

شركة مكة
MCDC للإنشاء والتعمير



MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT FOR
THE THREE-MONTH AND NINE-MONTH PERIODS ENDED ON SEPTEMBER 30, 2025

Makkah Construction and Development Company

(A Saudi joint-stock company)

Interim condensed consolidated financial statements for the three-month and nine-month periods ended on September 30, 2025, and independent auditor's report

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Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.elayouty.com

**INDEPENDENT AUDITOR'S REVIEW REPORT FOR
THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(1/1)

TO THE SHAREHOLDERS
Makkah Construction and Development Company
(A Saudi joint-stock company)
Makkah - Kingdom of Saudi Arabia

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Makkah Construction and Development Company (a Saudi joint-stock company) (the "Company") as of September 30, 2025, the interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2025, the changes in shareholders' 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 interim condensed consolidated financial statements in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 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 condensed consolidated 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 approved 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 the 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 interim condensed consolidated financial statements have not been prepared in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.



For El Sayed El Ayouty & Co.



Abdullah A. Balamesh
Certified Public Accountant
License No. (345)

Jeddah: November 04, 2025
Corresponding to: Jumada Al-Awwal 13, 1447H

Makkah Construction and Development Company
(A Saudi joint-stock company)

Interim condensed consolidated statement of financial position (unaudited) as at September 30, 2025

(All amounts in Saudi Riyals)

		<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
	Note		
Assets			
Non-current assets			
Property, plant and equipment - net	5	1,332,337,049	1,335,532,446
Investment properties - net	6	207,717,840	210,590,192
Right-of-use assets - net		3,122,162	-
Financial assets at fair value through other comprehensive income	7	1,391,567,973	2,278,136,244
Investment in associates	8	403,602,465	368,792,505
Total non-current assets		3,338,347,489	4,193,051,387
Current assets			
Trade receivables - net	9	105,486,691	21,270,035
Inventory		2,035,959	2,014,370
Prepayments and other debit balances - net		52,297,223	65,188,558
Financial assets at fair value through other comprehensive income	7	88,758,338	-
Financial assets at fair value through profit or loss	10	172,182,973	111,483,839
Cash and cash equivalent		819,743,210	111,594,053
Total current assets		1,240,504,394	311,550,855
Total assets		4,578,851,883	4,504,602,242
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	11	2,000,000,000	1,648,162,400
Statutory reserve	12	-	836,280,685
Revaluation gains of financial assets at fair value through other comprehensive income		545,819,680	999,429,368
Retained earnings		1,553,064,048	570,529,242
Total Shareholders' equity		4,098,883,728	4,054,401,695
Non-current Liabilities			
Long-term loan - non-current portion		-	74,998,850
Lease liabilities - non-current portion		1,651,787	-
Employees' defined benefit obligations		49,603,667	53,937,957
Total non-current liabilities		51,255,454	128,936,807
Current Liabilities			
Long-term loan - current portion		75,209,331	27,241,513
Lease liabilities - current portion		1,313,447	-
Deferred revenue		36,717,133	10,471,599
Trade payables		5,431,507	4,825,790
Accrued expenses and other credit balances		106,164,415	83,823,663
Dividends payable	14	194,148,875	186,848,378
Provision for zakat	15	9,727,993	8,052,797
Total current liabilities		428,712,701	321,263,740
Total liabilities		479,968,155	450,200,547
Total Shareholders' equity and liabilities		4,578,851,883	4,504,602,242

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Saleh Mohammed Awad bin Laden

Mohammed A. Al Nafea

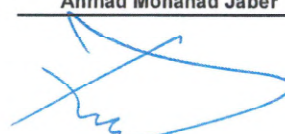
Ahmad Mohanad Jaber



Chairman of Board of Directors



Chief Executive Officer - Board Member



Chief Financial Officer

Makkah Construction and Development Company

(A Saudi joint-stock company)

Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited) for the three-month and nine-month periods ended September 30, 2025

(All amounts in Saudi Riyals)

	Note	FOR THE THREE MONTHS PERIOD ENDED		FOR THE NINE MONTHS PERIOD ENDED	
		September 30, 2025, (unaudited)	September 30, 2024, (unaudited)	September 30, 2025, (unaudited)	September 30, 2024, (unaudited)
Revenue		284,266,358	141,873,118	907,935,348	677,385,795
Cost of revenue		(189,352,377)	(61,747,134)	(500,206,055)	(307,365,211)
Gross profit		94,913,981	80,125,984	407,729,293	370,020,584
Selling and marketing expenses		(1,716,258)	(1,510,124)	(5,276,541)	(4,521,245)
General and administrative expenses		(18,316,571)	(13,806,463)	(63,672,389)	(43,727,937)
Profit from operations		74,881,152	64,809,397	338,780,363	321,771,402
Finance costs		(88,996)	(822,794)	(241,074)	(822,794)
Company's share in the results of associate companies	8	38,898	(314,657)	21,659,253	(314,657)
Settlement of investments in associate companies		-	2,440,288	-	2,440,288
Return on Islamic Murabaha deposit		8,987,470	5,052,606	11,276,478	14,850,909
Return of financial assets at fair value through profit or loss	10	3,727,724	-	15,742,619	-
Other income		50,000	10,435	2,244,571	24,347
Net profit for the period before Zakat		87,596,248	71,175,275	389,462,210	337,949,495
Zakat	15	(2,181,343)	(1,785,104)	(9,727,993)	(12,578,221)
Net profit for the period		85,414,905	69,390,171	379,734,217	325,371,274
Other comprehensive income					
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>					
Unrealized net (loss) / gain from revaluation of financial assets at fair value through other comprehensive income		(56,568,916)	107,959,618	(35,252,184)	242,909,140
Other comprehensive income for the period		(56,568,916)	107,959,618	(35,252,184)	242,909,140
Comprehensive income for the period		28,845,989	177,349,789	344,482,033	568,280,414
Earnings per share					
Basic and diluted earnings per share from net profit for the period	16	0.43	0.35	1.90	1.63

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Saleh Mohammed Awad bin Laden



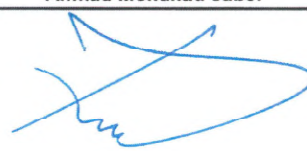
Chairman of Board of Directors

Mohammed A. Al Nafea



Chief Executive Officer - Board Member

Ahmad Mohanad Jaber



Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)

**Interim condensed consolidated statement of changes in shareholders' equity
(unaudited) for the nine-month periods ended September 30, 2025**
(All amounts in Saudi Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Revaluation gains of financial assets at fair value through other comprehensive income</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at January 01, 2024 (audited)	1,648,162,400	836,280,685	1,190,279,326	416,815,311	4,091,537,722
Net profit for the period (unaudited))	-	-	-	325,371,274	325,371,274
Other comprehensive income for the period (unaudited)	-	-	242,909,140	-	242,909,140
Comprehensive income for the period (unaudited)	-	-	242,909,140	325,371,274	568,280,414
Transferring gains from the revaluation of financial assets at fair value through other comprehensive income.	-	-	(228,895)	228,895	-
Dividends during the period (Note 14) (unaudited)	-	-	-	(247,224,362)	(247,224,362)
Balance at September 30, 2024 (unaudited)	1,648,162,400	836,280,685	1,432,959,571	495,191,118	4,412,593,774
Balance at January 01, 2025 (audited)	1,648,162,400	836,280,685	999,429,368	570,529,242	4,054,401,695
Transferred from the statutory reserve	351,837,600	(836,280,685)	-	484,443,085	-
Net profit for the period (unaudited))	-	-	-	379,734,217	379,734,217
Other comprehensive income for the period (unaudited)	-	-	(35,252,184)	-	(35,252,184)
Comprehensive income for the period (unaudited)	-	-	(35,252,184)	379,734,217	344,482,033
Transferring gains from the revaluation of financial assets at fair value through other comprehensive income.	-	-	(418,357,504)	418,357,504	-
Dividends during the period (Note 14) (unaudited)	-	-	-	(300,000,000)	(300,000,000)
Balance at September 30, 2025 (unaudited)	2,000,000,000	-	545,819,680	1,553,064,048	4,098,883,728

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Saleh Mohammed Awad bin Laden



Chairman of Board of Directors

Mohammed A. Al Nafea



Chief Executive Officer -Board Member

Ahmad Mohanad Jaber



Chief Financial Officer

Makkah Construction and Development Company
(A Saudi joint-stock company)

Interim condensed consolidated statement of cash flows (unaudited) for the nine-month periods ended September 30, 2025

(All amounts in Saudi Riyals)

		<u>For the nine-month period ended September 30, 2025 (unaudited)</u>	<u>For the nine-month period ended September 30, 2024 (unaudited)</u>
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit for the period before Zakat		389,462,210	337,949,495
Adjustments:			
Depreciation on property, plant, and equipment	5	23,868,784	22,864,483
Gains on disposal of property, plant and equipment		-	(13,912)
Depreciation on investment properties	6	3,889,126	3,918,775
Depreciation on right-of-use assets		476,998	-
Company's share of net profit of an associate companies	8	(21,659,253)	314,657
Settlement of investments in associate companies	8	-	(2,440,288)
Finance costs		241,074	822,794
Return of financial assets at fair value through profit or loss	10	(15,742,619)	-
Employees' defined benefit obligations - Formed		8,811,291	4,147,145
Return on Islamic Murabaha deposit		(11,276,478)	(14,850,909)
		378,071,133	352,712,240
Changes in:			
Trade receivables	9	(84,216,656)	(43,767,791)
Inventory		(21,589)	(337,155)
Prepayments and other debit balances		16,565,035	(8,242,823)
Deferred revenue		26,245,534	30,674,929
Trade payables		605,717	(336,797)
Accrued expenses and other credit balances		24,928,910	(31,705,454)
Employees' defined benefit obligations paid		(13,145,582)	(2,454,487)
Provision for zakat paid	15	(10,640,955)	(52,570,986)
Net cash generated from operating activities		338,391,547	243,971,676
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to property, plant and equipment		(16,224,647)	(14,563,301)
Proceeds from sale of property, plant and equipment		-	13,914
Payments to investment properties		(1,016,774)	(1,613,987)
Payments for financial assets measured at fair value through profit or loss		(286,076,450)	(3,300,000)
Proceeds from selling financial assets at fair value through profit or loss		241,119,935	-
The proceeds from liquidating the commodity trading fund		-	1,036,361
Payments for investments in associate companies		(13,150,707)	(340,889,646)
Proceeds from selling financial assets at fair value through other comprehensive income		762,557,749	-
Proceeds from return on Islamic Murabaha deposit		7,602,778	13,506,465
Net cash generated from / (used in) investing activities		694,811,884	(345,810,194)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Settlement of a long term loan		(25,000,000)	(25,000,000)
Finance costs paid		(6,479,771)	(8,828,051)
Received from short-term loans		-	135,000,000
Lease liabilities paid		(875,000)	-
Dividends paid	14	(292,699,503)	(241,902,338)
Net cash (used in) financing activities		(325,054,274)	(140,130,389)
Net change in cash and cash equivalent		708,149,157	(242,568,907)
Cash and cash equivalents at beginning of the period		111,594,053	525,726,172
Cash and cash equivalents at end of the period		819,743,210	283,157,265

Makkah Construction and Development Company
(A Saudi joint-stock company)

Interim condensed consolidated statement of cash flows (unaudited) for the nine-month periods ended September 30, 2025 (Continued)

(All amounts in Saudi Riyals)

	<u>For the nine-month period ended September 30, 2025 (unaudited)</u>	<u>For the nine-month period ended September 30, 2024 (unaudited)</u>
OTHER NON-CASH TRANSACTIONS:		
Unrealized (losses) / gain from revaluation of financial assets at fair value through other comprehensive income	(35,252,184)	242,909,140
Capitalized finance costs during the period	4,448,740	6,051,631
Right-of-use assets and lease liabilities	3,599,160	-
Transferred from statutory reserve to share capital and retained earnings	836,280,685	-
Transferred from provision for Ministry of Islamic Affair, Dawah and Guidance to provision for zakat	2,588,158	-
	<u> </u>	<u> </u>

The accompanying notes from (1) to (23) form an integral part of these interim condensed consolidated financial statements

Saleh Mohammed Awad bin Laden



Chairman of Board of Directors

Mohammed A. Al Nafea



Chief Executive Officer - Board Member

Ahmad Mohanad Jaber



Chief Financial Officer

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2025 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL

1.1 Corporate information

Makkah Construction and Development Company (A Saudi Joint Stock Company) (the "Company") was incorporated in accordance with the Companies' Law and as per Royal Decree no. (M/5) dated 13 Dhu Al-Qi'dah 1408H. The incorporation was declared by the Minister of Commerce and Investment no. 859 dated 21 Dhu Al-Qi'dah 1409 H (corresponding to 24 June 1989). The Company is registered in Makkah under Commercial Registration number 4031020101 dated one Dhu Al-Hijjah 1409 H (corresponding to 4 July 1989).

The main activity of the Company is the construction of the area near Al Masjid Al Haram, the ownership, development, management, investment, purchase, and lease of the properties near Al Masjid Al Haram. In addition to performing all necessary engineering works to perform building, constructing, repairing, and demolishing works.

The Head office of the Company is located in Third Al-Dairi Road - Al-Shuqayyah District
Building 2779, additional number 8860, code 24351
Makkah Al Mukarramah, Kingdom of Saudi Arabia.

Branches: The Company has the following branches:

<u>S/N</u>	<u>City</u>	<u>CR No.</u>	<u>Date</u>	<u>Name of branch</u>
1	Makkah	4031102134	18/03/1439 H	Branch of Makkah Construction and Development Company for Umrah Services

These consolidated financial statements consist of the financial statements of the parent company and its subsidiary (The Group). As of September 30, 2025, the Parent Company owns the following subsidiary:

<u>Company Name</u>	<u>CR No.</u>	<u>Shareholding %</u>	<u>Principal activities</u>
Hotel Towers Company Makkah Hotel Company	4031045190	100%	The hotels provide services for Umrah performers, visitors to the Prophet's Mosque, and services for pilgrims coming from outside the Kingdom and domestic pilgrims.
Manafa Al-Barakah Investment Company	4031300209	100%	Other financial service activities, excluding insurance and pension funding.

On December 24, 2023, the Company transferred the branch of the Makkah Hotel and Towers, having a commercial registration number 4031045190 dated 11/11/2003, including all rights, obligations, labor, classification, licenses, and all its financial, technical, and administrative components, to a single-owner limited liability company while retaining the name, number, and date of the commercial registration of the company's branch as the main center for the newly incorporated company named Hotel Towers Company Makkah Hotel Company with an unpaid capital of one million Saudi Riyals.

On April 28, 2024, Manafa Al Barakah Investment Company was established with Commercial Registration Number 4031300209 as a single shareholder limited liability company with a paid capital of five hundred thousand Saudi Riyals.

1.2 Fiscal year

The Company's fiscal year begins on January 1st and ends on December 31st of each calendar year. The presented interim condensed consolidated financial statements are for the period from January 01, 2025, to September 30, 2025.

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2025 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Compliance with Accounting Standards Applied

These interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting" approved in the Kingdom of Saudi Arabia (the International Financial Reporting Standard that specifies the minimum contents of an interim financial report) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants.

The interim condensed consolidated financial statements do not include all the information and disclosures required for the complete set of financial statements prepared in accordance with International Financial Reporting Standards and must be read in accordance with the annual financial statements of the Company as of December 31, 2024 (the "last annual financial statements"). In addition, the results of the initial period ending on September 30, 2025, may not be considered an accurate indication of the expected results for the fiscal year ending on December 31, 2025.

2.2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis using the principle of accounting accrual, with the exception of financial instruments that are measured at fair value.

- **Financial investments, which are measured at fair value.**
- Investments in associate companies, which are measured using the equity method.
- Employees defined benefit obligations are measured at the present value of future obligations using the projected unit credit method.

2.3 Functional and presentation currency

The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company.

2.4 Going concern basis

The management of the company has assessed its ability to continue operating as a going concern while preparing the accompanying financial statements and is confident that the company has sufficient resources to sustain its operations in the near future. In addition, the management is not aware of any material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern.

2.5 Basis for consolidation of financial statements

These consolidated financial statements consist of the financial statements of the parent company and its subsidiaries. A subsidiary is an entity controlled by the Parent Company. Control is achieved when the parent company is exposed to risks or has rights to receive various returns from its relationship with the invested company and has the ability to influence those returns through its authority over the investees.

Specifically, the parent company controls the investees only when the parent has:

- Control over the investees (i.e. having rights that give the parent the ability to direct the related activities of the investees),
- Exposure to risks, or rights to receive different returns through its relationship with the investees.
- Generally, it is assumed that a majority of voting rights results in control. Supporting this assumption, when the parent company has less than a majority of voting rights or similar rights in the investees, the parent considers all relevant facts and circumstances to determine whether it exercises control over the investees, including:
 - Contractual arrangements with other voting rights holders;
 - Rights arising from other contractual arrangements;
 - The parent company's special voting rights and potential voting rights.

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2025 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

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

2.5 Basis for consolidation of financial statements (Continued)

- The parent company re-evaluates whether it exercises control over the investees when facts and circumstances indicate a change in any of the three control elements. Consolidation of subsidiaries begins when the parent company controls the subsidiary and ceases when the parent relinquishes such control. Assets, liabilities, income, and expenses of acquired or disposed subsidiaries during the year are included in the consolidated financial statements from the date control is transferred to the parent until the parent relinquishes control over the subsidiaries.
- Income or loss and each component of other comprehensive income relate to the shareholders of the parent company and non-controlling interests, even if this results in a deficit in non-controlling equity balances. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the parent company. All intercompany assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between the parent company and the subsidiaries are completely eliminated during consolidation.
- Any change in equity interests in a subsidiaries, without losing control, is treated as an equity transaction. If the parent company loses control over subsidiaries, it ceases to recognize assets and liabilities (including goodwill), non-controlling interests, and other equity items, while profits or losses arising from this are recognized in the consolidated income statement. Any investment retained is recognized at fair value.

2.6 Significant accounting judgments and estimates

The preparation of these financial statements requires group to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosures. These estimates are based on underlying assumption related to historical experience and various other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is modified if the modification affects current and future periods. The significant judgments and estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

Fulfillment of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Group assessed that one performance obligation is related to maintenance services can be measured reliably.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration, if any.

Classification of real estate properties

The group exercises its judgment in the classification of real estate as property and equipment and investment properties. The group considers recognition criteria as per the supporting accounting standard with the management's intention and effective plan. The Hotels are considered as occupied by the owner and held for use to provide services while commercial malls are classified as investment properties as they are held for a third-party leasing.

Operating lease classification – Group as lessor

The group entered commercial leases for its investment property. Based on the assessment of the terms and conditions of the agreements, such as the lease term that does not constitute a significant part of the economic life of the property and the present value of the minimum lease payments that amount to substantially all the fair value of the commercial properties, the group has concluded that it retains all significant risks and rewards of ownership of these properties. Therefore, it accounts for the contracts as operating leases.

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2025 (unaudited)

(All amounts in Saudi Riyals unless otherwise stated)

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

2.6 Significant accounting judgments and estimates (Continued)

Impairment of financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Useful lives and residual value of property, equipment and investment property

The group's management estimates the useful lives of its property and equipment and investment properties for calculating depreciation. Such estimates are updated after considering the expected use of the assets, obsolescence, and wear and tear. The management periodically reviews estimated useful lives, the residual values and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend or terminate. The assessment is reviewed if a material event or a significant change in circumstances has occurred that affects this assessment. During the current financial period, there was no material financial impact of revising the terms of the lease contracts to reflect the impact of exercising extension or termination options.

Provision for expected credit losses for trade and other debit balances

The group uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. Provision ratios are determined based on days past due for different groups of customer segments with similar loss patterns (i.e. geographic region, product type, customer type, price, coverage by letters of credit and other forms of credit guarantee).

Determining expected credit losses for trade and other debit balances requires the group to take into account certain estimates of forward-looking factors when calculating the probability of default. These estimates may differ from actual circumstances. The matrix is based on past default experience monitored by the group. The group will calibrate the table in order to adjust the historical credit loss experience with forecast information, for example, if economic conditions (i.e. GDP) are expected to deteriorate over the next year which could lead to an increasing number of defaults in the tourism and services sector, then previous default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The group assessed the growth rate of the gross domestic product, a macroeconomic factor closely tied to future information, which has the potential to impact the credit risk of customers. Based on this assessment, the company made adjustments to the historical loss by considering the expected changes in this factor through various scenarios. An assessment of the relationship between historically observed rates of default, expected economic conditions and expected credit losses is an important estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's previous credit losses and expected economic conditions may not be an indication of the customer's actual default in the future. Information about expected credit losses on trade receivables and contract assets of the group has been disclosed in the related notes.

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

2.6 Significant accounting judgments and estimates (Continued)

Provision for Zakat and VAT

When the amount of zakat is an uncertain liability or asset, the group recognizes the provision that reflects management's best estimate as a more probable outcome based on facts known in the relevant period. Any differences between the zakat estimates and final zakat assessments are charged to the statement of profit or loss in the period in which they are incurred.

Impairment of financial assets

At the end of each reporting period, the group estimates the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In the event of this indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Contingent liabilities

By default, contingent liabilities will only be resolved upon the occurrence or non-occurrence of one or more future events. The assessment of such contingencies inherently involves exercise of significant judgment and estimates of the outcome of future events.

Fair value measurement of financial instruments

The group measures some financial instruments and non-financial assets according to the fair value at the statement of financial position date.

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:

- Sale or transfer in the principal market for the asset or liability, or
- A sale or transfer in a market other than the principal, i.e. in the most advantageous market for the asset or liability.

The group must have access to the principal market or the most favorable market. 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 for the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the 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:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **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 not observable.

The group's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. To fair value disclosures, the group identified classes of assets and liabilities based on their nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy, as described above.

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3. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs), AMENDMENTS TO IFRS AND INTERPRETATION

No new accounting standards and interpretations were issued. However, a number of changes to the standards are effective as of January 1, 2025, which were explained in the financial statements of the Company for the year of 2024. These standards and interpretations do not have a material impact on the interim condensed consolidated financial statements of the Company.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

The accounting policies and methods of calculation applied are consistent with those used for the financial year 2024

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5. PROPERTY, PLANT AND EQUIPMENT - NET

	<u>Lands</u>	<u>Buildings</u>	<u>Property and equipment</u>	<u>Furniture and Fixtures</u>	<u>Motor vehicles</u>	<u>Total</u>
<u>Cost</u>						
As at January 01, 2024 (audited)	601,409,769	992,661,196	214,311,353	42,447,774	1,145,006	1,851,975,098
Additions during the year	-	13,498,917	26,685,153	2,080,186	-	42,264,256
Disposals during the year	-	-	(24,304,106)	(1,504,336)	(199,000)	(26,007,442)
As at 31 December 2024 (audited)	601,409,769	1,006,160,113	216,692,400	43,023,624	946,006	1,868,231,912
As at January 01, 2025 (audited)	601,409,769	1,006,160,113	216,692,400	43,023,624	946,006	1,868,231,912
Additions during the period	-	2,984,183	10,619,929	7,069,275	-	20,673,387
Disposals during the period	-	-	-	-	-	-
As at September 30, 2025 (unaudited)	601,409,769	1,009,144,296	227,312,329	50,092,899	946,006	1,888,905,299
<u>Accumulated depreciation</u>						
As at January 01, 2024 (audited)	-	372,170,285	119,387,891	35,306,585	1,094,949	527,959,710
Deprecation during the year	-	11,967,869	16,119,092	2,526,826	25,332	30,639,119
Disposals during the year	-	-	(24,235,918)	(1,464,447)	(198,998)	(25,899,363)
As at 31 December 2024 (audited)	-	384,138,154	111,271,065	36,368,964	921,283	532,699,466
As at January 01, 2025 (audited)	-	384,138,154	111,271,065	36,368,964	921,283	532,699,466
Depreciation during the period	-	9,048,374	12,975,861	1,825,654	18,895	23,868,784
Disposals during the period	-	-	-	-	-	-
As at September 30, 2025 (unaudited)	-	393,186,528	124,246,926	38,194,618	940,178	556,568,250
<u>Net book value:</u>						
As at September 30, 2025 (unaudited)	601,409,769	615,957,768	103,065,403	11,898,281	5,828	1,332,337,049
As at 31 December 2024 (audited)	601,409,769	622,021,959	105,421,335	6,654,660	24,723	1,335,532,446

- Additions of property, plant and equipment include finance costs amounting to SR 4,448,740 for the ended period September 30, 2025 (December 31, 2024: finance costs amounting to SR 7,175,387).

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6. INVESTMENT PROPERTIES - NET

	<u>Lands</u>	<u>Buildings</u>	<u>Furniture & Furnishings</u>	<u>Total</u>
Cost				
As at January 01, 2024 (audited)	66,082,344	221,116,068	54,696,846	341,895,258
Additions during the year	-	344,698	2,742,866	3,087,564
Disposals during the year	-	-	(13,204,433)	(13,204,433)
As at 31 December 2024 (audited)	66,082,344	221,460,766	44,235,279	331,778,389
As at January 01, 2025 (audited)	66,082,344	221,460,766	44,235,279	331,778,389
Additions during the period	-	710,934	305,840	1,016,774
Disposals during the period	-	-	-	-
As at September 30, 2025 (unaudited)	66,082,344	222,171,700	44,541,119	332,795,163
Accumulated depreciation				
As at January 01, 2024 (audited)	-	93,752,333	30,218,573	123,970,906
Depreciation during the year	-	2,753,565	2,490,285	5,243,850
Disposals during the year	-	-	(13,178,990)	(13,178,990)
As at 31 December 2024 (audited)	-	96,505,898	19,529,868	116,035,766
As at January 01, 2025 (audited)	-	96,505,898	19,529,868	116,035,766
Depreciation during the period	-	2,062,973	1,826,153	3,889,126
Disposals during the period	-	-	-	-
As at September 30, 2025 (unaudited)	-	98,568,871	21,356,021	119,924,892
Accumulated impairment				
As at January 01, 2024 (audited)	-	5,152,431	-	5,152,431
Impairment during the year	-	-	-	-
As at 31 December 2024 (audited)	-	5,152,431	-	5,152,431
As at January 01, 2025 (audited)	-	5,152,431	-	5,152,431
Impairment during the period	-	-	-	-
As at September 30, 2025 (unaudited)	-	5,152,431	-	5,152,431
Net book value:				
As at September 30, 2025 (unaudited)	66,082,344	118,450,398	23,185,098	207,717,840
As at 31 December 2024 (audited)	66,082,344	119,802,437	24,705,411	210,590,192

6.1. The Group's investment properties consist of commercial center and other 4 properties that are leased to third parties.

6.2. As of September 30, 2025, the fair value measurement of all investment properties was classified under Level 3, based on the valuation method inputs. An external valuer, a member of the Saudi Arabian Valuers Association and specialized in investment property valuation, determined the total fair value. The fair value as of December 31, 2024, amounted to SR 3,926,765,591. Management believes there were no material changes in fair value during the nine-month period from the valuation date on December 31, 2024, until the date of the condensed consolidated interim financial statements on September 30, 2025.

6.3. The depreciation for the period has been charged to the cost of revenue

6.4. Amounts recognized in the statement of profit or loss and other comprehensive income for investment properties are as follows:

	<u>For the nine-month period ended September 30, 2025 (unaudited)</u>	<u>For the nine-month period ended September 30, 2024 (unaudited)</u>
Rental income from operating leases	204,650,887	168,293,205
Direct operating expenses on property that generated rental income	41,359,834	34,964,868

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6. INVESTMENT PROPERTIES - NET (CONTINUED)

There were no direct operating expenses on investment properties that did not generate rental income (under development) during period ended September 30, 2025, and September 30, 2024.

6.5. The table below shows the technical methods used in measuring the fair value of the investment properties, and the significant unobservable inputs used.

Valuation technique as at December 31, 2024

Unobservable input

Income approach: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental, cap rates and occupancy rate.

The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.

Please refer to table below

Management has determined approaches using the below key assumptions as follows:

Assumptions

Approach used to determine values

Average daily rate	Based on the actual location, type and quality of the properties and supported by historic trends and approved room rents including impacts of expected inflations.
Estimated occupancy rate	Based on current, historic, and expected future market conditions.
Retail developed land value	Prices of residential and commercial land parcels per square meter in the neighboring districts.
Discount rates	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.
Capitalization rate	It is based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) appreciation long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The group classified the investments below as financial assets at fair value through other comprehensive income. This is because these financial assets represent investments the group intends to hold for a long term for strategic purposes. Details are below:

	<u>September 30, 2025,</u> <u>(unaudited)</u>		<u>December 31, 2024</u> <u>(audited)</u>		<u>September</u> <u>30, 2025,</u> <u>(unaudited)</u>	<u>December</u> <u>31, 2024</u> <u>(audited)</u>
	<u>Number of</u> <u>shares</u>	<u>Value per</u> <u>share</u>	<u>Number of</u> <u>shares</u>	<u>Value per</u> <u>share</u>		
Jabal Omar Development Co. - investments in listed shares note (7.1)	76,384,183	19.38	110,804,292	20.56	1,480,326,311	2,278,136,244
	76,384,183	19.38	110,804,292	20.56	1,480,326,311	2,278,136,244

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7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The following table shows the movement of investments in equity instruments at fair value through other comprehensive income:

	<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
Balance at the beginning of the period / year	2,278,136,244	2,468,757,307
Purchase / (sell) shares during the period / year	(762,557,749)	-
Unrealized (losses) during the period / year	(35,252,184)	(190,621,063)
Balance at end of the period / year	<u>1,480,326,311</u>	<u>2,278,136,244</u>
Reclassification has been made according to sell decision as follows:		
Financial assets at fair value through other comprehensive income	1,391,567,973	2,278,136,244
Financial assets at fair value through other comprehensive income (traded for sale)	88,758,338	-
	<u>1,480,326,311</u>	<u>2,278,136,244</u>

7.1. The group has investments in Jabal Omar Development Company "JODC" that represent investments in listed shares. The group has a non-controlling interest of 6.47% of the issued shares. These investments have been irrevocably classified at fair value through other comprehensive income. The fair value of these shares determined by the quoted share price in an active market.

The number of shares owned by the Company as of December 31, 2024. According to the confirmation received, Jabal Omar Development Company (JODC) confirmed a shortfall of 1,198,571 shares compared to the total number of shares registered in the group's books and records. These shares are subject to adjustment due to a difference in the measurement of land areas compared to the title deeds provided as in-kind capital by Makkah Construction and Development Company (MCDC). The group's management requested a legal opinion from its external legal counsel. The group's legal counsel advised as follows:

- JODC may not make any adjustment to the number of shares of MCDC, by decreasing, modifying, or any other action, and thus, no amendment or change may occur to the value of the shares entered by MCDC as a shareholder in JODC. According to the Article (66) of the Companies' Law, the evaluation report of in-kind shares submitted by the Company is binding on JODC as long as it is not objected by the Constituent Assembly.
- Before adding the final amount of the area as per the deeds by the respective authorities and departments, the value of the contribution entered by the group in JODC remains as it is and there is no modification or change to it until the total area of the deeds is added by the respective authorities. It is not permissible for JODC to enforce the group to pay amounts in excess of the amount they committed when issuing the share.
- Accordingly, the balance of the in-kind shares owned by the Company at JODC is 76,384,183 shares, including the shares related to title deeds that have not yet been transferred to JODC to date, until the total area as per the deeds is added by the respective authorities, and JODC may not reduce the number of shares or reduce the value of the assessment of in-kind shares submitted upon subscription.

Based on the above legal opinion, the group has recorded the total number of shares at the fair value in the interim condensed consolidated financial statements.

Furthermore, out of the total JODC shares owned by the group, there are 8,509,144 share that represent in-kind capital shares in exchange for land titles that the group acquired from landowners in favor of JODC's project and the transfer of the titles have not yet been finalized. Accordingly, these shares are being registered under Makkah Company's portfolio and upon completion of transferring the land's titles to JODC, the group will be able to access its rights over these shares like in the sale transactions. These shares are already recorded as part of JODC's capital.

During the period ending September 30, 2025, the group's Board of Directors decided to sell 39 million shares with the aim of investing the proceeds from the sale in implementing the group's strategic plans for its future capital expansions. 34.42 million shares were sold, resulting in realized profits of SR 418.36 million, which were recorded in the retained earnings account.

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8. INVESTMENT IN ASSOCIATES

8.1. The details of the Company's investment in associates are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal Activity</u>	<u>Effective ownership %</u>		<u>September</u>	<u>December</u>
			<u>30, 2025,</u>	<u>31, 2024</u>	<u>30, 2025,</u>	<u>31, 2024</u>
			<u>(unaudited)</u>	<u>(audited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
Jurhom for Regeneration and Development Company (closed joint-stock company)	KSA	Property development	18.79	18.79	31,401,458	18,250,751
First Avenue for Real Estate Development Company (Joint Stock Company)	KSA	Property development	27.72	27.72	372,201,007	350,541,754
					<u>403,602,465</u>	<u>368,792,505</u>

8.2. The following shows the investment activity in associate companies during the period/year:

<u>For the period ended September 30, 2025</u> <u>(unaudited)</u>	<u>Jurhom for</u> <u>Regeneration and</u> <u>Development Company</u>	<u>First Avenue for Real</u> <u>Estate Development</u> <u>Company</u>	<u>Total</u>
Balance at 1 January 2025 (audited)	18,250,751	350,541,754	368,792,505
Increase the company's share in associates companies	13,150,707	-	13,150,707
The Company's share in results of associates	-	21,659,253	21,659,253
Company's share in other comprehensive income of associates	-	-	-
Balance at 30 September 2025 (unaudited)	<u>31,401,458</u>	<u>372,201,007</u>	<u>403,602,465</u>

<u>For the year ended December 31, 2024</u> <u>(audited)</u>	<u>Jurhom for</u> <u>Regeneration and</u> <u>Development Company</u>	<u>First Avenue for Real</u> <u>Estate Development</u> <u>Company</u>	<u>Total</u>
Balance at 1 January 2024	16,231,613	-	16,231,613
Acquisition of investments	-	340,889,646	340,889,646
Company's share in results of associates	(426,850)	8,620,222	8,193,372
Company's share in other comprehensive income of associates	5,700	1,031,886	1,037,586
Investment settlement in associates	2,440,288	-	2,440,288
Balance at 31 December 2024 (audited)	<u>18,250,751</u>	<u>350,541,754</u>	<u>368,792,505</u>

- The Board of Directors of Makkah Construction and Development Company, in its (315) meeting held on Rabi' al-Awwal 30, 1447 H (corresponding to September 22, 2025), resolved to increase the group's stake in Jurhom for Regeneration and Development Company amounting to SR. 13,150,707, bringing the group's total stake in Jurhom for Development and Growth Company amounting to SR. 31,401,458, representing an ownership percentage of 18.79% of Jurhom for Development and Growth Company's capital.
- The articles of association of Jurhom for Regeneration and Development Company have not been amended to reflect this increase up to the date of the financial statements.
- The results of Jurhom for Regeneration and Development Company were not included in the third quarter of 2025 due to the unavailability of financial statements for the associated company in the third quarter of 2025.

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9. TRADE RECEIVABLES – NET

	<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
Customers of Commercial Center	46,167,685	30,710,140
Customers of Hotels and tower	38,822,410	10,693,818
Hajj and Umrah customers	46,045,573	5,415,054
Net due from the hotel operator and towers (Millennium)	8,860,763	8,860,763
Tenants of Jabal Omar Real State	3,650,000	3,650,000
	143,546,431	59,329,775
Less: Provision for the expected credit loss (note 9.2)	(38,059,740)	(38,059,740)
	105,486,691	21,270,035
Balance at end of the period/ year		

9.1. Trade receivables are non-derivative financial assets carried at amortized cost and are generally on terms of 90 to 180 days. The carrying value may be affected by changes in the credit risk of the counterparties. It is not the practice of the Company to obtain collateral over third party trade receivables and these are, therefore, unsecured. The company's trade receivables are concentrated in the Kingdom of Saudi Arabia. For short-term trade receivables, their book value is close to their fair values as of September 30, 2025, and December 31, 2024.

9.2 Movement in allowance for expected credit losses on trade receivables:

	<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
Balance at beginning of period / year	38,059,740	38,000,445
Provision charged for the period / year	-	2,600,001
Trade receivables written off during the period / year	-	(153,555)
Reversal of provision during the period / year	-	(2,387,151)
	38,059,740	38,059,740
Balance at end of the period / year		

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10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

The Company holds financial assets classified at fair value through profit or loss, which are highly liquid investments that can be converted to cash in a period of less than one year, detailed as follows:

Name of the Company (Fund)	Balance as at January 1,		Additions during the period		Disposals during the period		Unrealized gains (losses) Value in Riyals	Balance as at September 30,	
	2025							2025	
	Number of shares / Units	Value in Riyals	Number of shares / Units	Value in Riyals	Number of shares / Units	Value in Riyals	Number of shares / Units	Value in Riyals	
Al Rajhi Awaheed (Returns) Fund	105,203,208	111,483,839	250,552,431	272,517,000	(207,399,132)	(226,600,000)	9,011,128	148,356,507	166,411,967
Investment in Umm Al-Qura Development and Construction Company	-	-	557,810	8,428,131	(543,712)	(13,932,448)	5,913,519	14,098	409,202
Investment in Asas Makeen for Real Estate and Investment	-	-	50,598	4,044,846	-	-	913,758	50,598	4,958,604
Investment in Dar Al Majed Real Estate Company	-	-	31,500	441,000	-	-	(37,800)	31,500	403,200
Other miscellaneous	-	-	9,340	645,473	(9,340)	(587,487)	(57,986)	-	-
Total	105,203,208	111,483,839	251,201,679	286,076,450	(207,952,184)	(241,119,935)	15,742,619	148,452,703	172,182,973

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11. SHARE CAPITAL

- As of September 30, 2025, the Company's share capital amounted to SR. 2,000,000,000 (December 31, 2024: SR. 1,648,162,400), consisting of 200,000,000 shares (December 31, 2024: 164,816,240 shares) fully paid with a nominal value of SR. 10 per share.
- On January 15, 2025, the company's Extraordinary General Assembly approved an increase in capital through granting bonus shares to the Company's shareholders at a rate of 0.213 shares for each share owned by transferring SR 351,837,600 from the statutory reserve, bringing the share capital after the increase to SR 2,000,000,000, consisting of 200,000,000 shares. The Company's Articles of Association have been authenticated in February 2, 2025, and the Company's commercial registration is being amended.

12. STATUTORY RESERVE

On January 15, 2025, the Extraordinary General Assembly of the Company approved amendments to the Company's Articles of Association in compliance with the new Companies' Law. On the same date, the Extraordinary General Assembly also approved the transfer of the statutory reserve amounted to SR 836,280,685 in order to increase the Company's share capital by SR 351,837,600, and closing the remaining balance amounted to SR 484,443,085 in retained earnings.

13. RELATED PARTIES TRANSACTIONS AND BALANCES

Key Management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise).

	<u>For the nine-month period ended September 30, 2025 (unaudited)</u>	<u>For the nine-month period ended September 30, 2024 (unaudited)</u>
Salaries, allowances and incentives	14,524,437	5,275,091
Rent	640,467	480,148
	<u>15,164,904</u>	<u>5,755,239</u>

14. DIVIDENDS PAYABLE

The Ordinary General Assembly of Makkah Construction and Development Company, held on May 19, 2025, approved the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year ended December 31, 2024, at a rate of SR. 1.50 per share, totaling amounting to SR. 300,000,000 (three hundred million Saudi Riyals). Eligibility for these dividends is limited to shareholders who own shares at the end of the second trading day following the date of the General Assembly meeting and who are registered in the Company's shareholder register with the Securities Depository Center (Edaa).

The following shows the movement in dividends payable:

	<u>September 30, 2025 (unaudited)</u>	<u>December 31, 2024 (audited)</u>
Balance at the beginning of the period / year	186,848,378	184,235,872
Dividend distributions during the period/year	300,000,000	247,224,360
Dividends paid to shareholders during the period/year	(292,699,503)	(244,611,854)
Balance at end of the period / year	<u>194,148,875</u>	<u>186,848,378</u>

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(All amounts in Saudi Riyals unless otherwise stated)

15. ZAKAT PROVISION

15.1. Zakat provision movement

	<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
Balance beginning of the period / year	8,052,797	48,447,225
Transfer from the provision for the Ministry of Endowments, Islamic Affairs and Guidance to the provision for Zakat	2,588,158	-
Provided for period / year	9,727,993	12,176,558
Paid during the period / year	(10,640,955)	(52,570,986)
Balance at end of the period / year	<u>9,727,993</u>	<u>8,052,797</u>

15.2. Zakat status

15.2.1. The Company submitted its zakat returns until the last year ended December 31, 2024.

- The Company has finalized its Zakat status with Zakat, Tax and Customs Authority ("ZATCA") until the year of 1441 H.
- During the year 2024, ZATCA demanded zakat differences for the year 1431 H amounting to SR 16,587,884, which the Company paid in full.
- During the year 2025, the Company received the zakat assessments from the Zakat, Tax and Customs Authority as follows:

<u>Fiscal year in which the assessment was made:</u>	<u>Total zakat</u> <u>differences</u> <u>claimed</u>	<u>The amounts</u> <u>received and paid</u> <u>for those</u> <u>differences during</u> <u>the period.</u>	<u>The amounts</u> <u>disputed by the</u> <u>company.</u>
The fiscal year ended on 29/04/1443H, corresponding to 04/12/2021	10.3 million Riyals	2.6 million Riyals	7.7 million Riyals
The fiscal years 2022 and 2023	14.9 million Riyals	4.6 million Riyals	10.3 million Riyals
Total	<u>25.2 million riyals</u>	<u>7.2 million riyals</u>	<u>18 million riyals</u>

15.2.2. Management believes that the provisions recorded are sufficient to cover the existing Zakat obligations, according to the opinion of the company's Zakat consultant and in light of the objections submitted to the Zakat, Tax and Customs Authority, which are still under review and have not yet been decided upon.

16. EARNINGS PER SHARE

Basic earnings per share for the nine-month periods ended September 30, 2025 and September 30, 2024 are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of shares outstanding during the period. The number of the Company's shares increased during the period from 164,816,240 shares to 200,000,000 shares on January 15, 2025, through the issuance of bonus shares. The number of outstanding ordinary shares prior to January 15, 2025, has been adjusted to reflect the proportionate change in the number of outstanding shares as if the change in the number of shares had occurred at the beginning of the earliest period presented.

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16. EARNINGS PER SHARE (CONTINUED)

	<u>For the nine-</u> <u>month period</u> <u>ended</u> <u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>For the nine-</u> <u>month period</u> <u>ended</u> <u>September 30,</u> <u>2024</u> <u>(unaudited)</u>
Profit for the period attributable to shareholders of the Company	379,734,217	325,371,274
Weighted average number of shares outstanding	200,000,000	200,000,000
Basic and diluted earnings per share	<u>1.90</u>	<u>1.63</u>

Diluted earnings per share

During the period, there were no transactions resulting in diluting the earning of the shares, and thus, the diluted earnings per share doesn't differ from the basic earnings per share.

17. SEGMENTAL INFORMATION

Basis for segments classification

Operating segments are classified based on internal reports that are regularly reviewed by the body responsible for operational decision-making (the group's Board of Directors) for the purpose of allocating resources and evaluating performance.

The group operates through the following operating segments:

<u>Segments that were reported on</u>	<u>Operations</u>
The Commercial Center	Commercial Center Rentals
Hotels and towers	Managing and operating the hotels and towers owned by the group.
Hajj and Umrah	Providing Hajj and Umrah services
Investment sector	Managing the investment portfolio and Islamic deposits of the group.
Other (not specified)	Head office activities, financing expenses, Zakat, and other not specified income items.

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17.SEGMENT INFORMATION (CONTINUED)

The following is segmental information for the financial period ending September 30.

<u>For the nine-month period ended September 30, 2025 (unaudited)</u>	<u>The Commercial Center</u>	<u>Hotels and towers</u>	<u>Haji and Umrah</u>	<u>Investment sector</u>	<u>Other (not specified)</u>	<u>Total</u>
Revenue	204,650,887	367,041,995	336,242,466	-	-	907,935,348
Cost of revenue	(41,359,834)	(136,887,350)	(321,958,871)	-	-	(500,206,055)
Gross profit (loss) for the sector	163,291,053	230,154,645	14,283,595	-	-	407,729,293
Selling and marketing expenses	-	(5,276,541)	-	-	-	(5,276,541)
General and administrative expenses	-	(28,371,625)	-	-	(35,300,764)	(63,672,389)
Finance costs	-	-	-	-	(241,074)	(241,074)
Company's share in the results of associate companies	-	-	-	21,659,253	-	21,659,253
Return on Islamic Murabaha deposit	-	-	-	11,276,478	-	11,276,478
Return of financial assets at fair value through profit or loss	-	-	-	15,742,619	-	15,742,619
Other income	150,000	-	-	-	2,094,571	2,244,571
Zakat	-	-	-	-	(9,727,993)	(9,727,993)
Net Profit (loss) during the period	163,441,053	196,506,479	14,283,595	48,678,350	(43,175,260)	379,734,217
As at September 30, 2025 (unaudited)						
Segment assets	230,752,969	1,187,239,104	237,588,507	2,785,768,597	137,502,706	4,578,851,883
Segment liabilities	55,196,368	88,704,057	17,506,318	-	318,561,412	479,968,155

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17.SEGMENT INFORMATION (CONTINUED)

	<u>The</u> <u>Commercial</u>	<u>Hotels and</u>		<u>Investment</u>	<u>Other (not</u>	
For the nine-month period ended September 30, 2024 (unaudited)	<u>Center</u>	<u>towers</u>	<u>Hajj and Umrah</u>	<u>sector</u>	<u>specified)</u>	<u>Total</u>
Revenue	168,293,205	349,092,049	157,090,844	-	2,909,697	677,385,795
Cost of revenue	(34,964,868)	(130,359,946)	(142,040,397)	-	-	(307,365,211)
Gross profit (loss) for the sector	133,328,337	218,732,103	15,050,447	-	2,909,697	370,020,584
Selling and marketing expenses	-	(4,521,245)	-	-	-	(4,521,245)
General and administrative expenses	-	(23,344,201)	-	-	(20,383,736)	(43,727,937)
Finance costs	-	-	-	-	(822,794)	(822,794)
Company's share in the results of associate companies	-	-	-	(314,657)	-	(314,657)
Settlement of investments in associates	-	-	-	2,440,288	-	2,440,288
Return on Islamic Murabaha deposit	-	-	-	14,850,909	-	14,850,909
Return of financial assets at fair value through profit or loss	-	-	-	-	-	-
Other income	-	-	-	-	24,347	24,347
Zakat	-	-	-	-	(12,578,221)	(12,578,221)
Net Profit (loss) during the period	133,328,337	190,866,657	15,050,447	16,976,540	(30,850,707)	325,371,274
As at September 30, 2024 (unaudited)						
Segment assets	375,978,639	1,188,141,342	35,833,191	3,070,913,339	346,058,906	5,016,925,417
Segment liabilities	71,651,526	59,719,033	14,986,672	-	457,974,412	604,331,643

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18. CONTINGENCIES AND COMMITMENTS

	<u>September 30,</u> <u>2025</u> <u>(unaudited)</u>	<u>December 31,</u> <u>2024</u> <u>(audited)</u>
Letters of guarantee	2,000,000	2,000,000
Capital commitments	42,903,391	40,024,297

19. SEASONALITY

The business results for the period do not necessarily represent an accurate indication of the actual results for the full year operations. The revenue of operating suits and hotel rooms increase during Hajj and Omrah seasons and during summer vacations. Revenue decreases during the rest of the year. Such changes are reflected on the financial results of the Company's operations during the period. Therefore, the operation results for this period may not be an accurate indication of the actual results of the full year.

20. LEGAL CASES

20.1. Cases filed by others against the Company

- There are legal claims filed by the Company against others as of September 30, 2025, with their total value determined to be 10.03 million Saudi Riyals (December 31, 2024: 1.57 million Saudi Riyals).
- Management believes that there is no need to create a provision for the pending lawsuits, based on the opinion of the company's legal counsel, who affirms the soundness of the company's legal position and expects that the company will not be ruled against or obligated to pay any fines in connection with these cases.

21. COMPARATIVE FIGURES

Certain comparative figures for the three-month period from July 01, 2024, to September 30, 2024, have been reclassified to conform with the current period classification as follows:

	<u>As reported</u> <u>previously</u>	<u>Reclassification</u>	<u>Restated</u>
<u>Statement of income</u>			
Cost of revenue	65,969,620	(4,222,486)	61,747,134
General and administrative expenses	9,583,977	4,222,486	13,806,463

22. SUBSEQUENT EVENTS

The Management believes there are no significant events as of the date of the interim condensed consolidated statement of financial position on September 30, 2025, and until the date of preparing these interim condensed consolidated financial statements that may have a significant impact on the Company's financial position reported.

23. APPROVAL OF FINANCIAL STATEMENTS

These interim condensed consolidated financial statements for the period ended September 30, 2025, were approved and authorized for issuance by the Company's Board of Directors on November 04, 2025 (corresponding to Jumada Al-Awwal 13, 1447H).