



KINGDOM HOLDING COMPANY

(A Saudi Joint Stock Company)

Condensed Consolidated Interim
Financial Statements

For the three-month period ended
30 September 2023
(unaudited)

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2023

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Report on review of condensed consolidated interim financial statements

To the Shareholders of Kingdom Holding Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Kingdom Holding Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2023 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods ended 30 September 2023, the condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as 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 International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of 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, as 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A blue ink signature, appearing to be 'Khalid A. Mahdhar', written over a horizontal line.

Khalid A. Mahdhar
License Number 368

15 November 2023

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets			
Current assets			
Cash and cash equivalents		1,536,517	3,440,947
Investments at fair value through profit or loss ("FVTPL")	6	105,256	105,256
Trade and other receivables		388,838	198,837
Prepayments and other current assets		207,775	276,221
Due from related parties		121,051	120,976
Total current assets	1	2,359,437	4,142,237
Non-current assets			
Investments at fair value through other comprehensive income ("FVOCI")	6	18,456,730	19,085,926
Equity-accounted investees	7	16,674,266	16,371,058
Long-term receivables		1,228,118	1,162,715
Investment properties	16	3,880,931	3,676,690
Property and equipment		6,739,140	6,508,529
Goodwill and intangible assets		1,803,727	1,813,812
Deferred tax assets		6,072	13,804
Other long-term assets	17	556,318	380,705
Total non-current assets		49,345,302	49,013,239
Total assets		51,704,739	53,155,476
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	8	6,036,149	5,105,425
Derivative financial instruments	15	89,286	-
Accounts payable, accrued expenses and other current liabilities		1,395,544	1,120,248
Zakat, withholding and income tax provisions		332,629	546,330
Due to related parties		388,089	327,993
Dividends payable	12	518,788	259,412
Total current liabilities	1	8,760,485	7,359,408
Non-current liabilities			
Borrowings	8	10,284,003	13,256,073
Deferred tax liabilities		109,428	139,623
Employee benefit obligations		89,156	85,665
Other long-term liabilities		68,555	95,585
Total non-current liabilities		10,551,142	13,576,946
Total liabilities		19,311,627	20,936,354
Net assets		32,393,112	32,219,122
Equity			
Share capital		37,058,823	37,058,823
Statutory reserve		1,573,136	1,573,136
Retained earnings		7,563,842	7,413,603
Fair value reserve for investments at FVOCI		(14,746,875)	(14,712,982)
Other reserves		(505,780)	(605,841)
Equity attributable to shareholders of the Company		30,943,146	30,726,739
Non-controlling interests		1,449,966	1,492,383
Total equity		32,393,112	32,219,122

The accompanying notes form an integral part of these condensed consolidated interim financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on their behalf by:

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (Unaudited)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended		Nine-month period ended	
Note	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Hotels and other operating revenues	380,194	358,371	1,145,319	1,030,881
Hotels and other operating costs	(244,545)	(215,594)	(733,735)	(646,291)
Dividend income	135,649	142,777	411,584	384,590
Gain on investments at FVTPL	227,989	290,933	828,693	806,640
Gross profit	363,638	433,710	1,240,277	1,222,534
General, administrative and marketing expenses	(99,666)	(96,659)	(332,830)	(316,290)
Share of results from equity-accounted investees	340,885	238,598	822,967	553,163
Gain on partial sale of equity-accounted investee	-	-	-	5,873,907
Other gains, net	218,277	8,597	241,801	31,958
Profit from operations	823,134	584,246	1,972,215	7,365,272
Finance income	21,801	-	65,403	20,280
Financial charges	(357,907)	(174,960)	(955,480)	(403,730)
Profit before zakat, withholding and income tax	487,028	409,286	1,082,138	6,981,822
Withholding and income tax	(34,855)	(38,842)	(123,606)	(120,360)
Zakat	(69,987)	(25,586)	(129,568)	(174,005)
Profit for the period	382,186	344,858	828,964	6,687,457
Profit for the period attributable to:				
- Owners of the Company	391,176	354,801	856,172	6,707,566
- Non-controlling interests	(8,990)	(9,943)	(27,208)	(20,109)
	382,186	344,858	828,964	6,687,457
Basic and diluted earnings per share (Saudi Riyals)	0.11	0.10	0.23	1.81

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KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended		Nine-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Profit for the period	382,186	344,858	828,964	6,687,457
Other comprehensive (loss) / income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Unrealized (loss) / gain on investments at FVOCI	(783,265)	(3,857,226)	297,774	(7,004,500)
Re-measurements of employment benefit obligations	-	(4,848)	9,293	(31,610)
<i>Items that may be reclassified to profit or loss:</i>				
Share in other comprehensive loss of equity-accounted investees	(71,213)	(132,482)	(45,486)	(326,384)
Exchange differences on translation of foreign operations	104,142	(168,701)	121,045	(451,094)
Other comprehensive (loss) / income for the period	(750,336)	(4,163,257)	382,626	(7,813,588)
Total comprehensive (loss) / income for the period	(368,150)	(3,818,399)	1,211,590	(1,126,131)
Total comprehensive (loss) / income for the period attributable to:				
- Owners of the Company	(352,637)	(3,780,905)	1,254,007	(1,039,466)
- Non-controlling interests	(15,513)	(37,494)	(42,417)	(86,665)
	(368,150)	(3,818,399)	1,211,590	(1,126,131)

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KINGDOM HOLDING COMPANY
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments at FVOCI	Other reserves	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2023 (Audited)	37,058,823	1,573,136	7,413,603	(14,712,982)	(605,841)	30,726,739	1,492,383	32,219,122
Profit / (loss) for the period	-	-	856,172	-	-	856,172	(27,208)	828,964
Other comprehensive income / (loss)	-	-	-	297,774	100,061	397,835	(15,209)	382,626
Total comprehensive income / (loss)	-	-	856,172	297,774	100,061	1,254,007	(42,417)	1,211,590
Transfer of gain on disposal of investments at FVOCI	-	-	331,667	(331,667)	-	-	-	-
Dividends declared (Note 12)	-	-	(1,037,600)	-	-	(1,037,600)	-	(1,037,600)
Balance as at 30 September 2023 (Unaudited)	37,058,823	1,573,136	7,563,842	(14,746,875)	(505,780)	30,943,146	1,449,966	32,393,112
Balance as at 1 January 2022 (Audited)	37,058,823	877,349	1,911,050	(9,036,703)	79,638	30,890,157	1,548,712	32,438,869
Profit / (loss) for the period	-	-	6,707,566	-	-	6,707,566	(20,109)	6,687,457
Other comprehensive loss	-	-	-	(7,004,500)	(742,532)	(7,747,032)	(66,556)	(7,813,588)
Total comprehensive income / (loss)	-	-	6,707,566	(7,004,500)	(742,532)	(1,039,466)	(86,665)	(1,126,131)
Transfer of gain on disposal of investments at FVOCI	-	-	1,151	(1,151)	-	-	-	-
Dividends declared (Note 12)	-	-	(1,038,000)	-	-	(1,038,000)	-	(1,038,000)
Balance as at 30 September 2022 (Unaudited)	37,058,823	877,349	7,581,767	(16,042,354)	(662,894)	28,812,691	1,462,047	30,274,738

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KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Nine-month period ended	
	30 September 2023	30 September 2022
Cash flows from operating activities		
Profit before zakat, withholding and income tax	1,082,138	6,981,822
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	122,216	99,982
Share of results from equity-accounted investees	(822,967)	(553,163)
Gain on partial sale of equity accounted investee	-	(5,873,907)
Provision for employee benefit obligations	1,781	5,406
Gain on investments at FVTPL	-	(31,304)
Gain on sale of investment properties (Note 16)	(114,024)	-
Finance income	(65,403)	(20,280)
Financial charges	955,480	403,730
	1,159,221	1,012,286
Changes in operating assets and liabilities		
Trade and other receivables	(190,001)	13,720
Prepayments and other current assets	68,446	(79,734)
Due from related parties	(75)	4,028
Derivative financial instruments	89,286	-
Accounts payable, accrued expenses and other current liabilities	275,296	120,762
Due to related parties	60,096	(120)
Investment at FVTPL	-	78,939
Other long-term assets	7,386	(21,845)
Other long-term liabilities	(27,030)	12,210
	1,442,625	1,140,246
Zakat, withholding and income tax paid	(466,875)	(171,954)
Employee benefit obligations paid during the period	(7,583)	(2,701)
Net cash generated from operating activities	968,167	965,591
Cash flows from investing activities		
Dividend received from equity accounted investees	435,322	312,429
Purchase of investments at FVOCI	(1,160,917)	(8,222,902)
Proceeds from sales of investments at FVOCI	2,087,887	189,808
Proceeds from sale of equity accounted investee	-	8,108,116
Other long-term assets (Note 17)	(183,000)	-
Additions to property and equipment	(178,750)	(74,322)
Additions to investment properties	(105,859)	(11,496)
Net cash generated from investing activities	894,683	301,633
Cash flows from financing activities		
Proceeds from borrowings	3,689,216	4,607,375
Repayments of borrowings, net	(5,719,459)	(4,142,760)
Financial charges paid	(958,813)	(396,470)
Dividends paid (Note 12)	(778,224)	(683,253)
Repayments for a related party loan	-	(32,944)
Net cash utilized in financing activities	(3,767,280)	(648,052)
Net change in cash and cash equivalents	(1,904,430)	619,172
Cash and cash equivalents at the beginning of the period	3,440,947	1,051,194
Cash and cash equivalents at the end of the period	1,536,517	1,670,366
Non-cash investing activities:		
Capitalization of development cost on investment properties (Note 16)	296,500	-
Disposal of investment properties in lieu of development cost (Note 16)	(182,476)	-

The accompanying notes form an integral part of these condensed consolidated interim financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on their behalf by:

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2023
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 Corporate information

Kingdom Holding Company (the “Company” or “KHC”) is a Saudi Joint Stock Company (“JSC”) operating in the Kingdom of Saudi Arabia. The Company was previously formed as a limited liability company and operated under commercial registration number 1010142022 dated 11 Muharram 1417H (corresponding to 28 May 1996). The Ministry of Commerce approved, pursuant to resolution number 128/S dated 18 Jumad Awwal 1428H (corresponding to 4 June 2007), the conversion of the Company into a JSC. The majority shareholder of the Company is His Royal Highness Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud (“Ultimate controlling party”).

The principal activities of the Group are hotel management and operations, commercial services and education and investments.

The Company and its subsidiaries (the “Group”) carry out activities through the entities as listed in Note 1 to the annual audited consolidated financial statements for the year ended 31 December 2022.

The shares of the Company commenced trading on the Saudi Stock Exchange on 28 July 2007 after approval by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Company’s head office is in Riyadh at the following address:

Kingdom Holding Company
66th Floor, Kingdom Centre
P.O. Box 1, Riyadh 11321
Kingdom of Saudi Arabia

Climate Change

The Group has reviewed its exposure to climate related and other emerging business risks but has not identified any risks that could materially impact the financial performance or position of the Group as at 30 September 2023.

Finance charges

The financial charges on borrowings have increased significantly during the nine-month period ended 30 September 2023 as compared to the corresponding period. This increase is attributable to increase in interest rates, particularly those associated with the Saudi Inter-Bank Offered Rate, Sterling Overnight Index Average, Secured Overnight Financing Rate and Euro Inter-Bank Offered Rate. These interest rate changes affect loan facilities obtained both locally in Saudi Arabia and in foreign jurisdictions. Specific details relating to the interest rates and the currencies of borrowings have been disclosed in Note 16 of the annual consolidated financial statements for the year ended 31 December 2022.

Liquidity and financial position

As at 30 September 2023, the Group had net current liabilities amounting to Saudi Riyals 6.4 billion (31 December 2022: Saudi Riyals 3.2 billion). This is mainly due to maturity of certain current borrowings amounting to Saudi Riyals 6.0 billion. The Group also has access to undrawn borrowing facilities amounting to Saudi Riyals 4.9 billion, existing liquid unpledged investments portfolio and the option to roll-over the revolving facilities, as they mature. Further, the management of the Group has performed an analysis of cash flow projections over the next twelve months and is confident that the Group will be able to meet its obligations as and when they fall due.

Accordingly, these condensed consolidated interim financial statements are prepared on going concern basis.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 24 Rabi Al Thani 1445H (corresponding to 8 November 2023).

2 Basis of preparation

2.1 Statement of compliance

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

These condensed consolidated interim financial statements should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2022 and do not include all of the information required for a complete set of financial statements under International Financial Reporting Standards (IFRS), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA. 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 audited consolidated financial statements.

The interim results may not be an indicator of the annual results of the Group.

2.2 Historical cost convention

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value. Further, the employee termination benefits are calculated using the Projected Unit Credit Method (PUCM) and actuarial assumptions.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the Company's functional and the Group's presentation currency.

3 Use of estimates, assumptions and judgments

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

In instances where it is considered relevant, the management has reassessed the significant inputs in its estimates of recoverable amounts of investments in equity-accounted investments, goodwill and intangible assets and certain investments carried at fair value through other comprehensive income, as disclosed in Notes 3.1, 11, 14 and 10 of the annual audited consolidated financial statements for the year ended 31 December 2022, and recoverable amount of these assets are higher than the carrying values and therefore no impairment was recognized for the nine-month period ended 30 September 2023.

4 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's last annual audited consolidated financial statements for the year ended 31 December 2022.

New IFRS standards, amendments to standards and interpretations not yet adopted

There are no new standards or amendments issued effective from 1 January 2023, other than those disclosed and explained in the Group's annual consolidated financial statements, that could have a material effect on these condensed consolidated interim financial statements.

5 Segment information

The Group is a diversified organization and derives its revenues and profits from a variety of sources. The investment committee, comprising senior management and the Chief Executive Officer, organize and manage its operations by business segments and have identified the following segments separately for the purposes of monitoring, decision making and performance assessment.

Description of segments and principal activities

The Group's primary operations are organized into the following segments:

Equity investments	<p>International - The principal activity includes investments in international quoted and unquoted securities;</p> <p>Domestic and regional - The principal activity includes investments in securities quoted on the Saudi Stock Exchange, regional stock exchanges and investments in associates other than real estate; and</p> <p>Private equity - The principal activity includes investments in private equities, managed funds and other entities existing within the structure of the Group.</p>
Hotels	The principal activity of this segment includes investments in subsidiaries and associates that are in the business of managing and owning hotel properties and related activities.
Real estate	The principal activity includes investments in activities relating to ownership and development of land and real estate projects.
Healthcare	The principal activity includes the Consulting Clinics.
All other segments	The principal activities include operations of Kingdom School and other trading activities carried out by the Group.

KINGDOM HOLDING COMPANY
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Notes to the condensed consolidated interim financial statements
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(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Segment information (continued)

	Equity investments	Hotels	Real estate	Health care	All other segments	Total
2023 (Unaudited)						
Total revenue and dividend income						
For the three-month period ended 30 September 2023	227,989	254,649	104,608	-	20,937	608,183
For the nine-month period ended 30 September 2023	828,693	714,500	367,975	-	62,844	1,974,012
Profit / (loss):						
For the three-month period ended 30 September 2023	307,301	(5,703)	76,240	-	4,348	382,186
For the nine-month period ended 30 September 2023	756,121	(40,088)	95,909	-	17,022	828,964
Total assets as at 30 September 2023	37,718,004	6,006,340	7,386,161	77,561	516,673	51,704,739
Total liabilities as at 30 September 2023	14,582,355	3,496,234	1,152,661	29,757	50,620	19,311,627
Timing of revenue recognition:						
- At point in time	N/A	N/A	N/A	Yes	N/A	N/A
- Over a period of time	N/A	Yes	Yes	N/A	Yes	Yes
2022						
Total revenue and dividend income						
For the three-month period ended 30 September 2022 (Unaudited)	286,445	252,568	92,551	-	17,740	649,304
For the nine-month period ended 30 September 2022 (Unaudited)	833,456	661,432	319,556	-	54,381	1,868,825
Profit / (loss):						
For the three-month period ended 30 September 2022 (Unaudited)	333,681	19,159	(11,631)	-	3,649	344,858
For the nine-month period ended 30 September 2022 (Unaudited)	6,669,250	16,141	(12,291)	-	14,357	6,687,457
Total assets as at 31 December 2022 (Audited)	39,165,333	6,154,173	7,167,128	77,561	591,281	53,155,476
Total liabilities as at 31 December 2022 (Audited)	16,205,527	3,487,666	1,176,305	29,757	37,099	20,936,354
Timing of revenue recognition:						
- At point in time	N/A	N/A	N/A	Yes	N/A	N/A
- Over a period of time	N/A	Yes	Yes	N/A	Yes	Yes

The inter-segment revenues for the Group are insignificant and accordingly have not been disclosed.

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(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investments at fair value

Note 30 of the annual audited consolidated financial statements for the year ended 31 December 2022 explains the fair value hierarchy, valuation techniques and the valuation process including sensitivities for key assumptions and judgements used. The fair values of level 2 and level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31 December 2022 unless otherwise disclosed in these condensed consolidated interim financial statements.

The following table presents the Group's financial assets measured and recognized at fair value on a recurring basis including their levels in the fair value hierarchy as at period end:

	Level 1	Level 2	Level 3	Total
As at 30 September 2023 (Unaudited)				
Financial assets				
<i>Investments at FVTPL (Current):</i>				
- Asia	-	-	105,256	105,256
<i>Investments at FVOCI (Non-current):</i>				
- North America	9,317,672	-	985,538	10,303,210
- Asia	1,210,550	-	297,449	1,507,999
- Europe	6,645,521	-	-	6,645,521
Sub-total	17,173,743	-	1,282,987	18,456,730
Total financial assets at fair value	17,173,743	-	1,388,243	18,561,986
As at 31 December 2022 (Audited)				
Financial assets				
<i>Investments at FVTPL (Current):</i>				
- Asia	-	105,256	-	105,256
<i>Investments at FVOCI (Non-current):</i>				
- North America	9,143,984	-	985,538	10,129,522
- Asia	1,197,195	-	222,449	1,419,644
- Europe	7,536,760	-	-	7,536,760
Sub-total	17,877,939	-	1,207,987	19,085,926
Total financial assets at fair value	17,877,939	105,256	1,207,987	19,191,182

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period ended 30 September 2023. For transfers from level 2 to 3 measurements see below.

6.1 Fair value measurements using significant unobservable inputs

Investments at FVTPL	Level 2	Level 3
Transfer from level 2 to level 3	(105,256)	105,256

During the three-month period ended 30 September 2023, the investment in Five Capital Fund (the "Fund") was transferred from level 2 to level 3 which is the appropriate classification for such securities. The fair value of the investments held by the Fund is determined using discounted cashflows, enterprise value and revenue multiples derived from companies comparable to investees.

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Notes to the condensed consolidated interim financial statements
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(All amounts in Saudi Riyals thousands unless otherwise stated)

7 Equity-accounted investees

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
At beginning of the period / year	16,371,058	16,343,166
Dividends	(435,322)	(312,429)
Share of results	822,967	851,595
Share in other comprehensive loss	(45,486)	(299,723)
Unrealized exchange loss on translation	(38,951)	(211,551)
At end of the period / year	16,674,266	16,371,058

As disclosed in Note 11.1 to the annual consolidated financial statements, during January 2022, the Company closed a deal to sell 23.75% of its stake in Four Seasons Holding Company for a consideration of Saudi Riyals 8.29 billion. The transaction resulted in a net gain of Saudi Riyals 5.87 billion which was recognized during the three-month period ended 31 March 2022. As such the results for the nine-month period ended 30 September 2023 are not comparable with the corresponding nine-month period.

8 Borrowings

Details of borrowings by entity are as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Kingdom Holding Company	10,258,929	12,159,182
Kingdom 5-KR-11 Limited	2,560,730	2,591,722
Kingdom 5-KR-35 Group	1,635,847	1,568,868
Kingdom KR-114 Limited	1,093,263	1,213,398
Trade Centre Company Limited	770,975	827,920
Others	408	408
	16,320,152	18,361,498

The above outstanding balance is presented in the condensed consolidated interim statement of financial position as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Current		
Current portion of term loans	6,036,149	5,105,425
Non-Current		
Term loans, including long-term revolving facilities	10,284,003	13,256,073

As at 30 September 2023, borrowings from a related party amounted to Saudi Riyals 1 billion (31 December 2022: Saudi Riyals 1.99 billion).

9 Contingencies and commitments

The Group is a defendant in various legal claims arising in the normal course of business. Based on the information presently available, there are no significant claims, other than those claims against the Group requiring provision and which have been already provided. Management believes that the provisions maintained for such claims are adequate. Any additional liabilities including any potential zakat assessments that may result in connection with other claims are not expected to have a material effect on the Group's financial position or results of operations.

There have been no significant changes in contingencies, capital and operating lease commitments during the nine-month period ended 30 September 2023.

10 Related party transactions

The Group enters various other transactions with related parties at mutually agreed terms. Other than those mentioned specifically in these condensed consolidated interim financial statements, transactions for the three and nine-month periods ended 30 September 2023, individually or in aggregate, are not material to the condensed consolidated interim financial statements.

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11 Share capital

The share capital as at 30 September 2023 and 31 December 2022 consists of 3,706 million authorized and issued shares at a par value of Saudi Riyals 10 each.

12 Dividends declaration

The General Assembly of the Company, in its annual meeting held on 24 Shawwal 1444H (corresponding to 14 May 2023), approved cash dividends distribution amounting to Saudi Riyals 1,037.6 million (Saudi Riyals 0.28 per share), in accordance with the recommendation put forth by the Board of Directors on 30 March 2023. Payment in respect of the first and second dividend distribution of Saudi Riyals 518.8 million was made during the nine-month periods ended 30 September 2023. (Payment in respect of the fourth dividend distribution of Saudi Riyals 259.4 million relating to the year ended 31 December 2021 was made during the period ended 31 March 2023).

13 Earnings per share

Earnings per share for the nine-month period ended 30 September 2023 and 2022 have been computed by dividing the profit attributable to the owners of the Company for each of the period presented by the number of shares outstanding of 3,706 million shares (30 September 2022: 3,706 million shares) during the period.

14 Zakat, withholding and income tax provisions

As disclosed in Note 18 to the annual audited consolidated financial statements for the year ended 31 December 2022, the Zakat, Tax and Customs Authority ("ZATCA") reopened the assessments for the years 2015 to 2018 claiming additional zakat amounts related to those years. During the period ended 30 September 2023, the Company has closed all its open assessments for such periods (2015 to 2018) with ZATCA and has executed a payment of Saudi Riyals 256 million as settlements for open assessments which is in line with the provision recorded by the Company for such years.

The remaining years (2019 and onwards) are under review by ZATCA and the management believes that the zakat provision recorded in the books sufficiently covers such years and is based on historical settlements and analysis conducted internally.

The Company has filed its zakat returns up to the years ended 31 December 2022 with ZATCA.

There are no significant pending zakat assessments received in relation to the operations of subsidiaries in the Kingdom of Saudi Arabia by ZATCA.

There is no change in the status of income tax assessments received in relation to the operations of subsidiaries in foreign countries by their respective taxation authorities other than those disclosed in Note 18 to the annual audited consolidated financial statements.

The Group is subject to withholdings taxes deducted at source on dividend received on certain equity securities registered in foreign jurisdictions.

15 Derivative financial instruments

As of 30 September 2023, the Group holds the following outstanding written put/call options ('Options'), granting the counterparty the right to either sell or buy shares from or to the Group at the pre-agreed strike price stipulated within the contracts.

Nature of options	Trade date	Settlement date	Option style	Fair value as at 30 September 2023	Underlying security
Sale of Put options	8 June 2022*	Month of June 2024	European	89,210	Shares of a listed entity
Sale of Call options	6 January 2023	22 January 2024	European	76	Shares of a listed entity

* The put option expired out of the money in the month of June 2023 and a gain of Saudi Riyals 79 million was recorded under "other gains, net" during the six-month period ended 30 June 2023. The remaining put option on certain securities was extended for an additional period of 12 months.

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15 Derivative financial instruments (continued)

The Group has used Black Scholes model ('Model') for determination of fair value of Options. The Model takes into account the current price of the underlying shares, the exercise price, the time to expiry, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the Options. The most sensitive input to the Model were risk free interest rate and volatility. However, a 5% change in the risk-free interest rate and expected price volatility of underlying shares will not significantly impact the fair value of the Options as at 30 September 2023.

16 Investment property - Sale of Riyadh land

On 6 July 2020, the Group, through its local subsidiaries, entered into an agreement (the "Agreement") with Hamad and Ahmed Mohammed Al-Muzaini Real Estate Company (the "Second Party") for development of a designated parcel of land totaling 4,103,561 Square Meters ('SQM').

The land for the project was divided into different sections, with specific areas allocated for residential units, commercial units, and services. The allocation of SQM for each plot of land was as follows:

Division	SQM
Residential	1,408,619
Commercial	1,053,620
Services	1,641,322
	4,103,561

It was agreed under the Agreement that the Second party will be entitled to ownership of land area designated for residential units i.e. 1,408,619 SQM, as a consideration of development activity carried out on the entire land parcel of 4,103,561 SQM.

Development on such land was substantially completed during the nine-month period ended 30 September 2023. As at 30 September 2023, the Group has completed transfer of legal title for residential units measuring 904,601 SQM. Administrative procedures are currently being carried out for the transfer of remaining residential land parcel measuring 504,018 SQM and is expected to be completed in due course.

The Group has accounted for derecognition of residential land as consideration-in-kind for development/construction activity carried out by the Second Party on the remaining parcel of land designated for commercial and services area. The related development activity on the commercial and services area has been capitalized under 'Investment Property' in the statement of financial position at fair value of the consideration given up amounting to Saudi Riyals 296 million. The difference in the fair value of Saudi Riyals 296 million and carrying value of Saudi Riyals 182 million of the residential land has been recognized under "Other gains, net" in the condensed consolidated interim statement of profit or loss for the three-month period ended 30 September 2023. Also see Note 18.

17 Other long-term assets

During the nine-month period ended 30 September 2023, a local subsidiary of the Group, Kingdom Investment and Development Company, executed a payment of Saudi Riyals 183 million. This payment pertained to the acquisition of additional stakes in existing subsidiaries from a specific minority shareholder within the Group. As of 30 September 2023, the legal procedures with respect to the transfer of such shares are still in progress and as such these payments have been recognized as part of other long-term assets.

18 Other gains, net

	Three-month period ended		Nine-month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Net fair value gains on derivatives (Note 15)	85,160	-	85,160	-
Net gain on disposal of investment property (Note 16)	114,024	-	114,024	-
Net gain settlement of options (Note 15)	-	-	79,000	-
Other	19,093	8,597	(36,383)	31,958
	218,277	8,597	241,801	31,958

19 Subsequent events

Subsequent to quarter ended 30 September 2023, the Group entered into a agreement with the Red Sea Global Company ("Red Sea"), to develop a tourist resort, to be operated by Four Seasons Hotels and Resorts Group, on Shura Island on the West Coast of the Kingdom of Saudi Arabia (referred to hereinafter as the "Project").

Key aspects of this Project include:

- Formation of a joint venture entity (the "JV Company"). Half of this JV Company's equity will be held by a special purpose entity, which is in the process of being established and will be a wholly owned subsidiary of the Group. The other half will be held by a special purpose entity under the aegis of Red Sea.
- The Project is expected to be completed at a cost of approximately Saudi Riyals 2.0 billion. The Group and Red Sea will contribute Saudi Riyals 258 million each through their respective special purpose entities. The balance of the capital requisites for the JV Company will be sourced through debt financing.

No other events have arisen subsequent to 30 September 2023 and before the date of signing the independent auditor's review report, that could have a significant effect on the condensed consolidated interim financial statements.