

Umm Al Qura
for development and construction

Launch of the New Five-Year Growth Strategy

2026
2030



Umm Al-Qura for
Development & Construction

مسار
M A S A R

1- Executive Summary

Umm Al Qura for Development & Construction Company celebrates today the successful achievement of all objectives set in its first strategy launched in 2021. That initial strategy served as the roadmap for the company's transformation over the past five years, and this accomplishment represents a pivotal turning point in its journey. The company is now transitioning from the development of a single flagship destination to a new phase focused on building a portfolio of urban and investment destinations across the Western Region of the Kingdom of Saudi Arabia—constituting a carefully planned geographic extension of the Masar Destination.

The 2021 strategy included the following objectives:

- Completion of the main infrastructure works for the Masar Destination in Makkah.
- Transition of the destination into its operational phase.
- Listing the company on the Saudi Stock Exchange (Tadawul).
- Achieving a strong and sustainable financial position.
- Creating advanced institutional capabilities.

In this context, the company is launching its new five-year strategy for 2026–2030, which is focused on well-planned, high-quality expansion. This strategy builds on the company's accumulated expertise, institutional strength, and its established financial and operational position to develop a portfolio of distinctive urban destinations across the Western Region of the Kingdom of Saudi Arabia.

2- Company Background

Umm Al Qura for Development & Construction Company is the master developer of the Masar Destination, one of the largest development projects in Makkah. The project represents an integrated urban model that aims to enhance the experience of residents and visitors to the holy city.

Since launching its strategy in 2021, the company has worked to achieve a range of market, financial, and institutional objectives that have paved the way for a new phase of growth and sustainability, culminating in the launch of its new strategy for the 2026-2030 period.

3- Company Achievements During the 2021 Strategy Period

The company has successfully achieved its strategic objectives over the past five years, which included:

First: Development and Operation of the Masar Destination:

- Completion of all main infrastructure works for the destination.
- Transition from the development phase to a gradual operational rollout starting in early 2026.
- Establishment of a competitive operating environment and investment platform.
- Positioning both Masar Destination and Umm Al Qura for Development & Construction as leading brands within the destination development sector.

Second: Financial Achievements:

- Recorded a compound annual growth rate (CAGR) of revenues exceeding 60%.
- Achieved a compound annual growth rate (CAGR) of net profits exceeding 45%.
- Maintained strong net profit margins of over 30% as of the latest fiscal year.
- Generated steadily increasing operating cash flows exceeding SAR 2 billion in the latest fiscal year.
- Achieved a balanced and efficient capital structure, with a debt-to-equity ratio of 47% as of the latest fiscal year.
- Diversified financial resources and funding sources, most notably through the company's listing on the Saudi Main Market (Tadawul) via one of the most prominent recent IPOs, valued at SAR 2 billion.
- Attracted development investments for Masar Destination amounting to approximately SAR 40 billion.

Third: Institutional Achievements:

- Established more than 30 strategic partnerships.
- Built advanced development and operational capabilities.
- Developed an integrated governance framework.
- Created a mature and scalable work environment.
- Developed and implemented a comprehensive Environmental, Social, and Governance (ESG) framework.

4- The Transformation Phase

We believe that what has been achieved over the past years does not merely mark the end of a phase, but the beginning of a new, more impactful era. Following the company's success in establishing a flagship destination of the scale and significance of Masar Destination, it now possesses:

- A mature investment and financial platform.
- Advanced development and investment capabilities.
- A trusted and influential brand in the destination development sector.
- A deeper understanding of urban development needs and the destination development landscape in the Western Region.
- A scalable institutional business model.

Building on this solid foundation, the company is embarking on a new phase in which it transforms from a *single-destination developer* into a *multi-destination urban development platform* across the Western Region.

Masar Destination represents the institutional and developmental foundation upon which the company has built its current capabilities and accumulated expertise, which will be leveraged in the next phase to lead a new wave of high-quality destinations.

5- The New Five-Year Strategy 2026-2030

The new strategy is built around one key principle: "Thoughtful expansion built on our core strengths to create sustainable value for place, people, and investors".

Through this strategy, the company aims to:

- Develop two or more destinations in the Western Region, in addition to Masar Destination.
- Manage additional targeted development portfolios with a total projected Gross Development Value (GDV) of over SAR 50 billion upon completion.
- Pursue investment opportunities with a targeted internal rate of return (IRR) of over 10%.
- Deploy between SAR 3 to 5 billion in additional capital investments through internal funding sources and credit facilities over the next five years.

Note: All figures above are indicative and do not constitute binding profit forecasts. They remain subject to market conditions and execution variables. Please refer to the forward-looking disclosure statement at the end of this document.

6- Business Model and Expansion Approach

First: Expansion Methodology

The company adopts a clear and selective approach to expansion that focuses on a limited number of high-quality destinations capable of delivering long-term economic and urban impact. It adheres to well-defined criteria for evaluating and selecting opportunities, including the following:

- The opportunity must involve the creation of a destination with total development investments of over SAR 10 billion.
- It must possess sustainable economic and urban fundamentals.
- It must achieve operational integration with the company's core strengths.
- It must align with the company's geographic focus in the Western Region.

The strategy maintains an exclusive geographic focus on the Western Region (Makkah, Madinah, and Jeddah). This reflects the company's conviction that carefully planned geographic concentration enhances institutional efficiency, prevents operational dispersion, and ensures the effective deployment of accumulated development and operational expertise within a cohesive and integrated environment.

Second: Business Model

The company evaluates each opportunity on a case-by-case basis, applying one of two models:

- **Master Developer:** where the company leads the development process and retains most of the resulting value.
- **Development Manager:** where the company leverages its development capabilities while contributing a limited share of capital.

To determine the appropriate business model for each opportunity, the company relies on a set of defined criteria, including:

- Alignment with the company's strategic direction and its development and operational capabilities.
- The company's intent to establish a long-term presence in the targeted opportunity.
- Available capital capacity.
- The availability of qualified strategic partners capable of participating in the investment opportunity.

This approach ensures clear and disciplined investment decision-making that is consistent with the company's strategic direction and governance framework.

7- Conclusion

Umm Al Qura for Development & Construction Company's new strategy represents a natural extension of a phase of achievements and institutional transformation that the company has undertaken since 2021. Today, the company is entering a new phase built on:

- Thoughtful expansion grounded in core strengths.
- Leveraging accumulated expertise.
- Maximizing value through an integrated portfolio of destinations.
- Disciplined, phased disclosure in line with international best practices.

Masar Destination will continue as a pivotal project within the company's future portfolio, with increased openness to high-quality growth opportunities in the Western Region.

8- Forward-Looking Statement Disclaimer

This document contains forward-looking statements that reflect management's current expectations and assumptions regarding future events. These statements are subject to various factors, including market conditions, the regulatory environment, the availability of financing, construction costs, and other variables that may cause actual results to differ from those anticipated.

The indicative figures mentioned do not constitute binding commitments or profit forecasts and should not be relied upon as the sole basis for investment decisions.