

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 and six-month periods ended 30 June 2025

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month and six-month periods ended 30 June 2025

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KPMG Professional Services Company

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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
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 30 June 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 30 June 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 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.

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 30 June 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, 10 August, 2025
Corresponding to: 16 Safar, 1447h



JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	<u>Note</u>	30 June 2025 SR'000 (Unaudited)	31 December 2024 SR'000 (Audited)
ASSETS			
Property, plant and equipment	5	19,469,892	20,994,097
Intangible assets		886	1,016
Investment properties	6	4,975,468	3,527,274
Equity-accounted investee		143,968	140,894
Other assets		10,094	10,566
Restricted cash	7	29,615	69,435
Total non-current assets		24,629,923	24,743,282
Financial investments		268,816	268,816
Trade and other receivables	8	404,755	835,030
Other assets		31,559	35,894
Restricted cash	7	227,510	222,007
Cash and cash equivalents	7	1,404,738	595,655
Assets held for sale	5(a)	421,478	853,803
Total current assets		2,758,856	2,811,205
Total assets		27,388,779	27,554,487
EQUITY			
Share capital		11,800,229	11,800,229
Share premium		920,207	920,207
Statutory reserve	10	--	108,506
Retained earnings		1,249,082	236,701
Reserve for advances to certain founding shareholders		(285,514)	(285,514)
Equity attributable to shareholders of the Company		13,684,004	12,780,129
Subordinated perpetual instrument	9(a)	689,668	689,668
Equity attributable to equity holders of the Company		14,373,672	13,469,797
Non-controlling interest		1,544	1,544
Total equity		14,375,216	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 20 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 30 June 2025

	<u>Note</u>	30 June 2025 SR'000 (Unaudited)	31 December 2024 SR'000 (Audited)
LIABILITIES			
Loans and borrowings	9	10,380,809	10,952,910
Employee benefits		54,222	48,380
Other non-current liabilities		766,023	787,568
Zakat payable	13	164,996	173,592
Total non-current liabilities		11,366,050	11,962,450
Loans and borrowings	9	543,479	1,156,582
Trade payables and other current liabilities		1,040,610	795,735
Zakat payable	13	63,424	168,379
Total current liabilities		1,647,513	2,120,696
Total liabilities		13,013,563	14,083,146
Total equity and liabilities		27,388,779	27,554,487



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Chief Financial Officer



Eng. Saleh Habdan Alhabdan
Chief Executive Officer



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Chairman of the Board of
Director

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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 and six-month periods ended 30 June 2025

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2025	2024	2025	2024
		SR'000	SR'000	SR'000	SR'000
Revenue	11	501,704	625,120	1,249,435	1,217,972
Costs of revenue		(308,883)	(329,033)	(724,751)	(667,607)
Gross profit		192,821	296,087	524,684	550,365
Other operating income, net	5(e)	1,502	2,331	920,922	3,152
Selling and marketing expenses		(2,411)	(1,012)	(3,181)	(2,860)
General and administration expenses		(16,810)	(43,435)	(63,857)	(88,073)
Impairment charge on non-financial assets	5(f)	(136,479)	(30,237)	(260,658)	(59,172)
Reversal / (charge) for allowance for expected credit losses	8.1	15,397	(6,535)	8,504	(6,822)
Operating profit		54,020	217,199	1,126,414	396,590
Finance costs	12	(153,586)	(193,214)	(317,814)	(332,181)
Finance income		9,425	7,661	12,207	12,502
Change in fair value of financial instruments carried at fair value through profit or loss		(39,327)	5,498	22,739	(14,314)
Share of results from equity-accounted investee		1,869	1,157	3,073	5,522
(Loss) / profit for the period before Zakat		(127,599)	38,301	846,619	68,119
Zakat	13	85,538	(5,000)	57,256	(15,800)
(Loss) / profit for the period		(42,061)	33,301	903,875	52,319
Other comprehensive income		--	--	--	--
Total comprehensive (loss) / income for the period		(42,061)	33,301	903,875	52,319
<i>Attributable to:</i>					
Shareholders of the Parent Company		(42,061)	33,317	903,875	52,335
Non-controlling interests		--	(16)	--	(16)
		(42,061)	33,301	903,875	52,319
(Loss) / earnings per share (Saudi Riyals):					
Basic and diluted (loss) / earnings per share	14	(0.03)	0.03	0.77	0.05



Muhammad Jawad
Chief Financial Officer



Eng. Saleh Habdan Alhabdan
Chief Executive Officer



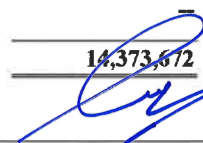


Saeed Mohammed AlGhamdi
Chairman of the Board of
Director

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JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 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 shareholders of the Company SR'000	Subordinated perpetual instrument SR'000	Equity attributable to equity holder of the Company 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	--	--	--	52,335	--	52,335	--	52,335	(16)	52,319
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
<i>Total comprehensive income for the period</i>	--	--	--	52,335	--	52,335	--	52,335	(16)	52,319
Payments received against advance to certain founding shareholders	--	--	--	--	160	160	--	160	--	160
Balance at 30 June 2024 (Unaudited)	<u>11,545,342</u>	<u>627,596</u>	<u>108,506</u>	<u>88,157</u>	<u>(285,514)</u>	<u>12,084,087</u>	<u>689,668</u>	<u>12,773,755</u>	<u>1,544</u>	<u>12,775,299</u>
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	--	--	--	903,875	--	903,875	--	903,875	--	903,875
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
<i>Total comprehensive income for the period</i>	--	--	--	903,875	--	903,875	--	903,875	--	903,875
Transfer to retained earnings (note 10)	--	--	(108,506)	108,506	--	--	--	--	--	--
Balance at 30 June 2025 (Unaudited)	<u>11,800,229</u>	<u>920,207</u>	<u>--</u>	<u>1,249,082</u>	<u>(285,514)</u>	<u>13,684,004</u>	<u>689,668</u>	<u>14,373,672</u>	<u>1,544</u>	<u>14,375,216</u>
<div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div style="text-align: center;">  Muhammad Jawad Chief Financial Officer </div> <div style="text-align: center;">  Eng. Saleh Habdan Alhabdan Chief Executive Officer </div> <div style="text-align: center;">  Saeed Mohammed AlGhamdi Chairman of the Board of Director </div> </div>										


The accompanying notes from 1 to 20 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 six-month period ended 30 June 2025

		For the six-month period ended 30 June	
	Note	2025	2024
		SR' 000	SR' 000
Cash flows from operating activities			
Profit for the period before Zakat		846,619	68,119
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	5	198,114	162,441
Depreciation on investment properties	6	17,898	7,564
Amortization of intangible assets		180	161
Impairment charge on non-financial assets	5(f)	260,658	59,172
Provision for employee benefits		7,165	13,075
(Reversal) / charge for expected credit losses	8.1	(8,504)	6,822
Share of results from equity-accounted investee		(3,073)	(5,522)
Finance costs		317,814	332,181
Finance income		(12,207)	(12,502)
Change in fair value of financial instruments carried at fair value through profit or loss		(22,739)	14,314
Gain on disposal of assets held for sale	5(a)	(918,282)	--
Loss on disposal of property, plant and equipment		--	357
		683,643	646,182
<u>Changes in:</u>			
Other assets		6,215	(3,213)
Properties for development and sale		--	21,069
Trade and other receivables		(37,167)	3,128
Other non-current liabilities		(21,545)	(29,734)
Trade payables and other current liabilities		(154,093)	(196,935)
Cash generated from operations		477,053	440,497
Zakat paid		(64,666)	(21,660)
Interest paid		(342,346)	(427,341)
Employees' benefits paid		(1,322)	(7,079)
Net cash from / (used in) operating activities		68,719	(15,583)
Cash flows from investing activities			
Finance income received		10,799	12,101
Additions to property, plant and equipment	5	(283,027)	(134,869)
Purchase of intangible assets		(48)	(928)
Proceeds from disposal of assets held for sale	5(a)	2,225,603	--
Proceeds from disposal of property, plant and equipment		--	48
Net cash from / (used in) investing activities		1,953,327	(123,648)


Muhammad Jawad
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JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)


CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
(continued)

For the six-month period ended 30 June 2025

	Note	For the six-month period ended 30 June	
		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	849,610
Repayment of loans and borrowings	9	(1,293,548)	(139,900)
Net cash (used in) / from financing activities		(1,247,280)	709,870
Net increase in cash and cash equivalents		774,766	570,639
Cash and cash equivalents at beginning of the period		887,097	705,394
Cash and cash equivalents at end of the period	7	1,661,863	1,276,033
Major non-cash supplemental information:			
Capitalization of borrowing costs on property, plant and equipment	5(b)	97,610	156,068
Capitalization of borrowing costs on investment properties	6(a)	20,022	30,878
Transfer from property, plant and equipment to investment properties	5(d)	1,446,070	--


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Director

The accompanying notes from 1 to 20 are an integral part of these condensed consolidated interim financial statements.

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

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's 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 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 30 June 2025:

<i>Name of the Subsidiary</i>	<i>Registration Number</i>	<i>Registration date</i>	<i>Ownership interest</i>	<i>Financial year end</i>	<i>Principal Activities</i>
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

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

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.

<i>Name</i>	<i>Commencement of operation</i>	<i>Registration number</i>	<i>Registration date</i>	<i>SCTA's letter No.</i>	<i>SCTA's letter date</i>
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/833 2/35	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)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

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 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

During the three-month and six-month periods ended 30 June 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 on an alternative basis on each reporting date:

<u>Items</u>	<u>Measurement basis</u>
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 30 June 2025, together with the operating budgets for the forthcoming year coupled with Group’s plan to sell further non-financial assets, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

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

Forthcoming requirements:

The following table lists the recent changes to the Accounting Standards that are required to be applied for annual reporting period beginning after 1 January 2025. 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.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective date</u>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	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 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19	IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

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

New currently effective requirements:

The following table lists the recent changes to the Accounting Standards that are required to be 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 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.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective date</u>
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).

JABAL OMAR DEVELOPMENT COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six-month period ended 30 June 2025

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Lands</u> SR' 000	<u>Buildings</u> SR' 000	<u>Central District Cooling System</u> SR' 000	<u>Equipment</u> SR' 000	<u>Furniture and fixtures and other assets</u> SR' 000	<u>Infra- structure assets</u> SR' 000	<u>Capital work in progress</u> SR' 000	<u>Total</u> 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	--	--	--	690	6,354	--	283,893	290,937
Disposals during the period	--	--	--	--	(1,688)	--	--	(1,688)
Transfer from CWIP ((note 5 (c)))	--	899,171	--	417,022	131,236	40,187	(1,487,616)	--
Balance at 30 June 2024 (Unaudited)	2,509,952	8,746,173	1,037,883	4,019,718	1,086,943	507,615	6,065,060	23,973,344
Additions during the period	--	235	--	2,574	7,384	--	250,394	260,587
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	--	803	4,121	28	375,545	380,637
Transfer to investment properties ((note 5 (d)))	--	(394,237)	--	(188,961)	--	(38,371)	(958,396)	(1,579,965)
Balance at 30 June 2025 (Unaudited)	2,384,046	8,352,311	1,037,883	3,834,134	1,098,448	469,272	5,602,575	22,778,669
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))	--	224,770	--	135,063	44,122	(8,553)	(336,230)	59,172
Depreciation for the period	--	41,636	18,295	55,885	42,195	4,430	--	162,441
Disposals during the period	--	--	--	--	(1,283)	--	--	(1,283)
Balance at 30 June 2024 (Unaudited)	--	791,519	241,059	787,952	405,116	74,177	247,970	2,547,793
Impairment / transfers, net (note 5 (f))	--	99,488	--	39,854	449	--	103,295	243,086
Depreciation for the period	--	54,567	17,507	67,016	49,500	4,431	--	193,021
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))	--	(48,660)	--	(21,603)	(6,799)	--	337,720	260,658
Depreciation for the period	--	55,945	17,508	69,630	50,099	4,932	--	198,114
Transfer to investment properties ((note 5 (d)))	--	(44,663)	--	(79,460)	--	(9,772)	--	(133,895)
Balance at 30 June 2025 (Unaudited)	--	908,196	276,074	863,389	498,365	73,768	688,985	3,308,777
Net book value								
At 30 June 2025 (Unaudited)	2,384,046	7,444,115	761,809	2,970,745	600,083	395,504	4,913,590	19,469,892
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 30 June 2024 (Unaudited)	2,509,952	7,954,654	796,824	3,231,766	681,827	433,438	5,817,090	21,425,551

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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:

	30 June 2025 SR'000	31 December 2024 SR'000	30 June 2024
Opening balance	853,803	923,356	923,356
Transferred from property, plant and equipment	--	255,934	--
Sold during the period	(432,325)	(325,487)	--
Closing balance	421,478	853,803	923,356

The closing balance of assets held for sale as of the period ended 30 June 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 six-month ended 30 June 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 910 million by 30 June 2025, while the remaining amount of SR 163.3 million 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 an estimated transaction price of SR 1,350.6 million. As of 30 June 2025, the sale transaction meets the conditions for recognition of income in the books of the Group, resulting in a gain of SR 0.9 billion recorded under 'other operating income, net'. 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 718.1 million, inclusive of other transaction amendments, against which the Group received an advance payment of SR 393 million classified as 'contract liability' under 'trade payable and other current liabilities'. As of 30 June 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 0.6 billion. Subsequent to the period ended 30 June 2025, the Group has received the remaining amount of SR 325.1 million and completed all legal formalities of transferring the land title deed in the name of buyer.
- iv. During the period ended 30 June 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 30 June 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 0.9 billion. Subsequent to the period ended 30 June 2025, based on contract amendment, the sale consideration has increased to SR 1,161.2 million.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

- b) During the six months period ended 30 June 2025, an amount of SR 97.6 million (31 December 2024: SR 265.3 million) (30 June 2024: SR 156.1 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 7.13% per annum (31 December 2024: 7.62% per annum) (30 June 2024: 8.4% per annum).
- 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, net, includes an amount of SR 0.9 billion (30 June 2024: SR nil) 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 Properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Valuation approach	CGU description	Carrying amount, net 30 June 2025	Accumulated impairment 30 June 2025	Key assumptions
		SR'000	SR'000	
Market approach Recoverable amount based on immediate sale of lands under fair value less cost of disposal method.	Operating Hotels and Commercial Centers ¹	11,368,461 (2024: 11,371,252)	987,119 (2024: 685,641)	<ul style="list-style-type: none"> • 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	3,451,581 (2024: 3,448,962)	346,963 (2024: 387,783)	<ul style="list-style-type: none"> • Discount rate • Average occupancy rate • Average daily rate • Budgeted EBITDA • Cost to complete • Growth rate of cashflows including terminal growth rate
Total		14,820,042 (2024: 14,820,214)	1,334,082 (2024: 1,073,424)	

¹This 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

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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.

	<u>Land</u> SR' 000	<u>Buildings</u> SR' 000	<u>Equipment</u> SR' 000	<u>Infrastructure</u> <u>assets</u> SR' 000	<u>Capital work in</u> <u>progress</u> SR' 000	<u>Total</u> 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))	--	--	--	--	30,878	30,878
Transfer from CWIP (note 6 (b))	--	388,889	198,567	--	(587,456)	--
Balance at 30 June 2024 (Unaudited)	1,339,673	874,635	379,942	53,964	1,004,599	3,652,813
Additions during the period (note 6 (a))	--	--	--	--	22,407	22,407
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))	--	--	--	--	20,022	20,022
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 30 June 2025 (Unaudited)	1,339,673	1,601,556	683,616	122,553	1,527,809	5,275,207
Accumulated depreciation:						
Balance at 1 January 2024 (Audited)	--	36,785	61,445	15,918	--	114,148
Depreciation for the period	--	2,925	4,115	524	--	7,564
Balance at 30 June 2024 (Unaudited)	--	39,710	65,560	16,442	--	121,712
Depreciation for the period	--	8,419	17,291	524	--	26,234
Balance at 31 December 2024 (Audited)	--	48,129	82,851	16,966	--	147,946
Depreciation for the period	--	6,347	10,664	887	--	17,898
Transfer from property, plant and equipment ((note 5 (d)))	--	44,663	79,460	9,772	--	133,895
Balance at 30 June 2025 (Unaudited)	--	99,139	172,975	27,625	--	299,739
Net book value:						
At 30 June 2025 (Unaudited)	1,339,673	1,502,417	510,641	94,928	1,527,809	4,975,468
At 31 December 2024 (Audited)	1,339,673	826,506	297,091	36,998	1,027,006	3,527,274
At 30 June 2024 (Unaudited)	1,339,673	834,925	314,382	37,522	1,004,599	3,531,101

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6. INVESTMENT PROPERTIES (continued)

- a) During six-month period ended 30 June 2025 SR 20 million (31 December 2024: SR 53.3 million) (30 June 2024: SR 30.9 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 7.13% per annum (31 December 2024: 7.62% per annum) (30 June 2024: 8.4% 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

	30 June 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	30 June 2024 (Unaudited) SR'000
Cash in hand	340	1,171	371
Cash at banks (note (a))	784,192	588,629	818,531
Term deposits (note (b))	877,331	297,297	457,131
Cash and cash equivalents in the statement of cash flows	1,661,863	887,097	1,276,033
Less: Restricted cash - non - current (note (a))	(29,615)	(69,435)	(109,950)
Less: Restricted cash - current (note (a))	(227,510)	(222,007)	(530,344)
Cash and cash equivalents in the statement of financial position	1,404,738	595,655	635,739

- 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 as at 30 June 2025, 31 December 2024 and 30 June 2024.
- b) These represent deposits placed in Murabaha deposits with commercial banks having original maturity of three months.

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8. TRADE AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	30 June 2024 (Unaudited) SR'000
Receivables from contract with customers	101,720	98,985	88,188
Receivables from rental arrangements	157,079	127,182	76,107
Receivable from land sale (note 5(a)(i))	163,332	653,329	--
Amount due from a related party (note 15)	23,146	18,086	31,849
Contract assets	10,256	23,165	48,530
Advances to suppliers	15,953	7,925	74,904
Other receivables	19,132	1,392	66,420
Less: Allowance for expected credit losses (note 8.1)	(85,863)	(95,034)	(53,340)
	404,755	835,030	332,658

The Group's trade receivables are concentrated in the Kingdom of Saudi Arabia. As at 30 June 2025, the five largest customers accounted for 58% (31 December 2024: 83%) (30 June 2024: 50%) of the outstanding trade receivables.

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

	30 June 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	30 June 2024 (Unaudited) SR'000
Opening balance	95,034	47,396	47,396
(Reversal) / charge for the period / year	(8,504)	49,284	6,822
Write offs	(667)	(1,646)	(878)
Closing balance	85,863	95,034	53,340

9. LOANS AND BORROWINGS

The following note 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.

	30 June 2025 (Unaudited) SR'000	31 December 2024 (Audited) SR'000	30 June 2024 (Unaudited) SR'000
Loans and borrowings	10,859,453	12,075,373	12,152,642
Accrued commission	105,042	78,227	400,072
Less: Deferred financial charges	(40,207)	(44,108)	(48,614)
	10,924,288	12,109,492	12,504,100
Current portion	(543,479)	(1,156,582)	(1,474,339)
Non-current portion	10,380,809	10,952,910	11,029,761

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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:

30 June 2025	Non-current portion*	Current portion*	Facility limit	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral
	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>					<i>SR '000</i>
<i>Secured bank loans</i>								
Government loan (note (a))	1,720,567	(19,202)	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,133,887
Syndicate loan (note (b))	5,474,153	111,119	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	9,592,313
Facility from a local bank (note (c))	571,600	165,729	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	1,278,420	163,308	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,947,724
<i>Unsecured bank loans</i>								
Facility from a local bank (note (f))	1,368,116	130,685	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	10,412,856	551,639						
Less: Deferred financial charges	(32,047)	(8,160)						
	<u>10,380,809</u>	<u>543,479</u>						
31 December 2024	Non-current portion*	Current portion*	Facility limit	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral
	<i>SR '000</i>	<i>SR '000</i>	<i>SR '000</i>					<i>SR '000</i>
<i>Secured bank loans</i>								
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
<i>Unsecured bank loans</i>								
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)						
	<u>10,952,910</u>	<u>1,156,582</u>						

*these balances include accrued commission

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9. LOANS AND BORROWINGS (continued)

30 June 2024	Non-current portion*	Current portion*	Facility limit <i>SR '000</i>	Last restructuring date	Repayment period	Repayment term	Collateral	Carrying amount of the Collateral <i>SR '000</i>
<i>Secured bank loans</i>								
Government loan (note (a))	1,509,518	58,445	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,451,474
Syndicate loan (note (b))	5,859,957	247,693	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	173,492	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	206,208	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))	--	773,594	1,900,000	--	Earlier of sale of collateral assets or 24-Jan-26	Bullet payment	Refer note (e)	757,811
<i>Unsecured bank loans</i>								
Facility from a local bank (note (f))	1,600,000	14,907	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	11,078,375	1,474,339						
Less: Deferred financial charges	(48,614)	--						
	11,029,761	1,474,339						

**these balances include accrued commission*

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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 this loan and for the guarantee provided by the Government referred to in point (f) below. 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.

- 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.

- 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.

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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.

- e) During the year ended 31 December 2024, the Group 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 30 June 2025, total drawdowns against loans and borrowings amounted to SR 46.3 million (30 June 2024: SR 849.6 million), repayments amounted to SR 1,293.6 million (30 June 2024: SR 139.9 million), while total finance cost paid amounted to SR 342.3 million (30 June 2024: SR 427.3 million).

10. STATUTORY RESERVE

During the six-month period ended 30 June 2025, the shareholders of the Company, through an Extraordinary General Assembly Meeting held on 20 May 2025 (corresponding to 22 Dhul-Qadah 1446H), approved transfer of the statutory reserve balance amounting to SR 108.5 million as at 31 December 2024 to retained earnings pursuant to the new Companies Law and in accordance with the Company's amended By-laws.

11. REVENUE

	For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)
	SR'000	SR'000
Revenue from contract with customers	1,145,733	1,143,964
Revenue from rental income	103,702	74,008
	<u>1,249,435</u>	<u>1,217,972</u>

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11. REVENUE (continued)

11.1 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).

	<u>For the six-month period ended 30 June (Unaudited)</u>							
	<u>Operating Hotels</u>		<u>Commercial centers</u>		<u>Properties for development and sale</u>		<u>Total</u>	
	<u>2025</u> SR'000	<u>2024</u> SR'000	<u>2025</u> SR'000	<u>2024</u> SR'000	<u>2025</u> SR'000	<u>2024</u> SR'000	<u>2025</u> SR'000	<u>2024</u> SR'000
<u>Revenue from contract with customers:</u>								
Sale of properties for development and sale	--	--	--	--	5,837	111,520	5,837	111,520
Hotel's operations								
- Room rent	948,240	855,667	--	--	--	--	948,240	855,667
- Other services	191,656	176,777	--	--	--	--	191,656	176,777
<u>Revenue from rental income:</u>								
Lease of commercial center	--	--	103,702	74,008	--	--	103,702	74,008
	<u>1,139,896</u>	<u>1,032,444</u>	<u>103,702</u>	<u>74,008</u>	<u>5,837</u>	<u>111,520</u>	<u>1,249,435</u>	<u>1,217,972</u>
<u>Timing of revenue recognition:</u>								
Point-in-time	191,656	176,777	--	--	--	104,720	191,656	281,497
Over time	948,240	855,667	103,702	74,008	5,837	6,800	1,057,779	936,475
Total revenue	<u>1,139,896</u>	<u>1,032,444</u>	<u>103,702</u>	<u>74,008</u>	<u>5,837</u>	<u>111,520</u>	<u>1,249,435</u>	<u>1,217,972</u>

11.2 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 customers 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.

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12. FINANCE COSTS

	For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)
	SR'000	SR'000
Finance cost on loans and borrowings	404,422	495,907
Finance cost on other non-current liabilities	31,024	23,220
	435,446	519,127
Finance cost capitalized as borrowing cost incurred on qualifying assets (note 5(b) and 6(a))	(117,632)	(186,946)
	317,814	332,181

13. ZAKAT

During six-month period ended 30 June 2025, the Group has recorded Zakat charge for the current period amounting to SR 16.4 million and a reversal of SR 73.6 million in relation to prior year (30 June 2024: Zakat charge of SR 15.8 million).

The movement in the Zakat provision for the period is as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>	<u>30 June 2024</u>
	(Unaudited)	(Audited)	(Unaudited)
	SR'000	SR'000	SR'000
Opening balance	341,971	485,686	486,373
Charge - current period/year	16,365	23,712	15,800
Reversal - prior years (note 13 (c))	(73,621)	--	--
Net Zakat for the period/year	(57,256)	23,712	15,800
Advance settlement	--	(49,110)	--
Modification gain on payment plan (note 13 (b))	--	(84,619)	--
Unwinding of modification gain (note 13 (b))	8,371	4,928	--
Payments made during the period	(64,666)	(38,626)	(21,660)
Closing balance	228,420	341,971	480,513
Non - Current portion	164,996	173,592	480,513
Current portion	63,424	168,379	--

Status of assessments

- The Group has filed Zakat returns for all years up to and including 31 December 2024. Zakat assessments have been finalized with Zakat, Tax and Customs Authority ("ZATCA") for all years up to 31 December 2022. The Group has not received any assessments for the years ended 31 December 2023 and 2024.
- During the year ended 31 December 2024, ZATCA approved a payment plan in relation to previously concluded assessments for all years prior to and up to 31 December 2018, whereby ZATCA raised an additional Zakat liability of SR 354 million to the Group in prior year. As per the foregoing approved payment plan, the additional Zakat liability became payable in quarterly installments commencing from September 2024 and ending in June 2033. The decision resulted in a modification gain in prior year due to revision in the present value of Zakat obligation of SR 354 million based on the approved payment plan which gets un-winded at each reporting period.

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13. ZAKAT (continued)

- c) 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, 2020, 2021 and 2022, which ZATCA accepted. In May 2025, ZATCA issued a final assessment order amounting to SR 24.6 million for all the years from 2019 to 2022, which was duly paid by the Company during the period. This resulted in a reversal of previously recognized provision of SR 73.6 million which was based on the foregoing re-submission.

14. EARNINGS PER SHARE

Basic earnings per share for the three-month and six-month periods ended 30 June 2025 and 30 June 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 six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>
	SR'000	SR'000
Profit for the period attributable to shareholders of the Parent Company	<u>903,875</u>	<u>52,335</u>
Weighted average number of outstanding shares (number in thousand)	<u>1,180,023</u>	<u>1,154,534</u>
Earnings per share (Saudi Riyals) - Basic and diluted	<u>0.77</u>	<u>0.05</u>

14.1 Weighted-average number of shares

	For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>
<i>In thousand of shares</i>		
Issued shares at 1 January	<u>1,180,023</u>	<u>1,154,534</u>
Weighted-average number of shares at 30 June	<u>1,180,023</u>	<u>1,154,534</u>

15. 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 30 June and balances arising therefrom are summarized below:

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15. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

<u>Related party</u>	<u>Nature of transaction</u>	For the six-month period ended 30 June	
		<u>2025</u> (Unaudited) SR'000	<u>2024</u> (Unaudited) SR'000
Central District Cooling Company	Cooling charges	23,678	28,041
	Concession payable related finance charges	21,412	21,933
	Rental income	2,028	2,028

Balances arising from transactions with related parties are as follows:

<u>Related party and relationship</u>	<u>Nature of balance</u>	<u>2025</u> SR'000	<u>2024</u> SR'000
Central District Cooling Company (Equity accounted investee)	Other non-current liabilities	700,971	724,293
	Other assets	15,094	16,038
	Trade and other receivables (note 8)	23,146	31,849
	Trade payable and other current liabilities	76,793	280,913

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.

<u>Description</u>	<u>Nature of transaction</u>	<u>2025</u> SR'000	<u>2024</u> SR'000
Board of Directors	Meeting attendance fee	2,021	1,168
Key Management Personnel	Short-term employee benefits	13,649	11,358
	Post-employment benefits	138	288

16. 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.

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16. SEGMENT REPORTING (continued)

<u>Reportable segments</u>	<u>Operations</u>
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.

The following table represent the segment information for the period ended 30 June:

<u>Particulars</u>	<i>As at 30 June 2025 (Unaudited)</i>					
	<u>Operating hotels</u> SR'000	<u>Commercial centers</u> SR'000	<u>Properties for development and sale</u> SR'000	<u>Total for reportable segments</u> SR'000	<u>Other unallocated amounts</u> SR'000	<u>Consolidated total</u> SR'000
Property, plant and equipment	18,312,579	--	--	18,312,579	1,157,313	19,469,892
Investment properties	--	4,975,468	--	4,975,468	--	4,975,468
Assets held for sale	--	--	--	--	421,478	421,478
Other non-current assets (total)	--	--	--	--	184,563	184,563
Other current assets (total)	635,366	157,445	--	792,811	1,544,567	2,337,378
Segment assets	18,947,945	5,132,913	--	24,080,858	3,307,921	27,388,779
Segment liabilities	265,268	69,989	7,383	342,640	12,670,923	13,013,563

The condensed consolidated statement of profit or loss and other comprehensive income items for the six-month period ended 30 June 2025 (unaudited):

	<u>Operating hotels</u> SR'000	<u>Commercial centers</u> SR'000	<u>Properties for development and sale</u> SR'000	<u>Total for reportable segments</u> SR'000	<u>Other unallocated amounts</u> SR'000	<u>Consolidated total</u> SR'000
Revenue – external customers	1,139,896	103,702	5,837	1,249,435	--	1,249,435
Cost of revenue	675,498	46,489	2,764	724,751	--	724,751
Segment profit	206,664	62,792	3,073	272,529	631,346	903,875

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16. SEGMENT REPORTING (continued)

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

<u>Particulars</u>	As at 31 December 2024 (Audited)					
	<u>Operating hotels</u> SR'000	<u>Commercial centers</u> SR'000	<u>Properties for development and sale</u> SR'000	<u>Total for reportable segments</u> SR'000	<u>Other unallocated amounts</u> SR'000	<u>Consolidated total</u> 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	<u>19,956,845</u>	<u>3,654,456</u>	<u>8,848</u>	<u>23,620,149</u>	<u>3,934,338</u>	<u>27,554,487</u>
Segment liabilities	<u>361,089</u>	<u>39,815</u>	<u>6,895</u>	<u>407,799</u>	<u>13,675,347</u>	<u>14,083,146</u>

The condensed consolidated statement of profit or loss and other comprehensive income items for the six-month period ended 30 June 2024 (unaudited):

	<u>Operating hotels</u> SR'000	<u>Commercial centers</u> SR'000	<u>Properties for development and sale</u> SR'000	<u>Total for reportable segments</u> SR'000	<u>Other unallocated amounts</u> SR'000	<u>Consolidated total</u> SR'000
Revenue – external customers	1,032,444	74,008	111,520	1,217,972	--	1,217,972
Cost of revenue	(604,469)	(37,019)	(26,119)	(667,607)	--	(667,607)
Segment profit / (loss)	358,196	32,082	85,401	475,679	(423,360)	52,319

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

17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

17.1 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.

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

17.1 Accounting classification and fair values (continued)

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

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 30 June 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 30 June 2025 and 31 December 2024, financial investments at fair value through profit or loss are classified under level 3 of the hierarchy.

18. COMMITMENTS AND CONTINGENCIES

- a) As at 30 June 2025, the outstanding capital commitments in respect of development of the Project amounted to SR 1,738 million (31 December 2024: SR 2,136 million).
- b) For Zakat related contingencies refer note 13.
- c) As of the six-month period ended 30 June 2025, the Group is involved in legal cases arising from contractual claims with maximum exposures of SR 35.6 million. Based on the advice of Group's legal counsel, management believes that foregoing legal cases are expected to be successfully defended, however, due to inherent uncertainty, the likelihood of an outflow of economic resources is considered to be possible but not probable.

19. SUBSEQUENT EVENT

Except for the matters disclosed in note 5(a)(iii) and 5(a)(iv), there have been no significant subsequent events since the period ended 30 June 2025 which would have a material impact on the financial position of the Company.

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20. 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 2 August 2025, corresponding to 8 Safar 1447h.