184.43	501.98	576.32	669.18	266.68	1,265.82	796.46	466.24
Total Profit	72.48	231.42	253.77	323.31	155.57	569.41	358.24	234.22
Operating Profit/Loss	21.39	175.77	217.7	248.93	123.83	540.27	194.72	128.81
Net Profit/Loss	4.81	159.66	187.36	236.68	116.90	516.57	189.55	70.49

Segment Information

The Group operates through a single reportable operating segment, representing its strategic business unit. The Board of Directors and the CEO, acting as the Chief Operating Decision Maker (CODM), monitor and review the Group's operating results for the purposes of performance assessment and efficient resource allocation.

Geographic Analysis of Sales

(All the Company's activities are conducted within the Kingdom)

(All Amounts in SAR Min)

Year	Land Sales Revenue
2024	1,813,033,700
2025	2,890,633,098
Change %	59.44%

Development of the Company's Assets: 2021 - 2025

Item	31 December 2021	31 December 2022	31 December 2023	31 December 2024	31 December 2025
Non-current Assets					
Investment Properties	18,201,657,289	20,619,922,703	20,692,784,106	20,208,204,519	16,260,306,245
Property and Equipment	8,827,865	363,341,959	395,239,010	539,222,138	3,683,237,667
Properties Under Development - Long-term	-	-	-	203,051,171	-
Trade Receivables - Non-current	-	120,065,909	614,364,413	1,137,325,748	1,171,771,612
Right-of-Use Assets	12,232,054	11,472,288	9,855,171	10,814,213	11,227,305
Intangible Assets	43,263	6,896,403	10,780,142	8,569,545	28,974,492
Investment in Associates	-	-	500,000	-	-
Total Non-current Assets	18,222,760,471	21,121,699,262	21,723,522,842	22,107,187,334	21,155,517,321
Current Assets					
Properties under Development	-	94,820,155	212,209,142	869,036,684	2,415,388,541
Investments at Fair Value	-	11,495,530	7,392,966	7,803,490	101,088,601
Trade Receivables - Current	-	266,281,278	414,807,644	959,939,887	1,616,298,938
Prepayments and Other Receivables	105,506,679	228,834,097	316,450,528	287,915,469	187,629,693
Short-term Investments	-	-	-	315,000,000	-
Cash and Cash Equivalents (CCE)	2,769,894,105	922,272,956	538,512,311	513,357,637	226,969,596
Total Current Assets	2,875,400,784	1,523,704,016	1,489,372,591	2,953,053,167	4,547,375,369
Total Assets	21,098,161,255	22,645,403,278	23,212,895,433	25,060,240,501	25,702,892,690

Development of Liabilities and Equity: 2021 - 2025

Item	31 December 2021	31 December 2022	31 December 2023	31 December 2024	31 December 2025
Shareholders' Equity					
Share capital	11,873,065,360	13,078,614,190	13,078,614,190	13,078,614,190	14,386,475,610
Share Premium	-	-	-	-	600,340,937
Retained Earnings/Accumulated Losses	(904,585,558)	(924,458,517)	(605,770,513)	(108,692,762)	876,944,549
Total Shareholders' Equity	10,968,479,802	12,154,155,673	12,472,843,677	12,969,921,428	15,863,761,096
Non-current Liabilities					
Loans (Non-current)	6,859,600,364	7,089,205,525	8,633,935,961	9,840,480,900	7,142,431,366
Lease Liabilities	11,564,988	10,502,952	8,250,948	9,197,363	8,674,639
Retention Payables	238,405,486	128,801,427	133,497,776	142,030,478	25,673,180
Employee Benefits	14,610,659	16,092,321	18,307,959	23,378,897	22,716,158
Total Non-current Liabilities	7,124,181,497	7,244,602,225	8,793,992,644	10,015,087,638	7,199,495,343
Current Liabilities					
Loans (Current)	94,999,430	-	-	150,053,514	336,644,252
Lease Liabilities	1,405,082	1,850,054	2,558,000	2,558,000	3,195,200
Land Compensation Payables	2,434,757,114	1,771,728,727	460,557,613	421,353,827	422,294,021
Trade Payables	17,033,909	137,511,931	75,142,964	83,130,871	40,604,287
Zakat Provision	16,131,059	13,105,040	80,642,326	35,845,104	46,644,148
Accrued Expenses and Other Liabilities	441,143,362	1,322,449,628	1,327,158,209	1,382,290,119	1,790,254,343
Total Current Liabilities	3,005,499,956	3,246,645,380	1,946,059,112	2,075,231,435	2,639,636,251
Total Liabilities	10,129,681,453	10,491,247,605	10,740,051,756	12,090,319,073	9,839,131,594
Total Liabilities and Shareholders' Equity	21,098,161,255	22,645,403,278	23,212,895,433	25,060,240,501	25,702,892,690

Summary of the Company's Operations, Assets, and Liabilities over the Last 5 Years

Statement / Year	2021	2022	2023	2024	2025
Statement of Income					
Revenue	--	429,399,522	988,143,756	1,823,890,442	2,903,226,919
Cost of Revenue	--	(248,820,672)	(688,857,300)	(983,835,644)	(1,544,872,170)
Gross Profit	--	180,578,850	299,286,456	840,054,798	1,358,354,749
Operating Profit	(150,502,448)	(20,405,690)	404,589,781	557,644,791	1,093,768,403
Net Income Attributable to Shareholders of the Parent Company	(165,901,251)	(22,096,205)	316,996,501	498,610,200	983,389,202
Earnings per Share (EPS) (SAR)	(0.16)	(0.02)	0.24	0.38	0.70
Statement of Financial Position					
Current Assets	2,875,400,784	1,523,704,016	1,489,372,591	2,953,053,167	4,547,375,369
Non-current Assets	18,222,760,471	21,121,699,262	21,723,522,842	22,107,187,334	21,155,517,321
Total Assets	21,098,161,255	22,645,403,278	23,212,895,433	25,060,240,501	25,702,892,690
Current Liabilities	3,005,499,956	3,246,645,380	1,946,059,112	2,075,231,435	2,639,636,251
Non-current Liabilities	7,124,181,497	7,244,602,225	8,793,992,644	10,015,087,638	7,199,495,343
Total Liabilities	10,129,681,453	10,491,247,605	10,740,051,756	12,090,319,073	9,839,131,594
Equity	10,968,479,802	12,154,155,673	12,472,843,677	12,969,921,428	15,863,761,096
Total Liabilities and Equity	21,098,161,255	22,645,403,278	23,212,895,433	25,060,240,501	25,702,892,690
Cash and Cash Equivalents (CCE)	2,769,894,105	922,272,956	538,512,311	513,357,637	226,969,596
Total Loans	6,954,599,794	7,089,205,525	8,633,935,961	9,990,534,414	7,479,075,618
Cash Flow Statement					
Cash Flow from Operating Activities (CFO)	183,939,493	(582,329,048)	1,166,409,336	443,046,674	2,147,352,000
Cash Flow from Investing Activities (CFI)	(999,277,151)	(1,094,074,145)	(2,652,173,082)	(1,175,501,164)	(1,058,097,492)
Cash Flow from Financing Activities (CFF)	3,516,810,615	(171,217,956)	1,102,003,101	707,299,816	(1,375,642,549)



Key Financial Indicators and Ratios

Description	2021	2022	2023	2024	2025
Liquidity Ratios					
Current Ratio	0.96	0.47	0.77	1.42	1.72
Cash Ratio	0.92	0.28	0.28	0.25	0.09
Debt Ratio					
Total Debt to Total Assets	32.96%	31.31%	37.19%	39.87%	29.10%
Total Debt to Equity (D/E)	63.41%	58.33%	69.22%	77.03%	47.15%
Net Debt (amount in million SAR)	4,184.71	6,166.93	8,095.42	9,477.18	7,252.11
Profitability Ratios					
Gross Profit Margin	0.00%	42.05%	30.29%	46.06%	46.79%
Net Profit Margin	0.00%	(5.15%)	32.08%	27.34%	33.87%



Revenue and Expense Analysis

Item	2021	2022	2023	2024	2025
Revenue	-	429,399,522	988,143,756	1,823,890,442	2,903,226,919
Cost of Revenue	-	(248,820,672)	(688,857,300)	(983,835,644)	(1,544,872,170)
Gross Profit	-	180,578,850	299,286,456	840,054,798	1,358,354,749
Other Operating Income	12,875,936	30,649,503	386,578,153	62,675,715	118,030,819
Other Operating Expenses	-	-	-	(79,539,698)	-
General and Administrative (G&A) Expenses	(138,462,030)	(159,692,797)	(218,510,066)	(197,630,308)	(269,325,791)
Selling and Marketing Expenses	(15,780,904)	(45,007,189)	(60,419,529)	(63,793,704)	(92,453,478)
Provision for Credit Losses (PCL)	-	(845,005)	(2,345,233)	(4,122,012)	(20,837,896)
Operating Profit/Loss	(154,242,934)	(25,902,712)	404,589,781	557,644,791	1,093,768,403
Finance Income	9,135,450	26,089,052	21,764,334	16,354,730	13,809,081
Finance Costs	(13,914,909)	(20,189,106)	(34,222,640)	(39,967,433)	(80,643,636)
Profit/Loss before Zakat	(155,281,907)	(14,505,744)	392,131,475	534,032,088	1,026,933,848
Zakat	(10,619,344)	(7,590,461)	(75,134,974)	(35,421,888)	(43,544,646)
Net Profit/Loss for the Year	(165,901,251)	(22,096,205)	316,996,501	498,610,200	983,389,202

Loans

Development of the Company's Loans: 2024 - 2025

(All Amounts in SAR)

Description	2024 Value	2025 Value	Change %
Loans and Facilities (Non-current)	9,840,480,900	7,142,431,366	(27.42%)
Loans and Facilities (Current)	150,053,514	336,644,252	124.35%
Total	9,990,534,414	7,479,075,618	(25.14%)

S	Lending Entity	Loan Principal	Loan Tenor	Maturity Date (Including Available Extensions)	Repayments during the Year	Remaining Loan Balance	Total Indebtedness of the Company and its Subsidiaries as of Year-End 2025
1	Alinma Bank	6,500,000,000	9	2033	1,485,509,632	3,007,643,620	2,006,846,748
2	Alinma Bank	4,100,000,000	7	2029	1,500,000,000	1,500,000,000	2,600,000,000
3	Alinma Bank	400,000,000	12-Month Revolving Tenor	No Withdrawn Funds from the Facilities	-	400,000,000	-
4	Bank Aljazira	2,900,000,000	7	4 Annual Installments Starting 2028	-	807,439,927	2,092,560,073
5	Riyad Bank	800,000,000	4	4 Annual Installments Starting 2025	150,053,514	123,476,506	676,523,494
6	Riyad Bank	500,000,000	12-Month Revolving Tenor	2026	300,000,000	370,000,000	130,000,000
7	Alrajhi Bank	500,000,000	12-Month Revolving Tenor	No Withdrawn Funds from the Facilities	-	500,000,000	-
	Total	15,700,000,000			3,435,563,146	6,708,560,053	7,479,075,618

Statutory Dues and Payments

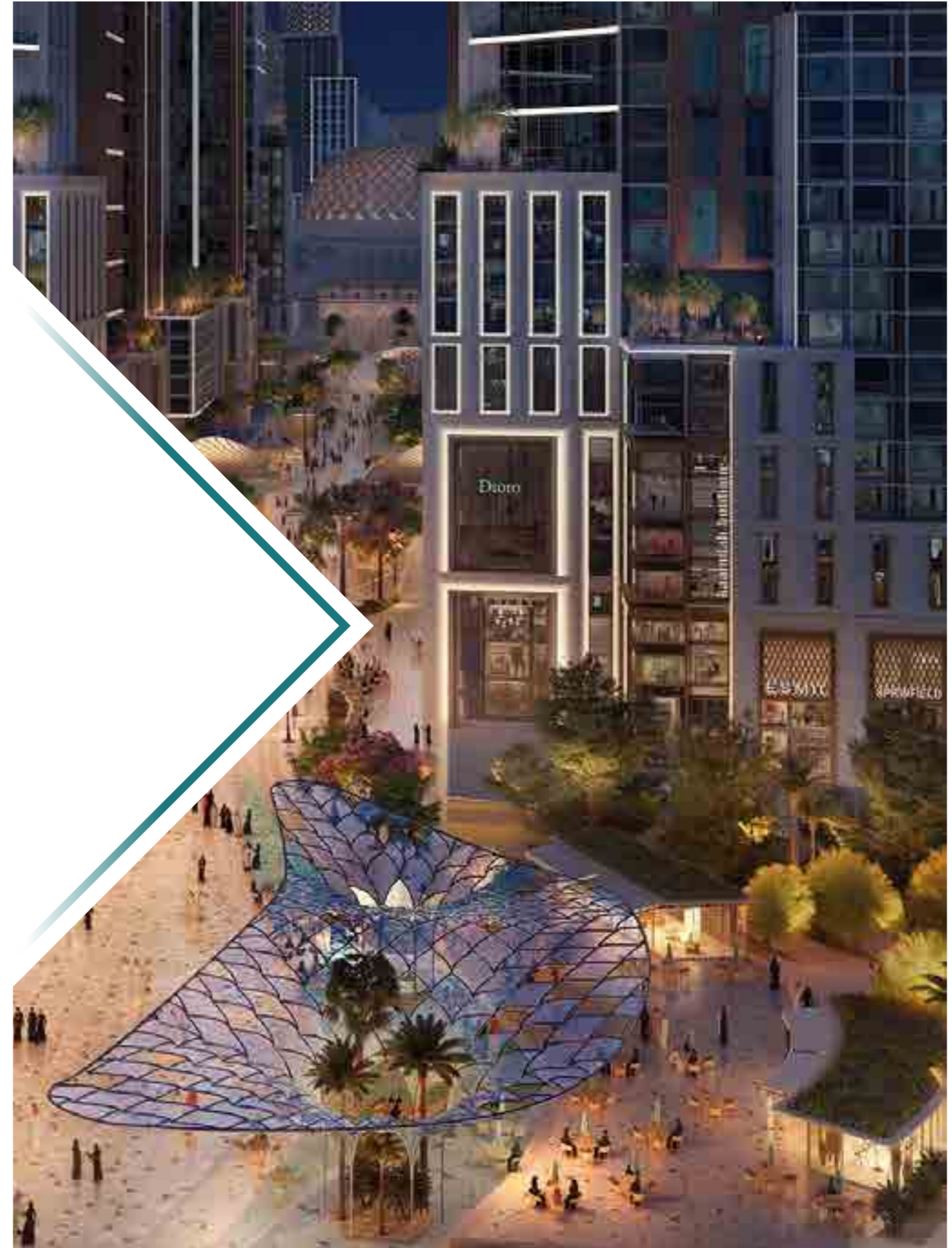
Regulatory Entity	2025		Brief Description	Reasons for Non-payment
	Paid	Due but Unpaid at Year-End		
Provision for Zakat and Taxes	32,745,602	43,544,646	Amounts accrued in accordance with the regulations and rules of the Zakat, Tax and Customs Authority (ZATCA)	Regulatory Requirements
General Organization for Social Insurance (GOSI)	5,188,252	472,069	Amounts accrued in accordance with the regulations of the General Organization for Social Insurance (GOSI)	Regulatory Requirements
Visas and Passports	497,339	-	Amounts paid in accordance with the regulations and rules of the Ministry of Human Resources and Social Development (Labor Office) and the General Directorate of Passports for Residents and Business Visits	Regulatory Requirements

Statement of Employee Benefit Reserves

The Company operates a defined benefit plan for post-employment benefits, as mandated by the Saudi Labor Law. The End-of-Service Benefits are determined based on the employees' final salaries and allowances, in addition to their cumulative years of service, in accordance with the Kingdom laws. As of year-end 2025, the balance of the End-of-Service Benefits provision stood at SAR 22,716,158.

Furthermore, the Company has implemented a long-term incentive plan (LTIP). This LTIP is strategically designed to retain and motivate the Senior Executives and key employees, as identified by the Nomination and Remuneration Committee (NRC), to drive the Group's long-term strategic objectives. The LTIP

spans a three-year cycle commencing on 01/01/2024 (corresponding to 19/06/1445H). Upon completion of this term, the Board of Directors will restructure the LTIP to align with the Company's future strategic milestones. Cash bonuses under this LTIP are vested according to a specific framework linked to the achievement of performance KPIs approved by the Board. For the fiscal year 2025, an estimated provision of SAR 20,000,000 has been allocated for this LTIP, noting that final disbursements may vary based on the actual achievement levels of the designated performance conditions.



Section III

“MASAR”

Destination: New Dimensions for Integrated Urban Development

3

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Overview of "MASAR" Project

"MASAR" Destination is a fully integrated urban development project spanning a total area of 1.25 million m². The project is designed to transform Makkah's urban landscape and elevate the quality of life for both residents and visitors. Guided by a strategic development vision, "MASAR" seeks to strike a precise balance between sustainable urban growth and the achievement of targeted economic returns.

The project stands as one of the key urban developments in the Holy City, driven by a comprehensive master plan designed to redefine the urban landscape of the Central Area. "MASAR" aims to bolster infrastructure and readiness to accommodate the increasing influx of both Hajj and Umrah pilgrims and visitors.

Designed as a holistic mixed-use destination, the project incorporates a diverse portfolio of residential and hotel units, commercial centers, office spaces, and a full-scale hospital, complemented by a range of social and cultural facilities. The project further features a primary pedestrian walkway providing seamless access to the Holy Mosque. This link reinforces "MASAR" standing as a premier, comprehensive urban destination.

The project's total built-up area stands at approximately 5.7 million m². This footprint is strategically allocated across a diverse range of facilities and services, all developed in accordance with the latest modern urban standards. The project aspires to develop an integrated urban destination that merges cutting-edge infrastructure with contemporary architectural design, while meticulously preserving the spiritual and historical nature of the region.

Project Location and Main Components

Strategic Location and Iconic Architectural Identity

Strategically located in western Makkah, "MASAR" Destination is situated just 550 meters from the Holy Mosque and adjacent to the western boundary of Jabal Omar. This strategic location facilitates enhanced connectivity between the city's major ring roads and key arterial streets, including Abdullah Arif Street and Mansour Street.

King Abdulaziz Road serves as the Destination's primary axis, featuring an integrated network of roads, tunnels, and Makkah Metro stations. Additionally, the project includes comprehensive transportation facilities and parking lots with a total capacity exceeding 5,500 vehicles.

This integration facilitates enhanced connectivity between the First, Second, and Third Ring Roads, significantly streamlining traffic flow and mobility within the Central Area. King Abdullah Mosque stands at the center of the boulevard, adding a profound spiritual and aesthetic dimension that enriches the Destination's overall urban landscape.

Execution Phases

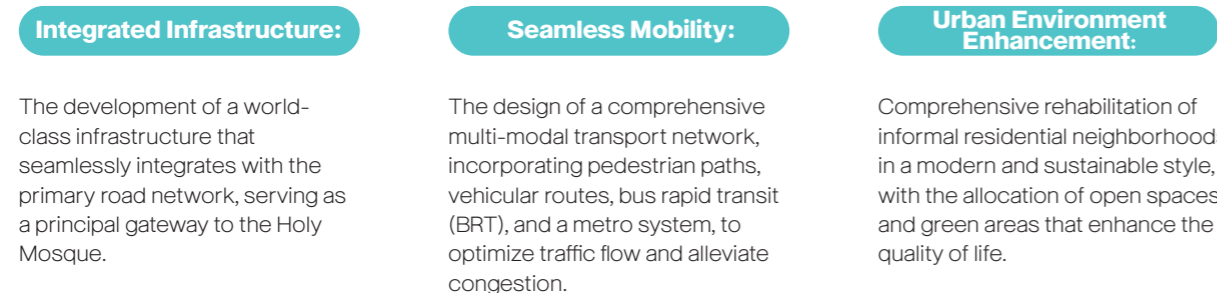
Phase I: Launch and Readiness

The five-year foundational phase served as a critical launching pad for the establishment of “MASAR” Destination. This phase involved intensive efforts to empower the project’s launch within the necessary legal and financial frameworks.



Phase II: Finalizing the Destination's Landscape

Upon finalizing the site survey and clearance works, the Company commenced the construction phase, aiming to transform the area into a modern, integrated urban hub that prioritizes quality of life and elevates the overall visitor experience. Following the completion of property survey and site clearance activities, this phase focused on the following key objectives:



Phase III: Operation and Visitor Experience

The completion of the main infrastructure works in 2025 marks a landmark milestone in the Company's trajectory. In 2025, “MASAR” Destination project achieved a significant milestone through the launch of the trial operation of King Abdulaziz Road in October. The opening is scheduled to proceed in a phased rollout, leading up to the official grand opening and full-scale operational readiness during 2026.

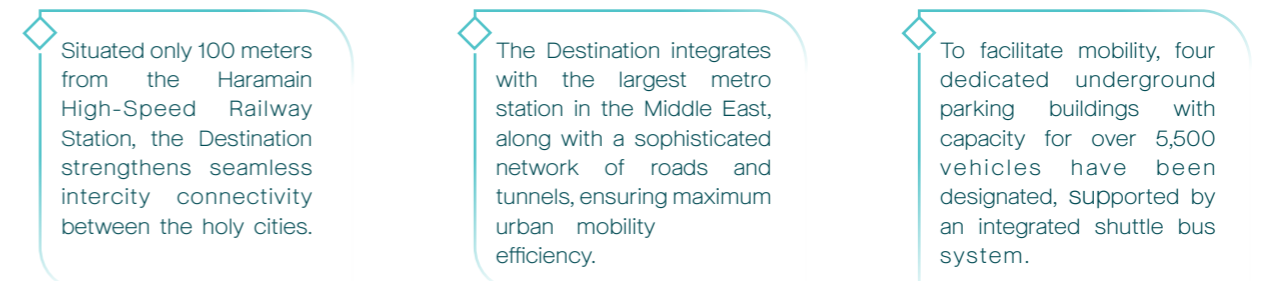


Investment Opportunities

The Destination serves as a promising investment platform, underpinned by unique structural attributes that ensure sustainable cash flows and deliver rewarding returns. Key structural attributes include the following:



“MASAR” Destination is distinguished by its seamless connectivity to major transportation networks:



This logistical integration ensures seamless and flexible mobility, directly supporting the objectives of Saudi Vision 2030 in serving the pilgrims.

Competitive Edge of "MASAR" Destination



A prime strategic location in proximity to the Holy Mosque



An integrated transport system ensuring seamless mobility



Modern hotel and residential towers catering to diverse needs



Enhanced quality of life through advanced infrastructure



Cutting-edge digital infrastructure supported by IoT technology



Job creation opportunities to support economic development



Promising investment prospects across multiple sectors



A pedestrian walkway and open-air commercial spaces



Retail outlets and modern office spaces



Social, cultural, and recreational facilities



A diverse range of restaurants and cafés



Shuttle buses for seamless mobility



Primary pedestrian walkway



The largest metro station in the Middle East



State-of-the-art hospital



Investment Vision for the Futur

Building on the momentum, "MASAR" continues to solidify its position as a leading developer of future-ready destinations. This strategy is predicated on striking a meticulous balance between risk mitigation and the optimization of long-term returns.

The year 2025 marked a pivotal strategic turning point, underscored by the signing of a series of agreements to develop **20 new investment projects, including sales and leases.** This substantial portfolio of partnerships

solidifies "MASAR" leadership as the first fully integrated investment platform in Makkah.

These executed investment agreements serve as a testament to the Company's unwavering commitment to driving sustainable economic growth through high-caliber urban development. This approach ensures the optimization of return on investment (ROI) while contributing substantively to the realization of national strategic objectives.

2025 Investment Agreements and Contract Sales Agreements during the Year

Date	Agreement	Entity	Project Objectives	Transaction Value
03 February 2025	Sale of two land plots measuring 5,588.02 m ² within "MASAR" Destination in Makkah	Al Manzel Al Jadeed Real Estate Holding Co.	Development of Two Residential Towers	SAR 498.8 Mln
26 June 2025	Sale of (1) land plot	Manzil Investment Fund (A private real estate investment fund managed by Jadwa Investment)	Development of One Residential Tower	SAR 255.8 Mln
29 June 2025	Sale of (1) land plot	Tomoooh Al Khaleej Financial Co	Development of One Residential Tower	SAR 264.9 Mln
29 June 2025	Sale of (1) land plot	Watheeq Retal Roya Al-Haram Real Estate Fund (A real estate investment fund managed by Watheeq Capital)	Development of One Residential Tower	SAR 145 Mln
8 July 2025	Sale of (2) land plots	Wijhat Al Bayt Real Estate Company (A special purpose vehicle (SPV) for Wijhat Al Bayt Fund, managed by Dinar Company)	Development of Two Residential Towers Featuring over 412 Units	SAR 235 Mln
27 July 2025	Sale of (5) land plots	Saqeefah Al-Asima Co. (A subsidiary of Mohammad Al Habib & Partners Real Estate Co.)	Development of 5 Hotel Towers	SAR 628.5 Mln
14 August 2025	Sale of (1) land plot	Jazeel Al-Bina'a (The SPV of a real estate fund managed by SEDCO Capital)	Development of One Residential Tower	SAR 145 Mln
18 September 2025	The sale of (2) land plots with a total area of 5,500.08 m ²	Aswar Alpha Company (The SPV of a real estate fund managed by Alpha Capital)	Development of Two Residential Towers	SAR 275 Mln

Date	Agreement	Entity	Project Objectives	Transaction Value
17 November 2025	The sale of (2) land plots with a total area of 5,311.01 m ² within "MASAR" Destination, Makkah.	Shulat Al-Wadi Real Estate Company (The SPV of a real estate fund managed by SEDCO Capital)	Residential Unit Development	SAR 328.8 Mln
17 November 2025	The sale of a 2,861.79 m ² land plot within "MASAR" Destination, Makkah.	Jazeel Al-Bina (The SPV of a real estate fund managed by SEDCO Capital)	Residential Unit Development	SAR 204.6 Mln
25 December 2025	Signing of two land sale agreements with a total area of 7,408.58 m ² within "MASAR" Destination, Makkah.	Al Diyar Al Arabiya Real Estate Development Company	Development of Residential Units	SAR 228.4 Mln

Lease Agreements during the Year

04 February 2025	Signing of a Land Lease Agreement	Global Hospitality Investment Group (GHIG)	Development and Operation of a Hotel Tower	SAR 466.95 Mln
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Hospitality and Residential Sector

The table below shows the total number of keys added to the hospitality and residential sector within "MASAR" Destination projects, aggregated by sector up to the end of 2025.



22

hospitality towers including hotels and serviced apartments

Total keys added

Sector	Total Number of Added Keys
Residential	5,447
Hospitality	9,863

Digital Infrastructure – Toward an Integrated Smart Destination and a Quantum Leap

The digital infrastructure of “MASAR” Destination underwent a paradigm shift with the completion of its primary Data Center in 2025. Engineered to the highest international standards for security and reliability, this facility serves as the core engine driving the Destination’s entire operational system. In parallel, external interconnection with telecommunications companies was finalized, ensuring the full integration and uninterrupted continuity of digital services.

“MASAR” has also finalized the commissioning of the Command and Control Center (CCC), dedicated to managing the Destination’s operational activities. Key critical systems have been successfully integrated into the CCC, including: smart parking management, shuttle bus services, digital signage, security and safety protocols, fire suppression systems, building management systems (BMS), public address (PA) systems, and a live Adhan (Call to Prayer) broadcast directly from the Holy Mosque. These systems function within a unified ecosystem, monitored

and managed through the Unified Operations Center (UOC). This integrated approach ensures operational excellence and the uninterrupted continuity of services throughout the Destination.

As a future-oriented destination, the Company has further strengthened its digital infrastructure by developing the integration between operational and service systems. This approach ensures the delivery of a fully integrated visitor experience, complemented by the launch of several digital systems and platforms that support Destination operations and enhance the quality of services provided.

In alignment with the global shift towards smart cities, the Company has integrated cutting-edge technologies in data analytics, monitoring and control systems, and interactive digital solutions. These advancements bolster the Destination’s operational readiness and elevate the visitor experience to meet the most stringent international benchmarks.

Integrated Transport System: Smart Connectivity and Seamless Mobility

“MASAR” Destination is built upon an integrated urban concept centered on “Holistic Mobility”. This vision aims to provide a safe and seamless transportation ecosystem that achieves a total separation between pedestrian flows and vehicular traffic. Leveraging the project’s strategic location in the heart of Makkah, this integrated framework offers a diverse array of transport solutions underpinned by a state-of-the-art infrastructure.

The Destination’s master plan is anchored in a primary objective: to broaden the urban development scope of the Holy City. This is achieved through a cohesive developmental and investment ecosystem that harmonizes modern facilities, green spaces, and advanced transport systems, ensuring seamless accessibility and a fully integrated experience for residents and visitors in alignment with global urban destination standards.

Summary of the Transportation System

- 1 Railway Network**
 With direct access to the Haramain High Speed Railway connecting Makkah to Jeddah and Madinah, and accommodating two future stations and a network of tunnels and railways to connect with the Makkah Metro network upon its operation, thereby enhancing the ease of mobility to and from the city.
- 2 Bus Rapid Transit (BRT)**
 Consisting of 13 strategic stops—including one main station, one secondary station, and 11 intermediate stops—the BRT system is expected to reach an annual ridership exceeding five million passengers by 2035.
- 3 Road and Traffic Corridors**
 The Destination’s western approach is anchored by two 20-meter-wide bridges that provide direct access across the Third Ring Road at the Prince Mohammed bin Salman Road junction. Supported by four strategic intersections, this road network is engineered to maintain high levels of traffic flow.
- 4 Parking Areas**
 The Destination includes four multi-story parking facilities equipped with state-of-the-art technologies, with a current capacity exceeding 5,500 vehicles. Plans are in place to scale this capacity to over 31,000 vehicles upon the full development of the investment land plots.
- 5 Congestion Mitigation**
 The Destination is projected to absorb over 60% of vehicle traffic heading towards Makkah, playing a pivotal role in reducing traffic congestion within the Central Area and the vicinity of the Holy Mosque.
- 6 Pedestrian Boulevard**
 The master plan features more than three-kilometer pedestrian walkway that provides direct walking access to the Holy Mosque via the Jabal Omar project. This boulevard is entirely separated from vehicle traffic by a corridor reaching 80 meters wide. Furthermore, it is integrated with 11 pedestrian tunnels and four pedestrian bridges, linking the Destination’s northern and southern sectors.

Transportation Ecosystem Overview



A pedestrian boulevard along the Destination



11 pedestrian tunnels and 4 pedestrian bridges connecting the Destination with the surrounding areas



2 metro stations will be integrated into the Makkah Metro network upon its full completion and operational launch



13 BRT stations



Projected annual ridership of 5 million passengers by 2035



2 main entry and exit roads



Over 5,500 multi-story parking spaces



An additional capacity of over 31,000 parking spaces is projected upon the completion of the investment land development phases



60% of all vehicle traffic entering Makkah is projected to pass through the Destination

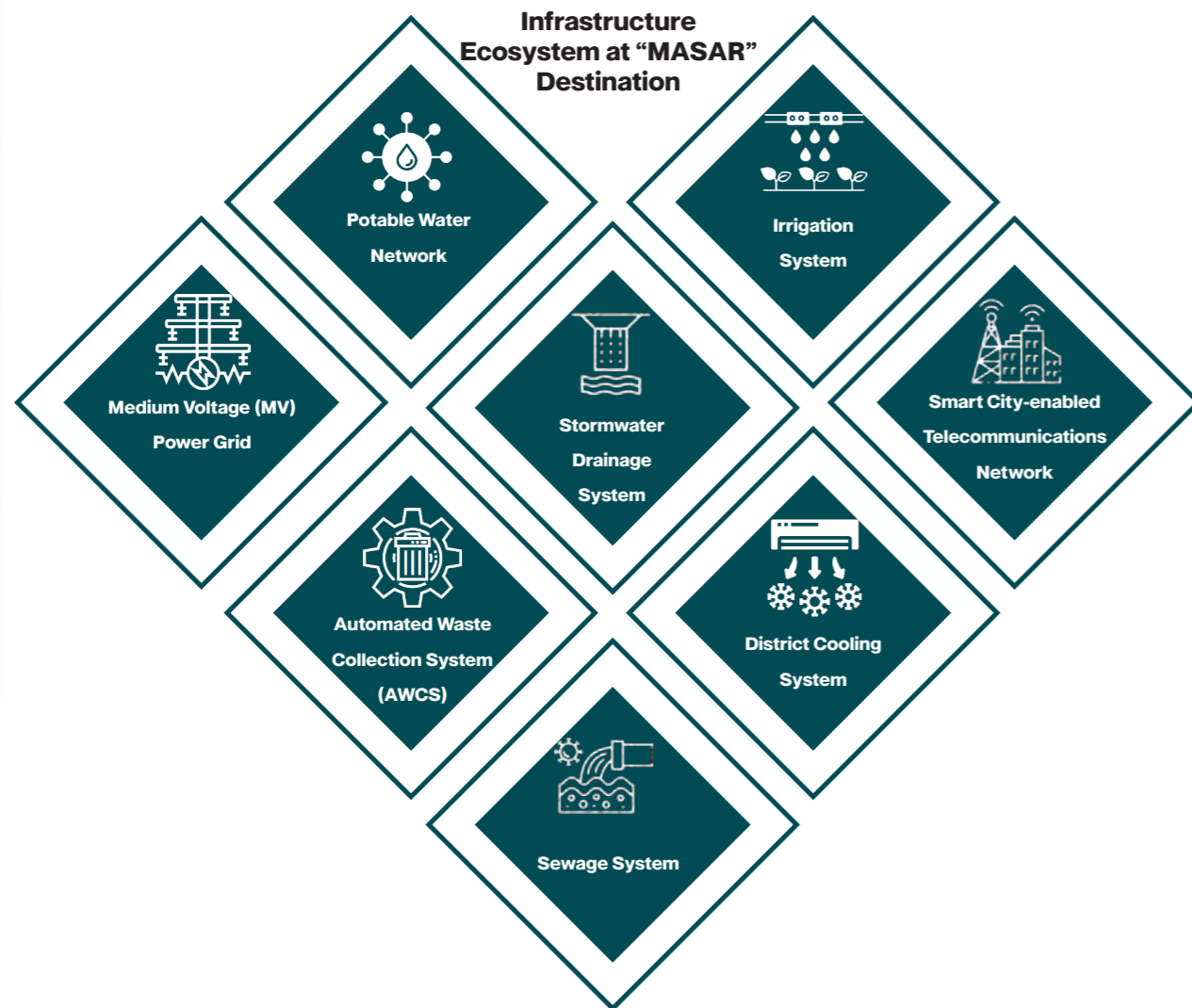
Infrastructure and Construction: A Driver for Sustainable Growth

Umm Al Qura for Development and Construction Company continues to execute its plans to develop an integrated infrastructure based on the highest international standards of operational efficiency and service sustainability, further strengthening Makkah's position as an integrated urban destination. Work commenced with the development of underground infrastructure following a meticulous planning approach. This has resulted in a robust system capable of accommodating future expansion and meeting long-term maintenance requirements, including the construction of the Kingdom's longest utility tunnel to ensure operational efficiency and service continuity.

In alignment with the Company's strategy to invest in the Destination's future, "MASAR" is equipped with four tunnels spanning 14 km. These tunnels house a comprehensive

utility network, including potable water, stormwater drainage, sewage systems, and an automated waste collection system (AWCS). Additionally, they integrate power and telecommunication grids, district cooling, irrigation systems, and advanced fire protection systems.

In line with preserving Makkah's natural environment and the integrity of its resources, the Company has adopted state-of-the-art technologies and engineering solutions to mitigate any potential impact on groundwater and natural valley paths. This approach aims to ensure the sustainable flow of groundwater and preserve its natural characteristics, fostering a seamless integration between urban development and the protection of the region's environmental resources.



Strategic Infrastructure Milestones (2021–2025)

2021

Securing Water Resources and Sanitation Service

An agreement was signed with the National Water Company (NWC) to provide water and sanitation services, meeting the estimated daily demand of 73,000 m³ for potable water and 64,000 m³ for sewage, thereby ensuring operational sustainability.

2022

Securing Primary Power Connectivity

An agreement was signed with the National Grid SA (a subsidiary of the Saudi Electricity Company "SEC") to ensure the delivery of the electrical services required to operate the Destination's projects.

2023

Enhancing Power Efficiency and Reliability

Contracts were awarded to Alfamar Company for the construction of the Central Substation (13.8/110/380 kV) and to SEPCO for the installation of High-Voltage (HV) cables. These projects ensure seamless power continuity and high efficiency through an interconnection with the Makkah Central Substation.

2024

Construction of Multi-Utility Tunnels (MUTs)

Construction of (4) MUTs extending over 14 km to accommodate and integrate advanced infrastructure systems—including water, stormwater drainage, sewage, and AWCSs — enhancing service efficiency and integration.

2025

Soft Opening and Commencement of Operations

Completion of all facilities and roads has led to the soft opening of "MASAR" Destination. This phase runs in parallel with the commissioning of power stations, AWCS plants, and the Information and Communications Technology (ICT) Data Center. These efforts ensure an integrated smart infrastructure that enhances service efficiency and sustainability, delivering a world-class urban destination. The full opening of "MASAR" Destination is scheduled for 2026.

Section IV

Strategic Report

Year of Harvest

4

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Strategic Direction: Crafting Destinations that Enrich the Visitor Experience

Umm Al Qura for Development and Construction's strategy is anchored in its role as a "Developer of Future Destinations", transcending the conventional developer's role of merely constructing residential or commercial buildings. The cornerstone of this strategy is the visitor experience. It shifts the focus from mere physical construction to a holistic guest-centric approach, catering to every need and delivering a spiritual journey enjoyable and seamless in terms of mobility. The Company aspires to transcend mere customer satisfaction, achieving total guest delight by integrating

premium lifestyle elements. Our objective is to transform the spiritual journey into an immersive, luxurious experience that is not only seamless and barrier-free but profoundly enriching. Umm Al Qura for Development and Construction aims to diversify its revenue streams in the near term. While land sales primarily drive current income, the Company is set to witness growth in income generated from asset operations over the next three years.

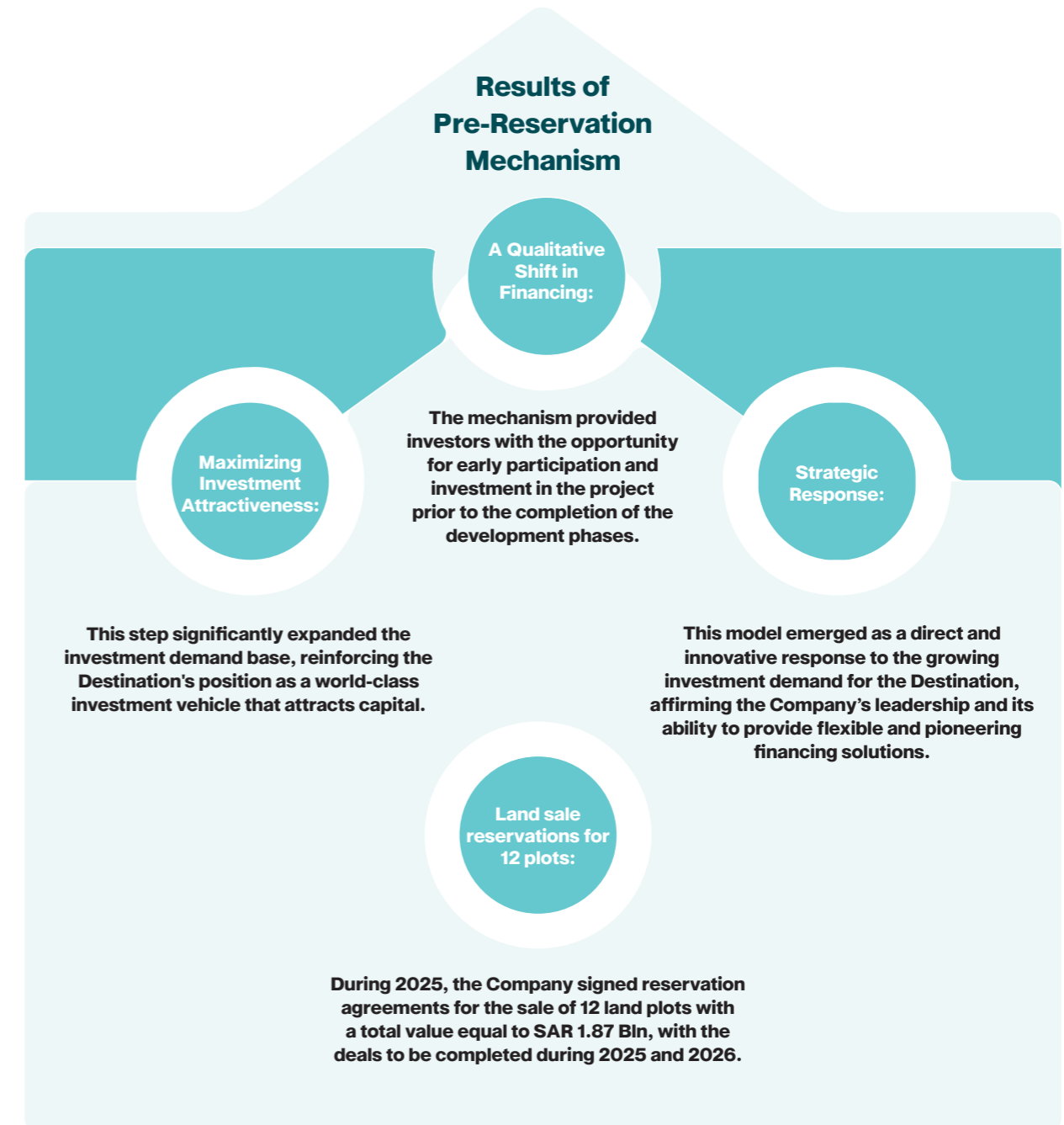
Strategic Pillars

The Company's strategic plan is built upon four key pillars that transcend traditional real estate boundaries. These pillars integrate economic, social, and developmental dimensions aimed at delivering a qualitative transformation in the environs of the Holy Mosque, as detailed below:



Pre-Reservation Mechanism

2025 marked a pivotal milestone in the Company's trajectory, witnessing a fundamental strategic shift, transitioning from a real estate-centric model to a phase of active investment enablement. This transition reflects the Company's commitment to responding to evolving market dynamics and maximizing the attractiveness of its portfolio. During 2025, Umm Al Qura for Development and Construction launched an innovative model for land sales within the development projects surrounding the Holy Mosque, implemented through an advanced pre-reservation mechanism. This achievement represents a pioneering leap in real estate financing instruments, attaining the following results:



Looking Ahead

Umm Al Qura for Development and Construction plans to continue executing its development plan throughout 2026 in alignment with the approved strategy, emphasizing a phased investment approach for available land plots. This approach aims to ensure maximized returns and achieve long-term investment sustainability. The Company will also build upon the successes of its transitional phase through a set of strategic objectives focused on growth and qualitative expansion, as follows:



The Company's development approach is based on adopting an integrated mix of diverse development models, applied according to the nature of each site and its strategic priority within the Destination.

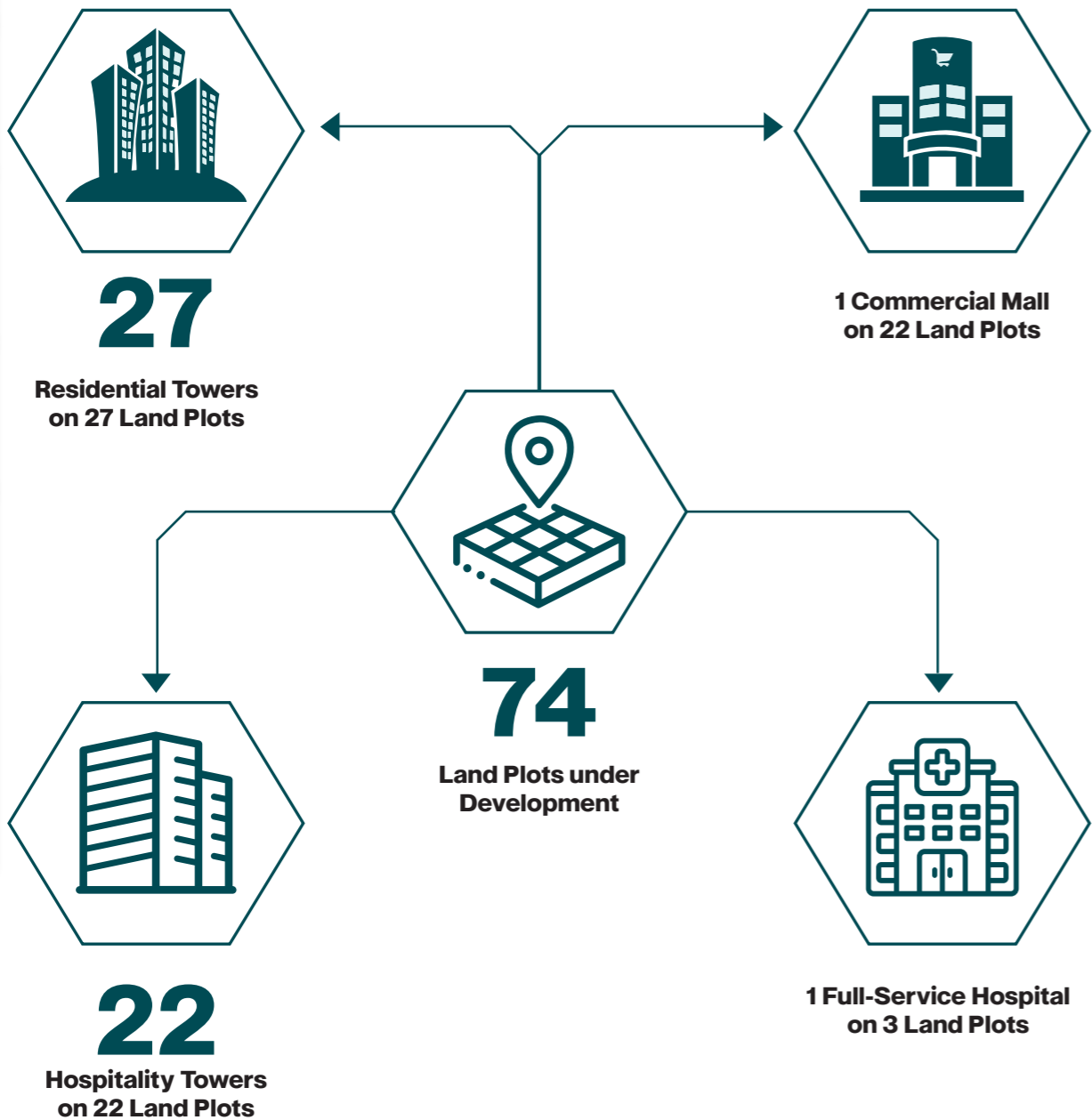
Development Models



Asset and Land Portfolio

As of year-end 2025, the Company has established a robust and diverse portfolio of operational and investment assets within “MASAR” Destination, representing one of its most prominent pillars of long-term strength. Umm Al Qura for Development and Construction operates through a fully integrated framework that underpins the Destination’s position as a comprehensive urban and investment hub. The operational portfolio includes the following:

Operational Asset Portfolio by the End of 2025



Investment Land Portfolio			
	No. of Land Plots	Total Area (m ²)	Notes
Plots Currently Under Development	74	246,615.31	Transformed into development projects according to the phased plan
Plots Allocated for Future Development	129	395,796.95	Not yet assigned to sales, leasing, or partnership, or self-development plans
Total Investment Land Plots	203	642,412.26	Within the Development Scope



Initial Public Offering (IPO): A Quantum Leap Forward

Marking a strategic milestone, Umm Al Qura for Development and Construction successfully finalized its IPO and listing on the Saudi Exchange (Tadawul) Main Market on 24 March 2025, under the Code 4325. The Company offered 130,786,142 shares, representing 9.09% of its post-offering capital. The IPO witnessed unprecedented demand, with the institutional tranche oversubscribed 241 times, while the retail tranche was oversubscribed 20 times. Total proceeds from the offering reached approximately SAR 1.96 billion.

	Pre-offering	Post-offering
Capital	SAR 13.08 Bln	SAR 14.39 Bln
No. of Shares	1.31 Bln Shares	1.44 Bln Shares
Par Value/Share SAR 10		

Following the IPO in March, the share of Umm Al Qura for Development and Construction emerged as one of the top-performing listed stocks in 2025. The Company also led the real estate sector in terms of market capitalization. This sector is witnessing growing investor interest, fueled by the Kingdom's initiatives to liberalize and streamline property ownership regulations, alongside its ongoing efforts to bolster the Hajj and Umrah sector as part of the comprehensive economic transformation strategy.

The Company strategically allocated the net proceeds to accelerate the development of "MASAR" Destination, including infrastructure development and operational expansion. Additionally, Umm Al Qura for Development and Construction deployed up to SAR 1.5 billion from the IPO proceeds towards the partial settlement of outstanding credit facilities with Alinma Bank. The repaid amount has been reinstated as a revolving credit limit, available for drawdown to fund ongoing project obligations. This strategic move enhances the Company's capital structure and reduces overall financing costs.

Umm Al Qura for Development and Construction's IPO presented a compelling investment opportunity for several key reasons:

Strategic Location and Sustained Demand:

As the premier religious destination for over two billion Muslims worldwide, Makkah ensures resilient demand for real estate and tourism infrastructure. This is further bolstered by Saudi Vision 2030, which aims to host 30 million Umrah pilgrims annually.

Investment Asset Diversification:

"MASAR" Destination features 203 investment land plots, including hotels, residential units, hotel apartments, commercial centers, and a hospital, among others. This diverse mix creates broad opportunities for development and profitability.

Robust Financial Position:

The Company maintains a strong financial standing, with a pre-offering capital of approximately SAR 13.1 billion and credit facilities exceeding SAR 14 billion, significantly enhancing its financial flexibility.

Future Expansion and Sustainability:

The Company's business model is built on a secure development strategy that balances revenue stream diversification with the mitigation of risks associated with mega-project execution.

Experienced Leadership:

The Company's management team possesses extensive expertise, with over 100 years of combined experience in real estate development and project management. This reinforces the investor confidence in the Company's ability to execute its ambitious strategies.



Business Model and Sustainable Growth

The effective execution of the approved strategy requires a clear business model, adopted by the Executive Management, to achieve the Company's financial and operational objectives. In this context, the current financial and operating model of Umm Al Qura for Development and Construction centers on land sales as the primary revenue stream. This approach is part of an integrated framework that balances land ownership with future development plans.

The Company underscores that its business model differs fundamentally from the asset disposal practices used by some entities for short-term liquidity. For Umm Al Qura for Development and Construction, land sales represent a core operating activity designed to generate the cash flows necessary to fund the project's approved development plan.

Accordingly, the Company targets a gradual transition toward building a balanced portfolio of income-generating assets. This ensures long-term revenue sustainability through a strategic development plan based on two parallel tracks:

Sale of Designated Land Plots:

A total of 111 investment plots are scheduled for offering.

Long-term Asset Development:

The remaining plots are developed through partnerships, leasing, or self-development, transforming them into assets that generate recurring and sustainable returns.

Revenue from these income-generating assets, including the Company's approximately 40% stake in the "MASAR" Destination project, is projected to become the primary source of sustainable future income.

The approved business model reinforces Umm Al Qura for Development and Construction's ability to mitigate risks and achieve greater financial flexibility. By adopting a relatively balanced development strategy, the Company effectively minimizes the execution risks typically associated with mega-projects.

Furthermore, the diversification of both assets and revenue streams bolsters the Company's investment capacity and provides greater flexibility in capital re-deployment, directly supporting the achievement of its long-term objectives.

Market Overview

First: The Economic Dimension

The Kingdom's economy continued to achieve accelerated growth throughout 2025, supported by the progress made in implementing structural transformation programs. These programs aim to bolster the role of non-oil activities as a primary growth driver and a sustainable revenue source. According to International Monetary Fund (IMF) estimates, the Kingdom is expected to maintain its position as the leading Arab economy in 2026, with the gross domestic product (GDP) projected to reach approximately USD 1.316 trillion.

The Kingdom's Real GDP recorded a growth of 5% in 2025, compared to 1.3% the previous year, according to data from the General Authority for Statistics (GASTAT).

This improvement is driven by the accelerating structural growth of the non-oil economy, fueled by structural reforms and the expansion of government and private investments across vital sectors, most notably tourism, technology, and

giga-projects. This momentum has translated into positive impacts on companies across the Kingdom in general, and the real estate companies in particular.

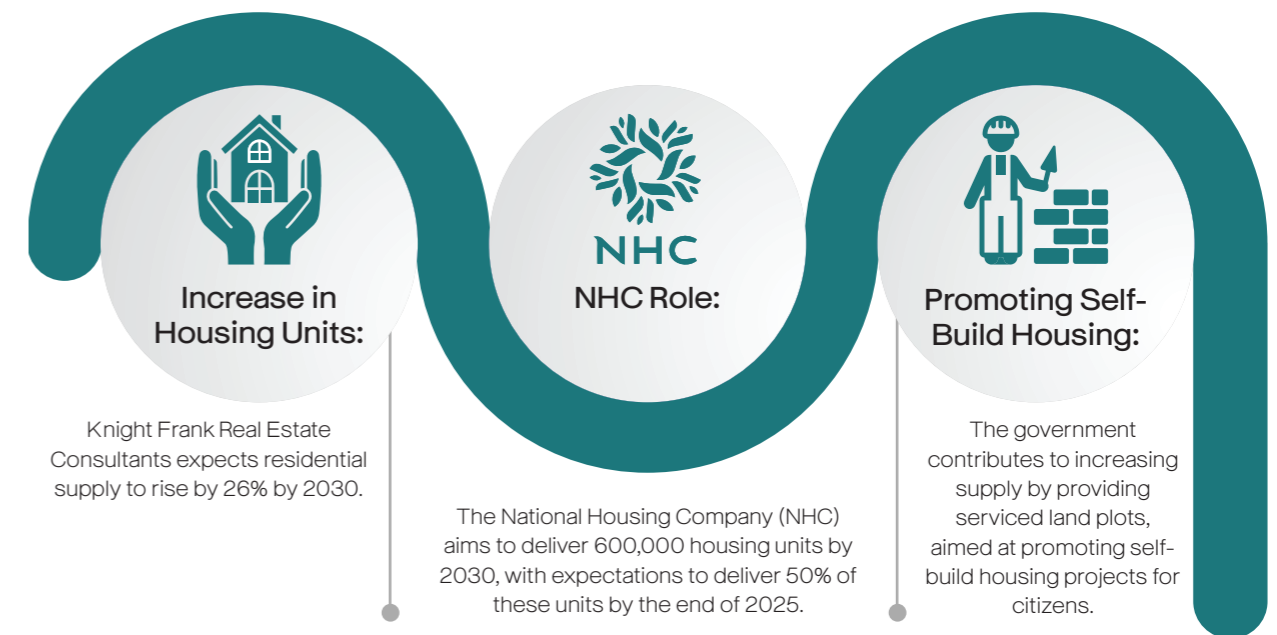


Second: The Real Estate Sector

The real estate sector in Makkah is considered one of the most attractive sectors for investment in the Kingdom, based on established structural factors that combine unique religious significance, a strategic geographic location, and growing economic momentum. The real estate market in the city benefits from sustainable demand for residential and hotel units, driven by the continuous flow of pilgrims and Umrah performers throughout the year, which provides a stable base for long-term cash flows. This is complemented by the positive outlook for the real estate sector at the Kingdom level, supported by government backing and

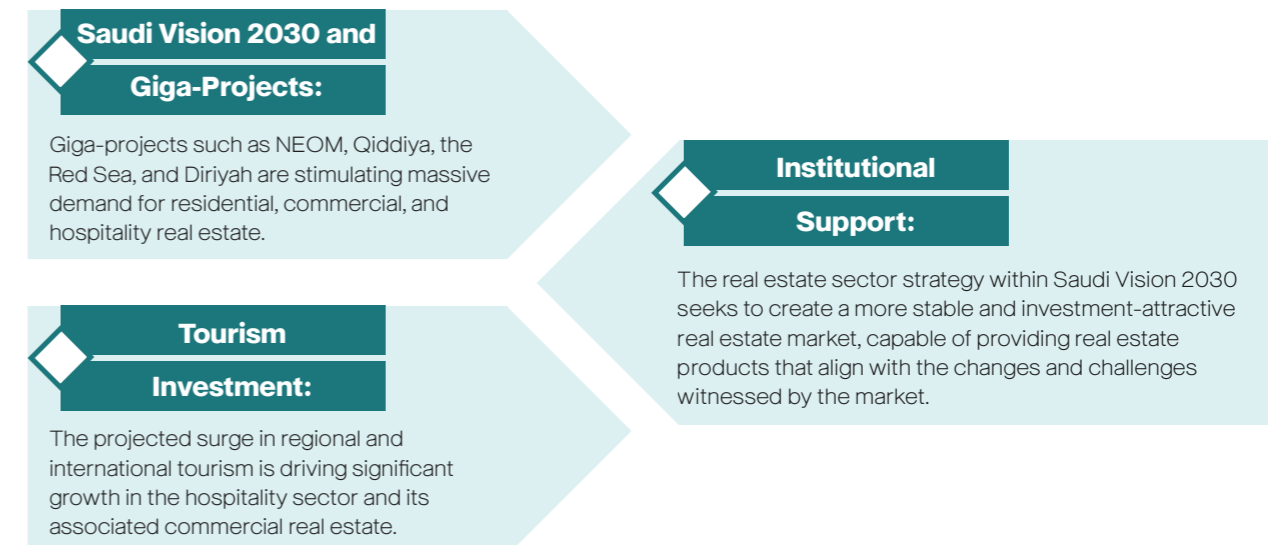
the objectives of Saudi Vision 2030, particularly regarding increasing homeownership rates and developing urban environments with global standards.

Simultaneously, the scope of supply in the Saudi market is experiencing a significant surge, primarily driven by government programs and initiatives:



Strong Demand Drivers

The real estate market benefits from strong and diversified demand drivers, most of which are intrinsically linked to the national economic diversification plan:



Opportunities and Challenges

Amid global economic shifts and financial market volatility, the Company remains focused on achieving effective strategic alignment. This involves leveraging the growing demand for real estate in Makkah while responding to the increasing investment appetite for “MASAR” Destination, ensuring sustainable growth in the coming years.

The Company’s business model, centered on the integration of asset ownership and future development, is a key driver of its long-term competitiveness. This model enables a well-calibrated balance between return maximization and risk management.

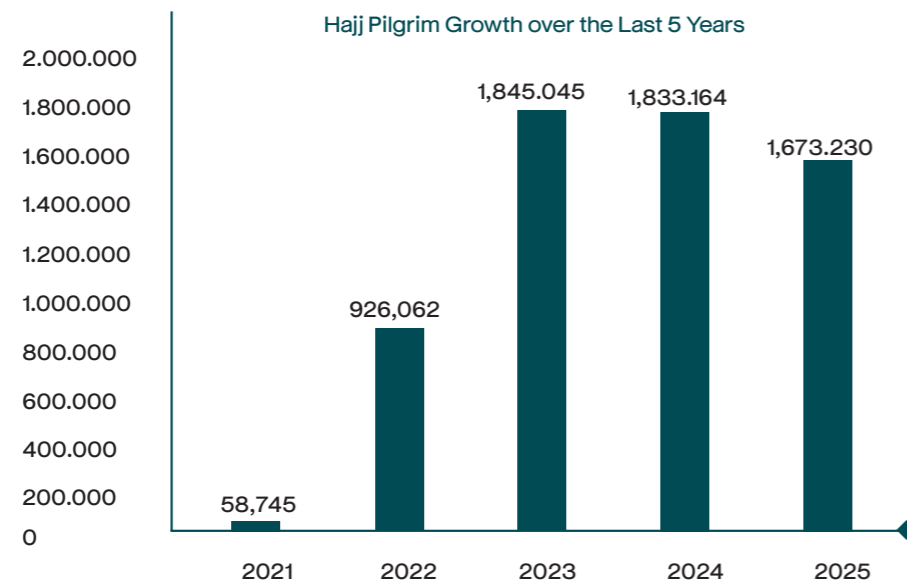
The Company’s competitive edge is anchored in several key elements, including the strategic value of its location, the diversity of its asset base, and flexibility in investment structuring. This integration bolsters the investor confidence and supports the realization of cumulative and sustainable growth opportunities, further enhancing the Company’s attractiveness as an investment destination for developers and financial institutions.

The Company is expected to benefit positively and directly from government decisions aimed at boosting investment in the Holy Cities. This support strengthens its strategic position and opens further horizons for growth and financing in the upcoming phases.

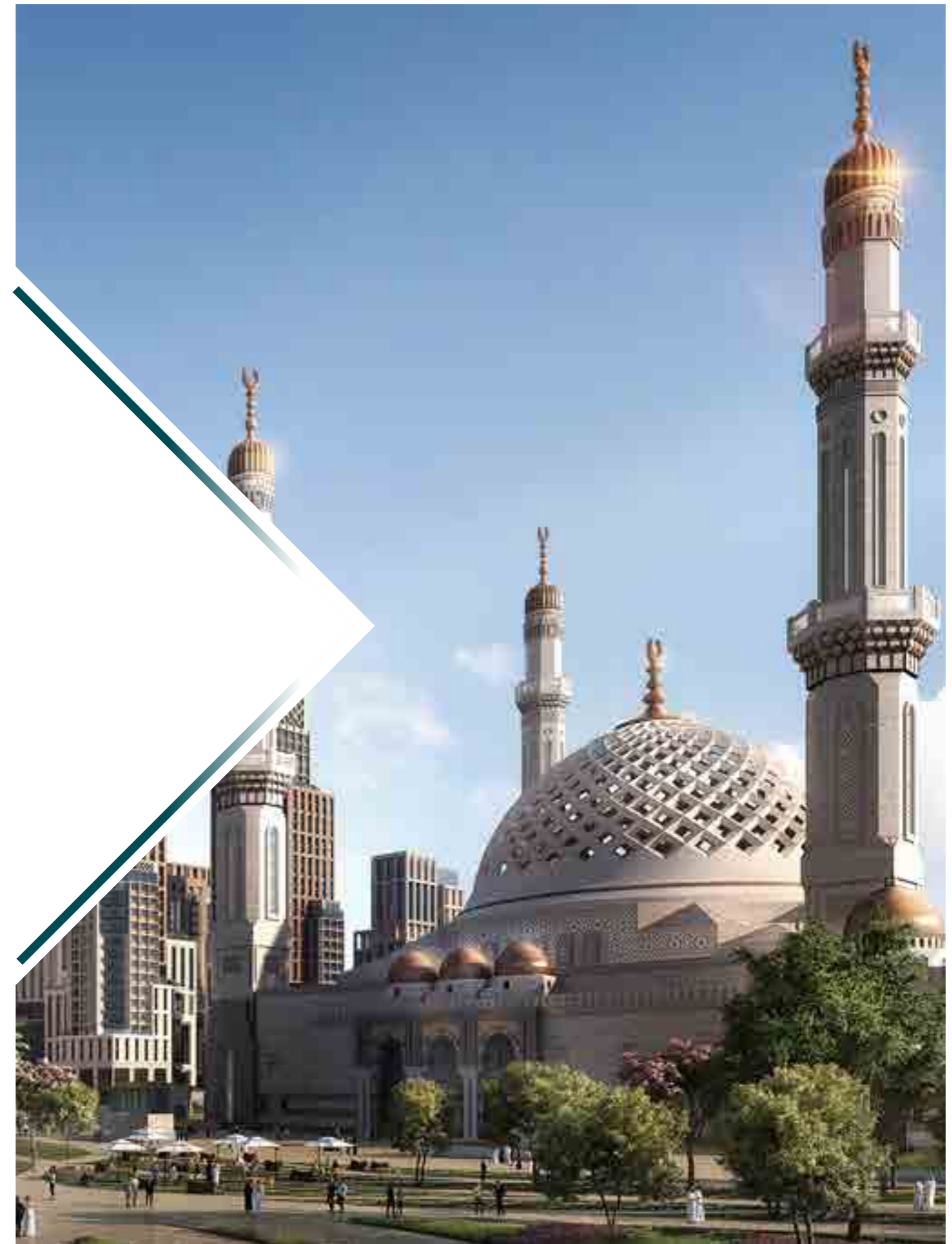
Hajj and Umrah Sector

The Hajj and Umrah sector is one of the most significant key drivers of real estate demand in Makkah. The steady growth in the number of Hajj and Umrah pilgrims continues to bolster demand across various real estate segments in the Holy City. In this context, Umm Al Qura for Development and Construction capitalizes on the strategic location of “MASAR” Destination in the heart of Makkah.

This unique location reinforces the Company’s ability to achieve long-term sustainable growth, driven by the surging global demand for Hajj and Umrah services and the subsequent need for an integrated urban and service infrastructure that meets visitors’ expectations annually.



Source: General Authority for Statistics (GASTAT)



Saudi Vision 2030: Contribution and Integration

Saudi Vision 2030 represents a comprehensive strategic framework for economic and developmental transformation, aimed at strengthening the Kingdom's position among the world's most vibrant and competitive economies. The Kingdom's Vision is built upon diversifying the economic base to reduce reliance on oil revenues, while preserving the Kingdom's cultural and heritage identity.

Umm Al Qura for Development and Construction, through the development of "MASAR" Destination, supports Saudi Vision 2030 objectives via a comprehensive business model that extends beyond urban development to actively support economic and social development. These efforts reflect the Company's commitment to contributing to the three pillars of Saudi Vision 2030: An Ambitious Nation, A Thriving Economy, and A Vibrant Society.



A Vibrant Society

Developing Makkah's Urban Landscape:

Creating a pedestrian-friendly urban environment and streamlining access to the Holy Mosque through integrated mobility solutions. Prioritizing quality of life by developing vibrant and diverse vehicle-free public realms, enhancing traffic safety, and reducing air and noise pollution.



A Thriving Economy

Driving GDP Growth:

Developing the essential infrastructure and facilities required to serve Makkah's residents and visitors alike. Developing attractive commercial and investment spaces that stimulate the private sector, generate employment opportunities, and diversify economic activity.



An Ambitious Nation

Enhancing Service and Experience:

Supporting the Kingdom's efforts to attract a greater number of Umrah pilgrims, visitors, and domestic tourists, while enhancing visitor experiences and elevating the quality of services provided to them. Supporting sustainable development by empowering women, ensuring equal opportunities, facilitating access to healthcare services, preserving Islamic and cultural heritage, and reinforcing the principles of equality and transparency.

Program	Contribution	Strategic Impact
Pilgrim Experience Program (PEP)	Facilitating Hosting and Enriching the Visitor Experience: Providing integrated services that enhance the comfort of those visiting the Two Holy Mosques and deepen their spiritual journey.	Achieving Urban Development Targets: Supporting the national objective to host 30 million Umrah pilgrims annually, while reinforcing the Kingdom's position as a premier Islamic destination and a global hub of attraction.
Quality of Life (GoL) Program	A Balanced and Evolving Urban Environment: Providing a harmonious environment that blends culture, sports, and entertainment, featuring vibrant facilities such as restaurants, cafés, and pedestrian walkways, along with modern residential options supported by advanced infrastructure.	Elevating Standards of Living and Attractiveness: Contributing to improved quality of life, generating new employment opportunities, and reinforcing Makkah's position as a premier global destination for both living and investment.
National Investment Strategy (NIS)	Attracting Investment and Developing the Economic Landscape: Establishing the first integrated investment ecosystem in the heart of Makkah to attract global capital.	Empowering the Private Sector: Enhancing the role of the private sector in economic growth and supporting strategic industries to solidify the Kingdom's standing as a global investment hub that harmonizes innovation with sustainability.

Subsidiaries and Affiliated Funds

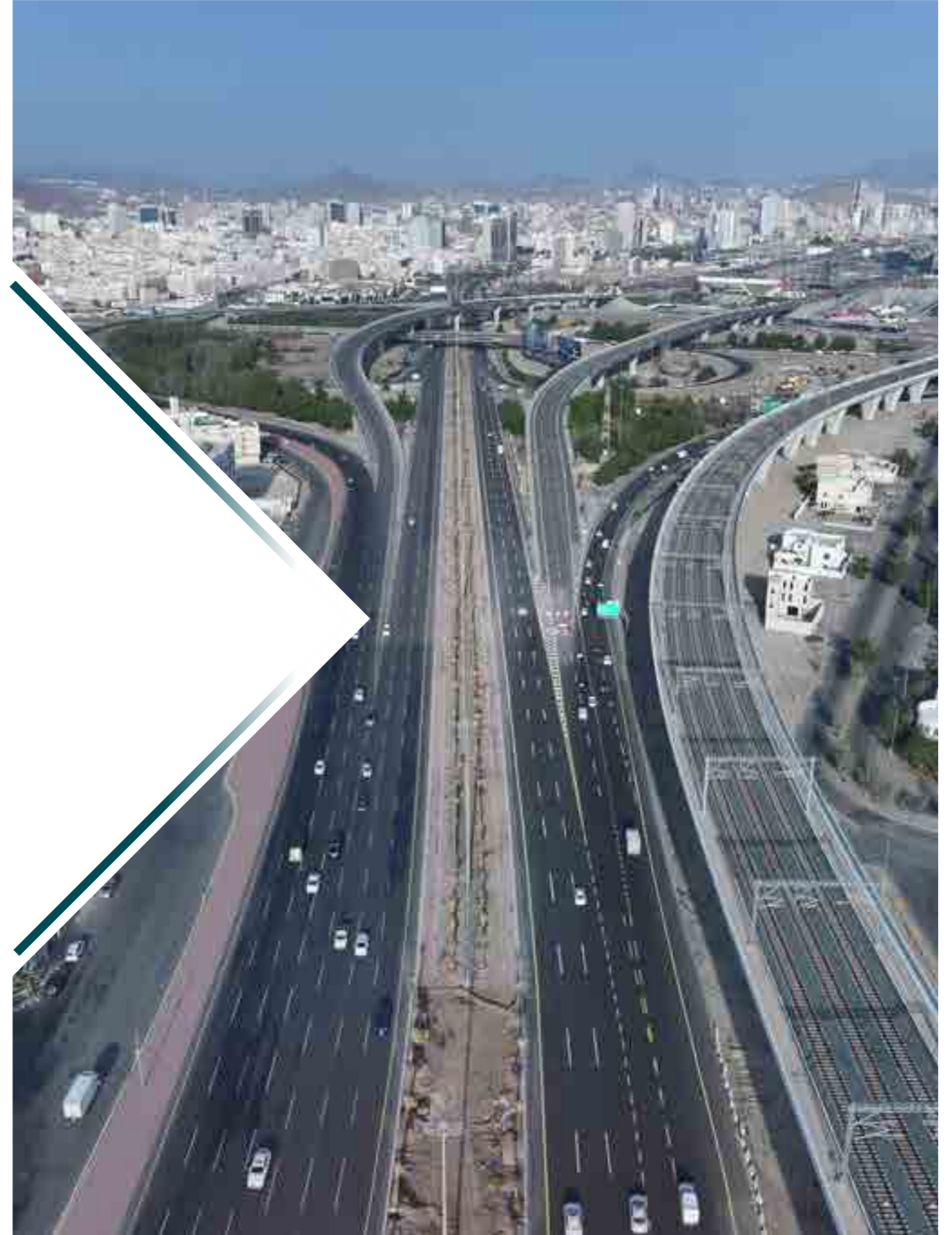
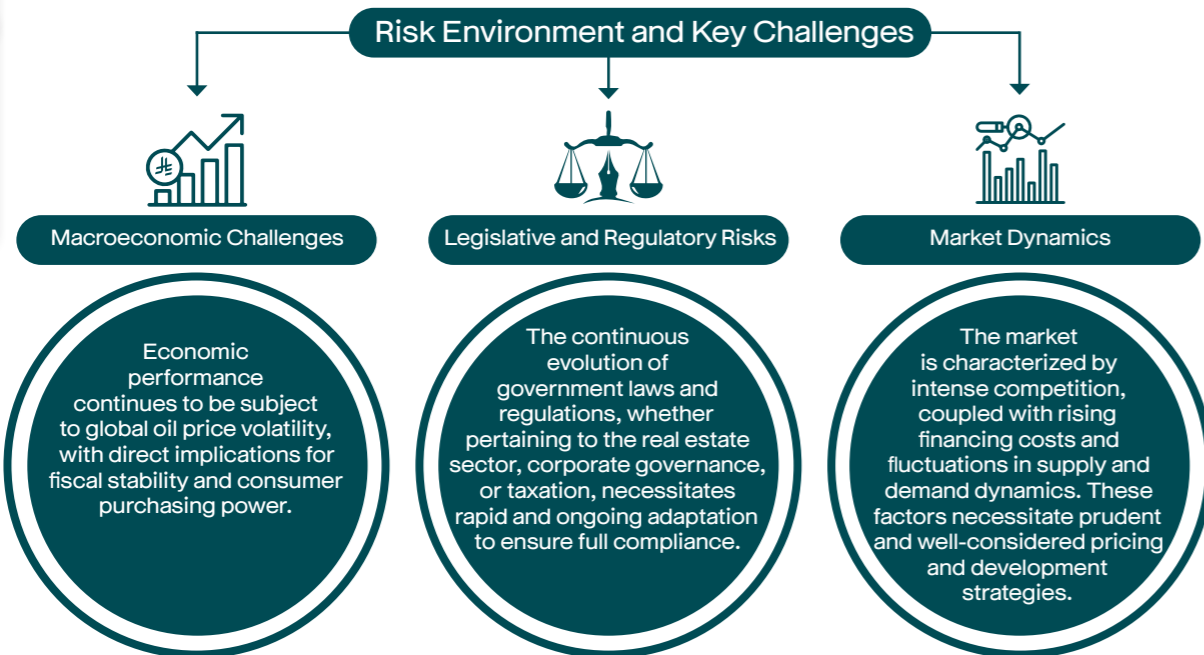
The Group's activities include the acquisition, sale, and subdivision of land and properties, the execution of off-plan sale projects, and the management and leasing of owned or leased non-residential properties. The Company's scope of work further extends to the construction sector, encompassing general construction works for residential and non-residential buildings, including schools, hospitals, and hotels. This is complemented by the construction of roads, streets, sidewalks, and road infrastructure works, as well as the execution of bridge and tunnel projects.

Subsidiary / Fund Name	Capital	Ownership Percentage 2025	Principal Activity	Main Country of Operation	Country of Incorporation
Alinma Makkah Development Fund I	N/A	100%	Real Estate Investments	Saudi Arabia	Saudi Arabia
Alinma Makkah Development Fund II	N/A	100%	Real Estate Investments	Saudi Arabia	Saudi Arabia



Risk Management: A Strategic Pillar for Sustainable Growth

The efficiency and stability of the risk management framework are pivotal to supporting sustainability and achieving strategic growth for Umm Al Qura for Development and Construction, particularly within Saudi Arabia's evolving business landscape. The adopted risk management framework embodies the Company's commitment to implementing global best practices, thereby enhancing operational resilience and ensuring the effective protection of assets. Operating within a real estate sector influenced by a diverse spectrum of economic, operational, and market risks, Umm Al Qura for Development and Construction employs an integrated, systematic approach to identify, assess, and manage these risks. This methodology effectively mitigates potential impacts and ensures robust business continuity.



Risk Management Methodology

Umm Al Qura for Development and Construction adopts an integrated risk management framework developed in accordance with the ISO 31000:2018 international standard, serving as the primary reference for the Company's risk governance and management.

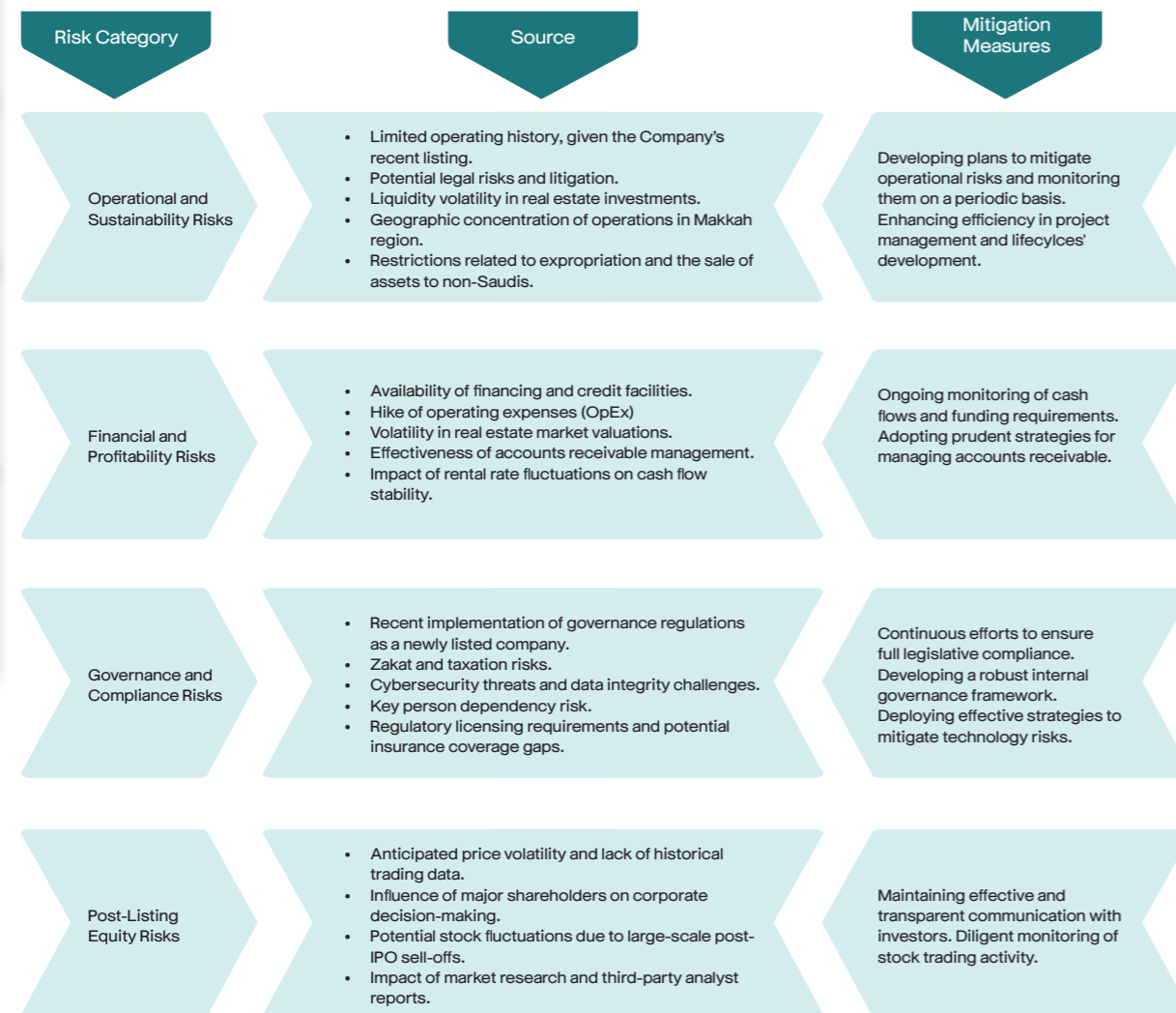
This framework is built upon a comprehensive process designed to ensure organizational alignment in the application of risk management policies, procedures, and practices across all levels and operations.

To strengthen the risk management culture and capabilities, the Company has undertaken the following steps:



This methodology enhances the Company's resilience and its ability to effectively identify, assess, and manage risks, ultimately supporting the achievement of long-term institutional success.

Strategic and Financial Risk Analysis



Financial Risks



Section V Sustainability

Work Environment and Talent Empowerment

5

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Sustainability Strategy





Umm Al Qura for Development and Construction adopts a comprehensive institutional approach to success, centered on embedding Environmental, Social, and Governance (ESG) standards into the very heart of its practices and regulatory frameworks. The sustainability strategy centers on “MASAR” Destination, serving as a strategic investment platform that contributes to the comprehensive development of Makkah and enhances its long-term economic and social impact. The sustainability strategy is built upon the Company’s commitment to environmental stewardship and resource efficiency by integrating sustainability concepts across various stages of the project development. The strategy also focuses on transforming physical assets into


sustainable ones that ensure resource efficiency and bolster long-term economic value. In this context, the Company focuses on localizing resources by prioritizing the use of local and sustainable materials. This contributes to reducing embodied carbon emissions associated with transportation, supporting the national economy, and mitigating geopolitical risks related to global supply chains. The Company also applies circular economy principles by expanding the use of recycled and rapidly renewable materials, while maintaining strict adherence to the prohibited materials list to ensure a healthy, pollutant-free indoor environment. In 2021, Umm Al Qura for Development and Construction commenced its sustainability journey by conducting an

initial materiality assessment in accordance with the Global Reporting Initiative (GRI) standards, which resulted in the identification of 34 material topics. Out of these, 17 topics were identified as the most significant and impactful to the Company’s operations. These serve as the primary focus areas for developing the ESG framework and establishing a three-year executive roadmap. These outcomes formed the foundation for developing a comprehensive governance framework, which is effectively integrated into the Company’s operations and established governance system. In 2025, the Company updated its materiality assessment and explored joining the Global Real Estate Sustainability Benchmark (GRESB), a step that reflects its commitment to measuring performance against

global best practices. Within this framework, the Company achieved a score of 85% in its inaugural GRESB participation, surpassing the typical first-time participant average of 68%. This achievement reflects the significant progress made in implementing ESG standards. This result represents a foundational step within a long-term journey aimed at bolstering sustainability performance and driving continuous improvement in resource efficiency, governance, and social impact. Such efforts are geared toward achieving even stronger results in the coming years, in alignment with Saudi Vision 2030 objectives. Overall, the sustainability strategy of Umm Al Qura for Development and Construction is built upon three primary pillars: Impact, Engagement, and Integrity.

Strategic Pillars of Sustainability

Strategic Pillar	Description	Key Performance Indicators (KPIs)	Achievements
 <p>Impact</p>	<p>Positive contribution to society</p> <p>Mitigating risks and negative impacts, while managing energy, water, and waste resources sustainably.</p> <p>Enhancing health and safety standards.</p>	<p>Environmental:</p> <ul style="list-style-type: none"> Environmental reporting disclosures. Efficiency of water and energy consumption. Integrating rainwater harvesting systems. Sustainable management of liquid waste. Implementing modern technologies for automated waste collection and treatment. Greenhouse gas (GHG) emissions management. <p>Social:</p> <ul style="list-style-type: none"> Health and Safety Management. 	<p>100%</p> <p>reuse of excavated rock materials.</p>
 <p>Engagement</p>	<p>Inspiring and engaging employees and the community in initiatives with positive outcomes.</p> <p>Providing a safe work environment to empower employees and achieve the organization's mission.</p> <p>Engaging the local community and contributing to its development through talent development initiatives.</p>	<ul style="list-style-type: none"> Employee well-being. Employee training attendance rate. Engagement survey responses. Human capital development. Social media engagement. Organizational culture. 	<p>100%</p> <p>of employees receive annual ESG training.</p>

Strategic Pillar	Description	Key Performance Indicators (KPIs)	Achievements
 <p>Integrity</p>	<p>Developing the processes and tools required to implement and manage sustainability initiatives.</p> <p>Issuing ESG reports, including progress and performance indicators.</p>	<ul style="list-style-type: none"> Compliance with sustainability policies and procedures. Implementation of sustainability initiatives. Annual publishing of sustainability reports. 	<p>Issuing the second annual ESG report in 2025.</p> <p>Zero cases of corruption, fraud, non-compliance, or cybersecurity breaches.</p>





“MASAR” Destination: A Vision for Sustainable Urban Development

“MASAR” Destination project adopts an integrated urban framework that prioritizes pedestrian movement, mobility, and green spaces, while preserving the region’s traditional architectural heritage. The project design incorporates the Leadership in Energy and Environmental Design (LEED) standards for cities to ensure ecosystem sustainability, reduce pollution, and achieve high efficiency in water and energy consumption.

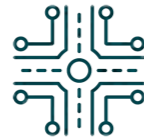
Infrastructure Components and Features

“MASAR” Destination’s infrastructure is characterized by its integration and reliance on smart city solutions. The infrastructure includes several key components that support sustainability and operational efficiency, most notably:



Pedestrian Walkways:

Providing a safe and accessible environment to enhance ease of movement and mobility.



Road Network:

Developing an advanced road network that supports seamless traffic flow.



Public Transportation:

An efficient transit system encompassing Bus Rapid Transit (BRT) and the Metro.



Digital Infrastructure:

An advanced telecommunications network that enables smart city applications and the Internet of Things (IoT).

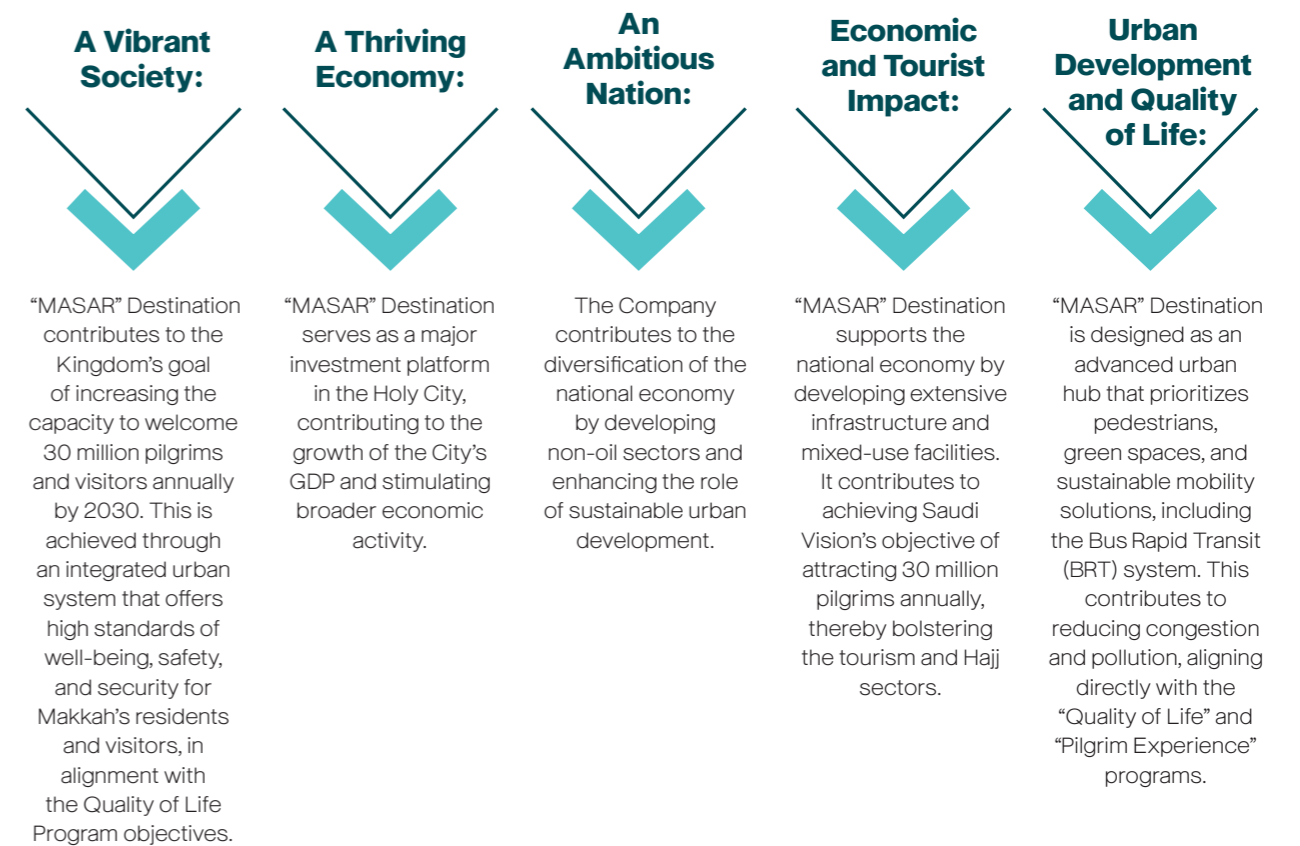


Primary Utility Networks:

Integrated networks of electricity, water, and sewage facilities.

Alignment with Saudi Vision 2030

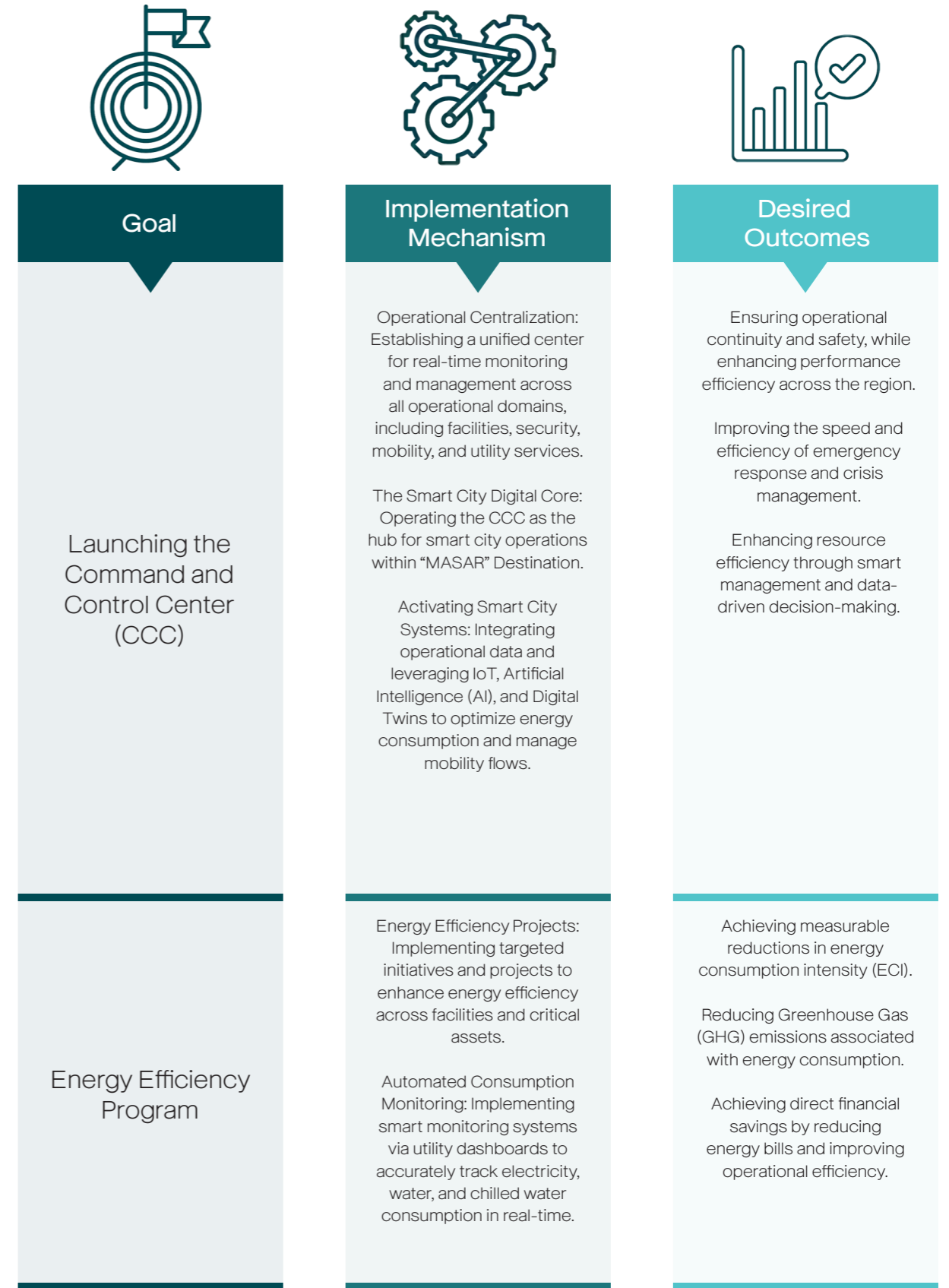
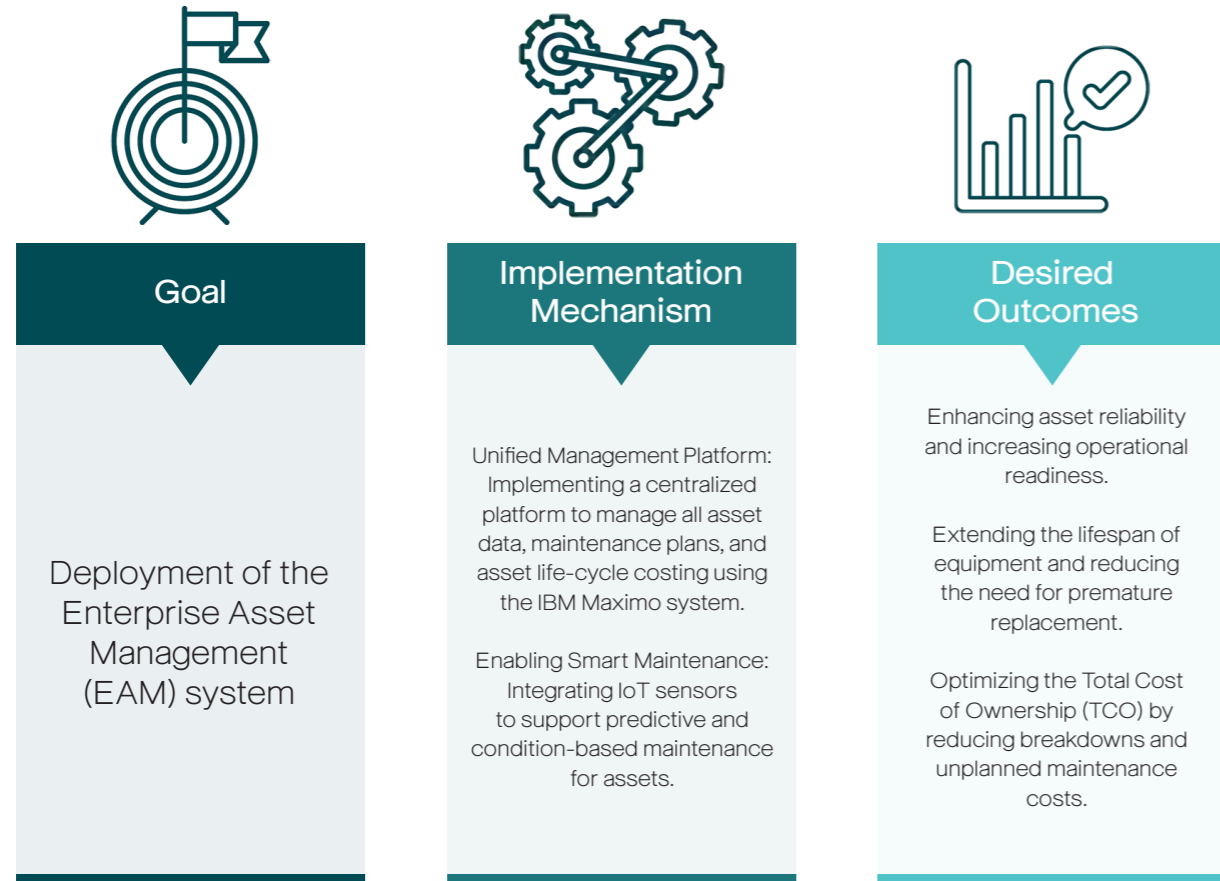
Umm Al Qura for Development and Construction’s ESG practices reflect its systematic commitment to national and international standards, with alignment with Saudi Vision 2030 serving as a central pillar of its strategy. The Company’s framework in this field integrates directly with the pillars of the Saudi Vision 2030, as follows:





Objectives and Outlook

In 2026, the Company looks forward to achieving several strategic sustainability goals that bolster its comprehensive plan and Saudi Vision 2030 objectives.



Human Capital Development

Umm Al Qura for Development and Construction's Human Capital management strategy is built upon four key pillars. These pillars aim to cultivate a qualified and innovative workforce while fostering a supportive environment for institutional excellence, in alignment with Saudi Vision 2030.

Strategic Pillars, Objectives, and Achievements in 2025



1

TALENT ACQUISITION AND RETENTION



OBJECTIVE

To build a distinguished employer brand for Umm Al Qura Company, enhancing its ability to attract and acquire both national and international talent. This is achieved by providing an integrated ecosystem that includes competitive incentives, clear career paths, and sustainable employee engagement programs.



ACHIEVEMENTS

Attracting and Recruiting Talents to fill approved vacancies, ensuring leadership readiness and institutional performance continuity. Developing a Competitive Rewards and Benefits System linked to KPIs to ensure internal equity and maintain the Company's status as an "Employer of Choice".

2

LEADERSHIP DEVELOPMENT AND INSTITUTIONAL CAPACITY BUILDING



OBJECTIVE

To focus on developing leadership competencies and building organizational capabilities to ensure performance sustainability and foster an environment that encourages innovation and excellence, while preparing future leaders capable of advancing the Company's objectives.



ACHIEVEMENTS

Designing and Implementing the Institutional and Leadership Competency Framework to ensure that behaviors and skills align with the Company's values and culture. Conducting Training Courses and Seminars to enhance professional development and build institutional capacity. Launching a Comprehensive Succession Planning Framework to ensure the continuity of national leadership and build a qualified second-tier of leaders. Activating Future Leader Development Programs in line with international best practices, in collaboration with global houses of expertise.





3



PROMOTING PERFORMANCE CULTURE AND INSTITUTIONAL EXCELLENCE



OBJECTIVE

To embed a performance-and-results-driven culture by aligning individual performance with the Company's strategic objectives and activating an integrated performance and rewards management system that ensures equity, transparency, and excellence.



ACHIEVEMENTS

Developing an Integrated Performance and Rewards Management System that links individual results with institutional objectives.
 Implementing a Continuous Performance Appraisal Mechanism to ensure transparency and achieve equity in promotions and rewards.
 Strengthening Corporate Values through internal initiatives that foster a culture of performance, commitment, and accountability.
 Conducting Employee Satisfaction and Engagement Surveys and linking the results to institutional improvement plans.

4



EMPOWERMENT AND HR INFRASTRUCTURE



OBJECTIVE

To focus on strengthening the institutional infrastructure of human capital management by developing systems, policies, and digital governance, ensuring operational efficiency and data-driven decision-making.




ACHIEVEMENTS

Implementing the Company's New Operating Model to ensure the alignment of the organizational structure with strategic objectives.
 Activating the Human Capital Strategy (2025–2028) through talent development initiatives and corporate governance.
 Designing and Approving Structural Frameworks: job families framework, career path framework, appraisal and promotion framework, and technical competency framework.
 Integrating All Frameworks within the corporate HR system to ensure alignment and the sustainability of outcomes.


Work Environment and Talent Empowerment

Driven by Umm Al Qura for Development and Construction's commitment to human capital development. In 2025, the Company implemented an integrated HR management strategy built upon the following pillars:




Talent Acquisition:

Implementing well-thought-out plans to attract top-tier talents and competencies capable of achieving the Company's developmental goals.



Performance Measurement and Development:


Developing advanced programs and an integrated system for performance measurement, training, and professional development, contributing to the refinement of employees' skills, knowledge, and accumulated expertise. All employees receive periodic performance and career development reviews.



HR Policy Development:


Updating and developing internal policies to ensure alignment with best practices and foster a motivating work environment.

The Company's efforts aimed at creating a work environment that fosters creativity and supports career development through:



Empowering Talent and Innovation:

Creating a supportive work environment that enables talents to reach their full potential, encourages the exchange of ideas, and stimulates innovation.

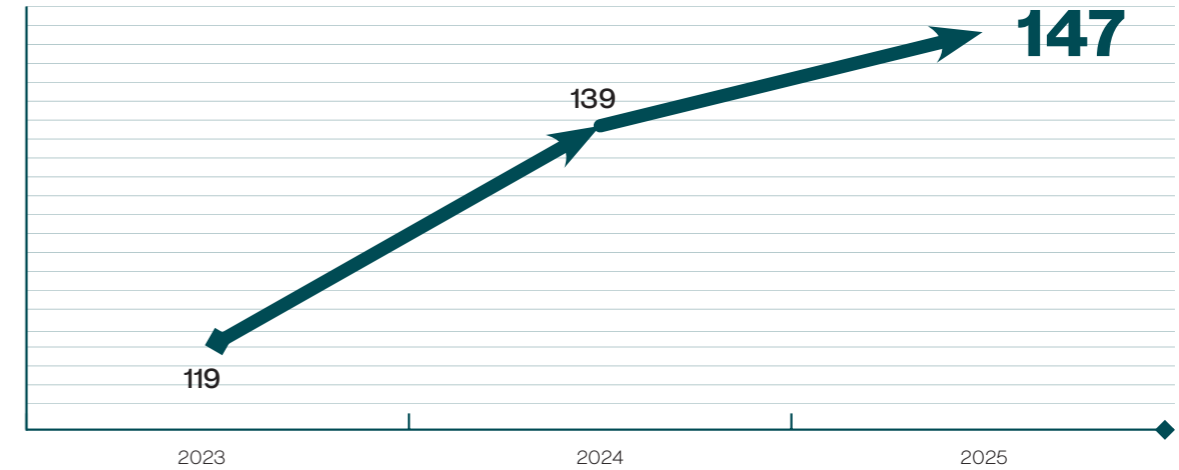


Employee Retention and Engagement:

Supporting employees' career paths and fostering a work environment that encourages them to achieve their ambitions, leading to increased engagement levels and higher talent retention rates.

In 2025, the Company enhanced work-life balance and well-being by organizing social networking events (such as breakfasts and lunches), promoting flexible work schedules, and providing tools to improve employee health, including gym discounts and regular health screenings.

Company's Human Capital Development



Employee Headcount in 2025

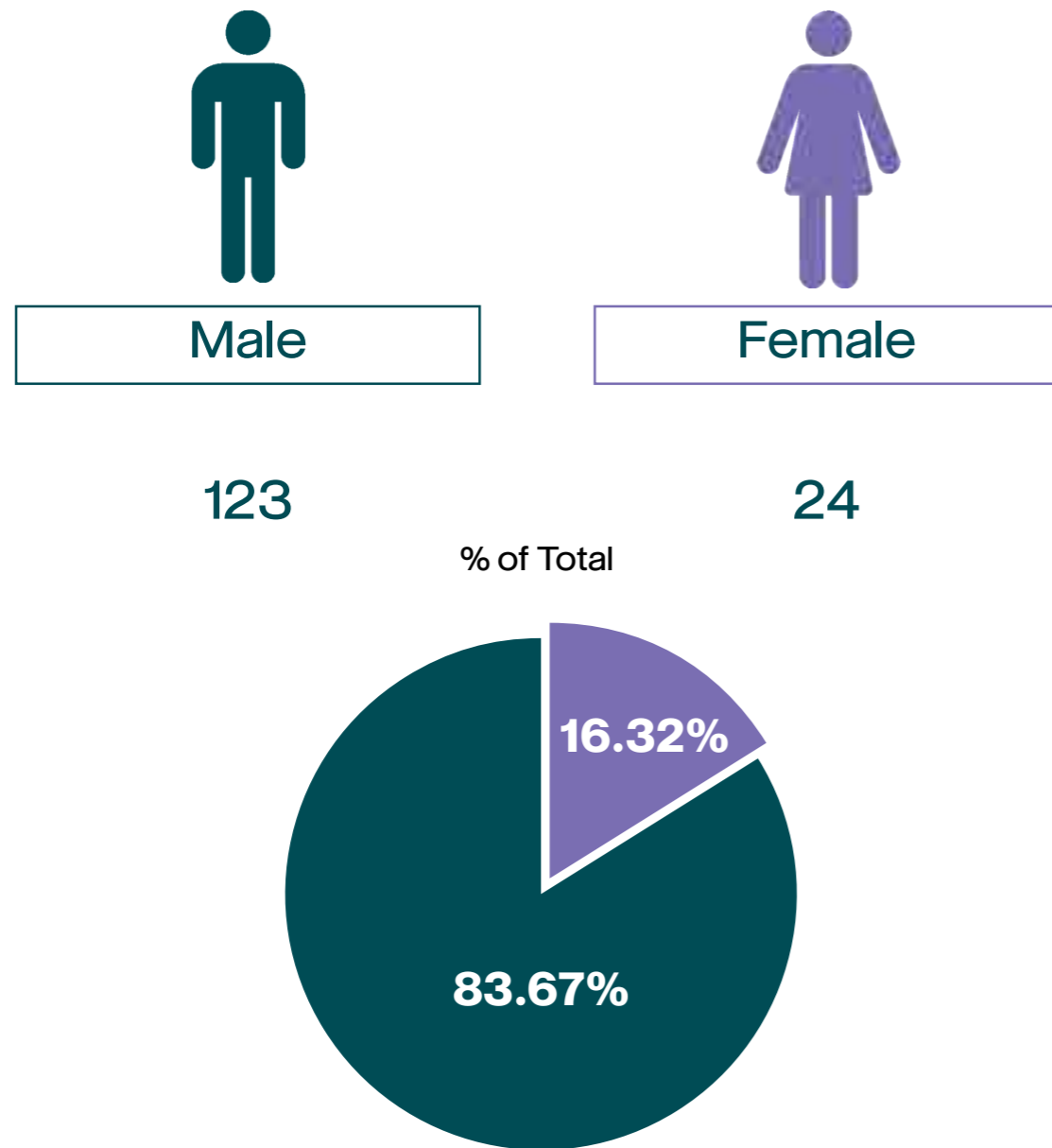


Sector/Department	Total
Executive Management	8
Destination Management	15
Development	36
Finance	13
Risk	3
HR & Administrative Affairs	22
Information Technology (IT)	10
Strategic Projects	3
Internal Audit	3
Investment	21
Commercial Sector	8
Legal Affairs	5
Total	147

The Company enforces a zero-tolerance policy towards discrimination, with no reported incidents during the past year. This reflects the effectiveness of the approved Code of Conduct and Ethics.

Male and Female Employee Ratio in 2025

Employee Headcount



Training and Capacity Building

During 2025, Umm Al Qura for Development and Construction continued to strengthen its efforts in training and human resources development. Training programs saw significant growth, reflected in the rise of total training hours to 1,970, compared to 1,886 in 2024. The number of training courses conducted also increased to 35, compared to 42 in the previous year.

These training programs were designed and implemented with a specialized and targeted approach, catering to the specific needs of each department. This ensures the development of skills and the enhancement of competencies, ultimately supporting the achievement of the Company's operational and strategic objectives.

Training Course Classification in 2025



These training programs have had a direct and positive impact on both institutional and individual performance:



Elevating Performance:

These courses have led to a higher level of overall performance and increased the efficiency and quality of outputs.



Future Readiness:

These programs have increased employees' readiness to face future challenges and effectively manage emerging developments.



Professional Capacity Building:

These programs have strengthened the professional capabilities of the Company's talents and solidified the essential knowledge and skills required.

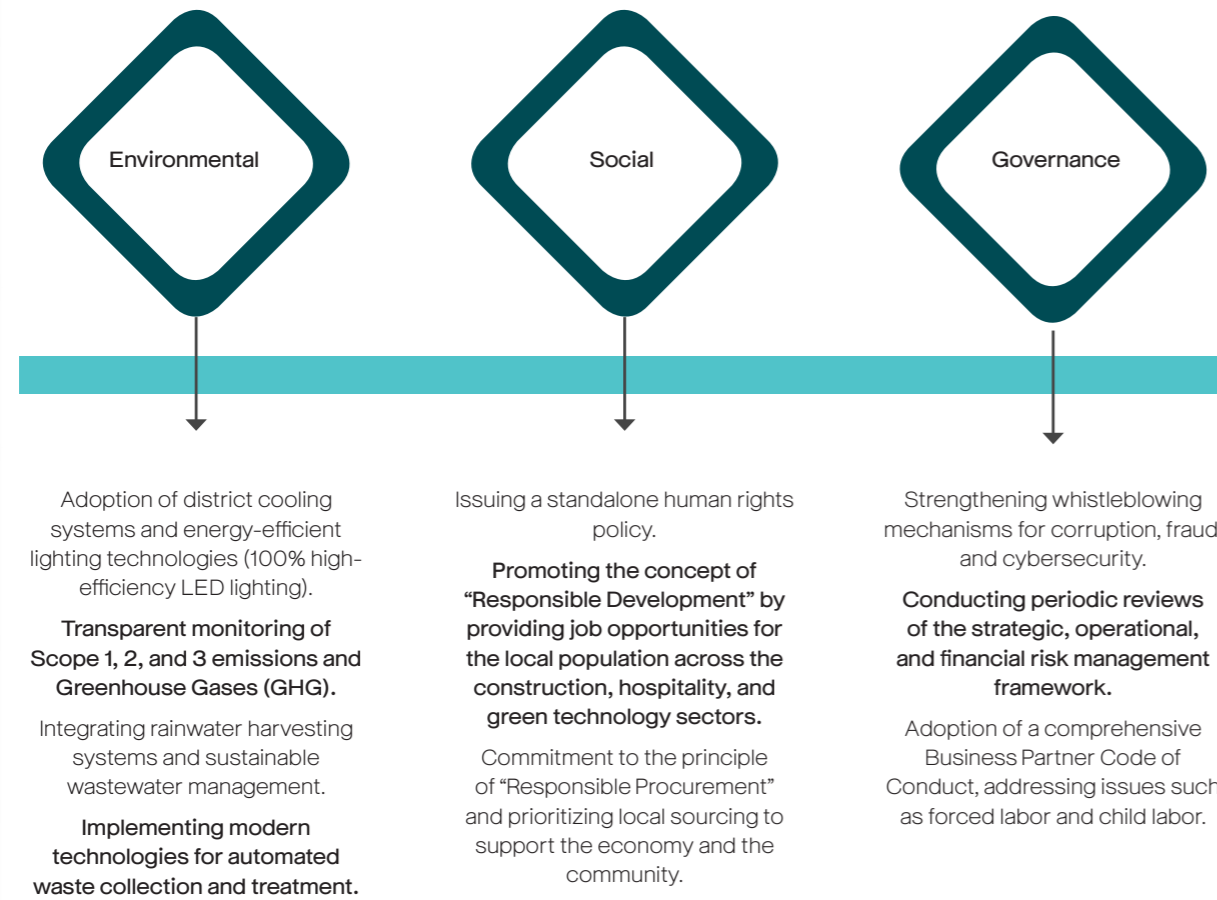
The Company's commitment to workforce training reflects its vision of creating a motivating work environment that supports excellence and innovation. By embedding a culture of learning, the Company fosters both individual and institutional growth.



Initiatives and Activities

The Company is implementing a number of sustainable initiatives that align with its comprehensive strategy.

Key Initiatives and Achievements



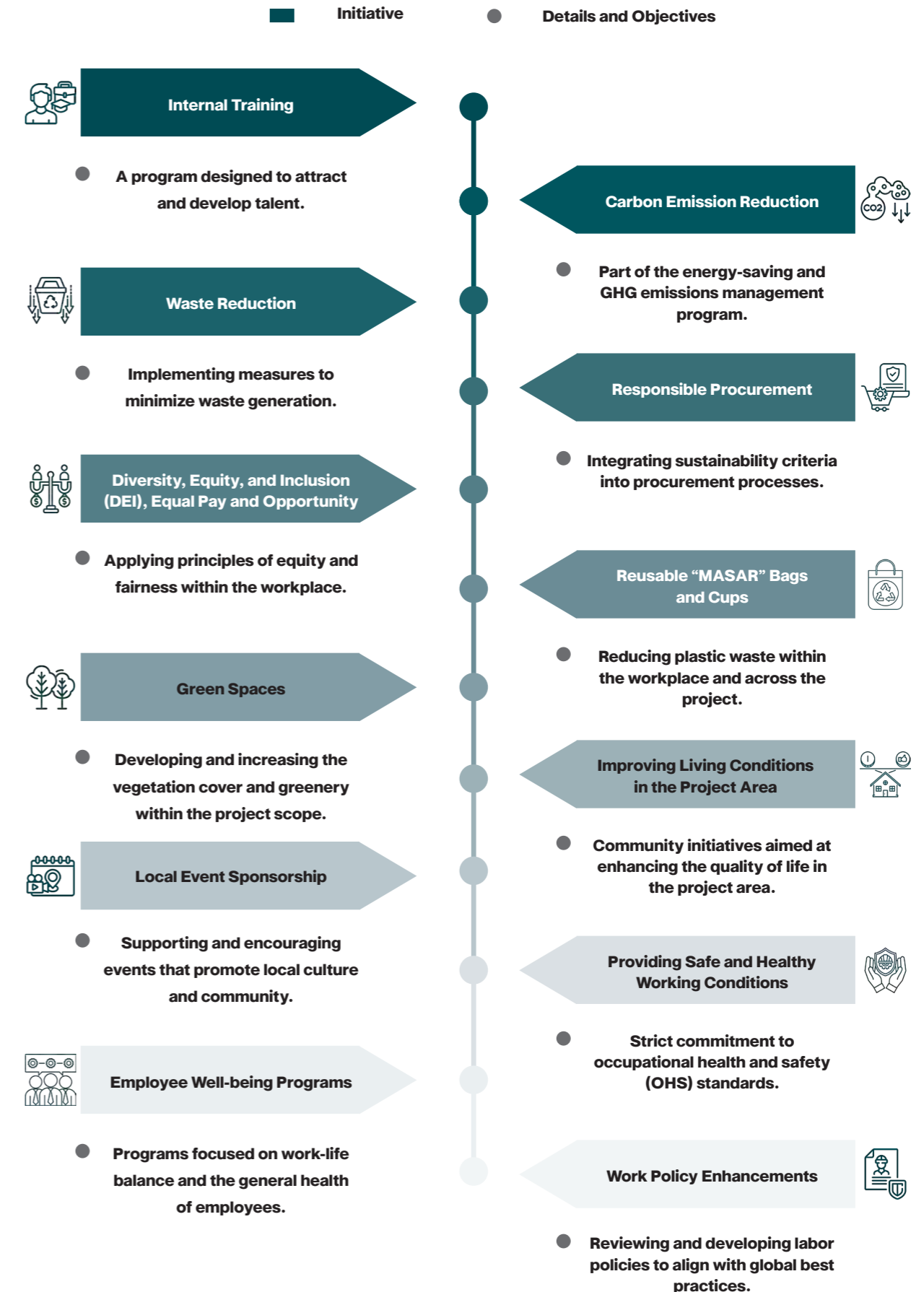
Social Responsibility

Umm Al Qura for Development and Construction adopts an integrated approach to social responsibility, focusing on supporting local economic development and enhancing community well-being, as "MASAR" Destination serves approximately 158,000 residents and visitors. This role is an extension of the Company's commitment to making a positive contribution to the communities in which it operates.

The Company plays an active role in job creation, particularly by prioritizing local sourcing, which contributes to stimulating economic activity and enhancing the impact of community investment initiatives. The Company also organizes community activities via social media platforms and contributes to achieving a sustainable impact by empowering local communities and supporting the local economy.

The Company's commitment to social responsibility strengthens community ties and contributes to fostering a supportive and stimulating environment. To this end, Umm Al Qura for Development and Construction has launched several initiatives and programs that reflect its ongoing commitment to social and environmental responsibility.

Social and Environmental Responsibility Programs



Stakeholder Engagement

Umm Al Qura for Development and Construction affirms that effective communication is a fundamental element in promoting the principles of accountability and transparency, and that engagement is a key pillar of its approved sustainability strategy. In this context, the Company is committed to engaging internal and external stakeholders in decision-making processes, ensuring integration and the sustainability of impact. The Company adopts a structured approach to stakeholder engagement, which includes:



Employees and Partners:

Through monthly newsletters and awareness campaigns, to institutionalize governance standards.



Community and Residents:

Through community activities and by incorporating their requirements into urban design that focuses on serving both residents and visitors alike.



Investors:

By committing to transparency, external reporting, and communication to strengthen trust and attract investments.

Commitment to ongoing engagement and periodic assessment of material topics is an integral part of the Company's efforts to enhance its performance in ESG areas. In this context, the Company collaborated with key stakeholders, within the infrastructure master plan, to develop the eco-friendly design of "MASAR" Destination.

The Board of Directors is directly involved in strategic decision-making regarding ESG matters and oversees the relevant framework and policies, while receiving periodic reports on the progress made toward achieving sustainability goals.

Measuring Environmental and Social Performance

The Company utilizes the international GRI standards to develop its ESG reporting.

First: Assessment and Monitoring of Contractors and Suppliers

The Company integrated sustainability criteria into the early stages of the contracting process:



Registration and Prequalification:

Suppliers are required to disclose their sustainability practices by completing a dedicated questionnaire.



Tendering Process:

Suppliers are required to review and sign the Code of Conduct and the mandatory Sustainability Policy included within the Request for Proposal (RFP) documents.

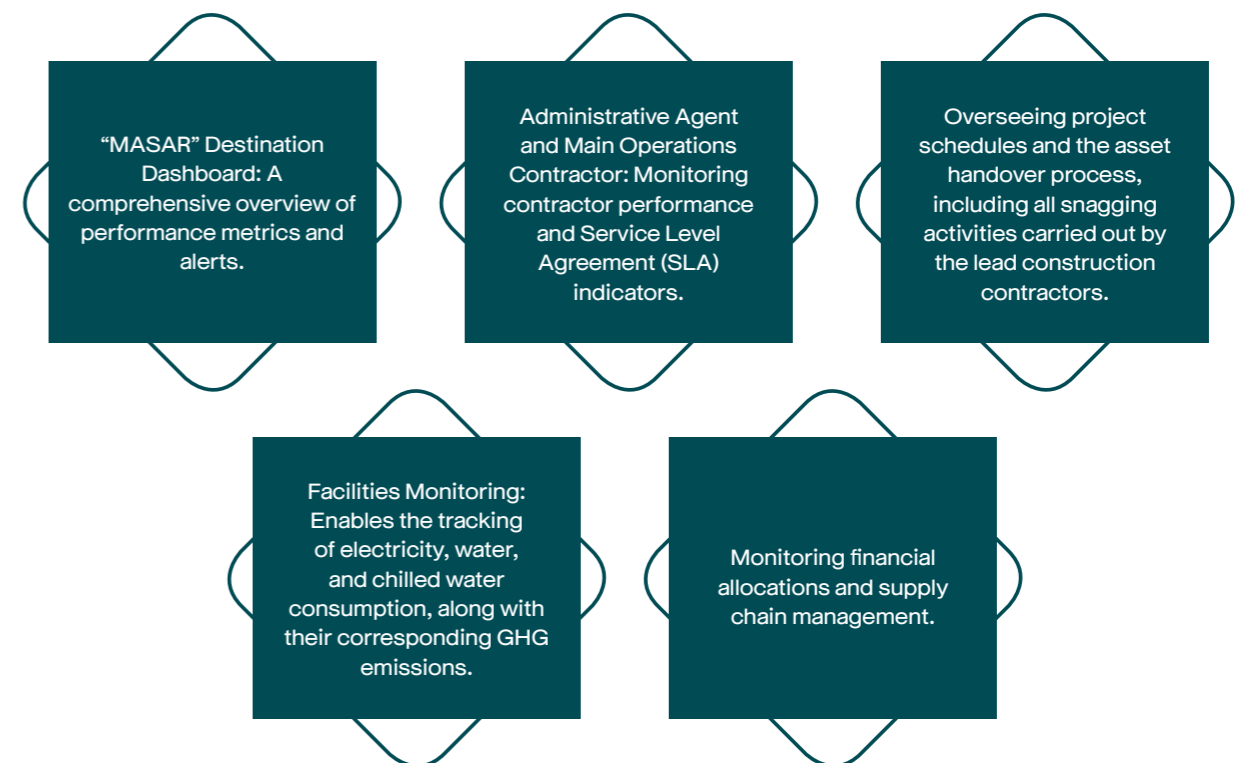


Monitoring:

Suppliers are monitored throughout the duration of the contract. Any instances of non-compliance are escalated to senior management and resolved based on their level of severity.

Second: Operations Dashboards

The Company deployed operations dashboards to provide near real-time visibility into KPIs across all sites, enabling the operations team to make data-driven decisions as follows:



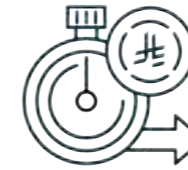
The transition from description-based material requests to a “Unified Material Registry” represents a fundamental shift in supply chain efficiency, akin to moving from dead reckoning navigation to the precision of a Global Positioning System (GPS). Allowing the subjective description of materials leads to data fragmentation and a proliferation of redundant names for the same item. This limits the ability to track consumption accurately, undermines the efficiency of spend analysis, and hinders the consolidation of purchasing power and the attainment of competitive pricing terms.

By implementing a standardized material registry, each item is linked to a unique identification code, ensuring high levels of data consistency and accuracy. This shift directly translates into enhanced financial and operational visibility. This approach facilitates a clear comparison between the Free-text Request Model and the Unified Material Registry. Spend is transitioned from unanalyzable data into complete transparency, while inventory duplication caused by inconsistent nomenclature is eliminated. Furthermore, procurement evolves from labor-intensive manual procedures into automated, system-matched operations, strengthening contract compliance by linking materials directly to approved suppliers and contractual pricing, which automatically unlocks the following advantages:

Item	Material Requests (Free-Text)	Unified Material Registry (Catalog)
Spend Visibility and Analysis	Blind Spots: Impossible to accurately analyze total spend on specific parts or materials.	Full Transparency: 100% accurate analysis of total spend per line item.
Inventory Control	Stock Redundancy: The same item is requested and recorded under different names, leading to bloated inventory.	Zero Redundancy: The system automatically identifies available stock before permitting a new request.
Operational Speed	Intensive Manual Effort: Procurement staff must interpret descriptions and research specifications for every line item.	Automation Readiness: Purchase Requisitions (PRs) are instantly converted to Purchase Orders (POs) via automated matching.
Contract Compliance	Maverick Spend: Users procure from unapproved vendors at inflated prices.	Mandatory Savings: Materials are pre-linked to preferred suppliers and contractually agreed rates.

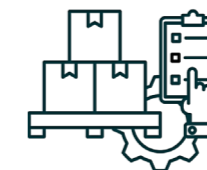
In this context, the Company is working to activate Framework Agreements for all items listed in the Unified Material Registry, with the objective of stabilizing unit prices and delivery lead times. This step is set to transition the supply chain from a reactive operational model to a stable and predictable logistical ecosystem, thereby bolstering the efficiency of both planning and execution.

Operational and Financial Impact:



Accelerating the Procurement Cycle:

By locking in price and lead-time variables, the Company successfully eliminated administrative bottlenecks caused by continuous negotiations and repeated requests for quotations (RFQs) for every purchase order. This significantly reduces the duration of the “Procure-to-Pay” (P2P) cycle.



Optimizing Inventory Planning:

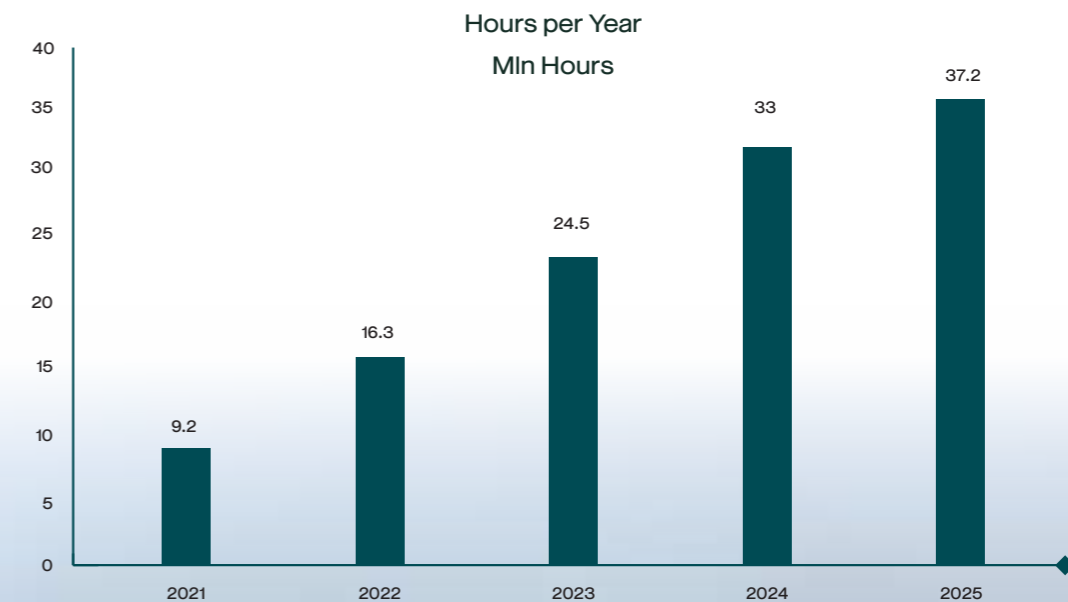
Fixed lead times enable more accurate inventory planning and the optimization of safety stock levels, as the uncertainty associated with delivery schedules is eliminated.



Stability and Governance:

This system shields the Company from market fluctuations and maverick spending, while strengthening strategic partnerships by enabling suppliers to forecast their production plans based on the approved material registry.

Safe Man-Hours



Section VI:

Corporate Governance

6

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General Governance Framework

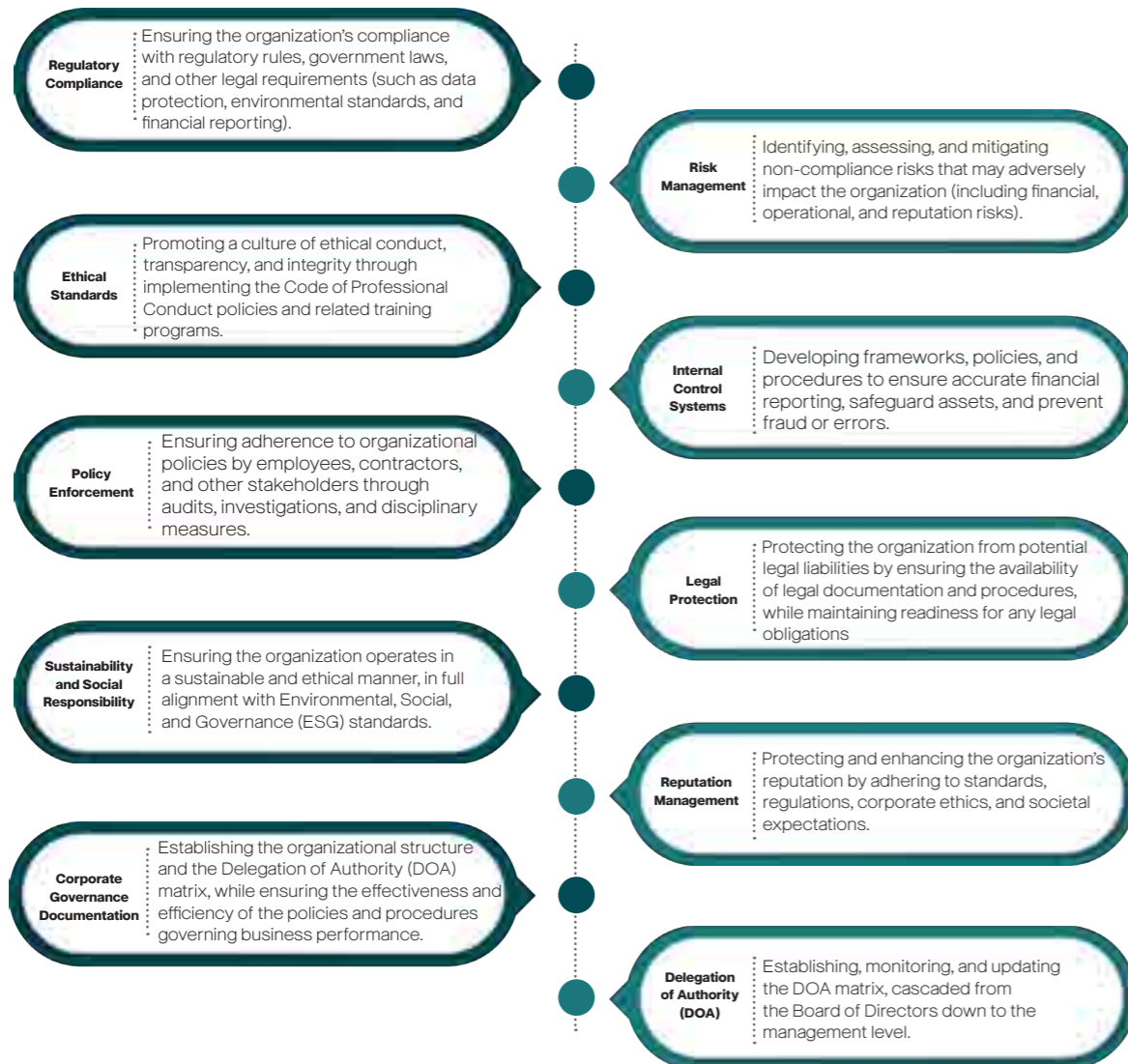
Umm Al Qura for Development and Construction Company is committed to strengthening the principles of transparency and institutional accountability by adopting an advanced approach to governance and compliance, ensuring that the Company's business is conducted in accordance with the highest ethical and legal standards.

This approach aims to support compliance with internal policies and adherence to sector regulations, and to control operational processes in line with best practices, ensuring full compliance with applicable laws and regulations.

The Company's governance structure has been designed in accordance with the latest international standards, based on the Companies Law and its Implementing Regulations, while taking into account relevant laws and regulations, thereby ensuring effective management and legally sound decision-making.

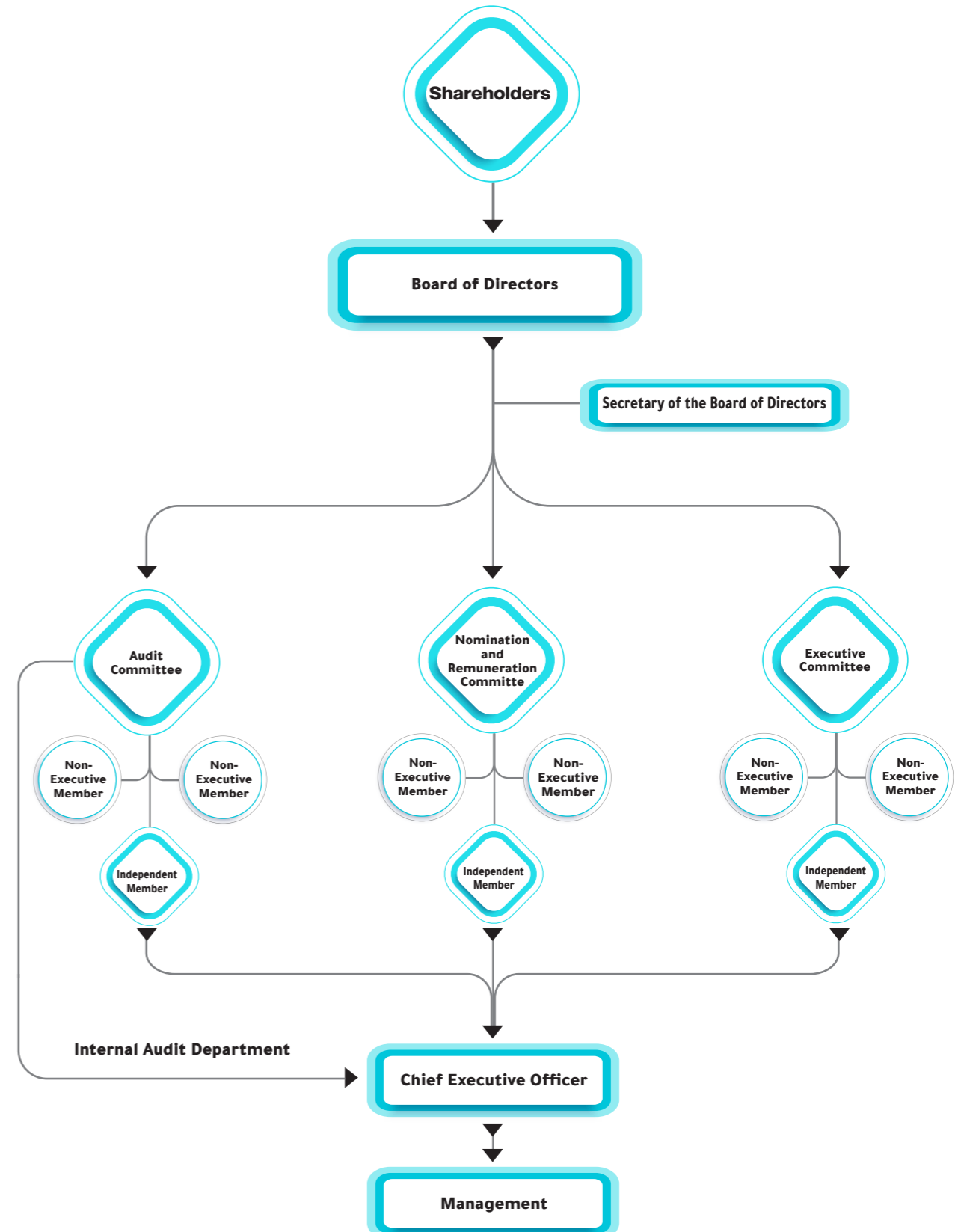
Strategic Governance Objectives

Umm Al Qura for Development and Construction Company's governance and compliance framework is built on a set of integrated strategic objectives:



Governance Structure

Company's Governance Structure



Compliance and Governance Projects

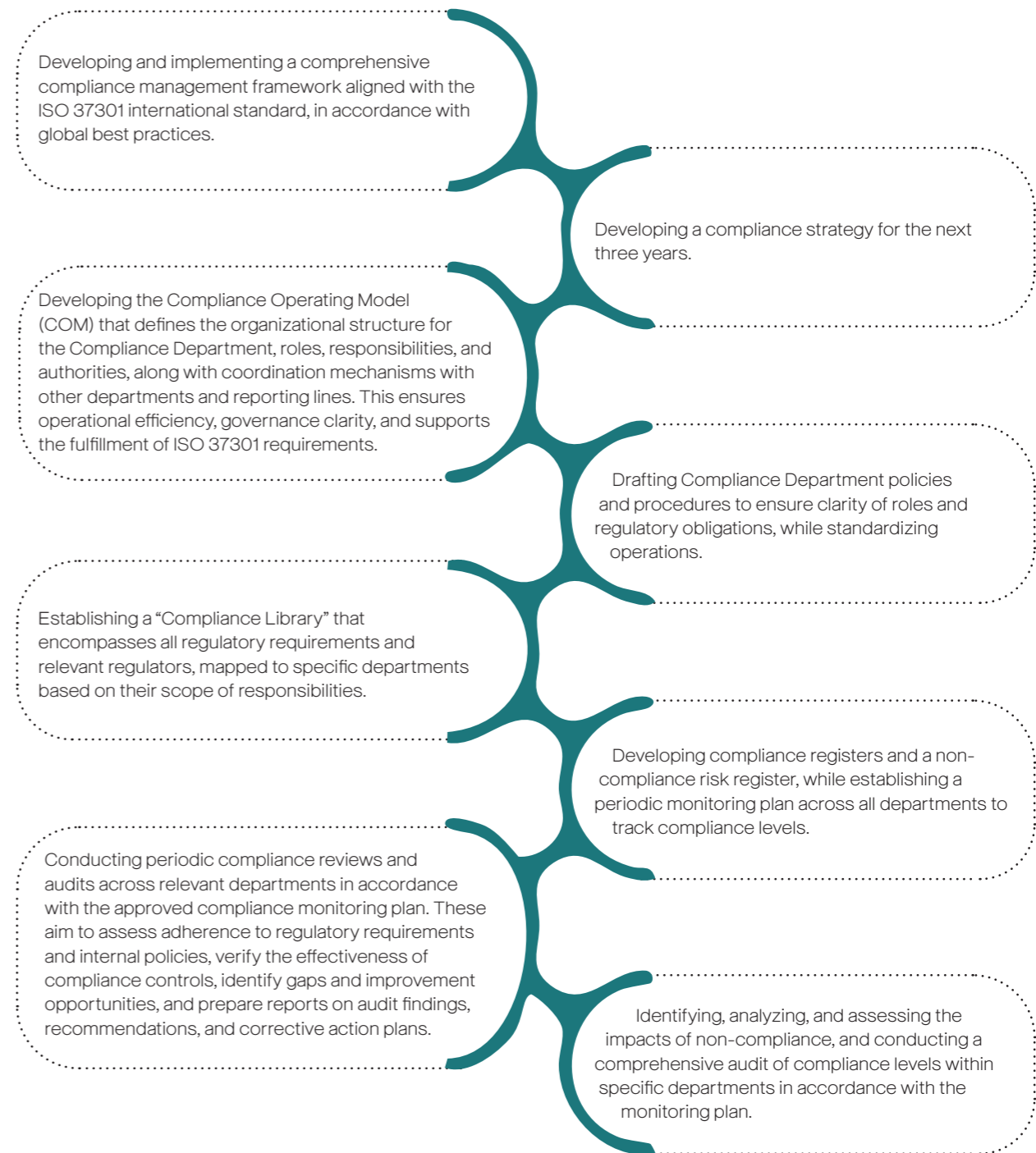
Based on a comprehensive gap assessment of governance practices, the Governance and Compliance Projects were launched. These represent a strategic move toward building an integrated governance system that enhances institutional performance maturity and fosters an effective regulatory environment to achieve the Company's strategic objectives.



First: Compliance Project

The Compliance Project aims to establish an integrated and effective framework that embeds compliance practices within the Company. The Project ensures alignment with the strategic vision and institutional goals, centered on defining roles and responsibilities and designing organizational structures.

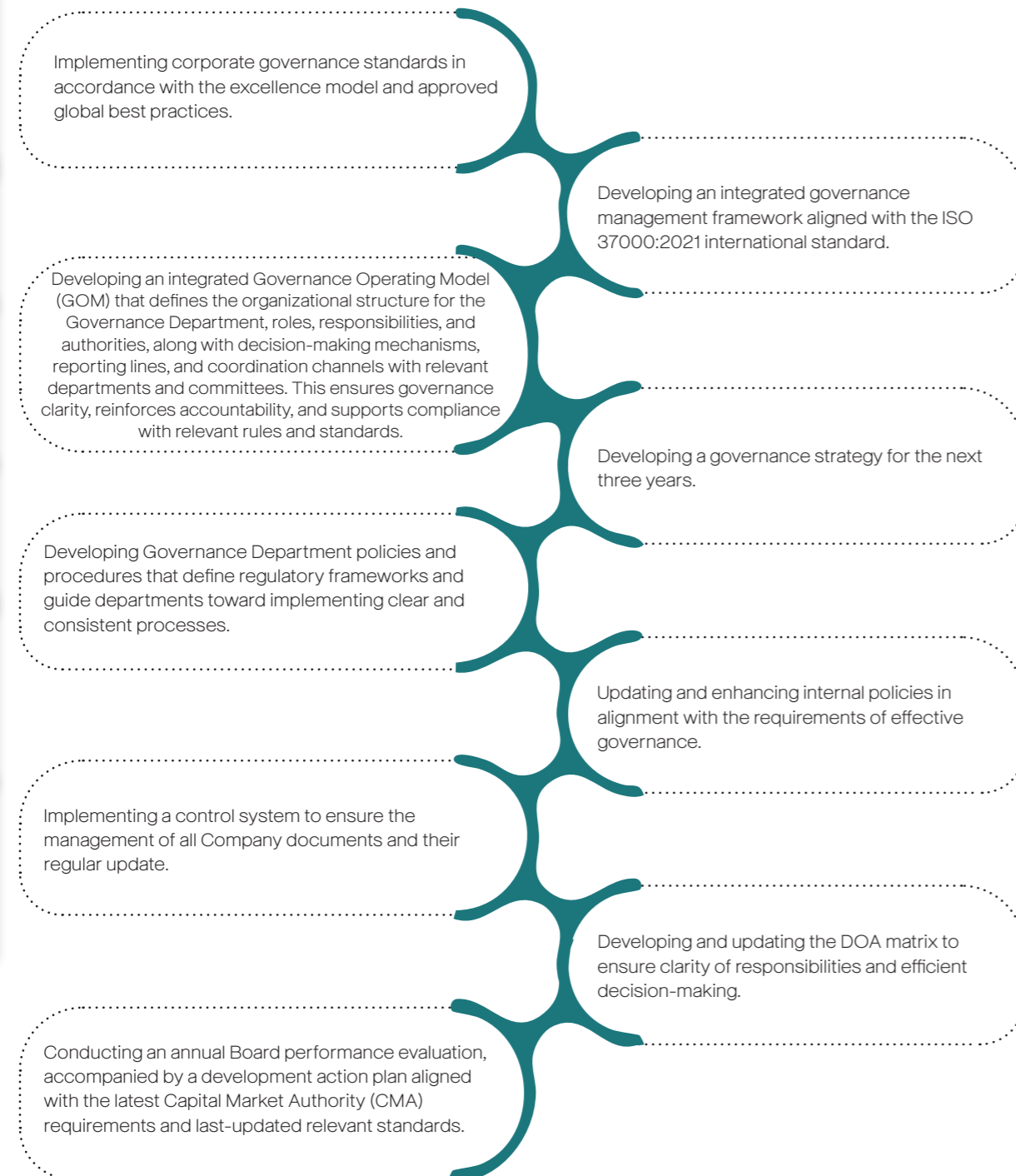
Key Deliverables of the Compliance Project



Second: Governance Project

The Governance Project is a core pillar for developing a cohesive and sustainable business environment. The Project focuses on enhancing corporate governance principles and implementing international best practices to ensure a balance between achieving objectives and meeting stakeholder requirements, while bolstering transparency and accountability.

Key Deliverables of the Governance Project



2026 Governance Objectives

The 2026 governance objectives are built upon four key pillars, aimed at achieving a qualitative leap in institutional performance and reinforcing the Company's position as a model of transparency and compliance.



Governance and Compliance Strategic Activities for 2026

Strategic Pillar	Activity	Objective
First: Excellence in Frameworks and Transparency	Developing Robust Governance Frameworks	Enhancing investment transparency, strengthening financial disclosure controls, and facilitating investor onboarding by aligning frameworks with the CMA standards and market expectations.
	Governance Assurances for Investment Instruments	Consolidating the Company's position as a transparent, reliable, and preferred investment platform by providing governance assurances for investment instruments and related offerings.
Second: Resilience and Future-Readiness	Designing Resilient Governance and Compliance Models	Enabling fast and effective processes by designing models responsive to innovation and evolving business risks.
	Developing Forward-looking Policies	Supporting the organization's resilience in navigating complex compliance landscapes by formulating policies that account for emerging regulatory environments.
Third: Ethical and Operational Compliance	Implementing Comprehensive Compliance Controls	Enhancing ethical marketing practices, increasing investor confidence, and ensuring compliance with regulatory reporting requirements.
	Promoting Responsible Innovation	Integrating sustainability, ethics, and risk awareness into all governance and compliance functions.
	Strengthening Operational Compliance	Ensuring consistent excellence standards by focusing on compliance related to data privacy, data integrity, and service quality.
	Institutionalizing Corporate Governance Mechanisms	Supporting regulatory obligations related to urban management, public safety, and service integrity.
Fourth: Cultural and Social Alignment	Integrating Legal, Ethical, and Cultural Considerations	Ensuring inclusive, accessible, and community-conscious processes by integrating these considerations into compliance frameworks.
	Aligning Compliance Frameworks	Designing compliance frameworks that align with the unique cultural and social environment of Makkah.

Organizational Structure

Board of Directors

The Board of Directors of Umm Al Qura for Development and Construction is responsible for setting the Company's strategic direction and overseeing its implementation mechanisms. The Board undertakes key responsibilities, including reviewing and approving comprehensive corporate policies, defining overarching goals, and establishing detailed strategic plans. Furthermore, the Board approves key performance indicators (KPIs) that serve as a compass, guiding the Company toward achieving its vision and aspirations. The Board also approves annual budgets and business plans to ensure the allocation and availability of the necessary availability of financial and human resources necessary to support the sustainability and growth of future projects and initiatives. In accordance with the Company's Articles of Association (AoA), the Board consists of nine members, each bringing extensive experience and leadership skills aligned with the

Company's business nature and development goals. Board members are elected by the Ordinary General Assembly (OGA) for a term not exceeding four years, ensuring representation of the government funds contributing to the Company's capital. This composition underscores the Company's steadfast commitment to implementing sound corporate governance practices.

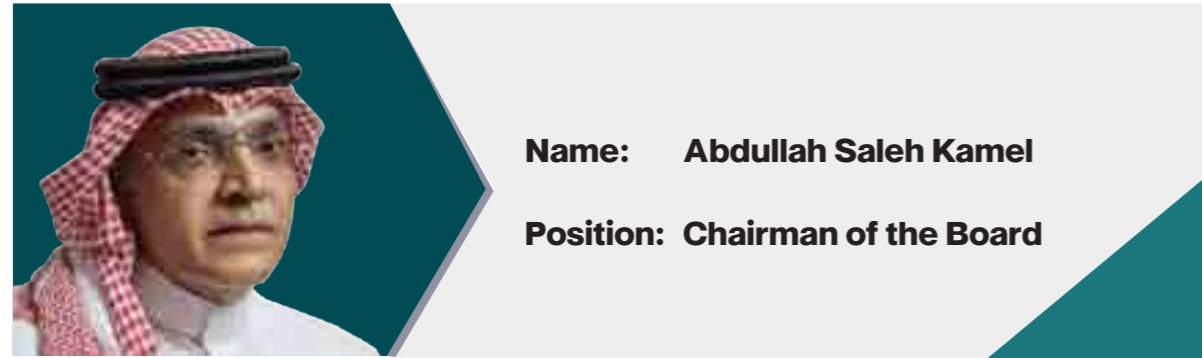
Pursuant to the established regulatory requirements, the election of the current Board members was conducted. The Board commenced its fourth term on 1 July 2023, which will extend to 29 June 2026. This tenure includes members elected and nominated by government entities and major shareholders, ensuring the Board continues its effective leadership role in driving the Company's progress and opening new horizons for development and growth.

Abdullah Saleh Kamel	Chairman of the Board
Abdulrahman Mohammed Al-Rashid	Vice Chairman of the Board
Bader Ayman Fadel	Board Secretary

Board Members

Name	Position	Type of Membership		
		Executive	Non-Executive	Independent
Abdulaziz Muteb Al-Rasheed	Board Member		√	
Abdulaziz Abdulrahman Al-Khunain	Board Member			√
Haitham Mohammed Al-Fayez	Board Member		√	
Abdullah Saleh Al-Balawi	Board Member		√	
Jihad Abdulrahman Al-Qadi	Board Member		√	
Zuhair Fouad Hamza	Board Member			√
Ahmed Abdulmohsen Al-Rumaih	Board Member			√

Biographies of Board Members



Name: Abdullah Saleh Kamel

Position: Chairman of the Board

Qualifications

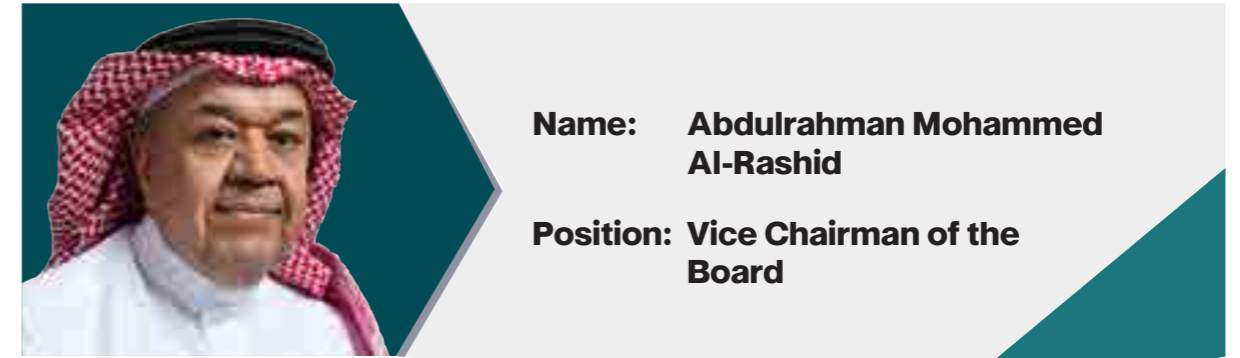
- ◆ 2023: Honorary Doctorate, Business Administration and Development, American Institute of Applied Sciences (AUS), Switzerland.

Current Positions

- ◆ Chairman of the Board, Non-Executive Member, Umm Al Qura for Development and Construction Company. Kamel is leading with a strategic vision that strengthens the Company's position in the real estate development and investment sector in the Kingdom.
- ◆ Chairing the Boards of Directors for: Dallah Albaraka Holding Company (DBHC); Dallah Investment Holding Company; Dallah Real Estate Company; and Albaraka Group (ABG).
Chairman, Okaz Organization for Press and Publication, the General Council for Islamic Banks and Financial Institutions (CIBAFI), the Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), and the Makkah Chamber of Commerce.
- ◆ Chairman, Board of Trustees, Saleh Abdullah Kamel Humanitarian Foundation.

Previous Positions

- ◆ Holding several leadership positions in major companies and institutions, most notably: Chairman of Sinad Holding Co.; Vice Chairman of Emaar The Economic City (EEC); Chairman of Amlak International for Real Estate Finance; and Board Member of Bank AlJazira.
- ◆ Over 30 years of experience across the investment, financial, and real estate sectors, as well as development, management, and various industries. This in addition to the active role in charitable and social work, by serving as chairman and member of several local and international entities and organizations.



Name: Abdulrahman Mohammed Al-Rashid

Position: Vice Chairman of the Board

Qualifications

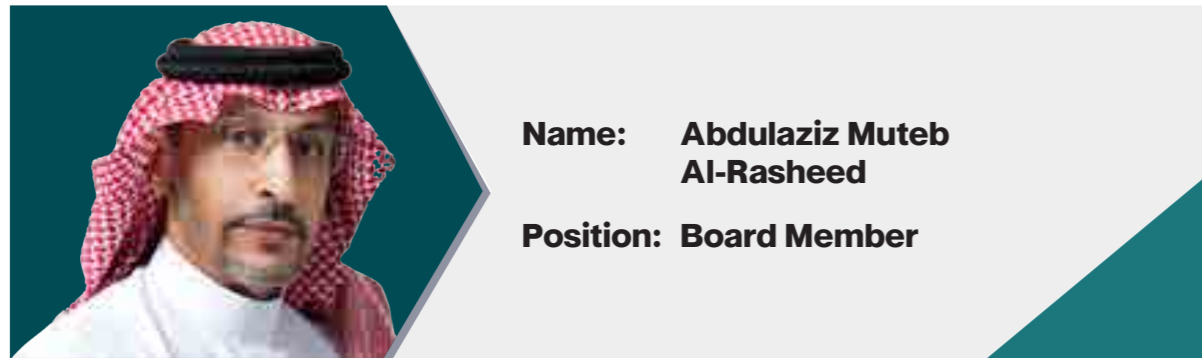
- ◆ Bachelor's Degree, Business Administration, King Saud University (KSU).

Current Positions

- ◆ Vice Chairman, Board of Directors, Independent Non-Executive Member.
- ◆ Chairman of the Board of Directors, Integrated Cable and Fiber Optic Company; Tharawat Tuwaiq Financial Company; Tadawul Real Estate Company; and AlAhli REIT Fund (1).
Advisor to the Chairman, part-time, Keir International, responsible for the Company's restructuring and listing on the Saudi Capital Market.

Previous Positions

- ◆ Holding several positions at the Saudi Central Bank (SAMA), Tadawul, and Alinma Investment; most recently serving as Vice Chairman at the CMA.



Name: Abdulaziz Muteb Al-Rasheed

Position: Board Member

Qualifications

- ◆ Bachelor's Degree, Economics, Imam Muhammad Ibn Saud Islamic University (IMSIU).
Completing several advanced programs in strategic leadership and economic development at prestigious universities such as Oxford and Harvard.
2000–2002: Completing a postgraduate program in Economics, University of Oregon, USA, bolstering economic background and enriching expertise in managing financial and developmental policies.

Current Positions

- ◆ Board Member, Non-Executive, Umm Al Qura for Development and Construction Company, with extensive expertise spanning the sectors of economics, financial policy, and international relations.
Board Member, Dinar Investment; Awqaf Investments; Al Mawarid Manpower; and Bank AlJazira.

Previous Positions

- ◆ Holding several prominent leadership positions, including Assistant Minister of Finance for Macro-Fiscal Policies and International Relations. 2021–2022: the Saudi G20 Sherpa.
January 2017: Deputy Minister for Economic Affairs, Ministry of Economy and Planning (MEP).
- ◆ Holding memberships on influential boards at both local and international levels, including Asian Infrastructure Investment Bank (AIIB); General Authority for Statistics (GASTAT); National Center for Privatization & PPP (NCP); Zakat, Tax and Customs Authority (ZATCA); Real Estate General Authority (REGA); Saudi Food and Drug Authority (SFDA); Saudi Exports Development Authority (SAUDI EXPORTS); in addition to other local and regional entities and companies.



Name: Abdulaziz Abdulrahman Al-Khunain

Position: Board Member

Qualifications

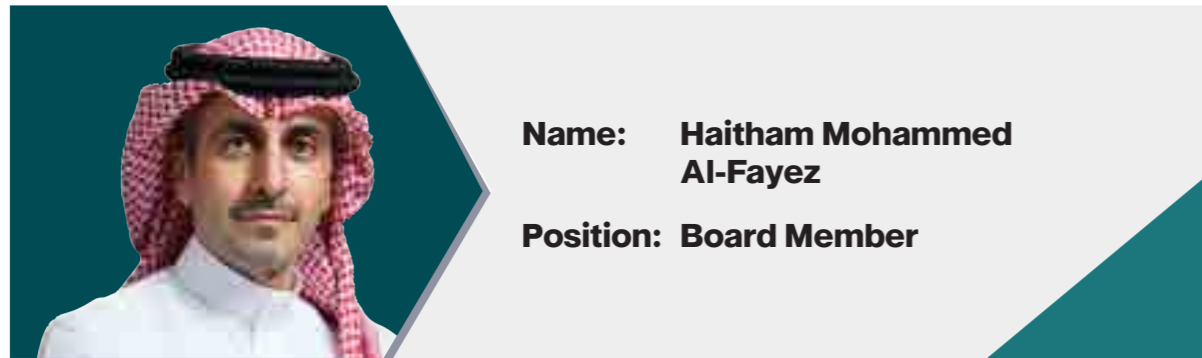
- ◆ Bachelor's Degree, Journalism, Imam Muhammad Ibn Saud Islamic University (IMSIU).

Current Positions

- ◆ Board Member, Independent, Umm Al Qura for Development and Construction Company.
Board Member, Eastern Province Cement Company (EPCCO).
2019–2024: Advisor to His Royal Highness, the Deputy Governor of Makkah Region.

Previous Positions

- ◆ Holding extensive professional experience, having served in several institutions and companies, most notably: The Emirate of Makkah Province, the Emirate of Al-Jouf Province, King Salman Program for Human Resources Development, the Public Pension Agency (PPA), Raidah Investment Company (RIC), Princess Nourah bint Abdulrahman University (PNU), Saudi Organization for Chartered and Professional Accountants (SOCPA), and the Ministry of Civil Service.



Name: Haitham Mohammed Al-Fayez

Position: Board Member

Qualifications

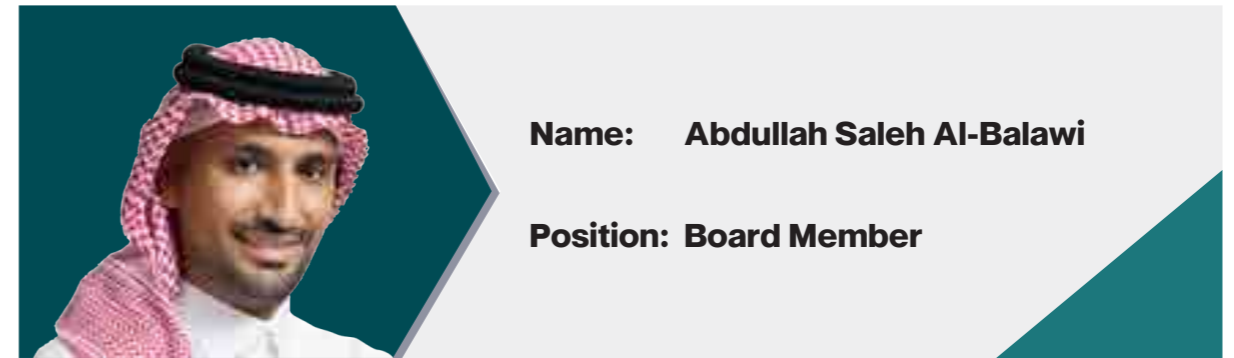
- ◆ Bachelor's Degree, Management Information Systems (MIS), King Fahd University of Petroleum and Minerals (KFUPM).
Master of Business Administration (MBA), Imperial College, London.

Current Positions

- ◆ Board Member, Non-Executive, Umm Al Qura for Development and Construction Company, with extensive expertise in investment, asset management, and economic development.
- ◆ Member, Waqf Committee, Ehsan Platform, operated by the Saudi Data and AI Authority (SDAIA). Board Member, ADES Holding. Member, Resources Development Committee, Education and Training Evaluation Commission (ETEC). Member, Nomination and Remuneration Committee, Riyadh Infrastructure Projects Center (RIPC). Member, Investment Committee, Special Integrated Logistics Zone (SILZ). Member, Executive Committee, Riyadh Holding Company. Board Member, the Associations Support Fund and Bank Albilad. Member, Board of Trustees, Charitable Foundation for Orphan Care (Ekhaa). CEO, Sulaiman Alrajhi Holding.

Previous Positions

- ◆ Holding leadership positions in several prominent institutions and companies, including the Managing Director and CEO, Awqaf Investments, the investment arm of the General Authority for Awqaf (GAA), Saudi Industrial Development Fund (SIDF), the United Nations Development Programme (UNDP), Jadwa Investment, Saudi Aramco, and Kingdom Holding Company. These diverse roles provided profound knowledge in the fields of finance, investment, and institutional development.
- ◆ Deep-seated expertise in waqf (endowment) investment management, real estate development, and financial governance. This extensive background enhancing the engagement in supporting sustainable investment strategies and maximizing both economic and social impact.



Name: Abdullah Saleh Al-Balawi

Position: Board Member

Qualifications

- ◆ Bachelor's Degree, Accounting, Portland State University (PSU), Oregon, USA.
Executive Master of Business Administration (EMBA), London Business School, Dubai, UAE.

Current Positions

- ◆ Board Member, Non-Executive, Umm Al Qura for Development and Construction Company.
Board Member, Saudi Downtown Company (SDC), and Rua Al Madinah Holding.


Previous Positions

- ◆ Holding several positions within the Local Real Estate Investment Division (LREID) at the Public Investment Fund (PIF). Playing a key role in managing and directing real estate investments.
Managing several PIF-owned companies with diverse responsibilities, gaining deep expertise in the management of real estate and developmental projects.
- ◆ Holding memberships on the boards of directors and executive committees of several PIF-subsiary companies.
The leading role encompasses monitoring operational performance, tracking Key Performance Indicators (KPIs), and supporting portfolio companies from an investment perspective, in addition to evaluating investment opportunities and providing strategic recommendations to corporate boards.
- ◆ Leveraging expertise in real estate investment development and asset management contributed to achieving the PIF's strategic objectives by enhancing the efficiency of real estate investments and securing sustainable growth.



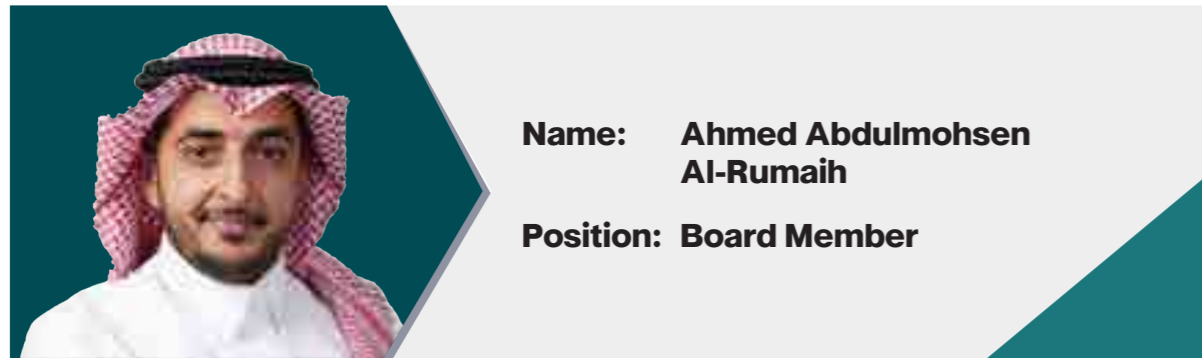
Name: Jihad Abdulrahman Al-Qadi
Position: Board Member

- Qualifications**
- ◆ Bachelor's Degree, Economics, King Saud University (KSU) in Riyadh. Master of Business Administration (MBA). Master's Degree, Hult International Business School. Completing several executive programs at prestigious global institutions, including Harvard Business School, Massachusetts Institute of Technology (MIT), London Business School (LBS), IMD Business School, and IE University, Madrid.
- Current Positions**
- ◆ December 2021-Present: Chief Executive Officer, Riyadh Development Company (ARDCO), with over 20 years of extensive experience in the investment and finance sectors.
- Previous Positions**
- ◆ Holding leadership positions in several prominent institutions and companies, including PIF, SEDCO Capital, Jadwa Investment, and Saudi National Bank (SNB).
 - ◆ Board Member, Umm Al Qura for Development and Construction Company, Riyadh Capital, Deera Investment and Real Estate Development Company (DERA), Osool Integrated Real Estate Co., the real estate arm of the General Organization for Social Insurance (GOSI). Member, Executive Committee, New Murabba Development Company (NMDC), along with various other board-level sub-committees. Chairman, Member, Advisory Board of JLL Saudi Arabia (a world-leading firm in real estate investment and consultancy).



Name: Zuhair Fouad Hamza
Position: Board Member

- Qualifications**
- ◆ Bachelor's Degree, City and Regional Planning, A Minor: in Architecture, University of Louisiana. Master's Degree, Public Administration (MPA), Harvard University, USA.
- Current Positions**
- ◆ Board Member, Independent, Umm Al Qura for Development and Construction Company. Over 38 years of experience in the planning, management, and implementation of urban development projects. This includes strategic and operational planning, Public-Private Partnerships (PPP), and slum redevelopment.
- Previous Positions**
- ◆ Board Member, Red Sea Markets Company. Board Member, Ufuq Al-Qadisiyah Riyadh Company, Riyadh. Holding memberships in several committees, councils, and authorities across the Kingdom. Occupying leadership positions at Tamlik Company, Dallah Albaraka Group, and the Royal Commission for Yanbu. Most recently: CEO, Real Estate Sector, SEDCO Development (part of SEDCO Holding), and Board Member, SEDCO Development.
 - ◆ Previously: Holding board memberships in regional real estate development companies across Lebanon, Egypt, Tunisia, and Morocco.



Name: Ahmed Abdulmohsen Al-Rumaih

Position: Board Member

Qualifications

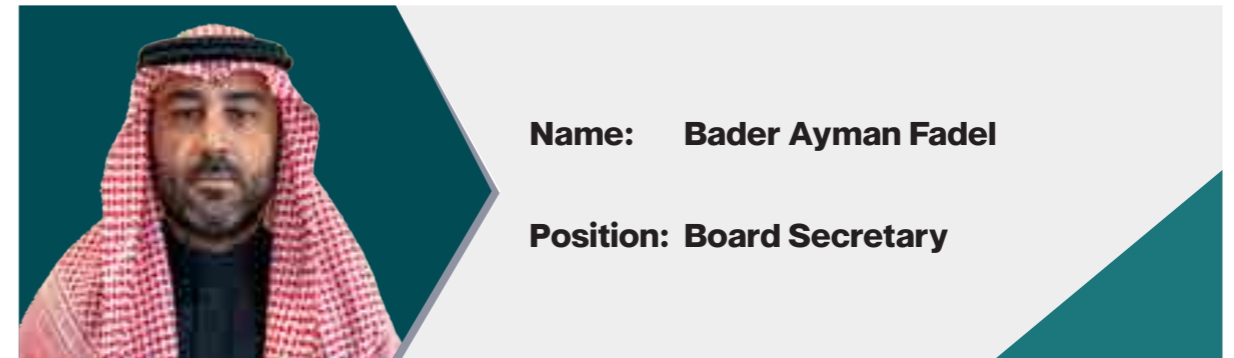
- ◆ Bachelor's Degree, Business Administration, Finance, King Saud University (KSU).
Master's Degree with Honors, Financial Management, United Kingdom.
International Certificate in Wealth and Investment Management (ICWIM).
Cambridge Certificate, International Financial Management.
Completing several specialized executive programs in management and investment at prestigious institutions such as London Business School (LBS), IMD Business School, and Harvard University.

Current Positions

- ◆ Board Member, Non-Executive, Umm Al Qura for Development and Construction Company.
Assistant President, Investment and Fund Development, the General Commission for the Guardianship of Trust Funds for Minors and their Counterparts, leading efforts in managing and developing investment assets.
- ◆ Board Member, Chairman of Audit Committee, Energy Care Company (ECC).
Holding several leadership positions in the investment sector, including serving as General Manager, General Department of Investment, General Commission for the Guardianship of Trust Funds for Minors and their Counterparts.

Previous Positions

- ◆ Head, Investment Advisory Department.
Director, Alternative Investment Funds, Alinma Investment.
Responsible for the issuance of investment products at the Capital Market Authority (CMA), playing a key role in regulating and managing investment products in accordance with international best practices.
Contributing to the establishment of the Kingdom's first endowment investment fund, Alinma Wareef Endowment Fund.
- ◆ Serving on the boards of several endowments, real estate, and private equity investment funds, reflecting deep expertise in investment development and asset management.
- ◆ Extensive expertise in investment growth and financial product development, contributing to supporting sustainable investment strategies and achieving institutional goals with high efficiency.



Name: Bader Ayman Fadel

Position: Board Secretary

Qualifications

- ◆ Bachelor's Degree, Laws, King Abdulaziz University (KAU), Jeddah.
Master of Laws (LLM), University of St. Thomas, USA.

Current Positions

- ◆ Board Secretary, Senior Governance Advisor, Umm Al Qura for Development and Construction Company.
Over 10 years of experience in legal departments, board secretariat, and corporate governance affairs.
Acquiring extensive knowledge in the fields of law, governance, and board affairs.
Completing several specialized training courses bolstering the expertise in such fields.

Current and Previous Positions of Board Members

Abdullah Saleh Kamel						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Dallah Albaraka Holding Company	Closed Joint Stock Company	√		Chairman of the Board	√	
Albaraka Group (ABG) – Bahrain	Closed Joint Stock Company		√	Chairman of the Board	√	
Emaar The Economic City (EEC)	Public Joint Stock Company	√		Chairman of the Board		√
Okaz Organization for Press and Publication	Private Foundation	√		Chairman of the Board	√	
General Council for Islamic Banks and Financial Institutions (CIBAFI)	Non-Profit Organization (NPO)		√	Chairman	√	
Islamic Chamber of Commerce, Industry and Agriculture (ICCIA)	Non-Profit Organization (NPO)		√	Chairman	√	
Makkah Chamber of Commerce	Non-Profit Organization (NPO)	√		Chairman	√	

Abdulrahman Mohammed Al-Rashid						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Integrated Cable and Fiber Optic Company	Limited Liability Company	√		Chairman of the Board	√	
Tharawat Tuwaiq Financial Co.	Closed Joint Stock Company	√		Chairman of the Board	√	
Tadawul Real Estate Company	Limited Liability Company	√		Chairman of the Board	√	
AlAhli REIT Fund (I)	Real Estate Fund	√		Chairman of the Board	√	

Abdulaziz Muteb Al-Rasheed						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Dinar Investment	Closed Joint Stock Company	√		Board Member		
Ministry of Finance (MOF)	Government Entity	√		Assistant Minister of Finance for Macro-Fiscal Policies and International Relations		√
Ministry of Economy and Planning (MEP)	Government Entity	√		Deputy Minister for Economic Affairs		√

Abdulaziz Abdulrahman Al-Khunain						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Eastern Province Cement Company (EPCCO)	Public Joint Stock Company	√		Board Member	√	
Jeddah Development and Urban Regeneration Co. (JDURC)	Public Joint Stock Company	√		Board Member	√	
Emirate of Makkah Province	Government Entity	√		Advisor to His Royal Highness, the Deputy Governor of Makkah Region	√	

Haitham Mohammed Al-Fayez						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
ADES Holding	Public Joint Stock Company	√		Board Member	√	
Bank Albilad	Public Joint Stock Company	√		Board Member	√	
Kidana Development Company	Closed Joint Stock Company	√		Board Member	√	
Awqaf Investments	Closed Joint Stock Company	√		Managing Director & CEO	√	
Associations Support Fund	Government Entity	√		Board Member	√	
Education and Training Evaluation Commission (ETEC)	Government Entity	√		Resources Development Committee Member	√	
Riyadh Infrastructure Projects Center (RIPC)	Government Entity	√		Nomination and Remuneration Committee Member	√	
Investment Committee, Special Integrated Logistics Zone (SILZ)	Limited Liability Company	√		Investment Committee Member	√	
Riyadh Holding Company	Limited Liability Company	√		Executive Committee Member	√	
Charitable Foundation for Orphan Care (Ekhaa)	Non-Profit Organization (NPO)	√		Board of Trustees Member	√	

Abdullah Saleh Al-Balawi						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Saudi Downtown Company (SDC)	Closed Joint Stock Company	√		Board Member	√	
Rua Al Madinah Holding	Closed Joint Stock Company	√		Board Member	√	
PIF	Government Entity	√		Several positions within Local Real Estate Investment Division (LREID)		√

Jihad Abdulrahman Al-Qadi						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Arriyadh Development Co.	Public Joint Stock Company	√		CEO	√	
Sadu Capital	Limited Liability Company	√		Chairman of the Board		√
Jones Lang LaSalle (JLL)	Limited Liability Company	√		Chairman of the Board	√	
Osool Integrated Real Estate Co.	Limited Liability Company	√		Board Member	√	
Deera Investment and Real Estate Development Company (DERA)	Simplified Joint Stock Company	√		Board Member	√	
Riyadh Capital	Closed Joint Stock Company	√		Board Member	√	
Tanal Real Estate Development and Investment Company	Limited Liability Company	√		Board Member		√
Ruba Al Abniya Real Estate Development Company	Limited Liability Company	√		Board Member		√
PIF	Government Entity	√		Senior Director, Local Real Estate Investment		√
Jadwa Investment	Closed Joint Stock Company	√		Head, Sales Support and Wealth Management		√
Saudi National Bank (SNB)	Public Joint Stock Company	√		Senior Treasury Director		√

Zuhair Fouad Hamza						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
Ufuq Al-Qadisiyah Riyadh Company	Limited Liability Company	√		Board Member		√
Red Sea Markets Company	Closed Joint Stock Company	√		Board Member		√
SEDCO Holding Company	Closed Joint Stock Company	√		CEO, Real Estate Sector		√
SEDCO Development	Limited Liability Company	√		Board Member / CEO		√
Tamlk Company	Closed Joint Stock Company	√		Board Member / CEO		√
Dallah Real Estate and Tourism Development Company	Closed Joint Stock Company		√	CEO		√

Ahmed Abdulmohsen Al-Rumaih						
Company Name	Legal Entity	Company Location		Position	Type of Membership	
		Within the Kingdom	Outside the Kingdom		Current	Previous
General Commission for the Guardianship of Trust Funds for Minors and their Counterparts	Government Entity	√		Assistant President, Investment and Fund Development	√	
Energy Care Company (ECC)	Closed Joint Stock Company	√		Board Member, Chairman of the Audit Committee	√	
General Commission for the Guardianship of Trust Funds for Minors and their Counterparts	Government Entity	√		General Manager, General Department of Investment		√
Alinma Investment	Closed Joint Stock Company	√		Head, Investment Advisory Department		√
CMA	Depository Entity	√		Investment Product Issuance Officer		√

Board Meetings

In an effort to strengthen the roles and responsibilities of the Board of Directors, the Board held five regular meetings over the past year. These sessions focused on discussing general strategies and directions, monitoring performance, and making pivotal decisions to support the achievement of institutional goals. All meetings were characterized by full attendance, reflecting the members' commitment to effective governance and their active participation in steering the Company's operations and enhancing its sustainable performance.

Board Meetings in 2025

Name	Position	First Meeting 26 February	Second Meeting 28 May	Third Meeting 12 August	Fourth Meeting 24 September	Fifth Meeting 17 December	Attendance Rate
Abdullah Saleh Kamel	Chairman of the Board	√	√	√	√	√	100%
Abdulrahman Mohammed Al-Rashid	Vice Chairman of the Board	√	√	√	√	√	100%
Haitham Mohammed Al-Fayez	Board Member	√	√	√	√	√	100%
Abdulaziz Abdulrahman Al-Khunain	Board Member	√	√	√	√	√	100%
Zuhair Fouad Hamza	Board Member	√	√	√	√	√	100%
Abdullah Saleh Al-Balawi	Board Member	√	√	√	√	√	100%
Jihad Abdulrahman Al-Qadi	Board Member	√	√	√	√	√	100%
Abdulaziz Muteb Al-Rasheed	Board Member	√	√	√	√	√	100%
Ahmed Abdulmohsen Al-Rumaih	Board Member	√	√	√	√	√	100%

Board Committees

1. Executive Committee

The Executive Committee is tasked with reviewing the Company's strategies and objectives and providing recommendations to the Board. The Committee further oversees the review of the budget, business plans, and operational processes to ensure the efficient achievement of institutional goals. The Committee is composed of four members, all of whom are Board Members.

Executive Committee Members

Company Name	Position	Type of Membership
Abdulrahman Mohammed Al-Rashid	Chairman	Board Member
Abdullah Saleh Al-Balawi	Board Member	Board Member
Zuhair Fouad Hamza	Board Member	Board Member
Ahmed Abdulmohsen Al-Rumaih	Board Member	Board Member

Executive Committee Meetings in 2025

Name	Position	Attendance Record				Attendance Rate
		First Meeting	Second Meeting	Third Meeting	Fourth Meeting	
		19 February	19 May	14 September	3 December	
Abdulrahman Mohammed Al-Rashid	Chairman	✓	✓	✓	✓	100%
Abdullah Saleh Al-Balawi	Board Member	✓	✓	✓	✓	100%
Zuhair Fouad Hamza	Board Member	Absent	✓	✓	✓	75%
Ahmed Abdulmohsen Al-Rumaih	Board Member	✓	✓	✓	✓	100%

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for establishing a clear policy for the remuneration of Board Members, its Sub-committees, the Executive Management, and Senior Executives. This policy aims to ensure fairness and optimal motivation to enhance corporate performance. Furthermore, the Committee oversees the selection and qualification of candidates for Board membership while conducting an annual review to identify the necessary skills and expertise required to ensure a comprehensive integration of competencies within the Board and the Executive Management.

In addition, the Committee reviews the independence of Independent Members on an annual basis and ensures the absence of any conflicts of interest, particularly in cases where a member serves on the board of another company. The Committee is composed of three members, all of whom are Board Members.

Nomination and Remuneration Committee

Name	Position	Type of Membership
Abdulaziz Abdulrahman Al-Khunain	Chairman	Board Member
Jihad Abdulrahman Al-Qadi	Board Member	Board Member
Abdulaziz Muteb Al-Rasheed	Board Member	Board Member

Nomination and Remuneration Committee Meetings in 2025

Name	Position	Attendance Record			Attendance Rate
		First Meeting	Second Meeting	Third Meeting	
		17 February	15 September	9 December	
Abdulaziz Abdulrahman Al-Khunain	Chairman	✓	✓	✓	100%
Jihad Abdulrahman Al-Qadi	Board Member	✓	✓	✓	100%
Abdulaziz Muteb Al-Rasheed	Board Member	✓	✓	✓	100%

3. Audit Committee

The Audit Committee assists the Board in exercising its oversight role by supervising accounting systems as well as internal and external audit processes. The Committee also monitors financial reporting mechanisms to ensure accuracy and transparency. Furthermore, the Committee ensures the Company's compliance with approved policies, laws, and regulatory requirements, thereby strengthening governance practices and institutional compliance. The Committee is composed of three Independent, Non-executive, and Non-board Members, in addition to one Independent Board Member, to ensure the independence and effectiveness of the audit process.

Overseeing governance and risk has been added to the Audit Committee's responsibilities until the conclusion of the Board's current tenure on 29 June 2026.

Audit Committee Members

Name	Position	Type of Membership
Husam Faisal Bawared	Chairman	Non-Board Member
Abdulaziz Suleiman Al-Sayari	Board Member	Non-Board Member
Khaled Mahmoud Abu Namous	Board Member	Non-Board Member
Zuhair Fouad Hamza	Board Member	Board Member



Biographies of the Audit Committee Members



Name: Husam Faisal Bawared
Position: Chairman of the Audit Committee

Qualifications

- ◆ Bachelor's Degree, Accounting, King Abdulaziz University (KAU). Fellow, American Institute of Certified Public Accountants (AICPA). Fellow, Saudi Organization for Chartered and Professional Accountants (SOCPA). Associate Member, Saudi Authority for Accredited Valuers (Taqeem), Business Valuation Branch. Member, Audit Committees, various companies.

Current Positions

- ◆ Chairman, Audit Committee, Umm Al Qura for Development and Construction. Independent Member, with extensive expertise in accounting and legal auditing.
- ◆ Founding General Manager, Husam Bawared Certified Public Accountants, and Husam Bawared Financial Consulting. Member, Audit Committees of: Farouk & Maamoun Mohamed Saeed Tamer Industrial Holding Company, Arch Capital, Saudi Bio-acids Company.

Previous Positions

- ◆ Audit Partner, Ernst & Young (EY) & Co. (Certified Public Accountants). Playing a key role in providing auditing and financial advisory services to a wide range of major companies and leading institutions.
- ◆ Leveraging a distinguished career, contributing to strengthening audit and financial oversight practices by ensuring compliance with accounting standards and promoting financial transparency across various economic sectors.



Name: Abdulaziz Suleiman Al-Sayari
Position: Audit Committee Member

Qualifications

- ◆ Bachelor's Degree, Administrative Sciences, King Saud University (KSU). Enhancing expertise through specialized executive programs at prestigious international universities, including the University of Manchester. Equipped with advanced tools in financial management and accounting strategies. Leveraging deep professional experience, contributing to enhancing financial operational efficiency and achieving financial sustainability in accordance with the highest professional standards.

Current Positions

- ◆ December 2019-Present: Director General, Financial Affairs, State Properties General Authority (SPGA), holding the responsibility of financial management, strategic financial planning, and financial performance monitoring.

Previous Positions

- ◆ Over 15 years of extensive experience across the financial and accounting sectors.
- ◆ Holding several leadership positions at prominent organizations, including Tatweer Educational Technologies (TETCO), Boeing Saudi Arabia, and the National Guard Hospital in Al-Ahsa, among others. Contributing, in these roles, to managing financial resources, conducting investment analysis, and driving financial operational efficiency.
- ◆ Serving, along with executive roles, on several Audit Committees, including Chairman of the Audit Committee at Qomel Company and a Member of the Audit Committee at Al-Etihad Co-operative Insurance Co., bolstering expertise in auditing and financial oversight.



Name: Khaled Mahmoud Abu Namous
Position: Audit Committee Member

Qualifications

- ◆ Bachelor's Degree, Business Administration, University of Jordan, Amman. Master of Business Administration (MBA), and Master's in Professional Accounting, Canisius College, Buffalo, New York. Certified Public Accountant (CPA), University of Illinois. Associate Member, Saudi Organization for Chartered and Professional Accountants (SOCPA).

Current Positions

- ◆ Since 2021: Executive Vice President, Finance and Treasury, Dallah Albaraka Holding Company (DBHC). Responsible for direct oversight of finance, treasury, and internal audit functions for the group's subsidiaries both within the Kingdom and internationally.

Previous Positions

- ◆ Extensive professional experience in financial and organizational management, gained through working in multicultural environments and engaging with boards of directors, banks, and legal affairs.
 1991-1994: Financial Manager, Bank of Jordan.
 1996-2011: General Manager, MultiChoice Middle East.
 2000-2002: Financial Manager, MultiChoice Africa.
 2011-2021: Vice President, Financial and Administrative Affairs, Umm Al Qura for Development and Construction, overseeing finance, information technology, human resources, and shareholder affairs.



Name: Zuhair Fouad Hamza
Position: Audit Committee Member

Qualifications

- ◆ Bachelor's Degree, City and Regional Planning, A Minor: in Architecture, University of Louisiana. Master's in Public Administration (MPA), Harvard University, USA.

Current Positions

- ◆ Board Member, Independent, Umm Al Qura for Development and Construction Company. Over 38 years of experience in the planning, management, and implementation of urban development projects. This includes strategic and operational planning, Public-Private Partnerships (PPP), and slum redevelopment.

Previous Positions

- ◆ Holding numerous committees, councils, and authorities both within the Kingdom and abroad. Several leadership positions at Tamlik Company, Dallah Albaraka Group, and the Royal Commission for Yanbu.
- ◆ Recently: CEO, Real Estate Sector, SEDCO Holding, and Board Member and CEO, SEDCO Development. Previously: Holding board memberships in regional real estate development companies across Lebanon, Egypt, Tunisia, and Morocco.

Audit Committee Meetings in 2025

Name	Position	Attendance Record					Attendance Rate
		First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	
		5 March	5 May	30 June	29 October	13 November	
Husam Faisal Bawared	Chairman	✓	✓	✓	✓	✓	100%
Abdulaziz Suleiman Al-Sayari	Board Member	✓	✓	✓	✓	✓	100%
Khaled Mahmoud Abu Namous	Board Member	✓	✓	✓	✓	✓	100%
Zuhair Fouad Hamza	Board Member	✓	✓	✓	✓	✓	100%

4. Initial Public Offering (IPO) Committee

By virtue of a resolution issued by the Board of Directors on 29 September 2021, a temporary committee was formed to oversee all matters related to the public offering, with the aim of ensuring the process is executed efficiently and in full compliance with regulatory requirements. The Board of Directors approved the dissolution of the IPO Committee and the conclusion of its duties, as per the Board resolution dated 28 May 2025, following the finalization of the IPO procedures and the Company's successful listing on the Saudi Stock Exchange. The Committee was composed of four members, including three Non-executive Board Members and one Independent Member. This composition was instrumental in ensuring the independence and objectivity of all decisions related to the IPO. Following the Company's successful IPO journey and the completion of its listing on the Saudi Exchange "Tadawul" during the first quarter of 2025, the Board decided in the second quarter of 2025 to terminate the work of the IPO Committee as its purpose had been fulfilled.

Members of the IPO Committee

Name	Position	Type of Membership
Abdullah Saleh Kamel	Chairman	Board Member
Abdulrahman Mohammed Al-Rashid	Board Member	Board Member
Zuhair Fouad Hamza	Board Member	Board Member
Abdullah Saleh Al-Balawi	Board Member	Board Member

Executive Management

The Executive Management at Umm Al Qura for Development and Construction is responsible for the direct oversight of day-to-day operations. This Management is led by a team of Senior Executives who work in close harmony with the CEO, forming a comprehensive and integrated operational framework.

This framework is built upon a clear strategic vision and a well-established methodology, ensuring the effective and efficient achievement of the Company's strategic objectives. Combining extensive experience with strategic planning, the Executive Team manages operational performance to ensure workflows meet the highest levels of quality and productivity. The Team is also responsible for policy development by formulating and adopting internal regulatory frameworks that govern operations, while leading all activities in accordance with the highest professional standards. The Executive Management aims to strike an ideal balance between the Company's sustainable growth and maintaining a flexible response to the current economic and market challenges and requirements.

Executive Management of Umm Al Qura for Development and Construction

Chief Executive Officer (CEO)	Yasser Abdulaziz Abu Ateeq
Chief Financial Officer (CFO)	Saeed Othman Al-Ghamdi
Chief Development Officer (CDO)	Mohamed Abdul Ghani Al-Oqda
Chief Commercial Officer (CCO)	Ahmed Abdelkader El-Mallah
Chief Investment Officer (CIO)	Tariq Abdulaziz Sharaf
Chief Destination Management Officer	Alshaimaa Mohammed Mashat
Head of Strategic Project Management Office (SPMO)	Muthanna Sami Al-Jundi



Biographies of the Executive Management Members



Name: Yasser Abdulaziz Abu Ateeq
Position: Chief Executive Officer (CEO)

Qualifications

- ◆ Bachelor's Degree, Business Administration, King Abdulaziz University (KAU).
Leadership Development Program, London Business School (LBS).
Special Management Program, University of San Diego, USA.
Corporate Credit Program, Saudi Central Bank (formerly SAMA).

Current Positions

- ◆ Chief Executive Officer (CEO) with over 25 years of profound experience in the financial and real estate sectors. Extensive expertise in both corporate and retail banking.
Member, Executive Committee, King Abdullah Financial District (KAFD).
Member, Real Estate Committee, Makkah Chamber of Commerce.
Member, Urban Development Committee, Jeddah Chamber of Commerce.
Board Member, Al Balad Al Ameen Company.

Previous Positions

- ◆ Chairman, Raysan Arabian.
Founding CEO, Dar Al Tamleek.
Member, Financial Oversight Committee, Housing Committee.
Member, Executive Committee for Finance Companies, Saudi Central Bank.
Board Member of: Advanced Petrochemical Company, Swicorp, Jabal Omar Development Company (JODC).



Name: Saeed Othman Al-Ghamdi
Position: Chief Financial Officer (CFO)

Qualifications

- ◆ Master of Accountancy, George Washington University (GWU), USA.
SOCPA & CPA: Saudi Organization for Chartered and Professional Accountants & American Institute of Certified Public Accountants. CMA Fellowship, Institute of Management Accountants (IMA).
"Leaders 2030" Program, Sponsored by the Mohammed bin Salman Foundation (Misk).
Several Prestigious Executive Programs Such as the General Management Program and the Leadership Development Program from Harvard Business School.

Current Positions

- ◆ Chief Financial Officer (CFO), Umm Al Qura for Development and Construction.
Over 15 years of deep-seated experience in the financial sector, with the majority of the professional career at Saudi Aramco and its subsidiaries.

Previous Positions

- ◆ Chief Financial Officer (CFO), Saudi Aramco Asia Co.
Board Member, Vela International Marine Limited.
Holding various responsibilities at Saudi Aramco, including, Head of the Tax Department, and roles within Financial Reporting, as well as Planning and Budget Analysis.



Name: Mohamed Abdul Ghani Al-Oqda
Position: Chief Development Officer (CDO)

Qualifications


- ◆ Bachelor's Degree, Civil Engineering, Cairo University, Egypt. Several postgraduate degrees in Engineering and Project Management, American University in Cairo (AUC), Arab Academy for Science, Technology and Maritime Transport (AASTMT).

Current Positions

- ◆ Over 22 years of experience in leading, developing, and executing mega-projects, across several sectors, including infrastructure, aviation, as well as residential and tourism projects. In-depth expertise includes leading the comprehensive project development process, starting from land selection and conducting thorough valuation studies, overseeing design phases, coordinating with architects and consultants, and leading feasibility studies and the development of robust financial models to ensure project viability and profitability.

Previous Positions

- ◆ Holding several leadership positions in major companies, most recently, Project Development and Delivery Director, Saudi Tourism Investment Company (ASFAR), PIF subsidiary. Holding key roles at several leading firms, including Wave One Project, Dar Al-Handasah, and Talaat Moustafa Group (TMG).



Name: Ahmed Abdelkader El-Mallah
Position: Chief Commercial Officer (CCO)

Qualifications

- ◆ Bachelor of Civil Engineering, Alexandria University, Egypt. Master of Laws (LLM), Robert Gordon University, UK. Master of Business Administration (MBA), Arab Academy for Science, Technology and Maritime Transport (AASTMT), Egypt.

Current Positions

- ◆ Chief Commercial Officer (CCO), Umm Al Qura for Development and Construction. Over 21 years of experience in project operations, procurement, and contract management within the development and infrastructure sectors across the Middle East and Africa. Expertise encompasses large-scale private sector projects as well as government infrastructure programs in the fields of energy, transportation, and healthcare.

Previous Positions

- ◆ Holding several leadership positions in major companies such as Bechtel, Hill International Middle East, and Jabal Omar. Responsible for the commercial sector and project controls management for all regional projects at NEOM. Member of several professional associations, including the Chartered Institute of Arbitrators (CI Arb), UK.



Name: Tariq Abdulaziz Sharaf
Position: Chief Investment Officer (CIO)

Qualifications ◆ Bachelor's Degree, Computer Science, King Abdulaziz University (KAU). Completing advanced training programs at Harvard University and several other prestigious institutions, enhancing expertise in the investment field.

Current Positions ◆ Chief Investment Officer (CIO), Umm Al Qura for Development and Construction. Over 20 years of experience in regional and global capital markets, with broad expertise across various investment fields.

Previous Positions ◆ Managing assets exceeding SAR 12 billion, serving as the Chief Investment Officer (CIO), Adeem Capital, and Head of the Real Estate Sector, Alkhabeer Capital.



Name: Alshaimaa Mohammed Mashat
Position: Chief Destination Management Officer

Qualifications ◆ Bachelor's Degree, Business Administration, American University, UK.

Current Positions ◆ Chief Destination Management Officer (CDMO), "MASAR" Destination. Board Member, Makkah Chamber of Commerce.

Previous Positions ◆ Over 20 years of experience in the fields of content, marketing, and communications. Holding leadership positions at prominent entities such as the Saudi Tourism Authority, G20 Saudi Secretariat, and Jeddah Season Office. Working with several private sector companies, contributing to the development of communication and marketing strategies, and enhancing brand presence.



Name: Muthanna Sami Al-Jundi

Position: Head of Strategic Project Management Office (SPMO)

Qualifications

- ◆ Bachelor's Degree, Civil Engineering, Lebanese University, Lebanon.
Master's Degree, Civil Engineering, Polytech Clermont, France.
A Certification in Construction Law and Arbitration, Robert Gordon University (RGU), UK.

Current Positions

- ◆ Over 15 years of extensive experience in project management.
A focus on leading high-impact projects, streamlining processes, and enhancing operational efficiency in alignment with the strategic objectives of the organizations served.
Extensive experience in digital transformation and the implementation of innovative solutions, with a proven track record of delivering projects according to the highest quality and safety standards, within budget and on schedule.

Previous Positions

- ◆ Holding several leadership positions at Umm Al Qura for Development and Construction, including Head of Project Support and Head of Procurement and Tenders.
Holding a number of leadership positions in companies, Sela, Catrion Catering Holding, Saudi BinLadin Group, Saudi Oger.

Remuneration Policy

Transparency and accountability in determining and awarding remuneration for Executive Management and Board Members constitute a fundamental pillar in strengthening the corporate governance of Umm Al Qura for Development and Construction. The Board of Directors, or its delegate, is responsible for disclosing the Remuneration Policy, which serves as the basis for determining the compensation of Board Members and Senior Executive Management.

The Nomination and Remuneration Committee is responsible for submitting recommendations to the Board regarding the allowances and fees for Board and Committee Members, in accordance with the Board-approved guidelines. This ensures fairness and provides effective incentives to enhance corporate performance.

1. The Company's Remuneration Policy was developed in alignment with the requirements outlined in Article (59) of the Corporate Governance Regulations.
2. Without prejudice to the provisions of the Companies Law, the Capital Market Law, and their Implementing Regulations, Umm Al Qura for Development and Construction has considered the following:
 - A. Be consistent with the Company's strategy and objectives.
 - B. Provide remuneration with the aim of encouraging the Board Members and Executive Management to achieve the success of the Company and its long-term development by, for example, making the variable part of the remuneration linked to the long-term performance.
 - C. Determine remuneration based on job level, duties and responsibilities, educational qualifications, practical experience, skills, and level of performance.
 - D. Be consistent with the magnitude, nature, and level of risks faced by the Company.
 - E. Take into consideration the practices of other companies in respect of the determination of remuneration and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remuneration and compensation.
 - F. Attract talented professionals and retain and motivate them without exaggeration.
 - G. Coordinate with the Nomination and Remuneration Committee in respect of new appointments.

Board Remuneration

1. In determining and disbursing remuneration for Board Members, and in compliance with applicable laws and regulations issued by relevant regulatory authorities, the Board of Directors shall adhere to the provisions set forth in the Companies Law and the Corporate Governance Regulations, in addition to the following criteria:
 - A. Remunerations must be fair and proportionate to the duties, responsibilities, and efforts undertaken by each Board Member, as well as the objectives set by the Board to be achieved during the fiscal year.
 - B. Remunerations shall be based on the recommendation of the Nomination and Remuneration Committee.
 - C. Remunerations must be proportionate to the Company's activities and the level of skill required for its management.
 - D. Taking into consideration the industry in which the Company operates, its size, and the level of experience of the Board Members.
 - E. Remunerations should be reasonably sufficient to attract, motivate, and retain competent and experienced Board Members.
2. A Board Member may receive remuneration for any additional executive, technical, administrative, or advisory services, based on a professional license, assigned to them within the Company. This shall be in addition to the remuneration they are entitled to as a Board Member or for participating in committees formed by the Board, in accordance with the Companies Law and the Company's Articles of Association (AoA).
3. Board Member remuneration may vary in amount to reflect each member's expertise, assigned duties, independence, participation in meetings, and other relevant considerations.

Controls and Disbursement Mechanism for Remuneration and Allowances:

1. In accordance with the provisions of the Company's AoA, the Companies Law, its Implementing Regulations, and the Corporate Governance Regulations, the Board's and Board Committees' remunerations and allowances are disbursed as follows:
 - A. Members are entitled to remunerations and allowances starting from the date of their appointment to the Board or the Committee and based on their term of membership.
 - B. Following the General Assembly's resolution in June 2025, the maximum limit for Board Members' remunerations has been removed.
 - C. The disbursement procedures for the Board's and Committee Members' remunerations and allowances shall be prepared by the Board Secretary and approved by the Chairman of the Board.
 - D. Attendance allowances for the Board's meetings and Committees' remunerations may be paid in installments at the end of each calendar quarter. Annual Board remuneration shall be disbursed in full after approval by the General Assembly.

Remuneration of Senior Executives:

The Board determines, based on the recommendation of the Nomination and Remuneration Committee, the types of remuneration granted to the Company's Senior Executives, such as fixed and performance-linked remuneration. The Nomination and Remuneration Committee continuously reviews and approves the salary structure set for all employees and Senior Executives, as well as the incentive plan programs. Senior Executives are granted annual bonuses based on the performance evaluation, in addition to fixed compensation and remuneration in accordance with their employment contracts. The performance evaluation of the Senior Executives is primarily based on their professional performance during the year and the extent of their professional contribution toward achieving the Company's strategic objectives.

Relationship between Awarded Remuneration and Approved Policy

The remuneration approved for the financial year 2025 reflects the Company's firm commitment to applying its approved Remuneration Policy, which was subject to a thorough review by the Nomination and Remuneration Committee. These remunerations were verified to be aligned with the Company's strategic objectives and the level of performance achieved, an essential element in enhancing operational and administrative efficiency.

Within this institutional framework, the Nomination and Remuneration Committee conducted a comprehensive review of the Remuneration Policy for Board Members and Board Committees Members during 2025, recommending material amendments thereto, as follows:

- **Removal of the Remuneration Cap:** Removing the annual maximum cap for a single member's remuneration of SAR 500,000.
- **Increase of Audit Committee Remuneration:** Increasing the annual remuneration for Audit Committee Members from SAR 100,000 to SAR 150,000 per member.

These proposed amendments were submitted to the Board of Directors and then to the General Assembly of Shareholders for approval, in accordance with the Company's approved statutory procedures.

No Material Deviation from the Remuneration Policy

Umm Al Qura for Development and Construction confirms that no material deviation occurred from the applicable Remuneration Policy during 2025. The approved standards were adhered to when determining remuneration and financial benefits granted to Board Members and Executive Management, in line with the Company's regulatory frameworks. The Company also affirms its commitment to transparency in disclosing all matters related to remuneration, ensuring clarity of the link between remuneration and performance, and reinforcing the application of the approved governance policies.

Board Members Remuneration

Board Members Remunerations and Allowances

Name	Position	Type of Membership	Annual Remunerations	Attendance Allowances for Board and General Assembly Meetings	Total (SAR)
Abdullah Saleh Kamel	Chairman	Non-Executive	300,000	30,000	330,000
Abdulrahman Mohammed Al-Rashid	Vice Chairman	Independent	300,000	25,000	325,000
Haitham Mohammed Al-Fayez	Member	Non-Executive	300,000	30,000	330,000
Abdulaziz Abdulrahman Al-Khunain	Member	Independent	300,000	30,000	330,000
Zuhair Fouad Hamza	Member	Independent	300,000	30,000	330,000
Abdullah Saleh Al-Balawi	Member	Non-Executive	300,000	30,000	330,000
Jihad Abdulrahman Al-Qadi	Member	Non-Executive	300,000	30,000	330,000
Abdulaziz Muteb Al-Rasheed	Member	Non-Executive	300,000	30,000	330,000
Ahmed Abdulmohsen Al-Rumaih	Member	Independent	300,000	30,000	330,000
Hussam Faisal Bawared	Audit Committee Chairman	Independent	-	5000	5000
Total					2,970,000

Notes:

1. Annual remuneration for committee membership is considered a fixed amount disbursed during the fiscal year and not a percentage of profits, as per the Company's AoA.
2. The annual remuneration and the attendance allowances for Board and General Assembly meetings related to Mr. Abdullah Saleh Al-Balawi are paid to the PIF account.

Committee Members Remuneration

Remunerations and Allowances of Board Committees

Committee	Position	Annual Remunerations	Attendance Allowances for All Committee Meetings	Total (SAR)
Executive Committee				
Abdulahman Mohammed Al-Rashid	Chairman	200,000	20,000	220,000
Abdullah Saleh Al-Balawi	Member	200,000	20,000	220,000
Ahmed Abdulmohsen Al-Rumaih	Member	200,000	20,000	220,000
Zuhair Fouad Hamza	Member	200,000	15,000	215,000
Total				875,000
Nomination and Remuneration Committee				
Abdulaziz Abdulrahman Al-Khunain	Chairman	100,000	15,000	115,000
Jihad Abdulrahman Al-Qadi	Member	100,000	15,000	115,000
Abdulaziz Muteb Al-Rasheed	Member	100,000	15,000	115,000
Total				345,000
IPO Committee				
The IPO Committee held 7 Meetings in 2025				
Abdullah Saleh Kamel	Chairman		35,000	35,000
Abdulahman Mohammed Al-Rashid	Member		35,000	35,000
Abdullah Saleh Al-Balawi	Member		35,000	35,000
Zuhair Fouad Hamza	Member		35,000	35,000
Total				140,000
Audit Committee				
Hussam Faisal Bawared	Chairman	125,000	25,000	150,000
Khaled Mahmoud Abu Namous	Member	125,000	25,000	150,000
Abdulaziz Sulaiman Al-Sayari	Member	125,000	25,000	150,000
Zuhair Fouad Hamza	Member	125,000	25,000	150,000
Total				600,000
Total				1,960,000

Notes:

- Annual remuneration for committee membership is considered a fixed amount disbursed during the fiscal year and not a percentage of profits, as per the Company's AoA.
- Annual remunerations and attendance allowances for the Executive Committee meetings are disbursed to the PIF account.
- The attendance allowances for IPO Committee meetings are paid to the PIF account.

Senior Executives' Remuneration

Umm Al Qura for Development and Construction disclosed the compensation and remuneration of Senior Executives in line with paragraph (b) of Article (78) of the Rules on the Offer of Securities and Continuing Obligations. The figures below represent the total amounts received by the top five Senior Executives, including the CEO and the CFO.

Remuneration Paid to the Top Five Senior Executives, including the CEO and the CFO

Total Salaries (Basic)	11,688,000.00
Total Allowances	4,352,014.00
Total Remuneration	22,317,500.00
Total End-of-Service Benefits for the Year 2025 Only	1,156,950.00
Total	39,514,464.00

Dividend Policy

The Company's Dividend Policy has been prepared in accordance with the requirements of paragraph (b) of Article (9) of the Corporate Governance Regulations, in a manner that serves the best interests of shareholders and the Company. This policy aligns with the Company's AoA, the Companies Law and its Implementing Regulations, the Corporate Governance Regulations, and Umm Al Qura for Development and Construction Company's internal governance policy.

The Company's AoA sets out the percentage of net profits to be distributed to shareholders after setting aside any reserves as determined by the Company's General Assembly. The policy also specifies the mechanism for dividend distribution to shareholders and the procedures and provisions governing distributions, including the provisions for interim dividend distributions to shareholders if stipulated in the AoA.

Mechanism and General Principles:

- The Company may distribute annual or interim dividends to shareholders from distributable profits.
- The General Assembly determines the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
- The AoA may provide for setting aside a certain percentage of net profits to form a reserve allocated for purposes specified therein, in accordance with the regulations of the competent authority.
- When determining the dividend per share, the Ordinary General Assembly (OGA) may decide to form other reserves to the extent that serves the Company's interests or ensures, wherever possible, stable dividend distributions to shareholders. The OGA may also deduct from net profits amounts allocated for social purposes for the Company's employees.
- Reserves allocated for specific purposes in the AoA may not be used except by a resolution of the Extraordinary General Assembly (EGA), pursuant to the guidelines set by the competent authority. If the reserve is not allocated for a specific purpose, the OGA, based on a proposal from the Board, may decide to utilize it in a manner that benefits the Company or its shareholders.
- The OGA may utilize retained earnings and distributable reserves to pay the remaining amount of the share value, or part thereof, provided this does not prejudice shareholder equity and remains in compliance with the Companies Law.
- If the Company fails to pay the specified percentage of net profits to holders of preferred shares, after deducting reserves, if any, for three (3) consecutive years, the special assembly of preferred shareholders, convened in accordance with Article (89) of the Companies Law, may resolve to grant them attendance and voting rights at the General Assembly. This right persists until the Company pays all dividends due for those years. In this case, each preferred share shall have one vote in the General Assembly meeting, and the preferred shareholder shall be entitled to vote on all OGA agenda items without exception.

Rights of Shareholders and the General Assembly

First: Mechanisms for Processing Shareholders' Proposals

The procedures adopted by the Board of Directors to keep its members informed of shareholders' proposals and remarks regarding Umm Al Qura for Development and Construction and its performance:

To ensure transparency and effective engagement with the shareholder base, the Board adopts a periodic, structured communication mechanism. The Chairman of the Board regularly informs members of all proposals and remarks received from shareholders concerning the Company's performance and operations. This mechanism ensures that owners' views and observations are incorporated into the Board's deliberations and decisions.

Second: General Assembly

Only one meeting was held during the past year, on 25 June 2025.

General Assemblies Held in 2025 and Attendance Record of Board and Committee Members

Name	Position	EGA Meeting Dated 25 June 2025	Total No. of Attendees
Abdullah Saleh Kamel	Chairman of the Board	√	(1) of (1)
Abdulrahman Mohammed Al-Rashid	Vice Chairman of the Board	Absent	(0) of (1)
Abdulaziz Muteb Al-Rasheed	Board Member	√	(1) of (1)
Abdulaziz Abdulrahman Al-Khunain	Board Member	√	(1) of (1)
Haitham Mohammed Al-Fayez	Board Member	√	(1) of (1)
Abdullah Saleh Al-Balawi	Board Member	√	(1) of (1)
Jihad Abdulrahman Al-Qadi	Board Member	√	(1) of (1)
Zuhair Fouad Hamza	Board Member	√	(1) of (1)
Hussam Faisal Bawared	Chairman of the Audit Committee	√	(1) of (1)

Shareholder Register Requests

Request Date	Reasons for Request
27/03/2025	Company Actions
31/03/2025	Company Actions
30/04/2025	Company Actions
31/05/2025	Company Actions
25/06/2025	General Assembly
30/06/2025	General Assembly
31/07/2025	Company Actions
31/08/2025	Company Actions
30/09/2025	Company Actions
31/10/2025	Company Actions
30/11/2025	Company Actions
31/12/2025	Company Actions

Related Party Transactions

Related parties include the Group's shareholders and the Company's key management personnel (KMP). The terms and conditions of these transactions are approved by the Company Management.

During its ordinary course of business, the Company entered into renewable credit facilities with Alinma Bank to finance the purchase of certain land plots in "MASAR" Destination project. The funds engage with related party transactions in accordance with the funds' terms and provisions. All related party transactions are approved by the fund's Board of Directors. Related parties include the Board of Directors, the fund manager, Alinma Bank (the parent company of the fund manager), and their related entities.

A summary of significant transactions and balances with related parties in the ordinary course of the funds' business, as disclosed in the consolidated financial statements, is as follows:

Related Parties	Relationship	Nature of Transaction	2024	2025	2024	2025
			Transaction Amount for the Year Ended		Closing Balances	
Alinma Investment Company	Fund Manager	Management Fees	58,000,000	58,000,000	29,000,000	--
Alinma Bank	Parent Company of the Fund Manager	Loans Drawn	386,847,322	249,494,692	3,224,220,092	2,006,846,748
		Loans Repaid	--	(1,475,000,000)	--	--
		Payment of Finance Charges	(251,732,229)	(285,370,476)	--	--
		Accrued Finance Charges	287,528,883	264,822,412	174,915,644	146,038,167
General Authority for Awqaf	Shareholder	(Payment)/Settlement of Payables	(102,246,450)	--	--	--
Board of Directors and Board Committees	Board Members and Board Committees	Remuneration and Meeting Attendance Allowances	4,765,000	5,015,000	3,440,000	3,415,000
Saleh A. Kamel Humanitarian Foundation	Common Shareholder	(Collection)/Sale	(68,113,978)	--	--	--
Wijhat Al-Bayt Real Estate Company	Common Board Member	Land Sale	--	235,053,506	--	207,985,956
Bank Aljazira	Common Board Member	Loans Drawn	367,369,560	25,190,612	2,067,369,460	2,092,560,073
		Payment of Finance Charges	(54,436,467)	(148,184,162)	--	--
		Accrued Finance Charges	148,880,646	149,548,974	131,771,812	133,136,624

Board Performance Evaluation

Between June and July 2025, Umm Al Qura Development and Construction Company conducted a short-term external evaluation of the Board of Directors' performance in cooperation with the consultant (BDI), through a survey involving 20 participants from the Board Members, Supporting Committees, and Executive Management. The report was issued on 25 August 2025 and included several recommendations to enhance the Board's effectiveness in line with global best practices. The evaluation results demonstrated the robustness of the Board structure and governance framework and its alignment with regulatory requirements, in addition to the effectiveness of interaction with the Executive Management and Committees, and the Board's pivotal role in the success of the IPO and listing on the capital market. Conversely, the report identified a number of development opportunities compared to global best practices, aimed at strengthening the Board's effectiveness, supporting its strategic and oversight roles, and reinforcing the governance framework in a manner that aligns with the post-listing phase and supports achieving the Company's medium- and long-term objectives.

Provisions and Compliance

Umm Al Qura for Development and Construction applies the provisions stipulated in the Corporate Governance Regulations issued by the CMA, in alignment with the Company's AoA, internal governance regulations, and the regulations issued by competent authorities. The following table presents the Company's position regarding non-application of certain provisions of the Corporate Governance Regulations and the reasons thereof:

Article/Paragraph No. (Corporate Governance Regulations)	Article Requirements	Reasons for Non-Application
37	The Company shall pay adequate attention to training and qualifying Members of the Board, Committees, and the Executive Management, and shall develop the necessary programs for the same. A training execution plan for Board Members has been developed as part of the outcomes of the Board performance evaluation conducted in 2025.	Guiding Article: Requirements were partially applied to the Executive Management; full implementation is currently underway.
39/e	The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. An evaluation of the Board and its Committees was conducted in 2025, and a plan was established to conduct an internal assessment on an annual basis and an external consultancy assessment every three years, aiming at developing the performance of the Board and its Committees.	Applied this year.
67-68-69	Formation of a Risk Management Committee and defining its competencies and responsibilities. The Audit Committee was delegated to oversee governance, compliance, and risk management, with quarterly meetings scheduled with the relevant departments referred to above.	Guiding Article: This role is performed by the Board of Directors and the Audit Committee.
82-3	Establishing social organizations for the benefit of the Company's employees.	Guiding Paragraph.
92	Formation of the Corporate Governance Committee.	Guiding Article: This role is performed by the Board of Directors.

Board Declarations:

The Board declares the following:

- The accounting records have been duly updated and prepared.
- The internal control system has been duly made and adequately implemented.
- There are no doubts about the Company's ability to continue its activity.

The Board also declares the following:

- The Company has not entered into any business or contracts in which it was a party, or in which any of the Company's Board Members, Senior Executives, or any person related to them had an interest.
- There are no arrangements or agreements under which any Board Member or any Senior Executive has waived any remuneration.
- There are no arrangements or agreements under which any of the Company's shareholders have waived any rights to dividends.
- The Company has not issued any convertible debt instruments, contractual securities, subscription right warrants, or similar rights during the fiscal year, nor has it received any consideration in exchange for such issuances.
- The Board of Directors has not recommended the replacement of the External Auditor before the end of their term.
- There are no conflicts with the standards approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- There are no conversion or subscription rights under convertible debt instruments, contractual securities, subscription right warrants, or similar rights issued or granted by the Company.
- There has been no redemption, purchase, or cancellation by the Company of any redeemable debt instruments.
- There is no business competing with the Company or any of its branches of activity carried out or previously carried out by any Board Member.
- The Company has not issued any treasury shares and does not hold any shares for this purpose.
- The Company did not distribute any dividends to shareholders during the various periods of the fiscal year, and the Company's management has not proposed any dividends at the end of the fiscal year.
- The External Auditor's report contains no reservations regarding the approved annual financial statements.

Penalties, Sanctions and Legal Cases

- There are no penalties, sanctions, precautionary measures, or preventative restrictions that have been imposed on the Company by the CMA or any other supervisory, regulatory, or judicial body.

Section VII: **Financial Statements**

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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

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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 الأمير سلطان
ص. ب. 55078
جدة 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.



Independent Auditor's Report

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

Valuation of investment properties

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.

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Group has investment properties amounting to SAR 16,260 million (2024: SAR 20,208 million) which represents significant balance in the Group's consolidated statement of financial position as of that date.</p> <p>We have identified the fair value disclosure of investment properties to be a key audit matter.</p> <p>The determination of fair value is inherently a complex process that involves the use of various assumptions and the exercise of considerable judgment.</p> <p>In addition to the above, the Group involves a third party valuers to assess the fair value of its investment properties.</p> <p>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.</p>	<p>We obtained the valuation assessment carried out by management and performed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of the Group's 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: <ul style="list-style-type: none"> 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.



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.



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 Althagafi
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

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			
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>			
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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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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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
<i>Adjustments for the following items:</i>			
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
Chief Financial Officer

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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			
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

Saeed Othman Alghamdi
Chief Financial Officer

Yasser Abdulaziz Abu Ateek
Chief Executive Officer

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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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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 Rabi' 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	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%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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 dissolve 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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 recognized 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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) Measurement 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

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 goodwill, 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.

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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 measured 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.

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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.

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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.

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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.

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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 occurred.

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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.

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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 reasonable 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.

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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.

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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:

- 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
- 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:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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.

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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 amortized 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.

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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.

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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.

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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.

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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.

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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

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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).

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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.

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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.

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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

<u>Valuation approach</u>	<u>Input/assumption description</u>	<u>Value</u>	<u>Sensitivity</u>
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%
Income approach	Gross Floor Area adjustments	2.2% on average basis	+/-0.5%
	Discount rate	8%	+/-1%
	Growth rate	2%	+/-1%

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7. PROPERTY AND EQUIPMENT

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

	<u>Lands</u>	<u>Administration building</u>	<u>Furniture and fixtures</u>	<u>vehicles</u>	<u>Computer</u>	<u>Leasehold improvements</u>	<u>Capital work-in-progress ("CWIP")</u>	<u>Total</u>
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 depreciations:								
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

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7. PROPERTY AND EQUIPMENT (continued)

7.3 Capital works in progress consist of the following:

	<u>2025</u>	<u>2024</u>
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
	<u>2,831,370,000</u>	<u>352,437,348</u>

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

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

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).

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7. PROPERTY AND EQUIPMENT (continued)

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

Cost:	Lands	Furniture and fixtures	vehicles	Computer	Leasehold improvements	Capital work-in-progress ("CWIP")	Total
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	<u>173,339,173</u>	<u>13,212,127</u>	<u>3,704,907</u>	<u>8,984,944</u>	<u>22,595,452</u>	<u>352,437,348</u>	<u>574,273,951</u>
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	--	<u>10,727,368</u>	<u>3,704,881</u>	<u>8,041,524</u>	<u>12,578,040</u>	--	<u>35,051,813</u>
Net carrying value as at 31 December 2024	<u>173,339,173</u>	<u>2,484,759</u>	<u>26</u>	<u>943,420</u>	<u>10,017,412</u>	<u>352,437,348</u>	<u>539,222,138</u>

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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:

	<u>2025</u>	<u>2024</u>
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)	<u>(1,471,235,532)</u>	<u>(918,945,864)</u>
Balance as at 31 December	<u>2,415,388,541</u>	<u>1,072,087,855</u>
	<u>2025</u>	<u>2024</u>
Development property – non-current portion	--	203,051,171
Development property – current portion	<u>2,415,388,541</u>	<u>869,036,684</u>
	<u>2,415,388,541</u>	<u>1,072,087,855</u>

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

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

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

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9. TRADE RECEIVABLES (continued)

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

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

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

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:

	<u>2025</u>	<u>2024</u>
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	<u>2,844,099</u>	<u>--</u>
Balance as at the end of year	<u>23,361,219</u>	<u>20,517,120</u>

	<u>2025</u>	<u>2024</u>
Accumulated Depreciation:		
Balance as at beginning of the year	9,702,907	7,492,770
Charge for the year	<u>2,431,007</u>	<u>2,210,137</u>
Balance as at the end of year	<u>12,133,914</u>	<u>9,702,907</u>

	<u>2025</u>	<u>2024</u>
Net carrying amount:		
Balance as at the end of year	<u>11,227,305</u>	<u>10,814,213</u>

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

	<u>2025</u>	<u>2024</u>
General and administration expenses (note 25)	<u>2,431,007</u>	<u>2,210,137</u>

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

b) Lease liabilities

	<u>2025</u>	<u>2024</u>
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	<u>11,869,839</u>	<u>11,755,363</u>

The weighted average discount rate applied is 5.29%.

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

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

11. INTANGIBLE ASSETS

	<u>2025</u>	<u>2024</u>
<u>Cost:</u>		
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	<u>43,058,637</u>	<u>19,311,921</u>
<u>Accumulated amortization:</u>		
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	<u>14,084,145</u>	<u>10,742,376</u>
Net book value	<u>28,974,492</u>	<u>8,569,545</u>

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:

	<u>2025</u>	<u>2024</u>
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
	<u>187,629,693</u>	<u>287,915,469</u>

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13. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2025</u>	<u>2024</u>
Alinma Saudi Riyal Liquidity Fund	<u>101,088,601</u>	<u>7,803,490</u>

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:

	<u>2025</u>	<u>2024</u>
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	<u>101,088,601</u>	<u>7,803,490</u>

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

	<u>2025</u>	<u>2024</u>
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	<u>17,033,402</u>	<u>410,524</u>

14. CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise the following:

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

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14. CASH AND CASH EQUIVALENTS (continued)

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:

	<u>2025</u>	<u>2024</u>
Value of issued shares	<u>14,386,475,610</u>	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

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16. LOANS

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

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).

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16. LOANS (continued)

16.2 During the year ended on 31 December 2023, an agreement was concluded with a commercial bank to obtain long-term Tawarraq 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 utilized 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.

16.3 During the year ended 31 December 2024, an agreement was concluded with another commercial bank to obtain long-term Tawarraq 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-term financing in the amount of SR 500 million. Up to 31 December 2025, the Company utilized 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 utilized 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 remaining 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

	<u>2025</u>	<u>2024</u>
Employees' end of service benefits	<u>22,716,158</u>	<u>23,378,897</u>

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.

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17. EMPLOYEES' BENEFITS (continued)

Net benefit expense recognised in statement of profit or loss:

	<u>2025</u>	<u>2024</u>
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	<u>4,849,486</u>	<u>4,267,075</u>

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

	<u>2025</u>	<u>2024</u>
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	<u>22,716,158</u>	<u>23,378,897</u>

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

	<u>2025</u>	<u>2024</u>
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:

		<u>2025</u>	<u>2024</u>
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

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17. EMPLOYEE BENEFITS (continued)

Actuarial assumptions

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

	<u>2025</u>	<u>2024</u>
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:

	<u>2025</u>	<u>2024</u>
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	<u>34,725,638</u>	<u>43,439,922</u>

18. RETENTION PAYABLES

	<u>2025</u>	<u>2024</u>
Retention payables (note 1.18)	<u>25,673,180</u>	142,030,478
Retention payables – non-current portion	<u>25,673,180</u>	142,030,478
Retention payables - current portion (note 18.1 and 21)	<u>326,480,206</u>	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

	<u>2025</u>	<u>2024</u>
Payables to real estate owners (19.1)	<u>422,294,021</u>	421,353,827

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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 sukuk 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

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

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21. ACCRUED EXPENSES AND OTHER LIABILITIES

	<u>2025</u>	<u>2024</u>
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
	<u>1,790,254,343</u>	<u>1,382,290,119</u>

22. ZAKAT PROVISION

a) Zakat charge for the year

	<u>2025</u>	<u>2024</u>
Charge for the Year	<u>43,544,646</u>	<u>35,421,888</u>

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:

	<u>2025</u>	<u>2024</u>
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	<u>(22,399,134,250)</u>	<u>(21,838,898,270)</u>
Taxable Zakat base	<u>1,689,293,679</u>	<u>1,272,243,721</u>
Zakat due for the year at 2,578%	43,544,646	32,884,266
Zakat due during the year	<u>43,544,646</u>	<u>32,884,266</u>
Additional Zakat component during the year	--	2,537,622
Zakat expense for the year	<u>43,544,646</u>	<u>35,421,888</u>

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22. ZAKAT PROVISION (continued)

c) Movement of Zakat provision during the year represent:

	<u>2025</u>	<u>2024</u>
Balance at 1 January	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	<u>(32,745,602)</u>	<u>(81,373,575)</u>
Balance at 31 December	<u>46,644,148</u>	<u>35,845,104</u>

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

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

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

	<u>2025</u>	<u>2024</u>
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	<u>7,053,102</u>	<u>--</u>
	<u>118,030,819</u>	<u>62,675,715</u>

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 not form part of the Company's core investment plan, and has therefore been classified under other operating income.

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25. GENERAL AND ADMINISTRATIVE EXPENSES

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

	<u>2025</u>	<u>2024</u>
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
	<u>269,325,791</u>	<u>197,630,308</u>

26. SELLING AND MARKETING EXPENSES

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

	<u>2025</u>	<u>2024</u>
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
	<u>92,453,478</u>	<u>63,793,704</u>

27. FINANCIAL CHARGES

	<u>2025</u>	<u>2024</u>
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
	<u>80,643,636</u>	<u>39,967,433</u>

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.

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28. EARNINGS PER SHARE (continued)

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

	<u>2025</u>	<u>2024</u>
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)	<u>0.70</u>	<u>0.38</u>

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	
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
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

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29. RELATED PARTY TRANSACTIONS (continued)

Related parties	Relationship	Nature of transaction	Amount of transactions during the year ended		Closing balances	
			2025	2024	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
	<u>44,005,239</u>	<u>18,421,631</u>

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.

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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:

- credit risk;
- interest rate risk; and
- 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

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30. FINANCIAL RISK MANAGEMENT (continued)

a) Market risks (continued)

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:

	<u>2025</u>	<u>2024</u>
Variable interest rate borrowings	<u>7,479,075,618</u>	<u>9,990,534,414</u>

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:

	<u>2025</u>	<u>2024</u>
Interest rate - increase by 100 basis points	<u>74,790,756</u>	99,905,344
Interest rate - decrease by 100 basis points	<u>(74,790,756)</u>	(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.

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30. FINANCIAL RISK MANAGEMENT (continued)

a) Market risks (continued)

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.

	<u>2025</u>	<u>2024</u>
NAV of the units-increases by 1%	<u>1,010,886</u>	78,035
NAV of the units-decreases by 1%	<u>(1,010,886)</u>	(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:

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

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:

	<u>Expected loss rate</u>	<u>Gross carrying amount</u>	<u>Expected credit losses</u>
31 December 2025			
Current (not past due)	<u>1.00%</u>	<u>2,816,220,696</u>	<u>(28,150,146)</u>
		<u>2,816,220,696</u>	<u>(28,150,146)</u>
31 December 2024			
Current (not past due)	<u>0.35%</u>	<u>2,104,577,885</u>	<u>(7,312,250)</u>
		<u>2,104,577,885</u>	<u>(7,312,250)</u>

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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.

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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
	<u>9,769,771,288</u>	<u>3,202,248,997</u>	<u>9,001,916,021</u>	<u>673,369,107</u>	<u>12,877,534,125</u>
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
	<u>12,031,095,072</u>	<u>2,658,607,836</u>	<u>9,967,992,063</u>	<u>1,520,521,023</u>	<u>14,147,120,922</u>

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.

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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:

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

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.

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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.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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:

	<u>Liabilities</u>		<u>Total</u>
	<u>Lease liabilities</u>	<u>Loans</u>	
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	<u>(465,577)</u>	--	<u>(465,577)</u>
Total changes from financing cash flows	(3,195,200)	(2,494,005,254)	(2,497,200,454)
<i>Other changes</i>			
Additions	2,844,099	--	2,844,099
Finance cost of lease liabilities	465,577	--	465,577
Total liability-related other changes	<u>3,309,676</u>	--	<u>3,309,676</u>
Balance at 31 December 2025	11,869,839	7,525,023,718	7,536,893,557

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

	<u>Liabilities</u>		<u>Total</u>
	<u>Lease liabilities</u>	<u>Loans</u>	
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
<i>Other changes</i>			
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 strategic 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:

	31 December 2025	31 December 2024
Income from sale of lands		
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.

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36. SUBSEQUENT 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).

