JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
with INDEPENDENT AUDITOR'S REVIEW REPORT
For the three-month period ended 31 March 2025

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2025

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

Headquarters in Riyadh

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

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Jabal Omar Development Company

Introduction

We have reviewed the accompanying 31 March 2025 condensed consolidated interim financial statements of Jabal Omar Development Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 31 March 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
Commercial Registration of the headquarters in Riyadh is 1010425494.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان.
رقم السجل التجاري للمركز الرئيسي في الرياض هو 1010425494.

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Jabal Omar Development Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed consolidated interim financial statements of Jabal Omar Development Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Ebrahim Oboud Baeshen
License No. 382

Jeddah, 19 May, 2025
Corresponding to: 21 Dhul Qadah,1446h

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Note	**31 March 2025 SR'000 (Unaudited)**	31 December 2024 SR'000 (Audited)
ASSETS			
Property, plant and equipment	5	**19,524,001**	20,994,097
Intangible assets		**976**	1,016
Investment properties	6	**4,977,766**	3,527,274
Equity-accounted investee		**142,099**	140,894
Other assets		**9,080**	10,566
Restricted cash	7	**29,225**	69,435
Total non-current assets		**24,683,147**	24,743,282
Financial investments		**268,816**	268,816
Trade and other receivables	8	**997,920**	835,030
Other assets		**33,405**	35,894
Restricted cash	7	**509,041**	222,007
Cash and cash equivalents	7	**1,234,773**	595,655
Assets held for sale	5	**421,478**	853,803
Total current assets		**3,465,433**	2,811,205
Total assets		**28,148,580**	27,554,487
EQUITY			
Share capital		**11,800,229**	11,800,229
Share premium		**920,207**	920,207
Statutory reserve		**108,506**	108,506
Retained earnings		**1,182,637**	236,701
Reserve for advances to certain founding shareholders		**(285,514)**	(285,514)
Equity attributable to Owners of the Company after subordinated perpetual instrument		**13,726,065**	12,780,129
Subordinated perpetual instrument	9(a)	**689,668**	689,668
Equity attributable to Owners of the Company before subordinated perpetual instrument		**14,415,733**	13,469,797
Non-controlling interest		**1,544**	1,544
Total equity		**14,417,277**	13,471,341

Muhammad Jawad
Chief Financial Officer

Eng. Saleh Habdan Alhabdan
Chief Executive Officer

Saeed Mohammed AlGhamdi
Chairman of the Board of Director

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 31 March 2025

	Note	**31 March 2025 SR'000 (Unaudited)**	31 December 2024 SR'000 (Audited)
LIABILITIES			
Loans and borrowings	9	**10,813,675**	10,952,910
Employee benefits		**51,432**	48,380
Other non-current liabilities		**781,398**	787,568
Zakat payable	12	**169,346**	173,592
Total non-current liabilities		**11,815,851**	11,962,450
Loans and borrowings	9	**508,829**	1,156,582
Trade payables and other current liabilities		**1,209,990**	795,735
Zakat payable	12	**196,633**	168,379
Total current liabilities		**1,915,452**	2,120,696
Total liabilities		**13,731,303**	14,083,146
Total equity and liabilities		**28,148,580**	27,554,487

Muhammad Jawad Chief Financial Officer	Eng. Saleh Habdan Alhabdan Chief Executive Officer	Saeed Mohammed AlGhamdi Chairman of the Board of Director

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
For the three-month period ended 31 March 2025

	Note	Three-month period ended 31 March 2025 SR'000	2024 SR'000
Revenue	10	**747,731**	592,852
Costs of revenue		**(415,868)**	(338,574)
Gross profit		**331,863**	254,278
Other operating income	5(e)	**919,420**	1,014
Selling and marketing expenses		**(770)**	(1,848)
General and administration expenses		**(47,047)**	(44,621)
Impairment charge on non-financial assets	5(f)	**(124,179)**	(28,935)
Charge of allowance for expected credit losses	8.1	**(6,893)**	(287)
Other operating expenses		--	(1,031)
Operating profit		**1,072,394**	178,570
Finance costs	11	**(164,228)**	(138,967)
Finance income		**2,782**	5,662
Change in fair value of financial instruments carried at fair value through profit or loss		**62,066**	(19,812)
Share of results from equity-accounted investee		**1,204**	4,365
Profit for the period before Zakat		**974,218**	29,818
Zakat	12	**(28,282)**	(10,800)
Profit for the period		**945,936**	19,018
Other comprehensive income		--	--
Total comprehensive income for the period		**945,936**	19,018
Attributable to:			
Shareholders of the Parent Company		**945,936**	19,018
Non-controlling interests		**--**	--
		945,936	19,018
Earnings per share (Saudi Riyals):			
Basic and diluted earnings per share	13	**0.80**	0.02

Muhammad Jawad
Chief Financial Officer

Eng. Saleh Habdan Alhabdan
Chief Executive Officer

Saeed Mohammed AlGhamdi
Chairman of the Board of Director

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2025

	Attributable to Owners of the Company									
	Share capital SR'000	Share premium SR'000	Statutory reserve SR'000	Retained earnings SR'000	Reserve for advances to certain founding shareholders SR'000	Equity attributable to Owners of the Company after subordinated perpetual instrument SR'000	Subordinated perpetual instrument SR'000	Equity attributable to Owners of the Company before subordinated perpetual instrument SR'000	Non-controlling interests SR'000	Total equity SR'000
Balance at 1 January 2024 (Audited)	11,545,342	627,596	108,506	35,822	(285,674)	12,031,592	689,668	12,721,260	1,560	12,722,820
Profit for the period	--	--	--	19,018	--	19,018	--	19,018	--	19,018
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	19,018	--	19,018	--	19,018	--	19,018
Payments received against advance to certain founding shareholders	--	--	--	--	160	160	--	160	--	160
Balance at 31 March 2024 (Unaudited)	11,545,342	627,596	108,506	54,840	(285,514)	12,050,770	689,668	12,740,438	1,560	12,741,998
Balance at 1 January 2025 (Audited)	11,800,229	920,207	108,506	236,701	(285,514)	12,780,129	689,668	13,469,797	1,544	13,471,341
Profit for the period	--	--	--	**945,936**	--	**945,936**	--	**945,936**	--	**945,936**
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	**945,936**	--	**945,936**	--	**945,936**	--	**945,936**
Balance at 31 March 2025 (Unaudited)	**11,800,229**	**920,207**	**108,506**	**1,182,637**	**(285,514)**	**13,726,065**	**689,668**	**14,415,733**	**1,544**	**14,417,277**

Muhammad Jawad
Chief Financial Officer

Eng. Saleh Habdan Alhabdan
Chief Executive Officer

Saeed Mohammed AlGhamdi
Chairman of the Board of Director

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the three-month period ended 31 March 2025

	Note	For the three-month period ended 31 March 2025 SR' 000	2024 SR' 000
Cash flows from operating activities			
Profit for the period before Zakat		**974,218**	29,818
Adjustments for:			
Depreciation on property, plant and equipment	5	**107,050**	70,185
Depreciation on investment properties	6	**5,951**	3,715
Amortization of intangible assets		**88**	72
Impairment in property, plant and equipment	5(f)	**124,179**	28,935
Provision for employee benefits		**3,840**	2,494
Charge for expected credit losses	8	**6,893**	816
Share of results from equity-accounted investee		**(1,205)**	(4,365)
Finance costs		**164,228**	138,967
Finance income		**(2,782)**	(5,662)
Change in fair value of financial instruments carried at fair value through profit or loss		**(62,068)**	19,812
Gain on disposal of asset held for sale	5(e)	**(918,282)**	--
		402,110	284,787
Changes in:			
Other assets		**3,975**	(2,049)
Properties for development and sale		**--**	21,069
Trade and other receivables		**(119,161)**	(55,261)
Other non-current liabilities		**(6,170)**	(25,353)
Trade payables and other current liabilities		**89,361**	51,098
Cash generated from operations		**370,115**	274,291
Zakat paid		**(8,483)**	--
Interest paid	9	**(187,795)**	(235,936)
Employee benefits paid		**(788)**	(2,256)
Net cash from operating activities		**173,049**	36,099
Cash flows from investing activities			
Finance income received		**3,350**	5,231
Additions to property, plant and equipment	5	**(156,634)**	(66,239)
Additions to intangible assets		**(48)**	(928)
Proceeds from disposal of asset held for sale		**1,675,607**	--
Net cash from / (used in) investing activities		**1,522,275**	(61,936)

Muhammad Jawad	Eng. Saleh Habdan Alhabdan	Saeed Mohammed AlGhamdi
Chief Financial Officer	Chief Executive Officer	Chairman of the Board of Director

The accompanying notes from 1 to 19 are an integral part of these condensed consolidated interim financial statements.

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED) (continued)
For the three-month period ended 31 March 2025

	Note	For the three-month period ended 31 March 2025 SR' 000	2024 SR' 000
Cash flows from financing activities			
Payments received against advances to certain founding shareholders		--	160
Proceeds from loans and borrowings	9	**46,268**	704,997
Repayment of loans and borrowings	9	**(855,650)**	(139,900)
Net cash (used in) / from financing activities		**(809,382)**	565,257
Net change in cash and cash equivalents		**885,942**	539,420
Cash and cash equivalents at beginning of the period		**887,097**	705,394
Cash and cash equivalents at end of the period	7	**1,773,039**	1,244,814

Major non-cash supplemental information:

	Note	2025 SR' 000	2024 SR' 000
Capitalization of borrowing costs on property, plant and Equipment	5(b)	**50,569**	99,056
Capitalization of borrowing costs on investment properties	6(a)	**10,373**	19,184
Transfer from property, plant and equipment to investment properties	5(d)	**1,446,070**	--

Muhammad Jawad
Chief Financial Officer

Eng. Saleh Habdan Alhabdan
Chief Executive Officer

Saeed Mohammed AlGhamdi
Chairman of the Board of Director

1. CORPORATE INFORMATION

Jabal Omar Development Company ("the Company" or "the Parent Company"), a Saudi Joint Stock Company, was established under the Regulations for Companies in the Kingdom of Saudi Arabia ("KSA") as per Royal Decree No. M/63, dated 18 October 2006 (corresponding to 25 Ramadan 1427H). The Ministerial Resolution No. 253/S dated 28 October 2007 (corresponding to 16 Shawal 1428H) declared the incorporation of the Company. The Company is registered in Makkah Al Mukkaramah City under Commercial Registration number 4031051838 dated 25 November 2007 (corresponding to 15 Dhul Qida 1428H). The Company's registered office is 6978 Ibrahim Al-Khalil Road Alshubaikah District 3655, Makkah 24231.

The Company and its subsidiaries (collectively referred to as the "Group") main activity is to own Jabal Omar area adjacent to the western side of the Holy Mosque in Makkah and develop it into plots of land to manage, invest, sell and lease them for the Group's interest ("Project") along with carrying out operations necessary for construction, maintenance, management, demolishing, surveying, and furnishing hotels, commercial facilities and staff residences, as well as importing and exporting hotels' equipment and furniture and operating the hotels. For administrative purposes the Project has been disaggregated into different phases and zones with the latter being consistent with the master title deed approved by the Makkah Development Authority.

The Group's envisioned Project comprises of seven phases, where each phase has multiple zones. The Group has completed development work and commenced operations for three phases while the Group has substantially developed the fourth phase but the completion of development for this phase still requires a sizable amount of investment to be ready for their intended use. Management has no plans to begin development in the fifth and sixth phases. As of the reporting date all undeveloped lands in these two phases have either been sold or are intended to be sold and accordingly classified as such. The Group has a plan but not yet commenced development of the seventh phase.

These condensed consolidated interim financial statements comprise the financial statements of the Group. Subsidiaries are entities controlled by the Group. The Group is incorporated in the Kingdom of Saudi Arabia except for Jabal Omar Sukuk Company Limited which was incorporated in the Cayman Island and was dissolved during the period. The Company has the following dormant subsidiaries as at 31 March 2025:

Name of the Subsidiary	***Registration Number***	***Registration date***	***Ownership interest***	***Financial year end***	***Principal Activities***
Sahat For Facility Management Company	4031210499	22 October 2017 corresponding to 02 Safar 1439H	100%	31 December	Real estate services
Warifat Hospitality Company	4030298569	1 January 2018 corresponding to 14 Rabi II 1439H	90%	31 December	Hospitality services

1. CORPORATE INFORMATION (continued)

The Company has branch commercial registrations to engage in hospitality activities as per the Saudi Commission for Tourism and National Heritage's ("SCTA") letters. These condensed consolidated interim financial statements include the results of the operating activities relating to the following hotels in addition to its three non-operational branches bearing commercial registration numbers 4030291056, 4031097883 and 4031098207 respectively.

Name	*Commencement of operation*	*Registration number*	*Registration date*	*SCTA's letter No.*	*SCTA's letter date*
Jabal Omar Hilton Suites Hotel (Hilton Suites Makkah)	01 July 2014 (corresponding to 4 Ramadan 1435H)	4031077081	25 May 2013 (corresponding to 15 Rajab 1434H)	AVM/ 5887/34	04 March 2013 (corresponding to 22 Rabi II 1434H)
Jabal Omar Hyatt Regency Hotel (Hyatt Regency)	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031087547	09 September 2014 (corresponding to 14 Dhul Qida 1435H)	8957	25 May 2014 (corresponding to 26 Rajab 1435H)
Jabal Omar Conrad Hotel (Conrad)	30 July 2016 (corresponding to 25 Shabaan 1437H)	4031091636	29 April 2015 (corresponding to 10 Rajab 1436H)	9347	16 March 2015 (corresponding to 25 Jumada I 1436H)
Jabal Omar Hilton Hotel (Hilton Convention)	31 March 2017 (corresponding to 3 Rajab 1438H)	4031097174	10 August 2016 (corresponding to 07 Dhul Qida 1437H)	16474	19 July 2016 (corresponding to 14 Shawwal 1437H)
Jabal Omar Doubletree by Hilton Hotel (Double Tree by Hilton)	01 August 2019 (corresponding to 29 Dhul Qida 1440H)	4031214815	15 May 2018 (corresponding to 29 Shaban 1439H)	1651	14 May 2018 (corresponding to 28 Shaban 1439H)
Jabal Omar Marriott Hotel	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031085088	07 May 2014 (corresponding to 8 Rajab 1435H)	AVM/8332/35	17 March 2014 (corresponding to 16 Jumada I 1435H)
Jabal Omar Address Al Bawaba Makkah (Address)	06 June 2023 (corresponding to 17 Dhul Qidah 1444H)	4031215100	28 May 2018 (corresponding to 9 Ramadan 1439H)	10006429	16 May 2023 (corresponding to 26 Shawwal 1444H)
Jabal Omar Jumeirah Hotel	03 September 2023 (corresponding to 18 Safar 1445H)	4031247845	28 February 2021 (corresponding to 16 Rajab 1442H)	10002521	28 August 2023 (corresponding to 12 Safar 1445)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standard, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS as endorsed in the KSA and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024 ("last annual consolidated financial statements"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. In addition, results for the interim period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

During the three-month period ended 31 March 2025, the Group has disaggregated general and administration expenses to separately present impairment charge on non-financial assets in the condensed consolidated statement of profit or loss and accordingly, prior period figures have been reclassified to conform to current period presentation.

2.2 Basis of Measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis using the accrual basis of accounting except for the following items which are measured as follows:

Items	Measurement basis
Provisions for employee terminal benefits	Present value of the defined benefit obligation using projected credit unit method
Financial instruments at fair value through profit or loss	Fair value

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is also the functional currency of the Group. All figures are rounded off to the nearest thousands (SR '000) unless when otherwise stated.

2.4 Going concern basis of accounting

The condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities in the normal course of business including the mandatory repayment terms of the banking facilities as disclosed in note 9. Based on the Group's financial performance for the period ended 31 March 2025, together with the operating budgets for the forthcoming year coupled with Group's plan to sell further Properties, the cash flow forecast for the 12-month period after the statement of financial position date depicts a net positive cashflow position without the presence of any material uncertainties.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Group's accounting policies, the methods of computation and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

3. CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Standards and Amendments Issued but Not Yet Effective

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

Standard / Interpretation	Description	Effective from periods beginning after the following 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*	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS	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

3. CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Amendments to Standards

The following table lists the Standards that are required to be applied for the annual period beginning after 1 January 2024. The adoption of the following amendments to the existing standards had no significant impact on the condensed consolidated interim financial statements of the Group on the current period or prior periods and is expected to have no significant effect in the future periods.

Standard / Interpretation	Description	Effective from periods beginning after the following date
IAS 21	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

4. BASIS OF CONSOLIDATION

These condensed consolidated interim financial statements comprise of the condensed consolidated statement of financial position, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and notes to the condensed consolidated interim financial statements of the Group, and include assets, liabilities and the results of the operations of the Company and its subsidiaries (as set out in note 1).

5. PROPERTY, PLANT AND EQUIPMENT

	Lands	Buildings	Central District Cooling System	Equipment	Furniture and fixtures and other assets	Infra-structure assets	Capital work in progress	Total
	SR' 000	SR' 000	SR' 000	SR' 000	SR' 000	SR' 000	SR' 000	SR' 000
Cost:								
Balance at 1 January 2024 (Audited)	2,509,952	7,847,002	1,037,883	3,602,006	951,041	467,428	7,268,783	23,684,095
Additions during the period	--	--	--	99	2,058	--	163,138	165,295
Transfer from CWIP ((note 5 (c))	--	310,491	--	137,840	43,378	--	(491,709)	--
Balance at 31 March 2024 (Unaudited)	2,509,952	8,157,493	1,037,883	3,739,945	996,477	467,428	6,940,212	23,849,390
Additions during the period	--	235	--	3,165	11,680	--	371,149	386,229
Disposals during the period	--	--	--	--	(1,688)	--	--	(1,688)
Transfer from CWIP ((note 5 (c))	--	588,680	--	279,182	87,858	40,187	(995,907)	--
Transfer to asset held for sale	(125,906)	--	--	--	--	--	(130,028)	(255,934)
Balance at 31 December 2024 (Audited)	**2,384,046**	**8,746,408**	**1,037,883**	**4,022,292**	**1,094,327**	**507,615**	**6,185,426**	**23,977,997**
Additions during the period	--	**140**	--	**496**	**4,082**	--	**202,485**	**207,203**
Transfer to investment properties ((note 5 (d))	--	**(394,237)**	--	**(188,961)**	--	**(38,371)**	**(958,396)**	**(1,579,965)**
Balance at 31 March 2025 (Unaudited)	**2,384,046**	**8,352,311**	**1,037,883**	**3,833,827**	**1,098,409**	**469,244**	**5,429,515**	**22,605,235**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Lands SR' 000	Buildings SR' 000	Central District Cooling System SR' 000	Equipment SR' 000	Furniture and fixtures and other assets SR' 000	Infra-structure assets SR' 000	Capital work in progress SR' 000	Total SR' 000
Accumulated depreciation and impairment losses:								
Balance at 1 January 2024 (Audited)	--	525,113	222,764	597,004	320,082	78,300	584,200	2,327,463
Impairment / transfers, net (note 5 (f))	--	(29,517)	--	(5,804)	(1,493)	(1,680)	67,429	28,935
Disposals during the period	--	16,735	8,557	24,467	18,211	2,215	--	70,185
Balance at 31 March 2024 (Unaudited)	--	512,331	231,321	615,667	336,800	78,835	651,629	2,426,583
Impairment / transfers, net (note 5 (f))	--	353,775	--	180,721	46,064	(6,873)	(300,364)	273,323
Depreciation for the period	--	79,468	27,245	98,434	73,484	6,646	--	285,277
Disposals during the period	--	--	--	--	(1,283)	--	--	(1,283)
Balance at 31 December 2024 (Audited)	--	**945,574**	**258,566**	**894,822**	**455,065**	**78,608**	**351,265**	**2,983,900**
Impairment / transfers, net (note 5 (f))	--	**(23,523)**	--	**(10,443)**	**(3,286)**	--	**161,431**	**124,179**
Depreciation for the period	--	**30,838**	**8,754**	**39,390**	**25,133**	**2,935**	--	**107,050**
Transfer to investment properties ((note 5 (d))	--	**(44,663)**	--	**(79,460)**	--	**(9,772)**	--	**(133,895)**
Balance at 31 March 2025 (Unaudited)	--	**908,226**	**267,320**	**844,309**	**476,912**	**71,771**	**512,696**	**3,081,234**
Net book value								
At 31 March 2025 (Unaudited)	**2,384,046**	**7,444,085**	**770,563**	**2,989,518**	**621,497**	**397,473**	**4,916,819**	**19,524,001**
At 31 December 2024 (Audited)	2,384,046	7,800,834	779,317	3,127,470	639,262	429,007	5,834,161	20,994,097
At 31 March 2024 (Unaudited)	1,964,438	7,645,162	806,562	3,124,278	659,677	388,593	6,834,097	21,422,807

5. PROPERTY, PLANT AND EQUIPMENT (continued)

a) As at the reporting date, certain plots of land meeting the criteria for being classified as asset held for sale under IFRS 5 have been presented as assets held for sale in these condensed consolidated interim financial statements. Movement in assets held for sale is as follows:

	31 March 2025 SR'000	31 December 2024 SR'000
Opening balance of assets held for sale	**853,803**	923,356
Transferred from property, plant and equipment	**--**	255,934
Sold during the period	**(432,325)**	(325,487)
Closing balance of assets held for sale	**421,478**	853,803

The closing balance of assets held for sale as of the period ended 31 March 2025 includes 2 land parcels located in Phase 5 of the Project. During the year ended 31 December 2024, the Group entered into sale agreement for 3 land parcels with unrelated parties and further sold another parcel of land during the three-month ended 31 March 2025, the details of which are as follows:

i. Land plot located in Phase 6 having a carrying amount of SR 325.5 million for a value of SR 1,073.3 million. As of 31 December 2024, the sale transaction met the conditions for recognition of income in the books of the Group. Moreover, as per the terms of the sale agreement, Group received payment of SR 420 million by 31 December 2024, while the remaining amount of SR 653.3 is due to be received during 2025 and is recorded under 'trade and other receivables'.

ii. Land plot located in Phase 6 having a carrying amount of SR 432.3 million for a value of SR 1,350.6 million. As of 31 March 2025, the sale transaction met the conditions for recognition of income in the books of the Group, resulting in a gain of SR 918.3 million recorded under 'other operating income'. Moreover, based on the terms of the agreement, all amounts due under the contract have been received during the period.

iii. Land plot located in Phase 5 having a carrying amount of SR 165.5 million for a value of SR 718 million, inclusive of other transaction amendments, against which the Group received an advance payment of SR 333 million classified as 'contract liability' under trade payable and other current liabilities. As of 31 March 2025, this transaction did not meet the conditions for recognition of income in the books of the Group, however, based on the terms of the agreement the sale is expected to be recognized during 2025 resulting in an estimated gain of SR 552.5 million.

iv. During the period ended 31 March 2025, the Group entered into a sale agreement for another land plot located in Phase 5 having a carrying amount of SR 255.9 million for a value of SR 1,140.2 million against which the Group has received an advance payment of SR 25 million classified as 'contract liability' under trade payable and other current liabilities. As of 31 March 2025, this transaction did not meet the conditions for recognition of income in the books of the Group, however, based on the terms of the agreement the sale is expected to be recognized during 2025 resulting in an estimated gain of SR 884.3 million.

b) During the three months period ended 31 March 2025, an amount of SR 50.6 million (31 December 2024: SR 265.3 million) (31 March 2024: SR 99 million) was capitalized as borrowing cost for the construction of property plant and equipment included in capital work in progress. Further, the capitalization rate used to determine the amount of borrowing cost to be capitalized is the weighted average (general borrowing) interest rate applicable to the Group during the period of 7.20% per annum (31 December 2024: 7.62% per annum) (31 March 2024: 8.5% per annum).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

c) These represent transfers between capital work in progress and other components of property, plant and equipment based on commissioning of new properties.

d) During the period, certain assets were transferred from property, plant and equipment to investment properties due to the change in use from owner operated asset to rental purposes.

e) Other operating income includes an amount of SR 918.3 million pertaining to net gain on sale of a plot of land (note 5(a)(ii)).

f) In prior and current financial periods, management identified indicators of impairment and carried out an impairment testing exercise for its non-current assets held as part of property, plant and equipment and investment properties (‘Properties’). As part of this assessment, management engaged ‘Square Meter for Real Estate Evaluation’ as valuation expert accredited by the Saudi Authority for Accredited Valuers (TAQEEM) for the determination of the value in use and fair value less cost to disposal (‘fair values’) of the relevant CGUs to which its Properties correspond. Management has considered such fair values and value in use for assessing the recoverable amounts of the Properties which have then been compared with the respective carrying amounts of the CGUs (in case of fair value, represented by different zones; and in case of value in use, represented by hotels and commercial centers). In the determination of fair values, management has taken into account a market participant’s ability to generate economic benefits by using the Properties in their highest and best use or by selling it to another market participant that would use the Properties in its highest and best use’. Such highest and best use assessment considers possible uses of the Properties that are physically possible, legally permissible and financially feasible. Moreover, any costs ancillary to or associated with the possible uses are also estimated and considered in the fair value assessment.

   As such, as at the reporting date, management has determined that the fair values of certain Properties are maximized in the event of the sale of associated land less any associated cost of demolition of adjacent structures. Accordingly, while different zones (note 1) may include one or more Properties that are capable of generating largely independent cashflows, however, from the perspective of the highest and best use, it has been determined that the relevant CGUs are represented by each distinct zones, whereby such distinct zones represents specific parcel / plot of land (over which construction may or may not have been carried out) and such zones are distinctly physically separated by surrounding infrastructure such roads, pathways, etc. This is because any structures constructed over such zones that include developments such as hotels and commercial centers are physically interconnected. The fair value measurement for all of the property, plant and equipment has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

5(f)(i) Summary of Impaired CGUs:

Valuation approach	CGU description	Carrying amount, net 31 March 2025 SR'000	Accumulated impairment 31 March 2025 SR'000	Key assumptions
Market approach Recoverable amount based on immediate sale of lands under fair value less cost of disposal method.	Operating Hotels and Commercial Centers[1]	**11,375,466 (2024: 11,371,252)**	**829,590 (2024: 685,641)**	• Relevant comparable transactions • Adjustments applied and weightages allocated to comparable transaction. • Demolition cost
Income approach Recoverable amount based on Discounted Cash Flow (DCF) model for determining value in use.	Operating Hotel	**3,459,968 (2024: 3,448,962)**	**368,013 (2024: 387,783)**	• Discount rate • Average occupancy rate • Average daily rate • Budgeted EBITDA • Cost to complete • Growth rate of cashflows including terminal growth rate
Total		**14,835,434 (2024: 14,820,214)**	**1,197,603 (2024: 1,073,424)**	

[1] *This includes certain hotel and commercial center currently under construction/development.*

5(f)(ii) Significant Inputs / Assumption used in the Valuation of Property, Plant and Equipment and Investment Properties:

Valuation approach	Input/assumption description	Value	Sensitivity
Market approach	Demolition cost rate per square meter (in SR)	130 - 275	+/- 0.5%
	Relevant comparable transactions (actual transactions) *	SR 170,000 per square meter to SR 323,000 per square meter	N/A
	Adjustments applied to comparable transaction	Various adjustments applied based on the similarity / dissimilarity of the subject property with the comparable	+/- 5%
Income approach	Discount rate *	8.00%	+/- 1%
	Average occupancy rate *	25% - 84.5%	+/- 1%
	Average daily rate (in SR) *	661 – 1,310	+/- 5%
	EBITDA *	50% - 55%	+/- 1%
	Commercial lease rate per square meter for commercial center classified under investment properties (in SR)	3,263 – 5,525	+/- 1%
	Growth rate of cashflows and land value at disposal	2%	+/- 1%

**Represents sensitive assumptions*

6. INVESTMENT PROPERTIES

Investment properties comprise of commercial centers. All the investment properties held by the Group are for the purpose of generating rental income and it does not hold any investment properties with undetermined future use.

	Land SR' 000	Buildings SR' 000	Equipment SR' 000	Infrastructure assets SR' 000	Capital work in progress SR' 000	Total SR' 000
Cost:						
Balance at 1 January 2024 (Audited)	1,339,673	485,746	181,375	53,964	1,561,177	3,621,935
Additions during the period (note 6 (a))	--	--	--	--	19,184	19,184
Balance at 31 March 2024 (Unaudited)	1,339,673	485,746	181,375	53,964	1,580,361	3,641,119
Additions during the period (note 6 (a))	--	--	--	--	34,101	34,101
Transfer from CWIP (note 6 (b))	--	388,889	198,567	--	(587,456)	--
Balance at 31 December 2024 (Audited)	**1,339,673**	**874,635**	**379,942**	**53,964**	**1,027,006**	**3,675,220**
Additions during the period (note 6 (a))	--	--	--	--	**10,373**	**10,373**
Transfer from CWIP (note 6 (b))	--	**332,684**	**114,713**	**30,218**	**(477,615)**	--
Transfer from property, plant and equipment ((note 5 (d))	--	**394,237**	**188,961**	**38,371**	**958,396**	**1,579,965**
Balance at 31 March 2025 (Unaudited)	**1,339,673**	**1,601,556**	**683,616**	**122,553**	**1,518,160**	**5,265,558**
Accumulated depreciation:						
Balance at 1 January 2024 (Audited)	--	36,785	61,445	15,918	--	114,148
Depreciation for the period	--	1,442	2,011	262	--	3,715
Balance at 31 March 2024 (Unaudited)	--	38,227	63,456	16,180	--	117,863
Depreciation for the period	--	9,902	19,395	786	--	30,083
Balance at 31 December 2024 (Audited)	--	**48,129**	**82,851**	**16,966**	--	**147,946**
Depreciation for the period	--	**2,099**	**3,590**	**262**	--	**5,951**
Transfer from property, plant and equipment ((note 5 (d))	--	**44,663**	**79,460**	**9,772**	--	**133,895**
Balance at 31 March 2025 (Unaudited)	--	**94,891**	**165,901**	**27,000**	--	**287,792**
Net book value:						
At 31 March 2025 (Unaudited)	**1,339,673**	**1,506,665**	**517,715**	**95,553**	**1,518,160**	**4,977,766**
At 31 December 2024 (Audited)	1,339,673	826,506	297,091	36,998	1,027,006	3,527,274
At 31 March 2024 (Unaudited)	1,339,673	447,519	117,919	37,784	1,580,361	3,523,256

6. INVESTMENT PROPERTIES (continued)

a) During three-month period ended 31 March 2025 SR 10.4 million (31 December 2024: SR 53.3 million) (31 March 2024; SR 19.2 million) was capitalized as borrowing costs due to construction of investment properties included in capital work in progress. Furthermore, the capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average (general borrowing) interest rate applicable to the Group during the period of 7.20% per annum (31 December 2024: 7.62% per annum) (31 March 2024: 8.5% per annum).

b) These represent transfers between capital work in progress and other components of investment properties based on commissioning of new properties.

c) Refer note 5(f)(ii) for key assumptions and information about fair value measurement of investment properties using significant unobservable input.

7. CASH AND CASH EQUIVALENTS

	31 March 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	31 March 2024 (Unaudited) SR'000
Cash in hand	**340**	1,171	1,026
Cash at banks (note (a))	**1,378,010**	588,629	721,063
Term deposits (note (b))	**394,689**	297,297	522,725
Cash and cash equivalents in the statement of cash flows	**1,773,039**	887,097	1,244,814
Less: Restricted cash - non - current (note (a))	**(29,225)**	(69,435)	(109,950)
Less: Restricted cash - current (note (a))	**(509,041)**	(222,007)	(594,303)
Cash and cash equivalents in the statement of financial position	**1,234,773**	595,655	540,561

a) The cash is currently held in accounts with banks having credit rating of "A-". The fair value of cash and cash equivalents and restricted cash approximates the carrying value at 31 March 2025, 31 December 2024 and 31 March 2024.

b) These represent deposits placed in Murabaha deposits with commercial banks having original maturity of three months

8. TRADE AND OTHER RECEIVABLES

	31 March 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	31 March 2024 (Unaudited) SR'000
Receivables from contract with customers	**149,532**	98,985	103,827
Receivables from rental arrangements	**149,830**	127,182	86,542
Receivable from land sale	**653,329**	653,329	--
Amount due from related party	**21,717**	18,086	31,534
Contract assets	**53,960**	23,165	33,952
Advances to suppliers	**19,618**	7,925	75,196
Other receivables	**51,396**	1,392	114,743
Less: Allowance for expected credit losses (note 8.1)	**(101,462)**	(95,034)	(48,212)
	997,920	835,030	397,582

The Group's trade receivables are concentrated in the Kingdom of Saudi Arabia. As at 31 March 2025, five largest customers accounted for 76% (31 December 2024: 83%) (31 March 2024: 65%) of the outstanding trade receivables.

8.1 Movement in allowance for credit losses against trade and other receivables are as follows:

	31 March 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	31 March 2024 (Unaudited) SR'000
Opening balance	**95,034**	47,396	47,396
Charge for the period / year	**6,893**	49,284	816
Write offs	**(465)**	(1,646)	--
Closing balance	**101,462**	95,034	48,212

9. LOANS AND BORROWINGS

The following notes provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. All loans and borrowings of the Group are Shari'a-compliant Islamic facilities.

	31 March 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	31 March 2024 (Unaudited) SR'000
Loans and borrowings	**11,301,745**	12,075,373	12,003,298
Accrued commission	**62,984**	78,227	349,500
Less: Deferred financial charges	**(42,225)**	(44,108)	(50,460)
	11,322,504	12,109,492	12,302,338
Current portion	**(508,829)**	(1,156,582)	(1,301,411)
Non-current portion	**10,813,675**	10,952,910	11,000,927

9. LOANS AND BORROWINGS (continued)

Below is the summary of the loans and borrowings arrangement of the Group along with details of any associated collateral:

31 March 2025	Non-current portion*	Current portion*	Facility limit	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral
	SR '000	*SR '000*	*SR '000*					*SR '000*
Secured bank loans								
Government loan (note (a))	**1,688,280**	**(19,184)**	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,128,236
Syndicate loan (note (b))	**5,878,885**	**91,510**	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	9,790,552
Facility from a local bank (note (c))	**571,600**	**152,267**	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	**1,282,923**	**161,563**	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,958,833
Facility from a local bank (note (e))	--	--	1,900,000	--	Earlier of sale of collateral assets or 24-Jan-26	Bullet payment	Refer note (e)	--
Unsecured bank loans								
Facility from a local bank (note (f))	**1,426,087**	**130,798**	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	10,847,775	**516,954**						
Less: Deferred financial charges	**(34,100)**	**(8,125)**						
	10,813,675	**508,829**						

31 December 2024	Non-current portion*	Current portion*	Facility limit	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral
	SR '000	*SR '000*	*SR '000*					*SR '000*
Secured bank loans								
Government loan (note (a))	**1,656,314**	**(19,132)**	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,164,079
Syndicate loan (note (b))	**5,907,618**	**84,984**	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	9,564,350
Facility from a local bank (note (c))	**643,000**	**72,868**	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	**1,355,874**	**164,223**	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,969,559
Facility from a local bank (note (e)	--	**729,262**	1,900,000	--	Earlier of sale of collateral assets or 24-Jan-26	Bullet payment	Refer note (e)	337,527
Unsecured bank loans								
Facility from a local bank (note (f))	**1,426,087**	**132,502**	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	10,988,893	**1,164,707**						
Less: Deferred financial charges	**(35,983)**	**(8,125)**						
	10,952,910	**1,156,582**						

these balances include accrued commission

9. LOANS AND BORROWINGS (continued)

31 March 2024	Non-current portion*	Current portion*	Facility limit	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral
	SR '000	*SR '000*	*SR '000*					*SR '000*
Secured bank loans								
Government loan (note (a))	**1,504,787**	**29,264**	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,451,474
Syndicate loan (note (b))	**5,887,495**	**224,381**	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	8,323,016
Facility from a local bank (note (c))	**714,400**	**155,588**	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	**1,394,500**	**210,206**	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,839,872
Facility from a local bank (note (e))	--	**617,876**	1,900,000	--	Earlier of sale of collateral assets or 24-Jan-26	Single Bullet	Refer note (e)	757,811
Unsecured bank loans								
Facility from a local bank (note (f))	**1,542,029**	**72,272**	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	11,043,211	**1,309,587**						
Less: Deferred financial charges	**(42,284)**	**(8,176)**						
	11,000,927	**1,301,411**						

**these balances include accrued commission*

9. LOANS AND BORROWINGS (continued)

a) During 2021, the Group entered into a loan restructuring agreement with Ministry of Finance (‘MoF’) that involved significant modifications of the loan terms, including waiver of the entire accrued and unpaid commission of SR 457 million as of the date of agreement, capitalization of commission for certain period before commencing repayments, revision in commission rates, conversion of SR 1.5 billion of the total existing loan amount into a new unsecured Shariah-compliant subordinated perpetual instrument (“Perpetual instrument”), and maturity extension of the remaining secured borrowing facility amounting to SR 1.5 billion to 31 March 2031, repayable as a bullet payment (“Bullet Loan”).

   The SR 1.5 billion Perpetual instrument does not carry a contractual maturity nor does the government entity hold a contractual right to redemption or repayment in the ordinary course of Group’s business.

   Moreover, the Group may elect not to make any of the profit payments, except in the event of distribution of dividend to ordinary shareholders, and such non-payment of profit shall neither accumulate nor be considered an event of default.

   The Group has analysed the Perpetual Instrument having features of an equity instrument under IAS-32 and hence classified the instrument under equity at its fair value on the date of debt conversion.

   Pursuant to receipt of binding term sheets from MoF, confirmation from the facility agent and approval of Board of Directors (BoD) of acceptance of term sheets, the Group derecognized the old facility and recognized new facilities during 2021.

   The Group has pledged its properties in phase 3 and certain plots of lands in phase 7 to the lender as mortgage against the loan. The facility includes financial covenant requiring the Group to ensure that the loan-to-value (LTV) ratio must not exceed 100% at the end of each financial year. The Group is in compliance with this covenant as at 31 March 2025.

b) The Group has pledged its properties in phase 2, phase 4 and phase 5 to the lender as mortgage against the loan. Furthermore, the Group has also issued a promissory note in favor of the syndicate amounting to SR 6.1 billion.

   The facility contains financial covenant stating that the Group shall ensure the LTV ratio does not exceed 90% following the end of each financial year. The Group is in compliance with this covenant as at 31 March 2025.

c) The Group has pledged certain plots of land in phase 7 to the lender as mortgage against the loan. The facility contains financial covenant stating that that the coverage rate of mortgaged properties shall not be less than 120% of the outstanding amount of loan at the end of each financial year. The Group is in compliance with this covenant as at 31 March 2025.

9. LOANS AND BORROWINGS (continued)

d) During the year ended 31 December 2022, the Group has restructured its facilities with a local bank amounting to SR 1,000 million and SR 600 million, respectively, and pursuant to this restructuring, the Group entered into a new facility agreement amounting to SR 1,600 million through modification of the previously obtained facilities.

The Group has pledged one property in phase 1 to the lender as mortgage against the loan. The facility contains financial covenants requiring the Group to ensure that the debt service cover ratio (EBITDA to Debt Service) to not fall below 120% and coverage of mortgaged property to not fall below 130% of total outstanding facilities as at the end of each financial year. The Group is in compliance with these covenants as at 31 March 2025.

e) During the year ended 31 December 2024, the Group has entered into Murabaha facility arrangement of SR 1.9 billion with a local bank comprising of long-term financing facilities secured against two properties in phase 6 as mortgage against the loan. This loan was secured against the guarantee provided by the Government to the lender. There were no financial debt covenants related to the facility. As of the reporting date both collateralized properties have been sold by the Group and accordingly loan has been repaid in full.

f) This loan is secured against the guarantee provided by the Government to the lender. There are no financial debt covenants related to the facility.

g) During the year ended 31 March 2025, total drawdowns against loans and borrowings amounted to SR 46 million (31 March 2024: SR 705 million), repayments amounted to SR 856 million (31 March 2024: SR 140 million), while total finance cost paid amounted to SR 188 million (31 March 2024: SR 236 million).

10. REVENUE

	For the three-month period ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
	SR'000	SR'000
Revenue from contract with customers	**697,008**	556,809
Revenue from rental income	**50,723**	36,043
	747,731	592,852

10. REVENUE (continued)

10.1 Disaggregation of revenue

Set out below is the revenue disaggregated by type of revenue and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments. Further, the Group's revenue is earned in Kingdom of Saudi Arabia (KSA).

	For the three-month period ended 31 March (Unaudited)							
	Operating Hotels		Commercial centers		Properties for development and sale		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	SR'000	SR'000	**SR'000**	SR'000	**SR'000**	SR'000	**SR'000**	SR'000
Revenue from contract with customers:								
Sale of properties for development and sale	--	--	--	--	**3,007**	104,720	**3,007**	104,720
Hotel operations								
- Room rent	**575,034**	372,271	--	--	--	--	**575,034**	372,271
- Other services	**118,967**	79,818	--	--	--	--	**118,967**	79,818
Revenue from rental income:								
Lease of commercial center shops	--	--	**50,723**	36,043	--	--	**50,723**	36,043
	694,001	452,089	**50,723**	36,043	**3,007**	104,720	**747,731**	592,852
Timing of revenue recognition:								
Point-in-time	**118,967**	79,818	--	--	**3,007**	104,720	**121,974**	184,538
Over time	**575,034**	372,271	**50,723**	36,043	--	--	**625,757**	408,314
Total revenue	**694,001**	452,089	**50,723**	36,043	**3,007**	104,720	**747,731**	592,852

10.2 The customers for operating hotels are represented by various diversified members of general public from all over the world. The customers for commercial centers are represented by shop owners in KSA. While the customer for properties for development and sale are largely represented by members of general public. There is no significant concentration of revenue to specific customers in any of the segments.

11. FINANCE COSTS

	For the three-month period ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
	SR'000	SR'000
Finance cost on loans and borrowings	**211,111**	246,666
Finance cost on other non-current liabilities	**14,059**	10,541
	225,170	257,207
Finance cost capitalized as borrowing cost incurred on qualifying assets (note 5(b) and 6(a))	**(60,942)**	(118,240)
	164,228	138,967

12. ZAKAT

During three-month period ended 31 March 2025, the Group has recorded Zakat charge of SR 28.3 million for the current period (31 March 2024: SR 10.8 million).

Status of assessments

a) The Group has filed Zakat returns for all years up to and including 31 December 2023. As of 31 March 2025, the Group is in the process filing its Zakat returns for the year ended 31 December 2024. Zakat assessments have been finalized with Zakat, Tax and Customs Authority ("ZATCA") for all years up to 31 December 2018.

b) During the year ended 31 December 2024, ZATCA issued new Zakat regulations through Ministerial Resolution No. 1007, dated 29 February 2024. These regulations became effective from 1 January 2024 and provided Zakat payers the option to apply the new rules to financial years prior to 1 January 2024, subject to ZATCA's approval.

   Accordingly, the Group chose to adopt the new Zakat regulations and submitted a corresponding application to ZATCA, along with revised returns for the years 2019 to 2022, which have been accepted by ZATCA. Subsequent to the foregoing, all previous assessments and decisions by ZATCA's various committees, including the Settlement Committee, have been rescinded for the years for which revised returns were filed under the new regulations, however, these resubmissions remain open for assessment in future.

c) During the year ended 31 December 2024, ZATCA approved a payment plan in relation to a previously concluded assessment for all years up to 31 December 2018, whereby ZATCA had raised an additional Zakat liability of SR 354 million to the Group in prior year. As per the foregoing payment plan, the additional Zakat liability is payable in quarterly installments commencing from September 2024 and ending in June 2033. The Group has recorded a modification gain of SR 84.6 million in respect of the revised present value of the Zakat obligation based on the approved payment plan (recognized under finance income).

13. EARNINGS PER SHARE

Basic earnings per share for the three-month period ended 31 March 2025 and 31 March 2024, have been computed by dividing the profit for the period attributable to the shareholders of the Parent Company by weighted average the number of shares outstanding during such year. As there are no dilutive shares outstanding, basic and diluted earnings per share are identical.

	For the three-month period ended 31 March	
	2025	2024
	SR'000	SR'000
Profit for the period attributable to shareholders of the Parent Company	**945,936**	19,018
Weighted average number of outstanding shares (number in thousand)	**1,180,023**	1,154,534
Earnings per share (Saudi Riyals) - Basic and diluted	**0.80**	0.02

13.1 Weighted-average number of shares

	For the three-month period ended 31 March	
	2025	2024
In thousand of shares		
Issued shares at 1 January	**1,180,023**	1,154,534
Weighted-average number of shares at 31 March	**1,180,023**	1,154,534

14. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties include key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors and transactions with related parties are carried out at agreed terms. Following is the list of certain key related party transactions and balances of the Group.

Significant transactions with related parties in the ordinary course of business included in the consolidated financial statements for the period ended 31 March and balances arising therefrom are summarized below:

Related party and relationship	**Nature of transaction**	**2025** **SR'000**	2024 SR'000
Central District Cooling Company (Equity accounted investee)	Cooling charges	**16,439**	9,529
	Concession payable related finance charges	**10,743**	10,992
	Rental income	**1,014**	1,014

14. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Balances arising from transactions with related parties are as follows:

Related party and relationship	**Nature of balance**	**2025 SR'000**	2024 SR'000
Central District Cooling Company (Equity accounted investee)	Other non-current liabilities	**706,369**	729,389
	Other assets	**14,080**	15,024
	Trade and other receivables (note 8)	**21,717**	31,534
	Trade payable and other current liabilities	**60,272**	291,028

Key management personnel comprise chief executive officer and heads of departments. Compensation of the group's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined Benefit plan.

Description	**Nature of transaction**	**2025 SR'000**	2024 SR'000
Board of Directors	Meeting attendance fee	**1,018**	581
Key Management Personnel	Short-term employee benefits	**11,115**	2,478
	Post-employment benefits	**138**	116

15. SEGMENT REPORTING

Basis for segmentation

The Group has the following three strategic divisions which are its reportable operating segments. These divisions offer different products and/or services and are managed separately as they require different operational and marketing strategies. The Group's Chairman and Group Chief Executive Officer (CEO) monitor 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 following summary describes the operations of each reportable segment.

Reportable segments	Operations
Operating Hotels	Includes leasing of rooms, parking facilities and selling food and beverages ("the Hotels").
Commercial centers	Includes operating and leasing of commercial shopping malls ("the Commercial Centers").
Properties for development and sale	Includes construction and development of property and sale of completed dwellings.

Non-current assets of the Group are based in Saudi Arabia.

15. SEGMENT REPORTING (continued)

The following table represent the segment information for the period ended 31 March:

	As at 31 March 2025 (Unaudited)					
Particulars	**Operating hotels SR'000**	**Commercial centers SR'000**	**Properties for development and sale SR'000**	**Total for reportable segments SR'000**	**Other unallocated amounts SR'000**	**Consolidated total SR'000**
Property, plant and equipment	**18,073,823**	**--**	**--**	**18,073,823**	**1,450,178**	**19,524,001**
Investment properties	**--**	**4,977,766**	**--**	**4,977,766**	**--**	**4,977,766**
Assets held for sale	**--**	**--**	**--**	**--**	**421,478**	**421,478**
Other non-current assets (total)	**--**	**--**	**--**	**--**	**181,380**	**181,380**
Other current assets (total)	**660,648**	**149,830**	**--**	**810,478**	**2,233,477**	**3,043,955**
Segment assets	**18,734,471**	**5,127,596**	**--**	**23,862,067**	**4,286,513**	**28,148,580**
Segment liabilities	**440,156**	**39,194**	**7,383**	**486,733**	**13,244,570**	**13,731,303**

The condensed consolidated statement of profit or loss and other comprehensive income items for the three-month period ended 31 March 2025 (unaudited):

	Operating hotels SR'000	**Commercial centers SR'000**	**Properties for development and sale SR'000**	**Total for reportable segments SR'000**	**Other unallocated amounts SR'000**	**Consolidated total SR'000**
Revenue – external customers	**694,001**	**50,723**	**3,007**	**747,731**	**--**	**747,731**
Cost of revenue	**(395,340)**	**(19,269)**	**(1,259)**	**(415,868)**	**--**	**(415,868)**
Segment net profit	**171,995**	**25,061**	**1,748**	**198,804**	**747,132**	**945,936**

The following table represents the segment information for the year ended 31 December 2024:

	As at 31 December 2024 (Audited)					
Particulars	Operating hotels SR'000	Commercial centers SR'000	Properties for development and sale SR'000	Total for reportable segments SR'000	Other unallocated amounts SR'000	Consolidated total SR'000
Property, plant and equipment	19,372,247	--	--	19,372,247	1,621,850	20,994,097
Investment properties	--	3,527,274	--	3,527,274	--	3,527,274
Assets held for sale	--	--	--	--	853,803	853,803
Other non-current assets (total)	--	--	--	--	221,911	221,911
Other current assets (total)	584,598	127,182	8,848	720,628	1,236,774	1,957,402
Segment assets	19,956,845	3,654,456	8,848	23,620,149	3,934,338	27,554,487
Segment liabilities	361,089	39,815	6,895	407,799	13,675,347	14,083,146

15. SEGMENT REPORTING (continued)

The condensed consolidated statement of profit or loss and other comprehensive income items for the three-month period ended 31 March 2024 (unaudited):

	Operating hotels SR'000	Commercial centers SR'000	Properties for development and sale SR'000	Total for reportable segments SR'000	Other unallocated amounts SR'000	Consolidated total SR'000
Revenue – external customers	452,089	36,043	104,720	592,852	--	592,852
Cost of revenue	(282,577)	(31,541)	(24,456)	(338,574)	--	(338,574)
Segment net profit / (loss)	130,418	1,474	80,264	212,156	(193,138)	19,018

Revenue from operating business segments is generated from Kingdom of Saudi Arabia only.

16. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

16.1 Accounting classification and fair values

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 principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best 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 are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

16. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

For assets and liabilities that are recognized in the condensed consolidated interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. As at 31 March 2025 and 31 December 2024, the fair values of the Group's financial instruments that are not carried at fair value are estimated to approximate their carrying values.

Fair value hierarchy

As at 31 March 2025 and 31 December 2024, financial investments at fair value through profit or loss are classified under level 3 of the hierarchy.

17. COMMITMENTS AND CONTINGENCIES

a) As at 31 March 2025, the outstanding capital commitments in respect of development of the Project amounted to SR 1,917 million (31 December 2024: SR 2,136 million).
b) Zakat related contingencies (note 12).

18. SUBSEQUENT EVENT

Subsequent to the period ended 31 March 2025, the Board of Directors have resolved to transfer the balance of statutory reserve to retained earnings in accordance with the new Companies Law. The foregoing transfer is subject to the approval of shareholders in the Annual General Meeting.

19. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements have been approved and authorized to issue by the Board of Directors on 10 May 2025, corresponding to 12 Dhul Qadah 1446h.