

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**

with

**INDEPENDENT AUDITOR'S REVIEW REPORT**

For the three-month and nine-month periods ended 30 September 2024

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three-month and nine-month periods ended 30 September 2024

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## KPMG Professional Services

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Prince Sultan Street  
P.O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص.ب 55078  
جدة 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792  
المركز الرئيسي في الرياض

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

To the Shareholders of Jabal Omar Development Company

## Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of Jabal Omar Development Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 September 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024; and
- the notes to the condensed consolidated interim financial statements.

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

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated interim financial statements of Jabal Omar Development Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

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

To the Shareholders of Jabal Omar Development Company (continued)

## Material Uncertainty Related to Going Concern

We draw attention to note 2.4 of the condensed consolidated interim financial statements, which indicates that as at the nine-month period ended 30 September 2024, the Group's current liabilities exceeded its current assets by SR 529.8 million. Moreover, the Group's forecasted cash flows for the twelve months subsequent to the reporting date, that depict a net positive cashflow position, are dependent upon the sale of certain parcels of land, as well as, upon obtaining sufficient debt financing. As stated in note 2.4, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## KPMG Professional Services



Ebrahim Oboud Baeshen  
License No. 382

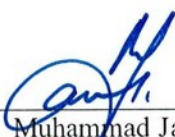



Jeddah, 5 November 2024  
Corresponding to: 3 Jumada Al Awal 1446H


**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 September 2024

	Note	30 September 2024 SR'000 (Unaudited)	31 December 2023 SR'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	21,154,867	21,356,632
Intangible assets		1,042	359
Investment properties	6	3,538,990	3,507,787
Equity-accounted investee		134,196	127,982
Other non-current assets		14,552	16,509
Restricted cash	7	109,950	109,950
<b>Total non-current assets</b>		<b>24,953,597</b>	<b>25,119,219</b>
<b>Current assets</b>			
Financial investments		274,244	267,259
Properties for development and sale		--	21,069
Trade and other receivables	8	283,464	342,608
Other current assets		26,426	13,743
Restricted cash-current portion	7	451,886	296,596
Cash and cash equivalents	7	334,992	298,848
Asset held for sale	2.4	1,179,290	923,356
<b>Total current assets</b>		<b>2,550,302</b>	<b>2,163,479</b>
<b>Total assets</b>		<b>27,503,899</b>	<b>27,282,698</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		11,545,342	11,545,342
Share premium		627,596	627,596
Statutory reserve		108,506	108,506
(Accumulated losses) / retained earnings		(115,475)	35,822
Reserve for advances to certain founding shareholders		(285,514)	(285,674)
<b>Equity attributable to Owners of the Company before subordinated perpetual instrument</b>		<b>11,880,455</b>	<b>12,031,592</b>
Subordinated perpetual instrument	9(a)	689,668	689,668
<b>Net equity attributable to Owners of the Company after subordinated perpetual instrument</b>		<b>12,570,123</b>	<b>12,721,260</b>
Non-controlling interest		1,544	1,560
<b>Total equity</b>		<b>12,571,667</b>	<b>12,722,820</b>

  
Muhammad Jawad  
Chief Financial Officer

  
Saad Mushabab Ben Aiban  
Acting Chief Executive Officer

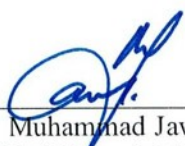
  
Saeed Mohammed AlGhamdi  
Chairman of the Board of  
Director

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

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
As at 30 September 2024

	Note	30 September 2024 SR'000 (Unaudited)	31 December 2023 SR'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	9	10,808,369	11,048,007
Provision for employees' terminal benefits		47,501	40,959
Other non-current liabilities		817,881	834,782
Zakat payable – non-current portion	13	178,357	--
<b>Total non-current liabilities</b>		<b>11,852,108</b>	<b>11,923,748</b>
<b>Current liabilities</b>			
Loans and borrowings - current portion	9	1,645,693	678,503
Trade payables and other current liabilities	10	1,225,377	1,471,941
Zakat payable	13	209,054	485,686
<b>Total current liabilities</b>		<b>3,080,124</b>	<b>2,636,130</b>
<b>Total liabilities</b>		<b>14,932,232</b>	<b>14,559,878</b>
<b>Total equity and liabilities</b>		<b>27,503,899</b>	<b>27,282,698</b>



Muhammad Jawad  
Chief Financial Officer



Saad Mushabab Ben Aiban  
Acting Chief Executive Officer



Saeed Mohammed AlGhamdi  
Chairman of the Board of  
Director

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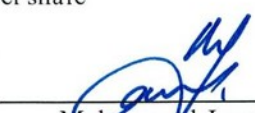


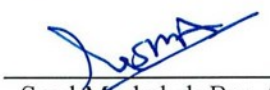
**JABAL OMAR DEVELOPMENT COMPANY**  
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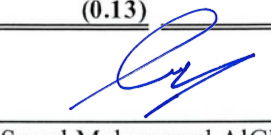
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2024

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024 SR'000	2023 SR'000	2024 SR'000	2023 SR'000
Revenue	11	256,038	234,621	1,474,010	1,006,165
Costs of revenue		(294,855)	(187,098)	(962,462)	(599,710)
<b>Gross (loss) / profit</b>		<b>(38,817)</b>	<b>47,523</b>	<b>511,548</b>	<b>406,455</b>
Selling and marketing expenses		(3,187)	(2,561)	(6,047)	(3,076)
General and administration expenses		(42,076)	(27,564)	(189,304)	(114,972)
(Charge) / reversal of allowance for expected credit losses	8	(16,070)	(2,365)	(22,892)	41,963
Other operating income		611	--	2,925	4,125
<b>Operating (loss) / profit</b>		<b>(99,539)</b>	<b>15,033</b>	<b>296,230</b>	<b>334,495</b>
Finance costs	12	(188,512)	(119,875)	(520,693)	(305,437)
Finance income	13.3	91,737	5,675	105,060	10,111
Change in fair value of financial instruments carried at fair value through profit or loss		(8,010)	--	(22,324)	(8,390)
Share of results from equity-accounted investee		692	(408)	6,214	(4,416)
Other income		--	22,000	--	22,000
Gain on disposal of asset held for sale		--	390,427	--	390,427
<b>(Loss) / profit for the period before Zakat</b>		<b>(203,632)</b>	<b>312,852</b>	<b>(135,513)</b>	<b>438,790</b>
Zakat	13	--	(7,397)	(15,800)	(201,244)
<b>(Loss) / profit for the period</b>		<b>(203,632)</b>	<b>305,455</b>	<b>(151,313)</b>	<b>237,546</b>
Other comprehensive income		--	--	--	--
<b>Total comprehensive (loss) / income for the period</b>		<b>(203,632)</b>	<b>305,455</b>	<b>(151,313)</b>	<b>237,546</b>
<i>Attributable to:</i>					
Shareholders of the Parent Company		(203,616)	305,455	(151,297)	237,546
Non-controlling interests		(16)	--	(16)	--
		<b>(203,632)</b>	<b>305,455</b>	<b>(151,313)</b>	<b>237,546</b>
<b>(Loss) / earnings per share (Saudi Riyals):</b>					
Basic and diluted (loss) / earnings per share	14	<b>(0.18)</b>	0.26	<b>(0.13)</b>	0.21

  
Muhammad Jawad  
Chief Financial Officer

  
Saad Mushabab Ben Aiban  
Acting Chief Executive Officer


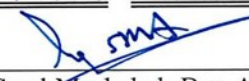

  
Saeed Mohammed AlGhamdi  
Chairman of the Board of  
Director

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

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended 30 September 2024

	Attributable to Owners of the Company									
	Share capital SR'000	Share premium SR'000	Statutory reserve SR'000	Retained earnings SR'000	Reserve for advances to certain founding shareholders SR'000	Equity attributable to Owners of the Company before subordinated perpetual instrument SR'000	Subordinated perpetual instrument SR'000	Net equity attributable to Owners of the Company after subordinated perpetual instrument SR'000	Non- controlling interests SR'000	Total Equity SR'000
Balance at 1 January 2023 (Audited)	11,545,342	627,596	108,506	--	(285,960)	11,995,484	689,668	12,685,152	1,560	12,686,712
Profit for the period	--	--	--	237,546	--	237,546	--	237,546	--	237,546
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
<i>Total comprehensive income for the period</i>	--	--	--	237,546	--	237,546	--	237,546	--	237,546
Payments received against advance to certain founding shareholders	--	--	--	--	286	286	--	286	--	286
<b>Balance at 30 September 2023 (Unaudited)</b>	<b>11,545,342</b>	<b>627,596</b>	<b>108,506</b>	<b>237,546</b>	<b>(285,674)</b>	<b>12,233,316</b>	<b>689,668</b>	<b>12,922,984</b>	<b>1,560</b>	<b>12,924,544</b>
Balance at 1 January 2024 (Audited)	11,545,342	627,596	108,506	35,822	(285,674)	12,031,592	689,668	12,721,260	1,560	12,722,820
Loss for the period	--	--	--	(151,297)	--	(151,297)	--	(151,297)	(16)	(151,313)
Other comprehensive income	--	--	--	--	--	--	--	--	--	--
<i>Total comprehensive loss for the period</i>	--	--	--	(151,297)	--	(151,297)	--	(151,297)	(16)	(151,313)
Payments received against advance to certain founding shareholders	--	--	--	--	160	160	--	160	--	160
<b>Balance at 30 September 2024 (Unaudited)</b>	<b>11,545,342</b>	<b>627,596</b>	<b>108,506</b>	<b>(115,475)</b>	<b>(285,514)</b>	<b>11,880,455</b>	<b>689,668</b>	<b>12,570,123</b>	<b>1,544</b>	<b>12,571,667</b>
	<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">               Muhammad Jawad Chief Financial Officer           </div> <div style="text-align: center;">               Saad Mushabab Ben Aiban Acting Chief Executive Officer           </div> <div style="text-align: center;">               Saeed Mohammed AlGhamdi Chairman of the Board of Director           </div> </div>									

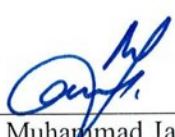
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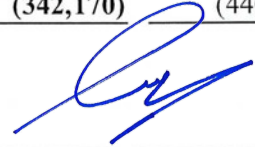
**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
For the nine-month period ended 30 September 2024

	Note	For the nine-month period ended 30 September	
		2024 SR' 000	2023 SR' 000
<b>Cash flows from operating activities</b>			
Profit for the period before Zakat		(135,513)	438,790
<u>Adjustments for:</u>			
Depreciation on property, plant and equipment	5	256,180	160,658
Depreciation on investment properties	6	11,414	17,032
Amortization of intangible assets		245	471
Impairment in property, plant and equipment		88,545	--
Provision for employees' terminal benefits		8,695	6,080
Allowance / (reversal) of expected credit loss on financial assets	8	22,892	(41,963)
Share of results from equity-accounted investee		(6,214)	4,416
Finance costs	12	520,693	305,437
Change in fair value of financial instruments carried at fair value through profit or loss		22,324	8,390
Loss / (gain) from disposal of property, plant and equipment		357	(152)
Impact of Zakat liability deferral	13.3	(84,619)	--
Other income		--	(22,000)
Gain on disposal of asset held for sale		--	(390,427)
		<u>704,999</u>	<u>486,732</u>
<u>Changes in:</u>			
Other non-current assets		1,957	1,958
Properties for development and sale		21,069	--
Other current assets		(12,683)	26,625
Trade and other receivables		36,252	(283,091)
Other non-current liabilities		(16,901)	(164,901)
Trade payables and other current liabilities		(310,778)	68,272
<b>Cash generated from operations</b>		<u>423,915</u>	<u>135,595</u>
Zakat paid		(30,200)	--
Finance costs paid		(665,732)	(316,494)
Employees' termination benefits paid		(2,153)	(460)
<b>Net cash used in operating activities</b>		<u>(274,170)</u>	<u>(181,359)</u>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	5	(186,001)	(640,052)
Purchase of intangible assets		(928)	(309)
Proceeds from disposal of property, plant and equipment		49	161
Net change in restricted cash balances		(155,290)	(321,382)
Proceeds from disposal of asset held for sale		--	521,176
<b>Net cash used in investing activities</b>		<u>(342,170)</u>	<u>(440,406)</u>

  
Muhammad Jawad  
Chief Financial Officer

  
Saad Mushabab Ben Aiban  
Acting Chief Executive Officer

  
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Chairman of the Board of  
Director

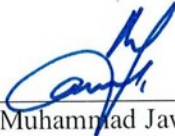
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**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)


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

For the nine-month period ended 30 September 2024

	Note	For the nine-month period ended 30 September	
		2024 SR' 000	2023 SR' 000
<b>Cash flows from financing activities</b>			
Payments received against advances to certain founding shareholders		160	286
Proceeds from loans and borrowings		977,124	646,673
Repayment of loans and borrowings		(324,800)	(97,635)
<b>Net cash generated from financing activities</b>		<b>652,484</b>	<b>549,324</b>
<b>Net change in cash and cash equivalents</b>		<b>36,144</b>	<b>(72,441)</b>
Cash and cash equivalents at beginning of the period		298,848	340,384
<b>Cash and cash equivalents at end of the period</b>	7	<b>334,992</b>	<b>267,943</b>
<b><u>Major non-cash supplemental information:</u></b>			
Capitalization of borrowing costs on property, plant and Equipment	5(a)	213,297	405,756
Capitalization of borrowing costs on investment properties	6(a)	42,617	68,113

  
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Chairman of the Board of  
Director

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

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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**1. CORPORATE INFORMATION**

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

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

These condensed consolidated interim financial statements comprise the financial statements of the Group. Subsidiaries are entities controlled by the Group. The Group is incorporated in the Kingdom of Saudi Arabia except for Jabal Omar Sukuk Company Limited which is incorporated in the Cayman Island. The Company has the following dormant subsidiaries as at 30 September 2024:

<i><b>Name of the Subsidiary</b></i>	<i><b>Registration Number</b></i>	<i><b>Registration date</b></i>	<i><b>Ownership interest</b></i>	<i><b>Financial year end</b></i>	<i><b>Principal Activities</b></i>
Sahat For Facility Management Company	4031210499	22 October 2017 corresponding to 02 Safar 1439H	100%	31 December	Real estate services
Warifat Hospitality Company	4030298569	1 January 2018 corresponding to 14 Rabi II 1439H	90%	31 December	Hospitality services
Jabal Omar Sukuk Company Limited	334209	12 March 2018 corresponding to 24 Jumada Al Thani 1439H	100%	31 December	Issuance of sukuks

The Company’s 100% owned subsidiaries: Ishrakat for Logistic services Company and Alyaat for Marketing Company were liquidated during the year ended 31 December 2023.

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

**JABAL OMAR DEVELOPMENT COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**1. CORPORATE INFORMATION (continued)**

<i>Name</i>	<i>Commencement of operation</i>	<i>Registration number</i>	<i>Registration date</i>	<i>SCTA's-letter No.</i>	<i>SCTA's-letter date</i>
Jabal Omar Hilton Suites Hotel (Hilton Suites Makkah)	01 July 2014 (corresponding to 4 Ramadan 1435H)	4031077081	25 May 2013 (corresponding to 15 Rajab 1434H)	AVM/5887/34	04 March 2013 (corresponding to 22 Rabi II 1434H)
Jabal Omar Hyatt Regency Hotel (Hyatt Regency)	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031087547	09 September 2014 (corresponding to 14 Dhul Qida 1435H)	8957	25 May 2014 (corresponding to 26 Rajab 1435H)
Jabal Omar Conrad Hotel (Conrad)	30 July 2016 (corresponding to 25 Shabaan 1437H)	4031091636	29 April 2015 (corresponding to 10 Rajab 1436H)	9347	16 March 2015 (corresponding to 25 Jumada I 1436H)
Jabal Omar Hilton Hotel (Hilton Convention)	31 March 2017 (corresponding to 3 Rajab 1438H)	4031097174	10 August 2016 (corresponding to 07 Dhul Qida 1437H)	16474	19 July 2016 (corresponding to 14 Shawwal 1437H)
Jabal Omar Doubletree by Hilton Hotel (Double Tree by Hilton)	01 August 2019 (corresponding to 29 Dhul Qida 1440H)	4031214815	15 May 2018 (corresponding to 29 Shaban 1439H)	1651	14 May 2018 (corresponding to 28 Shaban 1439H)
Jabal Omar Marriott Hotel	22 June 2015 (corresponding to 5 Ramadan 1436H)	4031085088	07 May 2014 (corresponding to 8 Rajab 1435H)	AVM/8332/35	17 March 2014 (corresponding to 16 Jumada I 1435H)
Jabal Omar Address Al Bawaba Makkah (Address) <sup>1</sup>	06 June 2023 (corresponding to 17 Dhul Qidah 1444H)	4031215100	28 May 2018 (corresponding to 9 Ramadan 1439H)	10006429	16 May 2023 (corresponding to 26 Shawwal 1444H)
Jabal Omar Jumeirah Hotel <sup>1</sup>	03 September 2023 (corresponding to 18 Safar 1445H)	4031247845	28 February 2021 (corresponding to 16 Rajab 1442H)	10002521	28 August 2023 (corresponding to 12 Safar 1445)

<sup>1</sup>Both hotels were inaugurated during the year ended 31 December 2023.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

**2.1 Statement of compliance**

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

These condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as endorsed in the KSA and should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023 ("last annual consolidated financial statements"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. In addition, results for the interim period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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

**2.2 Basis of Measurement**

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

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

**2.3 Functional and presentation currency**

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

**2.4 Going concern basis of accounting**

The condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities including the mandatory repayment terms of the banking facilities as disclosed in note 9.

As of 30 September 2024, the Group's current liabilities exceed its current assets by SR 529.8 million (31 December 2023: SR 473 million) (30 September 2023: SR 564 million). Furthermore, while the Group significantly relies on debt financing to fund the construction of properties under development that form part of its Project, however historically the operating cashflows from the Group's hotels and commercial malls have been insufficient to meet its debt servicing requirements. Accordingly, the Group has entered into different loan restructuring agreements in prior years and, further financing avenues continue to be explored on a need basis. Such financing arrangements, as well as the Group's capital expenditure and working capital requirements, necessitate the generation and availability of sufficient future cash inflows through operations and sale of properties in order to meet all financial obligations as and when they fall due. These conditions and events indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of Group's going concern assessment, management has developed a plan (the "Plan") to enable the Group to meet its obligations as and when they become due. While management is actively pursuing the Plan for the next twelve months from the reporting date, however, due to the associated material uncertainties, the Group's ability to continue as a going concern is dependent on the successful execution of the Plan.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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

**2.4 Going concern basis of accounting (continued)**

This Plan principally includes:

- 1) To sell certain plots of undeveloped land and generate aggregate cash inflows amounting to SR 3.6 billion. In this respect, during the prior year ended 31 December 2023, the Board of Directors approved the sale of certain plots of land situated in phase 5 and 6 of the Project. Pursuant to this, during the nine months period ended 30 September 2024, the Group has received a non-binding offer for one such plot of land which has been approved by the Board of Directors and the corresponding sale is expected to be executed in due course. Moreover, the Group has appointed bidding agents for the sale of other plots of land. As at the reporting date, the foregoing plots of land meet the criteria for being classified as asset held for sale under IFRS 5 and have been presented as such at the reporting date.
- 2) To fully operationalize hotels that were inaugurated during 2023 (note 1), which are expected to increase the operating revenue and cashflows of the Group. During the period ended 30 September 2024, two new hotels, Jabal Omar Address Al Bawaba Makkah and Jabal Omar Jumeirah Hotel have been fully commissioned and management expects to generate incremental revenues therefrom.
- 3) To enter into new lending arrangements to meet the Group's financing requirements. During the period ended 30 September 2024, the Group has entered into Murabaha facility arrangement of SR 1.9 billion with a local bank comprising of both revolving and long-term financing facilities secured against two properties in phase 6 of the Project.

Based on the foregoing, the Group's cash flow forecast for the 12-month period from the reporting date indicates a net positive position. Accordingly, management believes that the Group continues to be going concern and therefore these condensed consolidated interim financial statements have been prepared on that basis.

**2.5 Significant accounting judgments, estimates and assumptions**

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**3. CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

The accounting policies and methods of calculation adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's last annual consolidated financial statements, except for the adoption of new standards given below effective from 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**3.1 Amendments to standards and standards issued and standards issued but not yet effective**

**Amendments to Standards**

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

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><u>Effective from periods beginning after the following date</u></b>
IAS 1	Classification of liabilities as current or non-current - Amendments to IAS 1	1 January 2024
IAS 1	Non-current liabilities with covenants - Amendments to IAS 1	1 January 2024
IFRS 16	Lease Liability in a Sales and Leaseback - Amendments to IFRS 16	1 January 2024
IAS 7 and IFRS 7	Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

Following are the new IFRS sustainability disclosure standards effective for annual periods beginning on or after 1 January 2024 subject to endorsement of the standards by SOCPA.

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><u>Effective from periods beginning after the following date</u></b>
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2	Climate-related Disclosures	1 January 2024

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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

**3.1 Amendments to standards and standards issued and standards issued but not yet effective (continued)**

**Standards and Amendments Issued but Not Yet Effective**

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

<b><u>Standard / Interpretation</u></b>	<b><u>Description</u></b>	<b><u>Effective from periods beginning after the following date</u></b>
IAS 21	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

**4. BASIS OF CONSOLIDATION**

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

**JABAL OMAR DEVELOPMENT COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

**5. PROPERTY, PLANT AND EQUIPMENT**

	<u>Lands</u> SR' 000	<u>Buildings</u> SR' 000	<u>Central District Cooling System</u> SR' 000	<u>Equipment</u> SR' 000	<u>Furniture and fixtures and other assets</u> SR' 000	<u>Infra- structure assets</u> SR' 000	<u>Capital work in progress</u> SR' 000	<u>Total</u> SR' 000
<b>Cost:</b>								
Balance at 1 January 2023 (Audited)	2,887,794	4,207,847	1,019,022	1,971,810	492,011	429,057	10,390,950	21,398,491
Additions during the period	--	39	--	692	4,520	--	1,401,722	1,406,973
Disposals during the period	--	--	--	--	(466)	--	--	(466)
Transfer to assets held for sale	(377,842)	--	--	--	--	--	(545,514)	(923,356)
Transfer to properties for development and sale	--	--	--	--	--	--	(6,845)	(6,845)
Transfer from investment properties (note 6)	--	394,237	--	188,961	--	38,371	1,083,282	1,704,851
<b>Balance at 30 September 2023 (Unaudited)</b>	<b>2,509,952</b>	<b>4,602,123</b>	<b>1,019,022</b>	<b>2,161,463</b>	<b>496,065</b>	<b>467,428</b>	<b>12,323,595</b>	<b>23,579,648</b>
Additions during the period	--	--	18,861	--	1,639	--	83,947	104,447
Transfers, net (note 5 (b))	--	3,244,879	--	1,440,543	453,337	--	(5,138,759)	--
<b>Balance at 31 December 2023 (Audited)</b>	<b>2,509,952</b>	<b>7,847,002</b>	<b>1,037,883</b>	<b>3,602,006</b>	<b>951,041</b>	<b>467,428</b>	<b>7,268,783</b>	<b>23,684,095</b>
Additions during the period	--	--	--	2,443	8,247	--	388,609	399,299
Disposals during the period	--	--	--	--	(1,688)	--	--	(1,688)
Transfers, net (note 5 (b))	--	939,358	--	417,022	131,236	--	(1,487,616)	--
Transfer to assets held for sale	(125,906)	--	--	--	--	--	(130,028)	(255,934)
<b>Balance at 30 September 2024 (Unaudited)</b>	<b>2,384,046</b>	<b>8,786,360</b>	<b>1,037,883</b>	<b>4,021,471</b>	<b>1,088,836</b>	<b>467,428</b>	<b>6,039,748</b>	<b>23,825,772</b>

**JABAL OMAR DEVELOPMENT COMPANY**

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<u>Lands</u> SR' 000	<u>Buildings</u> SR' 000	<u>Central District Cooling System</u> SR' 000	<u>Equipment</u> SR' 000	<u>Furniture and fixtures and other assets</u> SR' 000	<u>Infra- structure assets</u> SR' 000	<u>Capital work in progress</u> SR' 000	<u>Total</u> SR' 000
<b>Accumulated depreciation and impairment losses:</b>								
Balance at 1 January 2023 (Audited)	--	434,795	187,908	443,681	264,175	62,359	504,034	1,896,952
Depreciation for the period	--	36,410	25,670	61,181	31,189	6,208	--	160,658
Disposals during the period	--	--	--	--	(457)	--	--	(457)
Transfers to investment properties (note 6)	--	31,581	--	57,936	--	7,518	--	97,035
<b>Balance at 30 September 2023 (Unaudited)</b>	--	<b>502,786</b>	<b>213,578</b>	<b>562,798</b>	<b>294,907</b>	<b>76,085</b>	<b>504,034</b>	<b>2,154,188</b>
Impairment / transfers, net (note 5 (c))	--	(7,294)	--	(1,357)	(349)	--	80,166	71,166
Depreciation for the period	--	29,621	9,186	35,563	25,524	2,215	--	102,109
<b>Balance at 31 December 2023 (Audited)</b>	--	<b>525,113</b>	<b>222,764</b>	<b>597,004</b>	<b>320,082</b>	<b>78,300</b>	<b>584,200</b>	<b>2,327,463</b>
Impairment / transfers, net (note 5 (c))	--	212,463	--	125,286	28,953	(8,553)	(269,604)	88,545
Depreciation for the period	--	67,581	27,048	88,090	66,815	6,646	--	256,180
Disposals during the period	--	--	--	--	(1,283)	--	--	(1,283)
<b>Balance at 30 September 2024 (Unaudited)</b>	--	<b>805,157</b>	<b>249,812</b>	<b>810,380</b>	<b>414,567</b>	<b>76,393</b>	<b>314,596</b>	<b>2,670,905</b>
 <b>At 30 September 2024 (Unaudited)</b>	 <b>2,384,046</b>	 <b>7,981,203</b>	 <b>788,071</b>	 <b>3,211,091</b>	 <b>674,269</b>	 <b>391,035</b>	 <b>5,725,152</b>	 <b>21,154,867</b>
At 31 December 2023 (Audited)	2,509,952	7,321,889	815,119	3,005,002	630,959	389,128	6,684,583	21,356,632
At 30 September 2023 (Unaudited)	1,964,438	4,099,337	805,444	1,598,665	201,158	391,343	12,365,075	21,425,460



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

- a) During the nine months period ended 30 September 2024, an amount of SR 213.3 million (31 December 2023: SR 523.9 million) (30 September 2023: SR 405.8 million) was capitalized as borrowing cost for the construction of property plant and equipment included in capital work in progress. Further, the capitalization rate used to determine the amount of borrowing cost to be capitalized is the weighted average (general borrowing) interest rate applicable to the Group during the period of 8.4% per annum (31 December 2023: 7.9% per annum) (30 September 2023: 8.15% per annum)
- b) These represent transfers between capital work in progress and other components of property, plant and equipment based on commissioning of new properties.
- c) Due to the matters set out in note 2.4, the management had identified the existence of indicators of impairment and has carried out an impairment testing exercise for its properties held as part of property, plant and equipment and investment properties, in current as well as in prior periods. As part of this assessment, management has engaged valuation experts accredited by the Saudi Authority for Accredited Valuers (TAQEEM) for the determination of the value in use and fair value less cost to disposal ("fair values") of the relevant CGUs to which its properties correspond. Management has considered such fair values and value-in-use for assessing the recoverable amounts of the properties which have then been compared with the respective carrying amounts of the CGUs (represented by different zones in case of fair value less cost to disposal and in case of value in use, hotels and commercial centers). In the determination of fair values, management has taken into account a market participant's ability to generate economic benefits by using the properties in their highest and best use or by selling it to another market participant that would use the properties in its highest and best use'. Such highest and best use assessment considers possible uses of the properties that are physically possible, legally permissible and financially feasible. Moreover, any costs ancillary to or associated with the possible uses are also estimated and considered in the valuation assessment.

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

The fair value measurement for all of the property, plant and equipment has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

S.No.	CGU description	Carrying amount, net 30 September 2024 SR'000	Accumulated impairment 30 September 2024 SR'000	Valuation approach	Key assumption
1	Operating hotel and commercial center <sup>1</sup>	7,797,063	634,603	<b>Market approach -</b> Recoverable amount based on immediate sale of lands under fair value less cost of disposal method.	<ul style="list-style-type: none"> <li>• Relevant comparable transactions</li> <li>• Adjustments applied and weightages allocated to comparable transaction.</li> <li>• Overall market situation and growth</li> </ul>
2	Operating hotel	3,632,109	225,088	<b>Income Approach -</b> Recoverable amount based on income approach Discounted Cash Flow model (DCF).	<ul style="list-style-type: none"> <li>• Demolition Cost</li> <li>• Discount rate</li> <li>• Average occupancy rate</li> <li>• Average daily rate</li> <li>• Budgeted EBITDA</li> <li>• Cost to complete</li> <li>• Commercial lease rate per square meter</li> <li>• Growth rate of cashflows including terminal growth rate</li> </ul>

<sup>1</sup>This includes certain hotel and commercial center currently under construction/development.

<u>Valuation approach</u>	<u>Input/assumption description</u>	<u>Value</u>	<u>Sensitivity</u>
Market approach	Demolition cost rate per square meter (in SR)	130	+/- 0.5%
	Relevant comparable transactions (actual transactions) *	SR 170,000 per square meter to SR 323,000 per square meter	N/A
	Adjustments applied to comparable transaction	Various adjustments applied based on the similarity / dissimilarity of the subject property with the comparable	+/- 5%
Income approach	Discount rate *	8.11%	+/- 1%
	Average occupancy rate *	35% - 91.7%	+/- 1%
	Average daily rate (in SR) *	642 – 3,003	+/- 5%
	EBITDA *	44% - 54%	+/- 1%
	Commercial lease rate per square meter (in SR)	39,546 - 147,658	+/- 1%
	Growth rate of cashflows and land value at disposal	2%	+/- 1%
	Overall market situation and growth	0 - 15%	+/- 5%

\*Represents sensitive assumptions

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

**6. INVESTMENT PROPERTIES**

	<u>Land</u> SR' 000	<u>Buildings</u> SR' 000	<u>Equipment</u> SR' 000	<u>Infrastructure</u> <u>assets</u> SR' 000	<u>Capital work</u> <u>in progress</u> SR' 000	<u>Total</u> SR' 000
<b>Cost:</b>						
Balance at 1 January 2023 (Audited)	1,339,673	879,983	370,336	92,335	2,556,016	5,238,343
Transfer to property, plant and equipment (note 5)	--	(394,237)	(188,961)	(38,371)	(1,083,282)	(1,704,851)
Additions during the period	--	--	--	--	68,113	68,113
Balance at 30 September 2023 (Unaudited)	<b>1,339,673</b>	<b>485,746</b>	<b>181,375</b>	<b>53,964</b>	<b>1,540,847</b>	<b>3,601,605</b>
Additions during the period	--	--	--	--	20,330	20,330
Balance at 31 December 2023 (Audited)	<b>1,339,673</b>	<b>485,746</b>	<b>181,375</b>	<b>53,964</b>	<b>1,561,177</b>	<b>3,621,935</b>
Additions during the period	--	--	--	--	42,617	42,617
Transfers, net (note 6(b))	--	388,889	198,567	--	(587,456)	--
<b>Balance at 30 September 2024 (Unaudited)</b>	<b>1,339,673</b>	<b>874,635</b>	<b>379,942</b>	<b>53,964</b>	<b>1,016,338</b>	<b>3,664,552</b>
<b>Accumulated depreciation:</b>						
Balance at 1 January 2023 (Audited)	--	60,578	107,975	21,949	--	190,502
Transfer to property, plant and equipment (note 5)	--	(31,581)	(57,936)	(7,518)	--	(97,035)
Depreciation for the period	--	6,366	9,441	1,225	--	17,032
Balance at 30 September 2023 (Unaudited)	--	<b>35,363</b>	<b>59,480</b>	<b>15,656</b>	--	<b>110,499</b>
Depreciation for the period	--	1,422	1,965	262	--	3,649
Balance at 31 December 2023 (Audited)	--	<b>36,785</b>	<b>61,445</b>	<b>15,918</b>	--	<b>114,148</b>
Depreciation for the period	--	4,450	6,178	786	--	11,414
<b>Balance at 30 September 2024 (Unaudited)</b>	--	<b>41,235</b>	<b>67,623</b>	<b>16,704</b>	--	<b>125,562</b>
<b>Net book value:</b>						
<b>At 30 September 2024 (Unaudited)</b>	<b>1,339,673</b>	<b>833,400</b>	<b>312,319</b>	<b>37,260</b>	<b>1,016,338</b>	<b>3,538,990</b>
At 31 December 2023 (Audited)	1,339,673	448,961	119,930	38,046	1,561,177	3,507,787
At 30 September 2023 (Unaudited)	1,339,673	450,383	121,895	38,308	1,540,847	3,491,106

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**6. INVESTMENT PROPERTIES (continued)**

- a) During nine-month period ended 30 September 2024 SR 42.6 million (31 December 2023: SR 88.4 million) (30 September 2023: SR 68.1 million) was capitalized as borrowing costs due to construction of investment properties included in capital work in progress. Furthermore, the capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average (general borrowing) interest rate applicable to the Group during the period of 8.4% per annum (31 December 2023: 7.9% per annum) (30 September 2023: 8.15% per annum).
- b) These represent transfers between capital work in progress and other components of investment properties based on commissioning of new properties.
- c) Refer note 5 for key assumptions and information about fair value measurement of investment properties using significant unobservable input.

**7. CASH AND CASH EQUIVALENTS**

	<b>30 September 2024 (Unaudited) SR'000</b>	<b>31 December 2023 (Audited) SR'000</b>	<b>30 September 2023 (Unaudited) SR'000</b>
Cash on hand	340	1,545	1,406
Cash at banks	457,175	593,899	495,372
Term deposits less than three months (see note (a) below)	439,313	109,950	681,425
	<b>896,828</b>	<b>705,394</b>	<b>1,178,203</b>
Less: Restricted cash – non-current (see note (a) below)	<b>(109,950)</b>	<b>(109,950)</b>	<b>(165,417)</b>
Less: Restricted cash – current (see note (a) below)	<b>(451,886)</b>	<b>(296,596)</b>	<b>(744,843)</b>
	<b>334,992</b>	<b>298,848</b>	<b>267,943</b>

- a) These represent deposit placed in Murabaha deposits with commercial banks having original maturity of three months or less and yielding profit at prevailing market rate. Further, these Murabaha deposits are restricted under reserve accounts as per the agreements under corresponding arrangements with commercial banks.
- b) The cash is held in accounts with banks having sound credit ratings.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**8. TRADE AND OTHER RECEIVABLES**

	<b>30 September 2024 (Unaudited) SR'000</b>	<b>31 December 2023 (Audited) SR'000</b>	<b>30 September 2023 (Unaudited) SR'000</b>
Receivables from contract with customers	92,289	26,874	45,179
Receivables from rental arrangements	118,256	106,061	122,360
Contract assets	15,188	24,683	2,798
Advances to suppliers	27,148	75,538	82,983
Other receivables	99,226	156,848	117,134
	<b>352,107</b>	<b>390,004</b>	<b>370,454</b>
Less: Allowance for expected credit losses (note 8.1)	<b>(68,643)</b>	<b>(47,396)</b>	<b>(56,057)</b>
	<b>283,464</b>	<b>342,608</b>	<b>314,397</b>

The Group's trade receivables are concentrated in the Kingdom of Saudi Arabia. As at 30 September 2024, five largest customers accounted for 35% (31 December 2023: 58%) (30 September 2023: 63%) of the outstanding trade receivables. Due to short-term nature of the trade receivables, their carrying amounts are considered to approximate their fair values.

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

	<b>30 September 2024 (Unaudited) SR'000</b>	<b>31 December 2023 (Audited) SR'000</b>	<b>30 September 2023 (Unaudited) SR'000</b>
Opening balance	47,396	99,801	99,801
Charge / (reversal) for the period / year	22,892	(47,790)	(41,963)
Write offs	(1,645)	(4,615)	(1,781)
Closing balance	<b>68,643</b>	<b>47,396</b>	<b>56,057</b>

**9. LOANS AND BORROWINGS**

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

	<b>30 September 2024 (Unaudited) SR'000</b>	<b>31 December 2023 (Audited) SR'000</b>	<b>30 September 2023 (Unaudited) SR'000</b>
Loans and borrowings	12,100,091	11,433,470	11,588,202
Accrued commission	400,262	345,238	366,917
Less: Deferred financial charges	(46,291)	(52,198)	(52,512)
	<b>12,454,062</b>	<b>11,726,510</b>	<b>11,902,607</b>
Current portion	(1,645,693)	(678,503)	(702,759)
Non-current portion	<b>10,808,369</b>	<b>11,048,007</b>	<b>11,199,848</b>



# JABAL OMAR DEVELOPMENT COMPANY

(A Saudi Joint Stock Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine-month period ended 30 September 2024

### 9. LOANS AND BORROWINGS (continued)

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

<u>30 September 2024</u>	<u>Non-current portion*</u>	<u>Current portion*</u>	<u>Facility limit SR '000</u>	<u>Last restructuring date</u>	<u>Repayment period</u>	<u>Repayment term</u>	<u>Collateral</u>	<u>Carrying amount of the Collateral SR '000</u>
<b>Secured bank loans</b>								
Government loan (note (a))	1,602,572	--	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,451,474
Syndicate loan (note (b))	5,844,030	260,150	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	8,323,016
Facility from a local bank (note (c))	643,000	154,646	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	1,326,000	207,595	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,839,872
Facility from a local bank (note (f))	--	893,293	1,900,000	--	Earlier of sale of collateral assets or 24-Jan-26	Bullet payment	Refer note (f)	757,811
<b>Unsecured bank loans</b>								
Facility from a local bank (note (e))	1,439,058	130,009		--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	10,854,660	1,645,693						
Less: Deferred financial charges	(46,291)	--						
	10,808,369	1,645,693						
<u>31 December 2023</u>	<u>Non-current portion*</u>	<u>Current portion*</u>	<u>Facility limit SR '000</u>	<u>Last restructuring date</u>	<u>Repayment period</u>	<u>Repayment term</u>	<u>Collateral</u>	<u>Carrying amount of the Collateral SR '000</u>
<b>Secured bank loans</b>								
Government loan (note (a))	1,500,057	--	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,451,474
Syndicate loan (note (b))	5,891,811	225,988	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	8,323,016
Facility from a local bank (note (c))	785,800	176,234	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	1,463,000	216,077	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,839,872
<b>Unsecured bank loans</b>								
Facility from a local bank (note (e))	1,451,361	68,380	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
	11,092,029	686,679						
Less: Deferred financial charges	(44,022)	(8,176)						
	11,048,007	678,503						

\*these balances include accrued commission

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**9. LOANS AND BORROWINGS (continued)**

<u>30 September 2023</u>	<u>Non-current portion*</u>	<u>Current portion*</u>	<u>Facility limit</u>	<u>Last restructuring date</u>	<u>Repayment period</u>	<u>Repayment term</u>	<u>Collateral</u>	<u>Carrying amount of the Collateral</u>
			<i>SR '000</i>					<i>SR '000</i>
<i><b>Secured bank loans</b></i>								
Government loan (note (a))	1,492,102	-	1,500,057	14-Nov-21	31-Mar-31	Bullet payment	Refer note (a)	6,451,474
Syndicate loan (note (b))	6,079,827	-	5,898,890	23-Oct-21	31-Dec-24 to 30-Sep-30	Quarterly	Refer note (b)	8,323,016
Facility from a local bank (note (c))	785,800	156,766	1,000,000	--	23-Jan-23 to 27-Jan-30	Semi-Annual	Refer note (c)	304,139
Facility from a local bank (note (d))	1,463,000	247,342	1,600,000	28-Aug-22	28-Feb-24 to 28-Aug-27	Semi-Annual	Refer note (d)	1,839,872
<i><b>Unsecured bank loans</b></i>								
Facility from a local bank (note (e))	1,423,570	11,623	1,600,000	--	3-Nov-24 to 3-May-36	Semi-Annual	--	--
Facility from a local bank (note (g))	--	31,275	200,000	--	5-Oct-23	Semi-Annual	--	--
Subordinated Sukuk (note (h))	--	263,814	506,200	--	15-Nov-23	Bullet payment	--	--
	11,244,299	710,820						
Less: Deferred financial charges	(44,451)	(8,061)						
	<u>11,199,848</u>	<u>702,759</u>						

*\*these balances include accrued commission*

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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**9. LOANS AND BORROWINGS (continued)**

- a) During 2021, the Group entered into a loan restructuring agreement with MoF that involved significant modifications of the loan terms, including waiver of the accrued commission, capitalization of commission for certain period before commencing repayments, revision in commission rates and conversion of SR 1.5 billion of the total existing loan amount into a new unsecured Shariah-compliant subordinated perpetual instrument ("Perpetual instrument"), and maturity extension of the remaining secured SR 1.5 billion to 31 March 2031, with bullet payment ("Bullet Loan").

The SR 1.5 billion Perpetual instrument includes the following main features:

1. Waiver of the entire accrued and unpaid profit amounting to SR 457 million.
2. The Perpetual instrument do not carry a contractual maturity nor does the government entity hold a contractual right to redemption or repayment in the ordinary course of Group's business.

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

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

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

The Group has pledged its properties in phase 3 and certain plots of land in phase 7 to the lender as mortgage against the loan. There are no financial debt covenants related to the facility.

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

The above facility contains certain financial covenants; however, the Group is in compliance with these covenants as at 30 September 2024.

- c) The Group has pledged certain plots of land in phase 7 to the lender as mortgage against the loan. The above facility contains certain financial covenants; however, the Group is in compliance with these covenants as at 30 September 2024.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**9. LOANS AND BORROWINGS (continued)**

- d) During the year ended 31 December 2022, the Group has restructured its facilities with a local bank amounting to SR 1,000 million and SR 600 million, respectively, and pursuant to this restructuring, the Group entered into a new facility agreement amounting to SR 1,600 million through modification of the previously obtained facilities. The Group recognized modification losses amounting to SR 79.2 million, as a result of facilities rescheduled during the year ended 31 December 2022.

The Group has pledged one property in phase 1 to the lender as mortgage against the loan.

The above facility contains certain financial covenants; however, the Group is in compliance with these covenants as at 30 September 2024.

- e) This loan is secured against the guarantee provided by the Government to the lender. There are no financial debt covenants related to the facility.
- f) During the period ended 30 September 2024, the Group has entered into Murabaha facility arrangement of SR 1.9 billion with a local bank comprising of both revolving and long-term financing facilities secured against two properties in phase 6 as mortgage against the loan. This loan is secured against the guarantee provided by the Government to the lender. There are no financial debt covenants related to the facility. While the facility is repayable at the earlier of sale of collateralized properties or 24 January 2026, however, as of the reporting date none of the collateralized properties have been sold by the Group.
- g) This represents unsecured long term loan facility agreement with a local bank. Loan was repaid on 5 October 2023.
- h) This represents a sharia compliant unsecured and subordinated private Sukuk with a maturity date of 15 November 2023. The sukuks were issued under wholly owned subsidiary 'Jabal Omar Sukuk Company Limited' in United States Dollars.

**10. TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

This includes balance owed by the Company to contractors, certain due to related party balances (note 15) and other accruals. Moreover, this also includes an amount of SR 309.6 million payable to Makkah Construction and Development Company which has been approved by the Board of Directors of the Company to be settled via a debt-to-equity swap transaction (note 14.2). As of the reporting date, the debt-to-equity swap is subject to the approval of shareholders.

**11. REVENUE**

	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>SR'000</b>	<b>SR'000</b>
Revenue from contract with customers	<b>1,355,467</b>	919,948
Revenue from rental income	<b>118,543</b>	86,217
	<b><u>1,474,010</u></b>	<b><u>1,006,165</u></b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

**11. REVENUE (continued)**

**11.1 Disaggregation of revenue**

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

<b>For the nine-month period ended 30 September (Unaudited)</b>								
	<u>Operating Hotels</u>		<u>Commercial centers</u>		<u>Properties for development and sale</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000	SR'000
<b><u>Revenue from contract with customers:</u></b>								
Sale of properties for development and sale	--	--	--	--	113,646	45,724	113,646	45,724
Hotel operations	1,241,821	874,224	--	--	--	--	1,241,821	874,224
<b><u>Revenue from rental income:</u></b>								
Lease of commercial center shops	--	--	118,543	86,217	--	--	118,543	86,217
	<u>1,241,821</u>	<u>874,224</u>	<u>118,543</u>	<u>86,217</u>	<u>113,646</u>	<u>45,724</u>	<u>1,474,010</u>	<u>1,006,165</u>
<b><u>Timing of revenue recognition:</u></b>								
Point-in-time	217,911	193,225	--	--	104,384	--	322,295	193,225
Over time	1,023,910	680,999	118,543	86,217	9,262	45,724	1,151,715	812,940
<b>Total revenue</b>	<u>1,241,821</u>	<u>874,224</u>	<u>118,543</u>	<u>86,217</u>	<u>113,646</u>	<u>45,724</u>	<u>1,474,010</u>	<u>1,006,165</u>

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



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**12. FINANCE COSTS**

	<b>For the nine-month period ended 30 September</b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>SR'000</b>	<b>SR'000</b>
Finance cost on leasing arrangement and other non-current liabilities	<b>32,817</b>	28,575
Finance cost on loan arrangements	<b>487,876</b>	276,862
	<b><u>520,693</u></b>	<u>305,437</u>

**13. ZAKAT**

During nine-month period ended 30 September 2024, the Group has recorded Zakat charge of SR 15.8 million for the current period (30 September 2023: SR 193.8 million).

**Status of assessments**

- 13.1 The Group has filed Zakat returns for all years up to and including 31 December 2023. Zakat assessments have been finalized with Zakat, Tax and Customs Authority ("ZATCA") for all years up to 31 December 2018.
- 13.2 During the period ended 30 September 2024, ZATCA issued new Zakat regulations through Ministerial Resolution No. 1007, dated 29 February 2024. These regulations became effective from 1 January 2024 and provided Zakat payers the option to apply the new rules to financial years prior to 1 January 2024, subject to ZATCA's approval. Accordingly, the Company has chosen to adopt the new Zakat regulations and has submitted a corresponding application to ZATCA, along with revised returns for the years 2019 to 2022, which have been accepted by ZATCA. Subsequent to the foregoing, all previous assessments and decisions by ZATCA's various committees, including the Settlement Committee, have been rescinded for the years for which revised returns were filed under the new regulations, however, these resubmissions remain open for assessment in future.
- 13.3 During the nine-month period ended 30 September 2024, ZATCA approved a payment plan in relation to a previously concluded assessment whereby ZATCA had raised an additional Zakat liability of SR 354 million to the Group in prior year. As per the foregoing payment plan, the additional Zakat liability is payable in quarterly installments commencing from September 2024 and ending in June 2033. The Group has recorded a modification gain of SR 85 million in respect of the revised present value of the Zakat obligation based on the approved payment plan (recognized under finance income).

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**14. EARNINGS PER SHARE**

Basic earnings per share for the nine-month period ended 30 September 2024 and 30 September 2023, have been computed by dividing the profit for the period attributable to the shareholders of the Parent Company by weighted average the number of shares outstanding during such year. As there are no dilutive shares outstanding, basic and diluted losses per share are identical.

	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>SR'000</b>	<b>SR'000</b>
(Loss) / profit for the period attributable to shareholders of the Parent Company	<b>(151,297)</b>	237,546
Weighted average number of outstanding shares (number in thousand)	<b>1,154,534</b>	1,154,534
Earnings / (loss) per share (Saudi Riyals) - Basic and diluted	<b>(0.13)</b>	0.21

**14.1 Weighted-average number of shares**

	<b>For the nine-month period ended 30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>SR'000</b>	<b>SR'000</b>
<i>In thousand of shares</i>		
Issued shares at 1 January	<b>1,154,534</b>	1,154,534
Weighted-average number of shares at 30 September	<b>1,154,534</b>	1,154,534

14.2 During the nine-month period ended 30 September 2024, the Board of Directors of the Company have approved to enter into a debt-to-equity swap transaction for conversion of certain amounts owed by the Company to Makkah Construction and Development Company and Central District Cooling Company, amounting in aggregate to SR 547.5 million, that will result in the issuance of new shares in the Company to the respective counterparties upon completion. Such issuance of new shares without any change in other elements of the EPS calculation, is expected to result in a dilution of the earnings per share, impact of which cannot be determined reliably as of the current reporting date due to proposed mechanism of the planned swap. As of the reporting date, the debt-to-equity swap is subject to the approval of shareholders.

**15. RELATED PARTIES TRANSACTIONS AND BALANCES**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**15. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

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

<u>Related party</u>	<u>Relationship</u>
Central District Cooling Company ("CDCC")	Joint venture
Key management personnel	Responsible for planning, directing, and controlling the activities of the entity

In addition to related party transactions disclosed in notes to these condensed consolidated interim financial statements, significant transactions with related parties in the ordinary course of business included in the condensed consolidated interim financial statements for the period ended 30 September and balances arising there from are summarized below:

<u>Related party</u>	<u>Nature of transaction</u>	<b>For the nine-month period ended 30 September</b>	
		<b><u>2024</u></b> <b>(Unaudited)</b> <b>SR'000</b>	<b><u>2023</u></b> <b>(Unaudited)</b> <b>SR'000</b>
Central District Cooling Company	Cooling charges	<b>19,904</b>	56,791
	Concession payable related finance charges	<b>32,817</b>	28,575
	Rental income	<b>3,042</b>	3,042

Balances arising from transactions with related parties are as follows:

<u>Related party</u>	<u>Nature</u>	<b>For the nine-month period ended 30 September 2024</b>	<b>For the year ended 31 December 2023</b>
		<b>(Unaudited)</b> <b>SR'000</b>	<b>(Audited)</b> <b>SR'000</b>
Central District Cooling Company	Other non-current liabilities	<b>718,414</b>	734,412
	Other non-current assets	<b>14,552</b>	16,509
	Trade and other receivables	<b>35,220</b>	27,763
	Trade payable and other current liabilities*	<b>303,722</b>	259,848

\*The Board of Directors of the Company have resolved to settle the amount payable to CDCC amounting to SR 237.9 million by way of debt-to-equity swap transaction (note 14.2). As of the reporting date, the debt-to-equity swap is subject to the approval of shareholders.

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**15. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

<u>Description</u>	<u>Nature of transaction</u>	<u>For the nine-month period ended 30 September</u>	
		<u>2024</u> SR'000	<u>2023</u> SR'000
Board of Directors	- Meeting attendance fee	1,736	1,244
Key Management Personnel	- Short term employee benefits	6,144	7,300
	- Post-employment benefits	258	112

**16. SEGMENT REPORTING**

**Basis for segmentation**

The Group has the following three strategic divisions which are its reportable operating segments. These divisions offer different products and/or services and are managed separately as they require different operational and marketing strategies. The Group's Chairman and Group Chief Executive Officer (CEO) monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group. The following summary describes the operations of each reportable segment.

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

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

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

<u>Particulars</u>	<u>As at 30 September 2024 (Unaudited)</u>					
	<u>Operating hotels</u> SR'000	<u>Commercial centers</u> SR'000	<u>Properties for development and sale</u> SR'000	<u>Total for reportable segments</u> SR'000	<u>Other unallocated amounts</u> SR'000	<u>Consolidated total</u> SR'000
Property, plant and equipment	21,122,500	23,559	--	21,146,059	8,808	21,154,867
Investment properties	--	3,538,990	--	3,538,990	--	3,538,990
Asset held for sale	--	--	--	--	1,179,290	1,179,290
Other non-current assets (total)	--	--	--	--	259,740	259,740
Other current assets (total)	439,463	47,619	22,311	509,393	861,619	1,371,012
<b>Segment assets</b>	<b>21,561,963</b>	<b>3,610,168</b>	<b>22,311</b>	<b>25,194,442</b>	<b>2,309,457</b>	<b>27,503,899</b>
<b>Segment liabilities</b>	<b>558,958</b>	<b>21,367</b>	<b>44,385</b>	<b>624,710</b>	<b>14,307,522</b>	<b>14,932,232</b>

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**16. SEGMENT REPORTING (continued)**

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

	<b>Operating hotels SR'000</b>	<b>Commercial centers SR'000</b>	<b>Properties for development and sale SR'000</b>	<b>Total for reportable segments SR'000</b>	<b>Other unallocated amounts SR'000</b>	<b>Consolidated total SR'000</b>
Revenue – external customers	1,241,821	118,543	113,646	1,474,010	--	1,474,010
Cost of revenue	(876,233)	(58,666)	(27,563)	(962,462)	--	(962,462)
Segment profit / (loss)	280,127	171,960	86,459	538,546	(689,859)	(151,313)

The following table represent the segment information for the year ended 31 December 2023:

	As at 31 December 2023 (Audited)					
<b>Particulars</b>	<b>Operating hotels SR'000</b>	<b>Commercial centers SR'000</b>	<b>Properties for development and sale SR'000</b>	<b>Total for reportable segments SR'000</b>	<b>Other unallocated amounts SR'000</b>	<b>Consolidated total SR'000</b>
Property, plant and equipment	21,224,600	45,161	--	21,269,761	86,871	21,356,632
Investment properties	--	3,507,787	--	3,507,787	--	3,507,787
Asset held for sale	--	--	--	--	923,356	923,356
Other non current assets (total)	257	--	--	257	254,543	254,800
Other current assets (total)	446,235	43,487	17,806	507,528	732,595	1,240,123
Segment assets	21,671,092	3,596,435	17,806	25,285,333	1,997,365	27,282,698
Segment liabilities	216,856	27,483	170,965	415,304	14,144,574	14,559,878

The condensed consolidated statement of profit or loss and other comprehensive income items for the nine-month period ended 30 September 2023 (unaudited):

	<b>Operating hotels SR'000</b>	<b>Commercial centers SR'000</b>	<b>Properties for development and sale SR'000</b>	<b>Total for reportable segments SR'000</b>	<b>Other unallocated amounts SR'000</b>	<b>Consolidated total SR'000</b>
Revenue – external customers	874,224	86,217	45,724	1,006,165	--	1,006,165
Cost of revenue	(560,436)	(26,391)	(12,883)	(599,710)	--	(599,710)
Segment profit / (loss)	694,632	60,985	42,956	798,573	(561,027)	237,546

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

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**17. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**17.1 Accounting classification and fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the condensed consolidated interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. As at 30 September 2024 and 31 December 2023, the fair values of the Group's financial instruments that are not carried at fair value are estimated to approximate their carrying values.

**Fair value hierarchy**

As at 30 September 2024 and 31 December 2023, financial investments at fair value through profit or loss are classified under level 3 of the hierarchy.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the nine-month period ended 30 September 2024

**18. COMMITMENTS AND CONTINGENCIES**

- a) As at 30 September 2024, the outstanding capital commitments in respect of development of the Project amounted to SR 2,293 million (31 December 2023: SR 2,533 million).
- b) Zakat and tax related contingencies (note 13).
- c) As at 30 September 2024, the contingencies against banks' letter of guarantees issued on behalf of the Group amounted to SR 50 million (31 December 2023: SR 50 million).

**19. RECLASSIFICATION IN PRIOR PERIOD**

During the period ended 30 September 2024, the Group reclassified certain comparative amounts to conform to the current period classification. The table below summarizes the impacts on the Group's condensed consolidated interim financial statements:

*Condensed consolidated statement of financial position:*

<b><u>As at 31 December 2023</u></b>	<b><u>Note</u></b>	<b><u>Impact of reclassification</u></b>		
		<b><u>As previously reported</u></b> SR'000	<b><u>Adjustments</u></b> SR'000	<b><u>As reclassified</u></b> SR'000
Property, plant and equipment	19.1	21,356,632	--	21,356,632
Total non-current assets		25,119,219	--	25,119,219
Total assets		27,282,698	--	27,282,698

*Condensed consolidated statement of profit or loss and other comprehensive income:*

<b><u>For the period ended 30 Sep 2023</u></b>	<b><u>Note</u></b>	<b><u>Impact of reclassification</u></b>		
		<b><u>As previously reported</u></b> SR'000	<b><u>Adjustments</u></b> SR'000	<b><u>As reclassified</u></b> SR'000
Other operating income	19.2	14,236	(10,111)	4,125
Other operating expenses	19.3	(8,390)	8,390	--
Operating profit		336,216	(1,721)	334,495
Finance income	19.2	--	10,111	10,111
Change in fair value of financial instruments carried at fair value through profit or loss	19.3	--	(8,390)	(8,390)
Profit for the period before Zakat		438,790	--	438,790
Loss for the period		237,546	--	237,546
Total comprehensive loss for the period		237,546	--	237,546

The reclassification does not have an impact on the net profit of the Group, hence, there is no impact on basic or diluted earnings per share and total operating, investing, or financing cashflows for the period ended 30 September 2023.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the nine-month period ended 30 September 2024

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**19. RECLASSIFICATION IN PRIOR PERIOD (continued)**

- 19.1 This represents reclassification of an amount of SR 545 million between categories of property, plant and equipment.
- 19.2 This represents reclassification of an amount of SR 10.1 million for the period ended 30 September 2023 representing finance income from other operating income to a separate line-item titled Finance income.
- 19.3 This represents reclassification of an amount of SR 8.4 million for the period ended 30 September 2023 representing mark to market loss on financial instruments carried at fair value through profit or loss from other operating expenses to a separate line-item titled Change in fair value of financial instruments carried at fair value through profit or loss.

**20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

These condensed consolidated interim financial statements have been approved and authorized to issue by the Board of Directors on 31 October 2024, corresponding to 28 Rabi Al Thani 1446H.