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Taiba Investments Company
(A Saudi Joint Stock Company)

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

For the year ended 31 December 2025

Taiba Investments Company
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

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INDEPENDENT AUDITOR'S REPORT To the Shareholders of Taiba Investments Company (A Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Taiba Investments Company (A Saudi Joint Stock Company) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Taiba Investments Company
(A Saudi Joint Stock Company) (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><u>Impairment and impairment reversal of property and equipment</u></p> <p>As described in Note 7 (Property and equipment), the Group held ﷲ 5,876 million (2024: ﷲ 5,644 million).</p> <p>The carrying values of property and equipment are reviewed annually by management to assess whether there are indicators of impairment and, wherever indicators of impairment exist, an impairment assessment is performed by determining if the recoverable amounts of these assets are less than its carrying value. The group engages an independent certified external valuer to help the management to determine the recoverable amounts, the valuation is carried out using common methodologies and approaches, and this matter is considered a key audit matter as these methodologies and approaches involve significant judgement and estimates like sales price, occupancy rate, market rent, future rental income, discount rates and terminal values, others, including economic fluctuations impact on the Group's business.</p> <p>Please refer to note (3) of consolidated financial statements for more details regarding significant accounting judgements relating to property and equipment and note (4) for regarding material accounting policy information.</p>	<p>In response to the identified key audit matter, the following audit procedures have been performed:</p> <ul style="list-style-type: none"> • Reviewed management procedures in identifying impairment indicators in respect to property and equipment and obtained an understanding of the key controls relating to the impairment review process and determination of cash flow forecasts; • Tested the mechanical accuracy of the impairment models, with input from our valuation specialists; • Evaluated objectivity, independency, competence and experience of the valuer. • Performed testing on a sample of property and equipment by involving our valuation specialists to review the following: <ul style="list-style-type: none"> ○ The reasonableness of the calculations of value-in-use and the underlying assumptions including cash flow projections and discount rates used. ○ Analyzing significant assumptions and evaluating its impact on the fair values and assessing the impact of changes in the key assumptions to the outcome reached by management • Reviewed minutes of meetings of board of directors in relation to the business plan of property and equipment during the year and future years, if any. • Assessed the completeness and accuracy of disclosures within the consolidated financial statements with reference to relevant IFRS requirements.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Taiba Investments Company
(A Saudi Joint Stock Company) (Continued)

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><u>Projects Under Construction Impairment and Improper capitalization</u></p> <p>As described in Note 8 (Projects Under Construction), the Group held ﺃ 1,428 million (2024: ﺃ 1,226 million).</p> <p>The Group has a variety of projects under construction, primarily focused on the hospitality sector. These projects include the development of new hotels, expansions within existing hotel properties, and compounds.</p> <p>The typical expenses incurred for such projects include design costs, construction costs, project management and supervision fees, as well as the cost of furniture and fixtures. Borrowing costs associated with financing these projects are also capitalized in accordance with relevant accounting standards. In addition, other soft costs, such as permitting, legal fees, and other administrative expenses directly attributable to the construction process, are also capitalized and added to the carrying value of the projects.</p> <p>The carrying value of these projects under construction are reviewed by management for potentiation indicators of impairment.</p> <p>The impairment of these projects under construction and assessment of capitalized costs is considered a key audit matter since it requires management judgement in reviewing the existence of impairment indicators and assessment over capitalized costs.</p> <p>Please refer to note (3) of consolidated financial statements for more details regarding significant accounting judgements relating to projects under construction and note (4) for regarding material accounting policy information.</p>	<p>In response to the identified key audit matter, the following audit procedures have been performed:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process and key controls surrounding the projects under construction capitalization and impairment. • Assessed the movements in projects under construction, identifying any major movement from year to year or idle projects. • On a sample basis, and applying a low testing threshold we have performed the following on a project level: <ul style="list-style-type: none"> ○ Ensured that capitalized expenses are in line with IAS 16. ○ Arranged meeting with the project managers to understand and assess the plans for the project and discussed the progress of the project with the expectations on the completion date and unusual delays. • Reviewed minutes of meetings of board of directors and investor committees in relation to the business plan of each project. • Assessed the completeness and accuracy of disclosures within the consolidated financial statements with reference to relevant IFRS requirements.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Taiba Investments Company
(A Saudi Joint Stock Company) (Continued)

Other information included in The Group's 2025 Annual Report

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2025 annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and Group's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. Audit Committee, is responsible for overseeing the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Taiba Investments Company
(A Saudi Joint Stock Company) (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Taiba Investments Company
(A Saudi Joint Stock Company) (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 20 Ramadhan 1447H
(9 March 2026)



TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 ﷲ	2024 ﷲ
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	7	5,876,637,005	5,644,260,087
Projects under construction	8	1,428,012,986	1,226,782,434
Intangible assets and goodwill	9	137,613,459	150,713,331
Investment properties	10	795,127,082	731,707,338
Right-of-use assets	11	236,531,881	241,559,097
Financial assets carried at FVOCI	12	555,010,094	711,841,558
Investments in equity accounted investees	13	462,438,304	429,394,894
Derivative financial instruments	38	9,025,508	20,353,337
Due from related parties – non-current	14	42,441,914	16,120,807
Advances, prepayments, and other receivables – non-current	17	47,442,883	94,846,145
TOTAL NON-CURRENT ASSETS		9,590,281,116	9,267,579,028
CURRENT ASSETS			
Inventories	15	21,799,309	19,113,524
Trade receivables	16	123,172,930	105,586,571
Due from related parties	14	9,637,769	3,624,633
Advances, prepayments, and other receivables	17	107,528,210	74,286,886
Financial assets carried at FVOCI	12	101,179,800	134,999,199
Short-term investments	18	6,300,000	-
Cash and cash equivalents	19	102,585,655	244,818,515
TOTAL CURRENT ASSETS		472,203,673	582,429,328
TOTAL ASSETS		10,062,484,789	9,850,008,356
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	2,604,574,830	2,604,574,830
Share premium	21	1,720,000,000	1,720,000,000
Statutory reserve	22	1,000,000,000	1,000,000,000
General reserve	23	221,440,351	221,440,351
Retained earnings		1,242,562,423	1,063,763,209
Other reserves	24	61,827,690	237,801,808
Equity attributable to equity holders of the Parent		6,850,405,294	6,847,580,198
Non-controlling interests		78,074,147	81,705,109
TOTAL EQUITY		6,928,479,441	6,929,285,307
NON-CURRENT LIABILITIES			
Term loans	25	1,621,617,835	1,352,671,002
Lease liabilities	11	246,904,274	235,944,991
Employees' defined benefits liabilities	26	104,145,989	96,290,258
TOTAL NON-CURRENT LIABILITIES		1,972,668,098	1,684,906,251
CURRENT LIABILITIES			
Term loans - current	25	257,994,364	299,344,616
Lease liabilities - current	11	37,577,993	48,344,625
Trade and other payables	27	647,243,794	671,048,548
Due to related parties	14	33,915,629	36,041,098
Dividends payable	28	156,179,840	155,167,604
Zakat payable	29	28,425,630	25,870,307
TOTAL CURRENT LIABILITIES		1,161,337,250	1,235,816,798
TOTAL LIABILITIES		3,134,005,348	2,920,723,049
TOTAL EQUITY AND LIABILITIES		10,062,484,789	9,850,008,356

Mr. Amin Abdullah Albukhari
Chief Financial Officer

Mr. Sultan Badr Alotaibi
Chief Executive Officer

Mr. Badr Abdullah Aleisa
Chairman of the Board

The attached notes 1 to 46 form part of these consolidated financial statements.

TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2025

	Note	2025 ﷲ	2024 ﷲ
Revenues	30	1,364,338,692	1,315,282,488
Costs of revenues	31	(856,045,398)	(756,711,625)
Gross profit		508,293,294	558,570,863
Selling and marketing expenses		(25,313,255)	(13,869,461)
General and administrative expenses	32	(103,615,239)	(106,011,850)
Reversal of impairment on trade receivables	16	14,331,967	8,749,096
Other operating expenses, net	33	(41,933,044)	(20,514,883)
Operating profit		351,763,723	426,923,765
Dividends from financial assets carried at FVOCI	34	12,297,057	11,245,845
Share of results of equity accounted investees	13	(11,038,625)	(10,777,595)
Finance costs	36	(80,474,626)	(89,122,600)
Reversal of impairment of other receivables	17	5,862,873	5,706,810
Other income, net	35	102,271,286	7,847,582
Profit before zakat		380,681,688	351,823,807
Zakat expense	29	(17,807,863)	(19,131,101)
PROFIT FOR THE YEAR		362,873,825	332,692,706
<u>Profit / (loss) for the year attributable to:</u>			
Equity holders of the Parent		364,807,954	333,724,736
Non-controlling interests		(1,934,129)	(1,032,030)
		362,873,825	332,692,706
Earnings per share:			
Basic and diluted earnings per share attributable to equity holders of the Parent	37	1.40	1.28

Mr. Amin Abdullah Albukhari
Chief Financial Officer

Mr. Sultan Badr Alotaibi
Chief Executive Officer

Mr. Badr Abdullah Aleisa
Chairman of the Board

TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Note</i>	<i>2025</i> ﷲ	<i>2024</i> ﷲ
Profit for the year		362,873,825	332,692,706
<u>Other comprehensive income:</u>			
<i>Items that may be reclassified to consolidated statement of income in subsequent periods:</i>			
Net change in fair value of cash flow hedges	38	(2,063,892)	24,497,224
Reclassification of realized portion from cash flow hedge in the consolidated statement of Income	38	(9,165,924)	(10,789,340)
<i>Items that will not be reclassified to consolidated statement of income in subsequent periods:</i>			
Share of OCI in equity accounted investees		(440,813)	994,807
Net unrealized (loss) / gain from revaluation of financial assets carried at FVOCI	12	(147,318,943)	102,633,454
Re-measurements of employee benefits	26	(7,650,176)	(5,387,730)
Total other comprehensive income		(166,639,748)	111,948,415
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>196,234,077</u>	<u>444,641,121</u>
Total comprehensive income / (loss) attributable to:			
Equity holders of the Parent		198,168,206	445,673,151
Non-controlling interests		(1,934,129)	(1,032,030)
		<u>196,234,077</u>	<u>444,641,121</u>

Mr. Amin Abdullah Albukhari
Chief Financial Officer

Mr. Sultan Badr Alotaibi
Chief Executive Officer

Mr. Badr Abdullah Aleisa
Chairman of the Board

TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Equity attributable to the equity holders of the Parent</i>						<i>Non-controlling interests</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>General reserve</i>	<i>Other reserves</i>	<i>Retained Earnings</i>			<i>Total</i>
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	
Balance as at 31 December 2024	2,604,574,830	1,720,000,000	1,000,000,000	221,440,351	237,801,808	1,063,763,209	6,847,580,198	81,705,109	6,929,285,307
Profit for the year	-	-	-	-	-	364,807,954	364,807,954	(1,934,129)	362,873,825
Other comprehensive income for the year	-	-	-	-	(166,639,748)	-	(166,639,748)	-	(166,639,748)
Total comprehensive income for the year	-	-	-	-	(166,639,748)	364,807,954	198,168,206	(1,934,129)	196,234,077
Dividends during the year	-	-	-	-	-	(195,343,110)	(195,343,110)	(1,696,833)	(197,039,943)
Transfers on the disposal of financial assets carried at FVOCI	-	-	-	-	(9,334,370)	9,334,370	-	-	-
Balance at 31 December 2025	<u>2,604,574,830</u>	<u>1,720,000,000</u>	<u>1,000,000,000</u>	<u>221,440,351</u>	<u>61,827,690</u>	<u>1,242,562,423</u>	<u>6,850,405,294</u>	<u>78,074,147</u>	<u>6,928,479,441</u>
Balance as at 31 December 2023	2,604,574,830	1,720,000,000	1,000,000,000	208,791,276	125,853,393	899,335,837	6,558,555,336	108,360,254	6,666,915,590
Profit for the year	-	-	-	-	-	333,724,736	333,724,736	(1,032,030)	332,692,706
Other comprehensive income for the year	-	-	-	-	111,948,415	-	111,948,415	-	111,948,415
Total comprehensive income for the year	-	-	-	-	111,948,415	333,724,736	445,673,151	(1,032,030)	444,641,121
Dividends during the year	-	-	-	-	-	(169,297,364)	(169,297,364)	(468,040)	(169,765,404)
Incorporation of a subsidiary	-	-	-	-	-	-	-	4,000	4,000
Acquisition of non-controlling interests during the year	-	-	-	12,649,075	-	-	12,649,075	(25,159,075)	(12,510,000)
Balance as at 31 December 2024	<u>2,604,574,830</u>	<u>1,720,000,000</u>	<u>1,000,000,000</u>	<u>221,440,351</u>	<u>237,801,808</u>	<u>1,063,763,209</u>	<u>6,847,580,198</u>	<u>81,705,109</u>	<u>6,929,285,307</u>

Mr. Amin Abdullah Albukhari
Chief Financial Officer

Mr. Sultan Badr Alotaibi
Chief Executive Officer

Mr. Badr Abdullah Aleisa
Chairman of the Board

The attached notes 1 to 46 form part of these consolidated financial statements.

TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2025

	Note	2025 S	2024 S
OPERATING ACTIVITIES			
Profit before zakat		380,681,688	351,823,807
Adjustments to reconcile profit before zakat to net cash flow:			
Depreciation of property and equipment	7	135,406,393	128,385,054
Amortization of intangible assets	9	5,927,723	6,476,899
Depreciation of investment properties	10	12,087,264	11,833,488
Depreciation of right-of-use assets	11	16,647,758	16,133,367
(Reversal) / Impairment of property and equipment, net	7	(111,094,274)	2,050,000
Impairment of projects under construction	8	66,878,771	2,184,716
Reversal of impairment of right-of-use assets	11	-	(29,267,624)
Impairment of investment properties	10	22,300,000	-
Impairment of intangible assets	9	8,708,333	-
(Gain) / loss on disposal of property and equipment	35	(52,055,200)	2,625,402
Provision of employees' defined benefits liabilities	26	13,983,059	14,168,166
Reversal of provision for impairment of trade receivables	16	(14,331,967)	(8,749,096)
Reversal of provision for impairment of other receivables	17	(5,862,873)	(5,706,810)
Impairment of inventories	33	-	1,554,606
(Reversal of) / provision for legal cases obligations		(59,931,025)	3,804,221
Finance costs on term loans	36	61,171,466	70,352,258
Finance costs on lease liabilities	36	19,303,160	18,258,320
Unwinding of discount of due from related parties		(1,988,307)	(530,323)
Dividends from financial assets carried at FVOCI	34	(12,297,057)	(11,245,845)
Group's share of results of equity accounted investees	13	11,038,625	10,777,595
Provision for losses of investment in an equity accounted investee	35	3,888,921	2,143,291
		<u>500,462,458</u>	<u>587,071,492</u>
Working capital adjustments:			
Trade receivables		(3,254,392)	59,177,785
Advances, prepayments and other receivables		(27,378,451)	12,353,449
Inventories		(2,685,785)	930,097
Trade and other payables		60,340,464	13,720,652
Related parties, net		(32,471,405)	(1,755,406)
Cash flows from operations		<u>495,012,889</u>	<u>671,498,069</u>
Employees' defined benefits liabilities paid	26	(13,777,504)	(6,443,728)
Zakat paid	29	(15,252,540)	(21,695,414)
Net cash flows from operating activities		<u>465,982,845</u>	<u>643,358,927</u>

The attached notes 1 to 46 form part of these consolidated financial statements.

TAIBA INVESTMENTS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

For the year ended 31 December 2025

	<i>Note</i>	<i>2025</i> ﷲ	<i>2024</i> ﷲ
INVESTING ACTIVITIES			
Dividends received	34	12,297,057	11,245,845
Short-term investments	18	(6,300,000)	100,000,000
Additions to property and equipment	7	(40,192,935)	(29,467,156)
Additions to investment properties	10	(505,148)	(369,652)
Additions to projects under construction		(545,337,780)	(419,035,431)
Advances to contractors for projects under development		(3,874,858)	(10,774,420)
Additions to intangible assets	9	(1,536,184)	(320,911)
Financing to equity accounted investee	13	(19,600,000)	-
Additions to investment in equity accounted investees	13	(24,922,848)	(62,853,541)
Proceeds from disposal of financial assets carried at FVOCI	12	43,331,920	-
Proceeds from disposal of property and equipment		93,335,453	19,874,598
Proceeds from investment in an equity accounted investee upon liquidation	13	-	6,148,331
Net cash used in investing activities		<u>(493,305,323)</u>	<u>(385,552,337)</u>
FINANCING ACTIVITIES			
Repayment of term loans		(333,322,009)	(153,677,549)
Proceeds from term loans		560,918,590	86,584,493
Dividends paid		(194,330,875)	(169,807,929)
Payment of lease liabilities	11	(30,731,049)	(25,041,190)
Finance costs paid		(115,748,206)	(126,568,963)
Dividend to NCI		(1,696,833)	(468,040)
Acquisition of NCI		-	(12,510,000)
Net cash used in financing activities		<u>(114,910,382)</u>	<u>(401,489,178)</u>
Decrease in cash and cash equivalents		(142,232,860)	(143,682,588)
Cash and cash equivalents at the beginning of the year	19	244,818,515	388,501,103
Cash and cash equivalents at the end of the year		<u>102,585,655</u>	<u>244,818,515</u>
SIGNIFICANT NON-CASH TRANSACTION			
Unrealized loss / (gains) from revaluation of financial assets at FVOCI	12	147,318,943	(102,633,454)
Net change in fair value of cash flow hedges	38	2,063,892	(24,497,224)
Transfer from projects under construction to property and equipment	8	328,854,355	15,156,679
Transfer from projects under construction to investment property	10	26,223,860	-
Transfer from property and equipment to investment property	10	71,078,000	8,023,170
Additions to projects under constructions		27,857,403	94,766,031
Realized advances for projects under constructions		51,278,119	46,234,508
Capitalization of borrowing costs		54,429,043	47,269,406

Mr. Amin Abdullah Albokhari
Chief Financial Officer

Mr. Sultan Badr Alotaibi
Chief Executive Officer

Mr. Badr Abdullah Aleisa
Chairman of the Board

The attached notes 1 to 46 form part of these consolidated financial statements.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE INFORMATION

Taiba Investments Company (“Taiba”, “the Company” or “Parent”) has been formed as per the Royal Decree number M/41 dated 16 Jumada Al-Akhirah 1408H. Its formation has been declared according to the decision of His Excellency the Minister of Trade and Investment number 134 dated 13 Safar 1409H, corresponding to 24 September 1988, under Commercial Register number 4650012403, in the Kingdom of Saudi Arabia and unified number 7001191019. The Extraordinary General Assembly held on 14 May 2019, agreed to amend article (2) of the Company’s By-laws regarding changing the name of Taiba Holding Company to Taiba Investments Company. The Company’s by-laws were amended on 21 May 2019.

The Company’s registered office is located at Riyadh, Building Number 6575, As-Safarat District, Post Code 12511 - Kingdom of Saudi Arabia.

The Company’s main activities include buying, selling, leasing, operating, and managing real estate, hotels, commercial centers, hospitals, recreational and other residential, non-residential and tourism facilities. The activities also include construction, development and maintenance of commercial, residential and other real estate facilities as well as contracting in architectural, civil, mechanical, electrical, agricultural, industrial, mining, credit and mortgage service.

The Company may have an interest or participate in any way with bodies, companies or individuals that engage in similar activities, or which may assist in achieving its purpose as it may merge or incorporate or purchase and may invest funds that achieve its interests.

The Company carries out its activities in accordance with the applicable regulations and after obtaining the necessary licenses from the concerned authorities, if any.

These consolidated financial statements include the financial statements of the Company and its subsidiaries as of 31 December 2025 (collectively referred to as the “Group”). All these subsidiaries are incorporated in the Kingdom of Saudi Arabia.

(a) Companies subject to the direct control of Taiba Investments Company,

<i>Subsidiary Name</i>	<i>Principal activities</i>	<i>Effective ownership (%)</i>	
		<i>2025</i>	<i>2024</i>
Al Aqeeq Real Estate Development Company	Real estate development	100%	100%
DUR Hospitality Company	Hospitality and real estate development	100%	100%

(b) Companies subject to the indirect control of Taiba Investments Company,

<i>Subsidiary Name</i>	<i>Principal activities</i>	<i>Effective ownership (%)</i>	
		<i>2025</i>	<i>2024</i>
Makkah Hotels Company Limited	Hospitality	100%	100%
Saudi Hotel Services Company	Hospitality	80%	80%
Alnakheel for Tourist Areas Company Limited	Hospitality	98.73%	98.73%
Nuzul Shada Hospitality Company	Hospitality and real estate development	60%	60%
Tabuk Hotels Company Limited	Hospitality	97.14%	97.14%
Jude Alia Company Limited	Real estate development	99%	99%
Al Sawaed Al Kareemah Investment and Real Estate Development Company	Hospitality and tourism	95%	95%
Sofraa Al Ewaa Hospitality Company (One Person Company)	Hospitality	100%	100%
Dur Real Estate Communities Company (One Person Company)	Real estate development	100%	100%
Alsarh Alaniq Operation and Maintenance Company (One Person Company)	Cleaning and building maintenance services	100%	100%
Smart Zone Hotel Company	Hospitality	84%	84%
Taiba Modern Hospitality Company	Hospitality	100%	-
Al Aqeeq Hospitality Company	Hospitality	100%	-

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

1. CORPORATE INFORMATION (continued)

The Group has various branches operating in Riyadh, Makkah, Madinah and other cities in the Kingdom of Saudi Arabia

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (referred to hereafter as “IFRS”).

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for:

- Financial assets carried at FVOCI and derivative financial instruments, which are measured at fair value; and
- Employees’ end of service benefits, which are measured under projected credit unit method.

Further, these consolidated financial statements have been prepared using the accrual basis of accounting and on the basis that the Group will continue to operate as a going concern.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (“**ﷲ**”), which is the functional and presentation currency of the Group. These consolidated financial statements have been rounded-off to the nearest Saudi Riyal, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management’s estimates in the application of accounting policies, calculation methods and main sources of estimates are the same applied in the consolidated financial statements for the year ended 31 December 2025, except as disclosed in note 3.3.

Other disclosures relating to the Group’s exposure to risks and uncertainties includes:

- Sensitivity analyses (note 7, 9, 10, 41 & 43)
- Financial risks management (note 41)
- Capital management (note 42)

3.1 JUDGMENTS

In the process of applying the Group’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Property lease classification – Group as lessor

The Group has entered into leases on its properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1 JUDGMENTS (continued)

Classification as investment property

The Group applies significant judgement in determining the classification of its properties, especially mixed-use assets. The assessment is based on the primary purpose of the asset and the level of ancillary services provided.

A property is classified as investment property when held to earn rentals or for capital appreciation, and:

- The Group's role is primarily that of a lessor, where the cash flows are largely independent of the other assets held by the Group.
- Ancillary services provided to occupants are deemed insignificant to the arrangement as a whole.
- The Group does not bear the significant operational risks and rewards associated with the business conducted within the premises.

Otherwise, the property is classified as property and equipment where it is held for use in the production or supply of goods or services. This includes assets where the ancillary services provided by the Group are significant to the overall arrangement.

For mixed-use property, management applies additional judgements to assess if the owner-occupied portion is insignificant. If the portions can be sold or leased out separately, the Group accounts for the portions separately.

Revenue from contracts with customers

The Group recognizes revenue from hospitality and property management services when control is transferred to the customer. The Group has applied judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Determining method to estimate variable consideration and assessing the constraints.

The Group applies judgement in determining the amount of variable consideration to include in the transaction price for certain contracts, specifically incentive management fees. IFRS 15 requires judgement in selecting between the "expected value method" and the "most likely amount method".

For incentive management fees, which are calculated as a percentage of the managed hotel's profit, the Group determined that the expected value method is the most appropriate. This method better predicts the amount of consideration the Group expects to be entitled to, as the potential outcomes for profitability fall within a continuous range rather than a limited number of discrete scenarios.

Before recognising variable consideration, management assesses the likelihood of a significant reversal of cumulative revenue. Management relies on historical experience, business forecasts, and current economic conditions to ensure that the estimates are reliable and constrained appropriately.

Other judgements

Other significant areas of judgement related to revenue include:

- Determining the timing of satisfaction of performance obligations, particularly whether revenue is recognised over time or at a point in time; and
- Assessing whether the Group acts as a principal or an agent in its hospitality, property management, and related service arrangements.

Further details on the Group's accounting policies for revenue recognition and principal vs agent assessments are provided in Note 4.23.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1 JUDGMENTS (continued)

Going concern

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue as a going concern for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

3.2 ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material difference in the carrying amounts of assets and liabilities within the subsequent financial year, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occurrence. The following are information about assumptions and uncertainty from estimation.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in notes 7,9,10.

Measurement of employees' defined benefit obligation

The employees' defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a DBO is highly sensitive to changes in these assumptions. All assumptions are reviewed annually. Key assumptions are disclosed in note 26.

Fair value of investment properties

Although the Group's investment properties are accounted for under the cost model, IAS 40 requires the disclosure of their fair value at each reporting date. This fair value is a significant estimate that impacts the transparency of the Group's asset base and is also used for impairment testing purposes.

The fair values are primarily derived using the Income Capitalization Method and the Discounted Cash Flow (DCF) model. These methodologies are categorized as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. The valuation process involves significant estimation uncertainty, particularly regarding the future rental income, discount and capitalization rates, occupancy and void periods as well as operating and capital expenditure.

Any significant change in these underlying assumptions could result in a material change to the fair values disclosed. Specific quantitative data regarding these assumptions and their sensitivity to change are provided in Note 10.

Provision for expected credit losses (ECL) of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables for non – government receivables and sovereign rating of Kingdom of Saudi Arabia for government related receivables. The provision matrix used for non – government receivables is initially based on the Group's historical average default rate per bucket. The Group calibrates this matrix and default rate to adjust them with forward-looking information. At every reporting date, the historical average default rates and sovereign rating (if applicable) are updated and changes in the forward-looking estimates are analyzed.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2 ESTIMATES AND ASSUMPTIONS (continued)

Provision for expected credit losses (ECL) of trade receivables (continued)

The assessment of the correlation between historical average default rates, sovereign rating of Kingdom of Saudi Arabia, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience, sovereign rating of Kingdom of Saudi Arabia and forecast of economic conditions may also not be representative of the customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in notes (4.11 and 41).

Useful lives and residual values of properties and equipment, investment properties and intangibles

The annual depreciation and amortization charge is sensitive to the estimated lives allocated to each type of asset. The management determines the estimated useful lives of property and equipment, investment properties and intangibles for calculating depreciation and amortization. This estimate is determined after considering expected usage and physical wear and tear. Management reviews the residual value and useful lives, at least, annually and changes in depreciation and amortization charges (if any) are adjusted in current and future periods.

Leases - Estimating the incremental borrowing rate.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of unquoted financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow ("DCF") model or comparable companies method. The inputs to these are taken from observable markets where possible, but where this is not feasible, models, especially for DCF models, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group has entered into derivative financial instruments with certain financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps. The valuation techniques include multicurve framework for the valuation of interest rate derivatives, reflecting market practices and the differentiation between discounting and forecasting curves. The inputs include a range of instruments such as interest rate swaps, futures, and basis swaps as par instruments depending on the curve.

Refer note 7, 9, 10, 41 & 43 for further information on the key assumptions and sensitivity.

3.3 CHANGE IN ACCOUNTING ESTIMATE

During the current financial year, the Group reviewed and refined the credit risk estimation methodologies used in measuring expected credit losses (ECL) under IFRS 9 Financial Instruments. These changes have been undertaken to ensure consistency in risk modelling assumptions across the Group and compliance with local regulatory expectations, while enhancing accuracy in ECL measurement, in accordance with IFRS.

Key changes include:

- **Definition of Default:** Enhancing the default definition, based on updated internal analysis and industry practice applicable in the Kingdom.
- **Government Receivables:** Adoption of refined estimation techniques incorporating sovereign ratings relevant to government entities and related exposures.
- **Introducing Uncollectable rate:** Use of Group-specific data to determine recoveries from post 360 days past due balances.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.3 CHANGE IN ACCOUNTING ESTIMATE (continued)

- **Scenario Weighting:** Implementation of statistically derived scenario probabilities, replacing management-assigned weights.
- **Macroeconomic Variable:** Use of a single, statistically significant forward-looking macroeconomic factor for consistency across the Group.

This represents a change in accounting estimates under IAS 8, applied prospectively from 31 December 2025. The total net effect for the year ended 31 December 2025 was a decrease of ~~ﷲ~~ 12.1 million in impairment allowances, increasing net income by ~~ﷲ~~ 12.1 million.

The impact of these changes in estimates on future periods has not been disclosed as it is impracticable to provide a reliable estimate. The effect in future periods will depend on the evolution of the Group's credit exposures, the specific credit risk profiles of counterparties at each reporting date, and the volatility of the forward-looking macroeconomic factors.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("Group") as of 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it exercises control over the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date the Group obtains control until the date that such control ceases. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, equity, liabilities, income, expenses and cash flows relating to transactions between members of the Group companies are eliminated in full consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, and other components of equity for the subsidiary, while any resultant gain or loss is recognized in the consolidated statement of income. Any investment retained is recorded at fair value.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Non-controlling interest ("NCI") represents the interest in subsidiary companies, not held by the Group. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

4.2 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate non-controlling interests of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in "Other operating income / (expenses)".

When the Group acquires an entity or a business, it assesses the financial assets and liabilities controlled for appropriate classification in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the percentage of disposed activities from the remaining portion of the cash-generating unit.

4.3 Investment in equity accounted investees

The Group's investments in associates are accounted for by equity method. An associate is an entity over which the Group has significant influence. A significant influence is the ability to participate in the financial and operating policy decisions for the investee but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Under the equity method, the investment in an associate is recognized in the consolidated statement of financial position at cost, plus the Group's share in changes after acquiring the business in net assets of the associate. Goodwill related to the associate is added to the investment carrying amount and is not amortized or reviewed on an individual basis to determine the impairment.

The consolidated statement of income reflects the Group's share in the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any change and disclose this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3 Investment in equity accounted investees (continued)

The Group's share of losses in an associate is recognized until the carrying amount of the investment is reduced to zero. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associates are prepared for the same period as the Group. When needed, adjustments are made to match the accounting policies with that of the Group.

After application of the equity method, the Group determines whether it is necessary to record an impairment loss for the investment of the Group in associates. The Group determines at each consolidated statement of financial position date whether there is any objective evidence that the investment in associates is impaired. If so, the Group then accounts the amount of impairment as the difference between the recoverable amount from the associate and its carrying amount, and recognizes the amount in the consolidated statement of income under "impairment losses in investment in investee".

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

4.4 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- It is held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

4.5 Fair value measurement

The Group measures financial instruments such as derivatives and financial assets at fair value through other comprehensive income, including investment properties for disclosure purposes, at fair value at each balance sheet 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 in the principal or, in its absence, the most advantageous market to which the access is available at that date. The fair value of a liability reflects its non-performance risk.

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.

TAIBA INVESTMENTS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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 prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.
- Level 2: Inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. As at 31 December 2025 and 31 December 2024, there is no movement between levels.

The carrying values and fair values of financial assets and liabilities including their fair value hierarchy are disclosed. It doesn't include information about fair value of financial assets and financial liabilities not measured at fair value if book value reasonably equals fair value in (note 43). Note 10.4 includes the fair value of investment properties.

4.6 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials, direct labor, and any other costs directly attributable to preparing the asset for its intended use, the costs of dismantling, removing, and reinstalling on the job site, and borrowing costs to qualify the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gain or loss is determined when any item of property and equipment is disposed of by comparing the proceeds from disposal with the carrying amount of the asset and is recognized net within other income in the consolidated statement of income.

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in consolidated statement of income as incurred.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset or other amount substitute for cost, less its residual value.

Depreciation is charged in the consolidated statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The rates of depreciation based on the estimated useful lives are as follows:

<i>Asset</i>	<i>Useful life</i>
Building and improvements	33 – 75 years
Equipment and furniture	5 – 40 years
Motor Vehicles	5 years

The Group reviews depreciation methods, useful lives and residual value of property and equipment at least at the end of each financial year and in case of any differences, they are considered as change in accounting estimates (in the change year and the subsequent years).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Projects under construction

Projects under construction are at cost, net of accumulated impairment losses, if any. Cost includes all expenditures directly attributable to bringing the asset to its working condition for its intended use, including professional fees, materials, construction costs, labour costs and capitalized borrowing costs.

Finance charges in respect of loans used to finance the construction of the qualifying assets are capitalized during the period of time necessary to complete. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. When the physical construction is suspended for extended periods, capitalization of borrowing costs is also suspended.

Projects under construction are not depreciated and depreciation commences when the assets are ready for their intended use and transferred to property and equipment or investment property.

4.8 Intangible assets

Intangible assets which are acquired are measured separately on initial recognition at cost. Cost of intangible assets acquired based on business combinations represents the fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets internally developed (except for capitalized development costs) are not capitalized and expenses are included in the consolidated statement of income at the date of its maturity.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognising intangible assets are measured as the difference between the net of disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognized

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortised over the useful economic life on a straight-line basis over the life. The useful economic lives of the intangibles are as follows:

<i>Asset</i>	<i>Useful life</i>
Computer software	3 - 5 years
Brands	5 – 10 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The useful lives of intangible assets with finite useful lives are reviewed regularly on the date of each reporting period.

4.9 Investment properties

Investment properties include lands, buildings, and related equipment held by the Group for rental or capital appreciation, or both. Investment property is measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the depreciable amount, which is the cost of an asset or other amount substitute for cost, less its residual value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. When parts of an item of investment property have different useful lives, they are accounted for as separate items (major components) of investment property and equipment. Land is not depreciated.

The cost of replacing a part of an item of investment properties is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of investment properties is recognised in the consolidated statement of income as incurred.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.9 Investment properties (continued)

Any income or losses due to disposal of investment properties (representing the difference between the proceeds from disposal and the carrying amount of the disposed property) are recognised in the consolidated statement of income.

The rates of depreciation based on the estimated useful lives are as follows:

<i>Asset</i>	<i>Useful life</i>
Buildings	33 – 75 years
Equipment and furniture	5 – 40 years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted prospectively, if required.

Transfers are made from investment properties to other operating properties categories only when there is a change in use evidenced by commencement of related activity such as development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer.

4.10 Leases

The Group assesses, at contract inception, whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right to use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subject to impairment. Refer to the accounting policies in section “Impairment of non-financial assets”.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate if the rate implicit in the lease is not readily determinable. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the payment is made.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Leases (continued)

iii) Short-term leases and leases of low-value assets

Group as a lessee (continued)

The Group has classified the cash payments of principal and finance cost elements of leases as financing activities.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or instrument of another entity.

Financial assets

Initial recognition, classification and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through consolidated statement of income, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

On initial recognition of certain equity investments that are not held for trading, the Group has made an irrevocable election to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. See note 12 for further details.

All financial assets not classified as measured at amortised cost or FVOCI as described above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL.

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified in following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI (equity instruments)
- Financial assets at FVTPL

TAIBA INVESTMENTS COMPANY (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Financial instruments (continued)

Initial recognition, classification and measurement (continued)

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in consolidated statement of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include trade receivables, due from related parties, other receivables and short-term investments.

Financial assets classified at fair value through OCI (equity instruments)

These assets are subsequently measured at fair value. Dividends are recognized in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Equity instruments designated at fair value through OCI are not subject to impairment assessment. Gains and losses on these financial assets are never recycled to the consolidated statement of income.

Financial assets classified at FVTPL

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of income. This category includes derivative instruments (refer note 4.12).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes the liabilities associated to asset. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through consolidated other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date after forming a provision for accounts receivables not expected to be collected.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Financial instruments (continued)

Impairment of financial assets (continued)

The Group considers a financial asset in default when contractual payments are 360 days due. In some cases, the Group may also consider that the financial asset to be in default when internal and external information indicates that it is not probable to receive the full existing contractual amounts before taking into account the credit improvements held by the Group. A financial asset is written off in the case there is no reasonable expectation of from the contractual cash flows.

Financial liabilities

Initial recognition, classification and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification. For purposes of subsequent measurement, the Group's financial liabilities are classified as follows:

- Financial liabilities at amortised cost
- Financial liabilities at FVTPL

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, these liabilities are subsequently measured at amortised cost using the effective interest method ("EIR"). Gains and losses are recognised in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income. The Group's financial liabilities at amortized cost include trade payables, due to related parties and term loans.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in consolidated statement of income. This category includes derivative instruments (refer note 4.12).

Derecognition

Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recorded in the consolidated statement of income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset recognized amounts and there is either an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.12 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as a financial liability when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to consolidated statement of income, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to consolidated statement of income when the hedged item affects profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Derivative financial instruments and hedge accounting (continued)

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting years for which they were designated.

If a hedging relationship ceased to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to consolidated statement of income for the period.

4.13 Advances and prepayments

Advances to suppliers represent payments made in advance for goods or services. These are initially recognised at the amount of cash paid and subsequently recognised as an expense in the consolidated statement of income or capitalised to the relevant asset in the consolidated statements of financial position, when the Group obtains control of the goods or receives the services.

Non-current advances represent payments made to contractors, consultants, and suppliers for the construction and development of the Group's properties. These are classified as non-current assets as they relate to the acquisition of long-term capital assets. These are reclassified to projects under construction upon receipt of goods or services or based on the progress of the work.

Prepayments represent expenditure for which the Group has paid in advance for benefits to be consumed over a specific period. These are recognised at the transaction price and amortised on a straight-line basis over the term of the underlying agreement.

4.14 Inventories

Inventories comprise food and beverage items, operating supplies and general consumables. These items are held for use in the provision of hospitality and property and facility management services and are not intended for sale.

Inventories are stated at the lower of cost and net realisable value (NRV). Cost is determined using the weighted average basis and includes all purchase and related costs incurred in bringing items to their present condition and location. As inventories are consumed in the ordinary course of operations, NRV represents the estimated replacement cost or usable value of the items rather than an estimated selling price.

Inventory carrying amounts are reviewed periodically for damage, expiry, loss, or obsolescence. Write-downs are recognised when items are physically damaged, lost, expired, or rendered obsolete due to any other aspect. Write-downs are reversed if the circumstances that previously caused the impairment no longer exist.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, with maturities of three months or less from the date of the original investment, which are available to the Group without any restrictions. The consolidated statement of cash flows statement is prepared according to the indirect method.

4.16 Employees benefit obligations

Short term employees' benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

Retirement benefit in the form of General Organization of Social Insurance ("GOSI") is a defined contribution scheme. Obligations for contributions to defined contribution plans are expensed as the related service is provided. The Group has no obligation other than the contribution payable to GOSI.

Defined benefit plan

The defined benefit plan is a compensation plan paid to employees after their services are completed and in accordance with the Saudi Labor Law, the Group makes payments to employees upon completion of their services, which are usually based on years of service, salary and reason of termination.

In compliance with the requirements of IAS 19 "Employee Benefits", the end of service benefits plan is determined by actuarial valuation using the projected unit credit method at the end of each financial year. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated statement of income in subsequent periods.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in consolidated statement of income.

The cost of the current service of the defined benefit plan is recognized in the consolidated statement of income under employee benefit expense to reflect the increase in the liability resulting from staff services for the current year and the cases of change, reduction or adjustment of benefits. Service costs for the previous years are included in the consolidated statement of income.

Interest is calculated by applying the discount rate to the net defined benefit liability at the beginning of the annual period. The Group recognises the following changes in the net defined benefit obligation under 'cost of sales' and 'general and administrative expenses' in the consolidated statement of income, under 'salaries and other employee benefits':

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Interest expense.

4.17 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.17 Provisions, contingent assets and contingent liabilities (continued)

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

4.18 Accruals

Accruals are recognised for goods or services received prior to the reporting date for which an invoice has not yet been received. Accruals are initially recognised at the fair value of the consideration expected to be paid, which represents the Group's best estimate of the expenditure required to settle the obligation at the reporting date. These are subsequently measured at amortised cost. Accruals are derecognised or adjusted when the supplier invoice is received and the liability is transferred to trade payables, or when the obligation is settled.

4.19 Zakat

The Group is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is recognized on an accrual basis and charged to the consolidated statement of income.

Zakat is provided for the Company and its subsidiaries based on their respective Zakat base (refer note 29). The management establishes provisions based on its best estimate of the amounts expected to be paid to ZATCA. Management periodically evaluates the positions taken in Zakat returns specifically regarding matters subject to varying interpretations of Zakat regulations. Where necessary, provisions are adjusted to reflect the most likely outcome of such interpretations.

Differences, if any, between the recognized provision and the final assessments issued by ZATCA are recorded in the consolidated statement of income in the period in which the final assessments are settled or finalized.

4.20 Value-Added Tax (VAT)

Income, expenses and assets are recognized at net of VAT except in the following cases:

- When VAT incurred on the purchase of assets or services is not recoverable from the ZATCA, in which case the VAT amount is recognized as part of the cost of the related asset or expense, as applicable.
- Payables and receivables are presented inclusive of VAT, where appropriate.

The net amount of VAT recoverable from, or payable to, ZATCA is included as part of other receivables or other payables in the consolidated statement of financial position.

4.21 Dividends

Interim dividends are recorded in the period in which they are approved by the Board of Directors. Final dividends are recorded in the period in which they are approved by the general assembly of shareholders.

4.22 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets, except for inventories, to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required (such as for goodwill or indefinite-life intangibles), then the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Impairment of non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU"). If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised in the consolidated statement of income, if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

For assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

4.23 Revenue from contracts with customers

Revenue is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

a) Hospitality revenue

Hospitality revenue includes income from room rentals, food and beverage sales, and ancillary services such as laundry, telecommunications, and other ancillary services.

- **Room revenue**

Revenue from room accommodation is recognised over time as guests simultaneously receive and consume the benefits of the accommodation service. Revenue is recognised on a nightly basis using the output method, which mirrors the pattern of service delivery.

- **Food and beverage (F&B) revenue**

Food and beverage revenue is recognised at a point in time, generally upon consumption, when control of the goods is transferred to the customer.

- **Ancillary services**

Ancillary services (e.g., laundry, business centre services, transportation, and other operational services) are recognised at a point in time when the service is rendered. Control is transferred when the specific service is completed and the benefit has been delivered to the guest.

- **Hajj services**

Revenue from Hajj services is recognised over time throughout the Hajj season as pilgrims receive and consume the benefits of accommodation, transportation, meals, and guidance services. The Group's performance obligations are satisfied progressively as services are delivered.

For Hospitality services, individual guests are typically required to pay at the point of sale or at checkout, while the terms for corporate and government customers generally range from 30–90 days from the date of billing. For Hajj services, payments are received via the Hajj authorities – partially in advance and remaining with the remainder collected over a period of 90–120 days depending on the regulatory and contractual arrangements.

b) Properties management fees

The Group earns management fees from hotels operated under long-term management agreements with hotel owners. Management fees commonly include:

- **Base fees:** generally calculated as a percentage of hotel revenue;
- **Incentive fees:** calculated based on hotel profitability metrics.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.23 Revenue from contracts with customers (continued)

b) Properties management fees (continued)

Base management fees are recognised over time as the underlying management services are provided. Incentive fees represent variable consideration and are recognised only to the extent that it is highly probable that a significant revenue reversal will not occur, in accordance with IFRS 15.

Payment terms follow the contractual terms established with the hotel owners and generally fall within 30–90 days from the invoice date.

c) Leases revenues (revenue of real estate leases)

Rental income arising from operating leases of real estate properties is recognised on a straight-line basis over the lease term (refer note 4.10). The Group provides certain maintenance, cleaning, and related services under both ad-hoc arrangements and time-based contracts (such as semi-annual or annual maintenance agreements). These services are accounted for separately under IFRS 15.

Revenue from ad-hoc or on-demand maintenance services is recognised at a point in time, upon completion of the service, as this is when control of the service is transferred to the customer. Revenue from time-based maintenance contracts is recognised over time. Progress is typically measured using a time-elapsed measure, which reflects the continuous transfer of services to the customer over the duration of the contract.

Payments for lease contracts are usually in advance while for the maintenance and related services are based on the terms defined in the respective agreements.

Gross vs net presentation

Revenue is presented on a gross basis when the Group acts as a principal, meaning it controls the underlying goods or services before their transfer to the customer. Revenue is presented on a net basis when the Group acts as an agent, recognising only the fee or margin earned for arranging the service.

The assessment involves evaluating:

- Whether the Group controls the service before transfer
- Inventory or credit risk
- Pricing discretion
- Responsibility for fulfilling the performance obligation

<i>Revenue Stream</i>	<i>Role</i>	<i>Judgment involved</i>
• Hospitality - Hajj services	Principal	The Group acts as a principal. Although prices are regulated by the Hajj Authority and funds are collected through Authority's platform, the Group is responsible for delivering the full service package to pilgrims. The Group makes all arrangements and bears the credit and operational risk. The Group records revenue net of the portion directly deducted by the Authority, as it does not control that specific portion of the service. Risk is evidenced by the Authority's right to withhold funds in the events of service delivery complaints.
• Hospitality - owned & self-Managed Hotels	Principal	The Group controls and provides the accommodation and related services and therefore acts as the principal. It bears inventory and credit risks and has discretion over pricing and service delivery.
• Hospitality - owned and third-party managed hotels	Principal	For hotels operated under third-party brand management arrangements, the Group still acts as principal because it owns the underlying asset and bears inventory and credit risk and retains ultimate responsibility for service delivery. The manager acts as an agent to the Group.
• Management services	Agent	The Group acts as an agent when it provides hotel management services on behalf of property owners. The Group does not control the hotels' operations or assets and does not bear inventory risk. Accordingly, the Group recognizes only the base and incentive fees as revenue.
• Maintenance and related revenue	Principal	The Group acts as the principal as it manages the resources, staff, and quality of the final output as well as the underlying risks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.23 Revenue from contracts with customers (continued)

Contract balances

Contract assets

A contract asset arises when the Group has performed services but does not yet have an unconditional right to consideration at the reporting date. This typically occurs when the Group's right to payment is dependent on meeting performance milestones or providing services over time, rather than the mere passage of time.

When the right to consideration becomes unconditional (i.e., only the passage of time is required before payment is due), contract assets are reclassified to trade receivables.

Trade receivables

A receivable is recognised if an amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to the accounting policies for financial assets in note 4.11.

Contract liabilities

A contract liability is recognised if a payment is received, or is due, from a customer before the Group transfers the related goods or services. Contract liabilities commonly arise in:

- Advance payments from customers for hospitality services;
- Deposits or prepayments received for Hajj packages before services are delivered during the Hajj period;
- Prepaid maintenance or service charges from tenants under semi-annual or annual service agreements.

Contract liabilities are recognised as revenue when the Group performs its obligations and transfers control of the related services to the customer.

4.24 Finance income and finance cost

Finance income includes interest income which is recognized as it accrues in consolidated statement of income, using the effective interest method. Dividend income is recognized in consolidated statement of income on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on term loans and lease liabilities, and other charges incurred in connection with the Group's financing arrangements. Finance costs are recognised in the consolidated statement of income using the effective interest method, except for those that are capitalised as part of the cost of a qualifying asset.

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (such as the development of new hotel properties or investment properties) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur.

4.25 Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date, and the resulting exchange differences are recognised in the consolidated statement of income. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

4.26 Costs and expenses

Expenses are recognized when incurred, using the accrual basis of accounting. The Group classifies expenses as follows:

- (a) Cost of revenue: These include expenses directly associated with delivering the related goods or services for which revenue is recognised.
- (b) Selling and marketing: These are arising from the Group's efforts underlying the selling and marketing functions.
- (c) General and administrative expenses: All other operating expenses, including corporate overhead, support functions, and other indirect costs, are classified as general and administrative expenses, except for finance costs, which are presented separately.

Allocations between cost of revenue, selling and marketing expenses and general and administrative expenses, when required, are made on a consistent basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.27 Segment reporting

An operating segment is a component of the Group that:

- Engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses arising from transactions with other components of the Group;
- Has results that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance; and
- Has discrete financial information available for such internal reporting and analysis.

The Group's reportable segments are determined based on the internal reports reviewed by the CODM in order to allocate resources and evaluate performance.

4.28 Earnings per share (EPS')

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

4.29 Assets and liabilities classified as held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale. Immediately before classification as held-for-sale, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or and group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in consolidated statement of income. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component (cash generating unit) of an entity that either has been disposed of or is classified as held-for-sale and:

- Represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, comparative statements of income and other comprehensive income is re-presented as if the activity had been classified under discontinued operations from the start of the comparative period; whereas, the statement of financial position for the comparative period is not restated.

5. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

5.1 New standards, amendments and interpretation issued and effective

Following is amendment to the standards, effective for annual periods beginning on or before 1 January 2025:

- Amendments to IAS (21): Lack of exchangeability

This amendment had no impact on the consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

5. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (continued)

5.2 New standards, amendments and interpretation issued but not yet effective (continued)

There are new and amended standards and interpretations that are issued, but not yet effective, up to the date of consolidated statement of financial position of the Group.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

B. Other standards

- | | |
|---|---|
| - Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments | 1 January 2026 |
| - Amendments to IFRS (9) and IFRS (7): Contracts referencing nature-dependent electricity | 1 January 2026 |
| - Annual improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| - IFRS (19) - Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| - Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| - Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | The effective date of this amendment is postponed indefinitely. |

The Group intends to adopt these standards and amendments, if applicable, when become effective. These standards and amendments will have no impact on the consolidated financial statements of the Group.

6. SEGMENT REPORTING

The Group has identified the following reportable segments, which are aligned with the Group's strategic business divisions. These segments have distinct economic characteristics, provide different services, and are managed separately.

All of the Group's operations are located within the Kingdom of Saudi Arabia.

The following summary describes the operations of each reportable segment:

A) Real estate sector:

Includes the leasing of residential and commercial centers owned by the Group, as well as property-level management and related services.

B) Tourism sector:

Includes the operation and accommodation of hotels, hotel apartments, serviced suites, and tourist resorts. Hajj services are also part of this sector.

C) Property management sector:

Includes management and operations of the hotels and other properties.

D) Head office and others:

Includes corporate office function and other support services departments and the financial information regarding other investments owned by the Group that do not meet the quantitative thresholds for separate segment reporting.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

6. SEGMENT REPORTING (continued)

Following is a summary of certain financial information for the two years ended 31 December:

	<i>Real Estate</i>	<i>Tourism</i>	<i>Property Management</i>	<i>Head Office and Others</i>	<i>Elimination of inter segment balances and transactions</i>	<i>Total</i>
<u>2025</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>	<u>ﷲ</u>
Revenues	374,004,255	981,943,298	8,391,139	-	-	1,364,338,692
Intersegment revenues	7,360,495	1,620,000	54,664,275	-	(63,644,770)	-
Cost of revenues (excluding depreciation)	(69,494,214)	(634,900,929)	(15,555,172)	(31,291,637)	61,904,770	(689,337,182)
Depreciation and amortization	(51,114,116)	(115,064,091)	(331,310)	(198,699)	-	(166,708,216)
Gross segment profit	260,756,420	233,598,278	47,168,932	(31,490,336)	(1,740,000)	508,293,294
Segment assets	2,450,645,033	3,890,100,513	-	10,198,526,751	(6,476,787,508)	10,062,484,789
Segment liabilities	120,681,183	572,261,060	3,402,158	3,292,482,619	(854,821,672)	3,134,005,348
<u>2024</u>						
Revenues	351,883,484	954,668,653	8,730,351	-	-	1,315,282,488
Intersegment revenues	7,614,520	1,445,000	51,905,278	-	(60,964,798)	-
Cost of revenues (excluding depreciation)	(63,579,187)	(561,536,814)	(17,126,709)	(21,424,714)	60,309,923	(603,357,501)
Depreciation and amortization	(47,418,626)	(104,882,286)	(707,639)	(345,573)	-	(153,354,124)
Gross segment profit	248,500,192	289,694,553	42,801,280	(21,770,287)	(654,875)	558,570,863
Segment assets	2,398,468,352	3,827,163,337	7,261	9,558,737,175	(5,934,367,769)	9,850,008,356
Segment liabilities	154,009,798	638,904,314	7,262,067	2,610,292,051	(489,745,181)	2,920,723,049

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

6. SEGMENT REPORTING (continued)

6.1 Reconciliation of information on reportable segments to income before zakat of the Group for the two years ending 31 December:

	2025 ﷲ	2024 ﷲ
Gross profit of operating segments	508,293,294	558,570,863
Un-allocated amount:		
Selling and marketing expenses	(25,313,255)	(13,869,461)
General and administrative expenses	(103,615,239)	(106,011,850)
Reversal of impairment losses on trade receivables	14,331,967	8,749,096
Other operating expenses	(41,933,044)	(20,514,883)
Dividend from investees at FVOCI	12,297,057	11,245,845
Share of results of equity accounted investees	(11,038,625)	(10,777,595)
Reversal of provision for impairment of other receivables	5,862,873	5,706,810
Finance costs	(80,474,626)	(89,122,600)
Other income, net	102,271,286	7,847,582
Total un-allocated amounts	(127,611,606)	(206,747,056)
Income before zakat	380,681,688	351,823,807

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

7. PROPERTY AND EQUIPMENT

7.1 Movement in property and equipment is as follows:

	<i>Land</i> ﷲ	<i>Building</i> ﷲ	<i>Equipment and furniture</i> ﷲ	<i>Motor Vehicles</i> ﷲ	<i>Total</i> ﷲ
Cost:					
As at 1 January 2024	3,223,205,858	3,810,940,572	943,122,657	8,507,487	7,985,776,574
Additions during the year	-	8,966,251	20,139,795	361,110	29,467,156
Disposals during the year	(22,500,000)	(2,154,973)	(3,755,985)	(134,950)	(28,545,908)
Transfer from projects under construction (note 8.2)	-	11,189,234	3,967,445	-	15,156,679
Transfer to investment properties (note 10.5)	-	(11,023,363)	-	-	(11,023,363)
Balance as at 31 December 2024	<u>3,200,705,858</u>	<u>3,817,917,721</u>	<u>963,473,912</u>	<u>8,733,647</u>	<u>7,990,831,138</u>
Additions during the year	-	10,797,969	29,281,451	113,515	40,192,935
Disposals during the year	(41,009,000)	(1,548,741)	(3,095,945)	-	(45,653,686)
Transfer from projects under construction (note 8.2)	-	168,946,509	159,907,846	-	328,854,355
Transfer to investment properties (note 10.5)	(71,078,000)	-	-	-	(71,078,000)
Balance as at 31 December 2025	<u>3,088,618,858</u>	<u>3,996,113,458</u>	<u>1,149,567,264</u>	<u>8,847,162</u>	<u>8,243,146,742</u>
Accumulated depreciation and impairment					
As at 1 January 2024	121,581,766	1,547,307,430	548,636,982	7,655,922	2,225,182,100
Depreciation charge for the year	-	71,914,230	56,075,210	395,614	128,385,054
(Reversal) / impairment of property and equipment, net (note 7.3)	-	(7,500,000)	9,550,000	-	2,050,000
Disposals	-	(2,154,973)	(3,755,985)	(134,952)	(6,045,910)
Transfers to investment properties	-	(3,000,193)	-	-	(3,000,193)
Balance as at 31 December 2024	<u>121,581,766</u>	<u>1,606,566,494</u>	<u>610,506,207</u>	<u>7,916,584</u>	<u>2,346,571,051</u>
Depreciation charge for the year	-	69,013,831	66,005,724	386,838	135,406,393
Reversal of impairment of property and equipment, net (note 7.3)	(87,333,104)	(23,761,170)	-	-	(111,094,274)
Disposals	-	(1,548,741)	(2,824,692)	-	(4,373,433)
Balance as at 31 December 2025	<u>34,248,662</u>	<u>1,650,270,414</u>	<u>673,687,239</u>	<u>8,303,422</u>	<u>2,366,509,737</u>
Net Book Value:					
As at 31 December 2025	<u>3,054,370,196</u>	<u>2,345,843,044</u>	<u>475,880,025</u>	<u>543,740</u>	<u>5,876,637,005</u>
As at 31 December 2024	<u>3,079,124,092</u>	<u>2,211,351,227</u>	<u>352,967,705</u>	<u>817,063</u>	<u>5,644,260,087</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

7. PROPERTY AND EQUIPMENT (continued)

7.2 Depreciation charge has been allocated as follows:

	2025 ﷲ	2024 ﷲ
Cost of revenues	132,647,094	126,282,930
General and administrative expenses	2,759,299	2,102,124
	<u>135,406,393</u>	<u>128,385,054</u>

7.3 During the year ended 31 December 2025, the Group recognized a net impairment reversal of ﷲ111.1 million (2024: impairment charge of ﷲ2.1 million). This comprises:

Impairment charge: An aggregate charge of ﷲ28.4 million was recognized, primarily relating to:

- A hotel in Tabuk city which was valued based on Fair Value Less Costs of Disposal (FVLCD) using Residual Land Value 'RLV' method.
- Certain properties in Jeddah, for which the recoverable amount was determined by their Value in Use (VIU), which was calculated using the "Discounted Cashflow – Profits Method".

During the year ended 31 December 2024, an aggregate impairment charge of ﷲ28.5 million was recognized in the year on property and equipment relating to a hotel located in Tabuk city and one in Jeddah city.

Impairment reversal: A reversal of ﷲ35.75 million was recognized for properties in Riyadh and Jubail, due to improved operational performance, including higher RevPAR and occupancy levels, which increased expected future cash flows and resulted in recoverable amounts exceeding their carrying values.

In addition, during the year ended 31 December 2025, the government lifted certain legal and regulatory restrictions previously imposed on the Group's land holdings. Following the removal of these restrictions, management reversed the previously impaired carrying amount. Accordingly, an additional impairment reversal of ﷲ103.7 million was recognized.

During the year ended 31 December 2024, an impairment reversal of ﷲ26.5 million was recognized, arising from a renegotiated contractual lease agreement, which improved forecast cash flows. The recoverable amount was measured at VIU.

Key Assumptions:

These valuations are classified as Level 3 inputs in the fair value hierarchy due to significant unobservable inputs. The key assumptions used in discounted cash flow projections include:

- **Discount Rates:** Ranging from 10.75% to 13.25% depending on the property and region (2024: 11.5% to 13%).
- **Capitalization Rates:** Ranging from 8.25% to 11% depending on the property and region (2024: 9.5% to 11%).
- **Occupancy Projections:** Based on five-year historical trends and adjusted for projected local market recovery expectations for each individual property and the relevant cities.
- **Cash Flow Forecasts:** Based on hotel-specific business plans incorporating property-level operational factors and local market realities.

The key assumption for FVLCD was the rate per square meter 'sqm'. The rate of ﷲ944 per sqm was used for the valuation.

Sensitivity Analysis

Management has evaluated the sensitivity of the recoverable amounts to changes in key unobservable inputs.

- A 0.25% increase in the discount rate and capitalization rate would result in a decrease in the recoverable amount by ﷲ9.3 million (2024: ﷲ2.2 million). A 0.25% decrease in the discount rate and capitalization rate would result in an increase in the recoverable amount by ﷲ9.8 million (2024: ﷲ2.3 million).
- A 5% decrease / increase in the rate per sqm would result in a decrease / increase in the recoverable amount by ﷲ3.6 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

7. PROPERTY AND EQUIPMENT (continued)

7.4 Property and equipment include four plots of land owned by the Group, in Al Madinah Al Munawara and Riyadh, with a total book value of **ﷲ** 522 million (2024: **ﷲ** 522 million) mortgaged to a local bank in exchange for a loan to carry out business on the land.

7.5 As of the year ended 31 December 2025, property and equipment include a plot of land located in Riyadh with a carrying amount of **ﷲ** 79.9 million, located in area which is now included in specific municipal development. As of 31 December 2024 two plots of land in Madinah Al Munawwara and Riyadh with aggregate carrying amount of **ﷲ** 120.9 million were located in the areas included in specific municipal development. The Group's management believes that if the regulators decide to acquire the land, the compensation amount will exceed the carrying amount of the land.

During the year ended 31 December 2025, the Group received compensation of **ﷲ** 93 million for the expropriation of land located in the Al-Ijabah area of Al Madinah Al Munawara. The land, situated in the northeastern part of the Prophet's Mosque expansion zone, had a carrying value of **ﷲ** 41 million. The compensation resulted in a net gain of **ﷲ** 52 million, recognized within 'other income'.

8. PROJECTS UNDER CONSTRUCTION

Movement in projects under construction for the year ended 31 December is as follows:

	Note	2025 ﷲ	2024 ﷲ
At beginning of the year		1,226,782,434	610,819,613
Additions during the year		623,187,538	633,304,216
Transferred to property and equipment	8.2, 7	(328,854,355)	(15,156,679)
Transferred to investment properties	8.2, 10	(26,223,860)	-
Impairment of the projects under construction	8.4	(66,878,771)	(2,184,716)
At the end of the year		1,428,012,986	1,226,782,434

8.1 The projects under construction mainly represent the cost of constructing new hotels and commercial centers and renovating existing hotels in addition to other projects. The cost includes contractors' cost, project management expenses, design expenses, borrowing cost and other miscellaneous amounts.

8.2 During the year ended 31 December 2025, the transfers into property and equipment represents a property in Tourism segment in Jeddah city, while transfers into investment properties represents a property in Real Estate segment in Eastern Province. During the year ended 31 December 2024, the transfer represented renovation of a property in Tourism segment in Tabuk city.

8.3 The amount of borrowing costs capitalized for the year ended 31 December 2025 was **ﷲ** 54.4 million (2024: **ﷲ** 47.3 million). The rate used to determine the amount of borrowing costs eligible for capitalization is the effective interest rate for the borrowings specific to those qualifying assets.

8.4 The Group reviews the progress of these projects periodically. During their latest review of these projects and based on recent economic outlook for different regions in the Kingdom of Saudi Arabia, and taking into consideration the other projects and other constraints, the Group considers that it would not be continuing with one of its projects. During the year, the Group has, therefore, impaired the entire capitalized costs of this project aggregating to **ﷲ** 66.9 million. During the year ended 31 December 2024, the group impaired the entire capitalized cost of some of its projects aggregating to **ﷲ** 2.2 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

9. INTANGIBLE ASSETS AND GOODWILL

9.1 Movement in intangible assets and goodwill for the year ended 31 December is as follows:

	<i>Computer Software</i> ﷲ	<i>Brands with a definite useful life</i> ﷲ	<i>Brand with indefinite useful life</i> ﷲ	<i>Goodwill</i> ﷲ	<i>Total</i> ﷲ
Cost:					
Balance as at 1 January 2024	23,710,217	40,000,000	53,000,000	58,591,937	175,302,154
Additions during the year	320,911	-	-	-	320,911
Balance as at 31 December 2024	<u>24,031,128</u>	<u>40,000,000</u>	<u>53,000,000</u>	<u>58,591,937</u>	<u>175,623,065</u>
Additions during the year	1,536,184	-	-	-	1,536,184
Balance as at 31 December 2025	<u>25,567,312</u>	<u>40,000,000</u>	<u>53,000,000</u>	<u>58,591,937</u>	<u>177,159,249</u>
Accumulated amortization and impairment					
Balance as at 1 January 2024	18,091,168	341,667	-	-	18,432,835
Amortization during the year	2,362,835	4,114,064	-	-	6,476,899
Balance as at 31 December 2024	<u>20,454,003</u>	<u>4,455,731</u>	-	-	24,909,734
Amortization during the year	1,831,146	4,096,577	-	-	5,927,723
Impairment during the year (note 9.4)	-	8,708,333	-	-	8,708,333
Balance as at 31 December 2025	<u>22,285,149</u>	<u>17,260,641</u>	-	-	<u>39,545,790</u>
Net Book Value:					
At 31 December 2025	<u>3,282,163</u>	<u>22,739,359</u>	<u>53,000,000</u>	<u>58,591,937</u>	<u>137,613,459</u>
At 31 December 2024	<u>3,577,125</u>	<u>35,544,269</u>	<u>53,000,000</u>	<u>58,591,937</u>	<u>150,713,331</u>

9.2 Amortization has been allocated as follows:

	<i>2025</i> ﷲ	<i>2024</i> ﷲ
Cost of revenues	5,326,100	5,315,969
General and administrative expenses	601,623	1,160,930
	<u>5,927,723</u>	<u>6,476,899</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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9. INTANGIBLE ASSETS AND GOODWILL (continued)

9.3 During the year ended 31 December 2023, the Company acquired Dur Hospitality Company ('Dur'). The business combination resulted in goodwill of **ﷲ** 58.6 million. Goodwill has been allocated to the cash-generating units (CGUs) in the following sectors:

Operating Segment	Sector	Amount ﷲ
- Tourism	- Hotels	28.9 million
- Real estate	- Residential buildings	22.9 million
- Real estate	- Commercial centers	6.8 million
Total		58.6 million

Impairment testing of the goodwill was performed by comparing the estimated recoverable amount of the Group's CGUs that carry goodwill with the carrying amount of net assets of each CGU. The recoverable amounts of the CGUs have been determined through a Value in Use (VIU) model. As at 31 December 2025, no impairment was recorded in the consolidated financial statements on the account of the recoverable amounts being higher than the carrying amount for each CGU.

Key Assumptions:

The Value in Use has been determined using the "Discounted Cashflow – Profits Method". These valuations are classified as Level 3 inputs in the fair value hierarchy due to significant unobservable inputs.

The key assumptions used in discounted cash flow projections include:

- **Discount Rates:** Ranging from 10.25% to 12.5% depending on the property and region (2024:10% to 12.75%).
- **Capitalization Rates:** Ranging from 8% to 10.5% depending on the property and region (2024: 8% to 10.5%).
- **Occupancy Projections:** Based on five-year historical trends and adjusted for projected local market recovery expectations for each individual property and the relevant cities.
- **Cash Flow Forecasts:** Based on hotel-specific business plans incorporating property-level operational factors and local market realities.

Sensitivity Analysis

Management has evaluated the sensitivity of the recoverable amounts to changes in key unobservable inputs.

- A 0.25% increase in the discount rate and capitalization rate would result in a decrease in the recoverable amount by **ﷲ** 56.4 million (2024: **ﷲ** 48.9 million). A 0.25% decrease in the discount rate and capitalization rate would result in an increase in the recoverable amount by **ﷲ** 59.9 million (2024: **ﷲ** 60.3 million).

9.4 Acquisition of Dur also resulted in the identification and recognition of the following brands as intangible assets in the consolidated financial statements.

Name	Cost		Net Book Value		Useful life
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
	ﷲmillion		ﷲmillion		
- Makarem	53	53	53	53	Indefinite
- Nur by Makarem	1	1	0.6	0.8	5 years
- Shada	5	5	-	4.5	10 years
- Dara	6	6	-	5.4	10 years
- Dur Communities	25	25	19.8	22.3	10 years
- Dur Communities (Awal)	3	3	2.3	2.6	10 years

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9. INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment testing of the brand with indefinite life was performed by comparing the estimated recoverable amount of the brand with its carrying amount as at the reporting date. The recoverable amount of the Makarem brand has been determined through a Value in Use (VIU) model. The Value in Use has been determined using the "Relief-from-royalty method" and the key assumptions used in determining the VIU include the Discount rate of 11.75% (2024: 11.5%) and Terminal growth rate of 2% (2024: 2%).

As at 31 December 2025, no impairment was recorded in the consolidated financial statements for Makarem brand on account of the recoverable amounts being higher than the carrying amount for the brand.

A 0.5% increase in the discount rate and the terminal growth rate would cause the fair value of this brand to decrease by ~~ﷲ~~ 1.2 million (2024: ~~ﷲ~~ 1.18 million) and a 0.5% decrease in the discount rate and the terminal growth rate would cause the fair value of the brand to increase by ~~ﷲ~~ 1.2 million (2024: ~~ﷲ~~ 1.2 million).

During the year ended 31 December 2025, the Group impaired entire carrying amount of the Shada and Dara brands. The impairments were driven by:

- A reduction in the value of properties operating under these brands.
- Updated economic outlook for certain regions in Saudi Arabia.
- Revised future plans for related properties and projects.

10. INVESTMENT PROPERTIES

10.1 Movement in investment properties for the years ended 31 December is as follows:

	<i>Land</i> ﷲ	<i>Building</i> ﷲ	<i>Furniture and equipment</i> ﷲ	<i>Total</i> ﷲ
Cost:				
Balance as at 1 January 2024	502,268,599	227,775,307	74,092,111	804,136,017
Additions during the year	-	-	369,652	369,652
Transfers from property and equipment	-	11,023,363	-	11,023,363
Balance as at 31 December 2024	502,268,599	238,798,670	74,461,763	815,529,032
Additions during the year	-	298,215	206,933	505,148
Transfers from property and equipment (note 10.5)	71,078,000	-	-	71,078,000
Transfers from projects under construction (note 10.5)	-	22,247,565	3,976,295	26,223,860
Balance as at 31 December 2025	573,346,599	261,344,450	78,644,991	913,336,040
Accumulated depreciation and impairment				
Balance as at 1 January 2024	1,550,000	45,531,291	21,906,722	68,988,013
Depreciation for the year	-	5,557,102	6,276,386	11,833,488
Transfers from property and equipment	-	3,000,193	-	3,000,193
Balance as at 31 December 2024	1,550,000	54,088,586	28,183,108	83,821,694
Depreciation for the year	-	5,794,005	6,293,259	12,087,264
Impairment during the year	52,435	22,247,565	-	22,300,000
Balance as at 31 December 2025	1,602,435	82,130,156	34,476,367	118,208,958
Net Book Value				
At 31 December 2025	571,744,164	179,214,294	44,168,624	795,127,082
At 31 December 2024	500,718,599	184,710,084	46,278,655	731,707,338

10.2 Investment properties comprises a number of commercial properties, including offices, buildings and shops leased to third parties, for varying lease periods. Group's investment properties consist of 8 properties in Al Madina Al Munawara, Riyadh and Khobar (2024: 7 properties).

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For the year ended 31 December 2025

10. INVESTMENT PROPERTIES (continued)

10.3 The depreciation charge for the year has been allocated to cost of revenues.

10.4 The fair value of investment properties amounted to ~~ﷲ~~ 3.07 billion (2024: ~~ﷲ~~ 3.02 billion). The fair value was determined by an independent external real estate evaluator (Jones Lang LaSalle 'JLL') accredited by the Saudi Authority for Accredited Valuers ("TAQEEM") to determine the investment properties fair value.

The fair values of the investment properties have been determined using the "Discounted Cashflow – Profits Method". These valuations are classified as Level 3 inputs in the fair value hierarchy due to significant unobservable inputs.

Key Assumptions:

The key assumptions used in discounted cash flow projections include:

- **Discount Rates:** Ranging from 6.75% to 10.5% depending on the property and region (2024: 6.75% to 10%).
- **Capitalization Rates:** Ranging from 5.75% to 8% depending on the property and region (2024: 5.75% to 7.75%).
- **Occupancy Projections:** Based on five-year historical trends and adjusted for projected local market recovery expectations for each individual property and the relevant cities.
- **Cash Flow Forecasts:** Based on hotel-specific business plans incorporating property-level operational factors and local market realities.

Sensitivity Analysis

Management has evaluated the sensitivity of the recoverable amounts to changes in key unobservable inputs.

- A 0.25% increase in the discount rate and capitalization rate would result in a decrease in the fair value amount by ~~ﷲ~~ 119.4 million (2024: ~~ﷲ~~ 120.9 million). A 0.25% decrease in the discount rate and capitalization rate would result in an increase in the recoverable amount by ~~ﷲ~~ 133.4 million (2024: ~~ﷲ~~ 131.4 million).

The Group has, for one of the commercial centers, identified the recoverable amount to be lower than the carrying value. Accordingly, an impairment loss of ~~ﷲ~~ 22.3 million has been recognized during the year.

10.5 During the year 2025, a commercial center was completed and started the operations. Accordingly, the Group has capitalized ~~ﷲ~~ 26.2 million from projects under construction, while the land for this commercial center has been transferred from property and equipment amounting to ~~ﷲ~~ 71.1 million. During the year 2024, the Group leased out a floor in the office building and accordingly the leased floor was transferred from property and equipment to investment property.

10.6 The investment property includes one plot of land owned by the Group, in Riyadh with book value of ~~ﷲ~~ 116 million (2024: ~~ﷲ~~ 116 million) mortgaged to a local bank in exchange for a loan to carry out business on it.

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

A. Group as a lessee

The Group leases several assets including lands and buildings. The lease terms range from 7 years to 56 years. The Group's lease contracts include extension options. This option is negotiated by management to provide flexibility in managing the leased asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised. There were no leases with residual value guarantees to which the Group is committed.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

A. Group as a lessee (continued)

Information about assets for which the Group is a lessee is presented below:

(a) Right-of-use assets

Movement in the right-of-use assets is as follows:

	<i>Lands</i> ﷲ	<i>Buildings</i> ﷲ	<i>Total</i> ﷲ
Balance as at 1 January 2024	40,882,423	174,578,038	215,460,461
Impact of lease modification (note 11.1)	-	12,964,379	12,964,379
Depreciation during the year	(2,110,401)	(14,022,966)	(16,133,367)
Reversal of impairment (note 11.1)	-	29,267,624	29,267,624
Balance as at 31 December 2024	<u>38,772,022</u>	<u>202,787,075</u>	<u>241,559,097</u>
Additions during the year	11,620,542	-	11,620,542
Depreciation during the year	<u>(2,457,726)</u>	<u>(14,190,032)</u>	<u>(16,647,758)</u>
Balance as at 31 December 2025	<u>47,934,838</u>	<u>188,597,043</u>	<u>236,531,881</u>

The depreciation charge for the year has been allocated to costs of revenues.

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities recognized and the movements during the year:

	2025 ﷲ	2024 ﷲ
Balance at beginning of the year	284,289,616	278,108,106
Addition during the year	11,620,542	-
Interest	19,303,158	18,258,320
Payments during the year	(30,731,049)	(25,041,190)
Impact of modification (note 11.1)	-	12,964,380
Balance at the end of year	<u>284,482,267</u>	<u>284,289,616</u>
Current portion	37,577,993	48,344,625
Non-current portion	<u>246,904,274</u>	<u>235,944,991</u>
	<u>284,482,267</u>	<u>284,289,616</u>

11.1 Lease modification during the prior year was due to the Group renegotiating the terms of a lease agreement, resulting in modification of lease liability and consequently, the right of use asset. Further, an impairment reversal of ﷲ 29.3 million was recognized as a result of the renegotiated terms, enhancing the cash-generating potential.

The following are the amounts recognized in consolidated statement of income:

	2025 ﷲ	2024 ﷲ
Depreciation expense of right-of-use assets	16,647,758	16,133,367
Financial charges on lease liabilities (note 36)	19,303,160	18,258,320
Expenses relating to short-term leases	4,510,638	866,596
Expenses relating to leases of low value assets	4,887	4,800

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11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

B. Group as a lessor

The Group leases out its properties under the real estate segment, consisting of its owned as well as leased commercial and residential properties. These leases have terms of between 1 and 15 years. All leases are classified as operating leases from a lessor perspective, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognized by the Group during the year ended 31 December 2025 was **ﷲ** 374 million (2024: **ﷲ** 352 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025 ﷲ	2024 ﷲ
Less than one year	195,371,923	193,995,326
One to two years	61,036,107	69,607,056
Two to three years	48,374,014	61,036,107
Three to four years	42,517,900	48,374,014
Four to five years	39,809,232	42,517,900
More than 5 years	189,573,755	229,382,987

12. FINANCIAL ASSETS CARRIED AT FVOCI

These include investments in equity shares of listed and non-listed companies. The Group holds non-controlling interest (between 0.19% and 9.6%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

12.1 The breakdown of these investments is as follows:

	Note	2025 ﷲ	2024 ﷲ
Investments in quoted shares	12.3	583,712,894	760,457,757
Investments in unquoted shares	12.4	72,477,000	86,383,000
Total		656,189,894	846,840,757
Less: Current portion	12.5	101,179,800	134,999,199
Non-current portion		555,010,094	711,841,558

12.2 Movement during the year in financial assets carried at FVOCI is as follows:

	Note	2025 ﷲ	2024 ﷲ
Balance at beginning of the year		846,840,757	744,207,303
Disposal during the year	12.5	(43,331,920)	-
Unrealized (loss) / gain from revaluation, net		(147,318,943)	102,633,454
Balance at the end of year		656,189,894	846,840,757

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12. FINANCIAL ASSETS CARRIED AT FVOCI (continued)

12.3 Investment in quoted shares

	<i>Shareholding percentage</i>			
	2025	2024	2025	2024
			ﷲ	ﷲ
SABIC for Agri-nutrients	0.19%	0.25%	101,179,800	134,999,199
Knowledge Economic City Company	9.60%	9.60%	372,063,600	485,442,000
Makkah Construction and Development Company	0.69%	0.72%	110,469,494	140,016,558
Total			583,712,894	760,457,757

12.4 Investment in unquoted shares

	<i>Shareholding percentage</i>			
	2025	2024	2025	2024
			ﷲ	ﷲ
Kinan International Real Estate Development Company	2.33%	2.33%	62,147,000	76,299,000
National Tourism Company	1.67%	1.67%	10,330,000	10,084,000
Total			72,477,000	86,383,000

12.5 Pursuant to the decision of the Board of Directors during 2021, the Group decided to sell its shares in SABIC for Agri-nutrients. Accordingly, 6.7 million shares were sold in prior years resulting in cumulative realized gains of ﷲ 444.5 million. The remaining 1.2 million shares were classified in the current assets.

During the year ended 31 December 2025, the Group sold further 0.3 million shares of SABIC for Agri-nutrients as well as a portion of its equity investment in Makkah Construction and Development Company for aggregate amount of ﷲ 43.3 million, resulting in a cumulative gain on sale of ﷲ 9.3 million which was transferred from other reserves to retained earnings.

12.6 For details of fair value measurements, refer note 43.

13. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The Group has interests in the below companies. All of these companies are unlisted, and incorporated and carry out business in the Kingdom of Saudi Arabia. Based on the significant influence of the Group over these investees, all of these have been assessed to be associates of the Group.

13.1 The breakdown of these investments is as follows:

<i>Name</i>	<i>Principle business sector</i>	<i>Shareholding percentage</i>			
		2025	2024	2025	2024
Knowledge Economic City Developers Company	Rendering real estate services	35.06%	35.06%	324,208,345	323,823,524
Al-Madina Tower Real Estate Company (note 13.4)	Rendering of hotel services	49%	49%	134,939,723	101,281,134
Al Madinah Hotels Company Limited	Rendering real estate services	50%	50%	3,142,289	4,142,289
Al-Seera City Company for Real Estate Development	Investment properties	20%	20%	147,947	147,947
Madinah Airport Hotel Company (note 13.3)	Rendering of hotel services	33.33%	33.33%	-	-
				462,438,304	429,394,894

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13. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (continued)

13.2 Movement in investment in equity accounted investees during the year is as follows:

	2025 ﷲ	2024 ﷲ
Balance at beginning of the year	429,394,894	382,472,472
Share in net profit or loss	(11,038,625)	(10,777,595)
Share in net other comprehensive income	(440,813)	994,807
Additions during the year	24,922,848	62,853,541
Financing to equity accounted investee (note 13.4)	19,600,000	-
Proceeds upon liquidation of an equity accounted investee (note 13.5)	-	(6,148,331)
Balance at the end of the year	462,438,304	429,394,894

13.3 During the year ended 31 December 2025, the shareholders of Madina Airport Hotel Company (“MAHC”), including Taiba Investments Company, decided to support the cash liquidity position of MAHC by providing a long-term loan by signing an “investment agency” contract with MAHC, and Taiba Investments Company paid its share amounting to ﷲ 26.67 million maturing on 31 May 2040 in addition to the financing provided during the year ended 31 December 2023. Accordingly, the total financing provided to MAHC aggregated to ﷲ 42.4 million. Further, the Group has recorded an additional share of losses amounting to ﷲ 3.9 million (2024: ﷲ 2.1 million) resulting in accumulated provision against losses of MAHC to be ﷲ 15.7 million (2024: ﷲ 11.8 million), which is included in note 27 to the consolidated financial statements.

13.4 During the year ended 31 December 2025, the shareholders of Al-Madina Tower Real Estate Company (Burj Al Madina’), including the Group, decided to support the cash liquidity position of Burj Al Madina by providing additional funding to Burj Al Madina. Accordingly, the Group contributed its proportionate share amounting to ﷲ 19.6 million. The funding is interest-free, has no contractual maturity, and is intended to be retained as part of the shareholders’ long-term commitment to Burj Al Madina. Based on management’s assessment, this funding represents a long-term interest ‘LTI’ that forms part of the Group’s net investment in Burj Al Madina. In line with the requirements of IAS 28 and IFRS 9, this long-term interest is measured at amortised cost and is subject to the expected credit loss (ECL) model.

13.5 During the year ended 2019, the shareholders of Saudi Heritage Hospitality Company agreed to liquidate during their extraordinary assembly meeting of the company. The Group had cumulative 55% shareholding of the company. The legal procedures for liquidation were completed during the year ended 31 December 2024 and the Group received its share of the final distribution.

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13. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (continued)

13.6 The following table summarizes the financial information of material equity accounted investees, The table also reconciles the summarized financial information to the carrying amount of Group's interest in equity accounted investees:

	<i>Madinah Airport Hotel Company</i>		<i>Knowledge Economic City Developers Company</i>		<i>Madina Tower Real Estate Company</i>	
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
	31/12/2025	31/12/2024	30/9/2025 *	30/9/2024 *	31/12/2025	31/12/2024
Percentage of ownership interest	33.33%	33.33%	35.06%	35.06%	49%	49%
Non-current assets	95,149,872	101,202,494	725,447,508	723,302,507	441,543,014	372,247,584
Current assets	4,609,563	10,092,745	10,872,866	11,488,026	61,169,953	48,924,829
Non-current liabilities	142,066,255	125,680,979	-	-	142,431,340	174,125,348
Current liabilities	4,824,896	21,078,046	2,682,604	2,063,853	124,894,437	40,350,873
Net assets of the investee	(47,131,716)	(35,463,786)	733,637,770	732,726,680	235,387,190	206,696,192
Group's share in equity	(15,709,001)	(11,820,080)	257,213,402	256,828,581	115,339,723	101,281,134
Goodwill and fair value adjustments on acquisition	-	-	66,994,943	66,994,943	-	-
Long term interest	-	-	-	-	19,600,000	-
Group's carrying amount of the investment	-	-	324,208,345	323,823,524	134,939,723	101,281,134
Revenues	23,503,635	24,824,400	-	-	14,963,169	-
Profit or loss from continuing operations	(11,772,637)	(8,516,507)	(6,269,830)	(11,920,363)	(22,171,955)	(697,085)
Other comprehensive income	105,862	-	(1,085,362)	239,831	-	-
Total comprehensive (loss) / income attributable to shareholders	(11,666,775)	(8,516,507)	(7,355,192)	(11,680,532)	(22,171,955)	(697,085)
Group's share in comprehensive income **	(3,888,921)	(2,838,551)	(2,578,730)	(4,095,194)	(10,864,258)	(341,572)

* The financial statements on these dates represent the latest financial statements available for this investee as of the date of the consolidated financial statements of the Group for the current year and comparative year. The assets item in the financial statements of Knowledge Economic City Developers Company mainly represent an investment in shares in Knowledge Economic City Company, as it owns 83 million shares in Knowledge Economic City Company as at 31 December 2025 and 2024.

** Group's share in comprehensive income includes ﷲ 1.9 million (2024: ﷲ 2.5 million) income pertaining to the prior year on account of recording the actual results of Knowledge Economic City Developers Company for the year ended 31 December 2024 and 2023 respectively.

The associates had no contingent liabilities or capital commitments as at 31 December 2025 and 2024, except for those disclosed in note 39.

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14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Group include the shareholders, key management personnel and the companies where the Group, the shareholders, the board of directors or key management personnel has control, joint control or significant influence. During its ordinary course of business, the Group transacts with related parties in accordance with the terms approved by management. The transactions represent services exchanged between the entities.

14.1 Transaction with related parties

The transactions with related parties are made on mutually agreed terms, approved as per the relevant level of management or board of directors. Significant transactions with related parties during the period and significant balances at the reporting date are as follows

<i>Nature of transactions</i>	<i>Relationship type</i>	<i>Amount of transactions</i>	
		<i>2025</i>	<i>2024</i>
		<i>ﷲ</i>	<i>ﷲ</i>
Revenue – Management fee income	Properties owned by a shareholder	3,706,448	3,674,640
Funding provided	Associate	26,666,600	-
Long-term interests provided	Associate	19,600,000	-
Finance income from loans provided to equity accounted investee	Associate	1,988,307	530,323

In addition to above, the Group as well as the related parties make payments on behalf of each other.

Transactions with members of the Board of Directors:

There are transactions with financial institutions having common or first-degree relative members of the Board of Directors. The Group obtained facilities from these financial institutions having outstanding balances aggregating **ﷲ** 387 million as at 31 December 2025 (31 December 2024: **ﷲ** 606 million) on normal commercial terms.

Compensation of Directors and Key Executive Management Personnel

The senior management represents the key members of the Group's management who have the powers and responsibilities to plan, direct and control the Group's activities. During the year, the compensations are as follows:

	<i>2025</i>	<i>2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>
BOD remuneration, attendance allowance and committee's remuneration	6,537,213	8,760,097
Salaries and other benefits - key management personnel	17,511,216	15,700,397
Employees' terminal benefits - key management personnel	933,638	785,227

14.2 Due from related parties

<i>Name</i>	<i>Relationship type</i>	<i>2025</i>	<i>2024</i>
		<i>ﷲ</i>	<i>ﷲ</i>
Madinah Airport Hotel Company	Equity accounted investee	42,441,914	16,120,807
Jazira Bader Compound owned by Assila Investment	Property owned by a shareholder	2,484,056	2,484,056
Al-Madinah Tower Real Estate Company	Equity accounted investee	3,826,838	753,071
Assila Investment Company	Shareholder	35,348	-
Others	Affiliates through common shareholding	3,291,527	387,506
		52,079,683	19,745,440
Less: Non-current portion		42,441,914	16,120,807
Current portion		9,637,769	3,624,633

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14. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

14.3 Due to related parties

<i>Name</i>	<i>Relationship type</i>	<i>2025</i> ﷲ	<i>2024</i> ﷲ
Al Jazira and Dawudia Compounds	Owned by a partner in an equity accounted investee	18,460,369	18,460,369
Al Madinah Hotels Company Limited	Equity accounted investee	14,651,496	14,651,496
Owners of Taiba Residential and Commercial Center	Associated foundation	-	1,289,207
Assila Investment Company	Shareholder	-	1,106,228
Others	Affiliates through common shareholding	803,764	533,798
		<u>33,915,629</u>	<u>36,041,098</u>

15. INVENTORIES

	<i>2025</i> ﷲ	<i>2024</i> ﷲ
Linens	5,352,678	5,711,669
Spare parts	5,222,206	4,840,484
Accessories and silverware	6,019,718	4,592,193
Food and beverages	3,738,278	2,670,797
Kitchen tools and equipment	2,437,599	2,416,579
Operation supplies	2,514,661	2,238,464
Stationery and printing	438,450	567,619
	<u>25,723,590</u>	<u>23,037,805</u>
Less: Impairment for inventory	<u>(3,924,281)</u>	<u>(3,924,281)</u>
	<u>21,799,309</u>	<u>19,113,524</u>

Movement of the provision of impairment in slow moving inventory:

	<i>2025</i> ﷲ	<i>2024</i> ﷲ
Balance at beginning of the year	3,924,281	2,369,675
Charge during the year	-	1,554,606
Balance at the end of the year	<u>3,924,281</u>	<u>3,924,281</u>

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16. TRADE RECEIVABLES

	2025 ﷲ	2024 ﷲ
Trade receivables	186,357,380	195,763,268
Less: Allowance for impairment	<u>(63,184,450)</u>	<u>(90,176,697)</u>
	<u>123,172,930</u>	<u>105,586,571</u>

Movement in allowance for impairment of trade receivables is as follows:

	2025 ﷲ	2024 ﷲ
Balance at beginning of the year	90,176,697	124,384,121
Reversal of provision during the year	(14,331,967)	(8,749,096)
Provision written off	<u>(12,660,280)</u>	<u>(25,458,328)</u>
Balance at the end of the year	<u>63,184,450</u>	<u>90,176,697</u>

Information about the Group's exposure to credit and market risks and impairment losses in value of trade receivables is presented in (note 41).

17. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2025 ﷲ	2024 ﷲ
Advances to suppliers and contractors	107,023,461	132,909,483
Accrued lease income	7,144,201	7,038,433
Prepayments	11,319,493	13,940,550
Advances to employees	4,250,040	3,582,026
VAT receivable, net	18,194,279	6,779,974
Due from sale of associate	-	5,000,000
Others	<u>7,303,631</u>	<u>6,009,450</u>
	155,235,105	175,259,916
Less: non-current portion of advances to suppliers and contractors	<u>47,442,883</u>	<u>94,846,145</u>
	107,792,222	80,413,771
Less: provision	<u>(264,012)</u>	<u>(6,126,885)</u>
Advances, prepayments and other receivables – current	<u>107,528,210</u>	<u>74,286,886</u>

Movement in allowance for impairment of other receivables is as follows:

	2025 ﷲ	2024 ﷲ
Balance at beginning of the year	6,126,885	11,833,695
Reversal of provision during the year	<u>(5,862,873)</u>	<u>(5,706,810)</u>
Balance at the end of the year	<u>264,012</u>	<u>6,126,885</u>

18. SHORT TERM INVESTMENTS

Short term investments comprise of Murabaha investments with a period of more than 3 months but less than a year. As at 31 December 2025, these investments amounted to ﷲ 6.3 million (2024: nil) carrying bears an average Murabaha commission of 523 basis points.

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19. CASH AND CASH EQUIVALENTS

	2025 ﷲ	2024 ﷲ
Cash at bank (note 19.1)	87,242,255	211,698,321
Cash on hand	343,400	620,194
Murabaha investment (note 19.2)	15,000,000	32,500,000
Cash and cash equivalents	102,585,655	244,818,515

19.1 As at 31 December 2025, the Group held no restricted cash relating to unclaimed dividends (31 December 2024: 102.1 million), which had been maintained in segregated bank accounts.

19.2 Murabaha investments represent investment in Islamic Murabaha with commercial banks and the average maturity of those deposits' ranges between 30 to 90 days and bears an average Murabaha commission of 471 basis points.

19.3 The Group holds bank balances with financial institutions that have a sound credit rating.

20. SHARE CAPITAL

As at December 31, 2025, the share capital of the Company amounts to ﷲ 2,605 million (December 31, 2024: ﷲ 2,605 million), consisting of 260.5 million shares (December 31, 2024: 260.5 million shares) fully paid up, with a par value of ﷲ 10 each.

21. SHARE PREMIUM

During the year ended 31 December 2023, as part of the business combination, the Company issued 100 million new shares at ﷲ 27.2 per share. Accordingly, the amount in excess of the par value of the shares, aggregating ﷲ 1,720 million, has been recognized as share premium.

22. STATUTORY RESERVE

This represents the total amounts appropriated from net income for prior years as statutory reserves in accordance with the requirements of the previous Companies Law and the Company's By-Law prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decision of the shareholders in the general assembly meeting.

23. GENERAL RESERVE

General Reserve represents the cumulative impact of transactions with non-controlling interests. In prior periods, the Group acquired additional ownership interests in certain subsidiaries while retaining control. These transactions were accounted for as transactions between shareholders.

The balance represents the difference between the carrying amount of the non-controlling interests acquired and the fair value of the consideration transferred to acquire those additional interests at the dates of the acquisitions.

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24 OTHER RESERVES

Movement in other reserves is as follows:

	<i>Cash flow hedge reserve</i> ﷲ	<i>Fair value reserve of investment at FVOCI</i> ﷲ	<i>Re- measurement of defined benefit liability</i> ﷲ	<i>Share in OCI of equity accounted investees</i> ﷲ	<i>Total</i> ﷲ
Balance as at 1 January 2024	2,086,178	121,742,494	721,708	1,303,013	125,853,393
Net change in fair value of cash flow hedges	24,497,224	-	-	-	24,497,224
Reclassification of realized portion from cash flow hedge in the consolidated statement of income	(10,789,340)	-	-	-	(10,789,340)
Share of OCI in equity accounted investees	-	-	-	994,807	994,807
Net unrealized gain from revaluation of financial assets carried at FVOCI	-	102,633,454	-	-	102,633,454
Re-measurements of employee benefits	-	-	(5,387,730)	-	(5,387,730)
Balance as at 31 December 2024	<u>15,794,062</u>	<u>224,375,948</u>	<u>(4,666,022)</u>	<u>2,297,820</u>	<u>237,801,808</u>
Net change in fair value of cash flow hedges	(2,063,892)	-	-	-	(2,063,892)
Reclassification of realized portion from cash flow hedge in the consolidated statement of income	(9,165,924)	-	-	-	(9,165,924)
Share of OCI in equity accounted investees	-	-	-	(440,813)	(440,813)
Net unrealized loss from revaluation of financial assets carried at FVOCI	-	(147,318,943)	-	-	(147,318,943)
Transfers on the disposal of financial assets carried at FVOCI	-	(9,334,370)	-	-	(9,334,370)
Re-measurements of employee benefits	-	-	(7,650,176)	-	(7,650,176)
Balance as at 31 December 2025	<u>4,564,246</u>	<u>67,722,635</u>	<u>(12,316,198)</u>	<u>1,857,007</u>	<u>61,827,690</u>

Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative movements in the Group's share of the mark-to-market valuation of designated hedging instruments. The effective portion of gains or losses on cash flow hedges is recognized in consolidated statement of comprehensive income and accumulated in this reserve. Amounts accumulated are reclassified to consolidated statement of income when the hedged transaction affects profit or loss.

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24 OTHER RESERVES (continued)

Fair value reserve of investment at FVOCI

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at FVOCI. Upon disposal of these investments, amounts previously recognized in OCI are not reclassified to consolidated statement of income, but are transferred within equity.

Re-measurement of defined benefit liability

This reserve includes actuarial gains and losses arising from remeasurements of the Group's end-of-service benefit obligations. These remeasurements are recognized in OCI and are not reclassified to consolidated statement of income in subsequent periods.

Share in other comprehensive income of equity accounted investees

Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which mainly include actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

25. TERM LOANS

	2025 ﷲ	2024 ﷲ
Non-current liabilities		
Tawarruq financing	637,163,456	825,294,160
Murabaha financing	<u>984,454,379</u>	<u>527,376,842</u>
	<u>1,621,617,835</u>	<u>1,352,671,002</u>
Current liabilities		
Tawarruq financing	244,053,311	285,403,563
Murabaha financing	<u>13,941,053</u>	<u>13,941,053</u>
	<u>257,994,364</u>	<u>299,344,616</u>
Balance at end of the year	<u>1,879,612,199</u>	<u>1,652,015,618</u>

The Group has secured term loans from number of local banks in the form of Murabaha and Tawarruq financing arrangements with a total carrying value of ﷲ 1,880 million as at 31 December 2025 (2024: ﷲ 1,652 million).

The loans accrue commission at Saudi Arabian Interbank Offered Rate ("SAIBOR") plus agreed margin, which are equivalent to the market interest rates. The weighted average interest rate on borrowings during the year ended 31 December 2025 was 5.13% (2024: 6.62%) on per annum basis, however, the rates varied between medium and short-term loans. These loans are secured by promissory notes, assignment of proceeds from certain projects' rentals and lands. These loans carry different maturity profiles ranging from 2026 to 2036.

Loan agreements include covenants mainly related to maintaining certain leverage ratios, total debt to equity and other covenants. Under the terms of these agreements, the banks have the right to demand immediate repayment of the loans if any of the covenants are not met. The Group was compliant with the loan covenants as at 31 December 2025.

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26. EMPLOYEES DEFINED BENEFIT LIABILITIES

The Company and its subsidiaries have post-employment defined benefit plans (as defined in IAS 19). These plans provide end-of-service benefits based on final salaries and allowances and employees' cumulative years of service, as required by Saudi Labor Law.

The most recent actuarial valuation was performed by an independent, qualified actuary, licensed by the Saudi Central Bank, using the projected unit credit method.

Defined benefit plan	2025	2024
	ﷲ	ﷲ
Employees' terminal benefits	104,145,989	96,290,258

Movement of present value of employees' terminal benefits liabilities for the two years ended 31 December:

	2025	2024
	ﷲ	ﷲ
Defined benefits obligation at the beginning of the year	96,290,258	83,178,090
<i>Included in the consolidated statement of income:</i>		
Current service cost	9,450,432	9,931,330
Interest cost on defined benefits obligation	4,532,627	4,236,836
	13,983,059	14,168,166
<i>Included in consolidated statement of other comprehensive income</i>		
Re-measurements of defined employee benefits liability from		
- change in financial assumptions	5,093,758	878,301
- change in demographic assumptions	(350,006)	273,395
- change in experience adjustments	2,906,424	4,236,034
	7,650,176	5,387,730
Payments and settlements during the year	(13,777,504)	(6,443,728)
Defined benefits obligation at the end of the year	104,145,989	96,290,258

Key actuarial assumptions

	2025	2024
Long-term salary growth rate	5.46% - 6.00%	5.25% - 5.50%
Discount rate	4.45% - 4.55%	4.65% - 5.30%
Number of employees covered under terminal benefits plan	2,143	1,728

Sensitivity analysis

A quantitative sensitivity analysis for significant assumption on the employees' terminal benefits liabilities as at 31 December is shown below:

<i>Assumption</i>	<i>Change</i>	<i>Impact on the liability</i>	
		2025	2024
		ﷲ	ﷲ
Discount rate	0.5% increase	(2,604,320)	(2,056,303)
	0.5% decrease	2,745,714	2,161,362
Rate of change in salaries	0.5% increase	2,537,057	2,089,181
	0.5% decrease	(2,429,950)	(2,005,552)

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27. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 ﷲ	2024 ﷲ
Trade payables		55,206,668	31,478,183
Contract liabilities	30.2	76,769,895	74,211,154
Deferred lease income		100,409,620	104,438,652
Accruals for contractors for projects under construction		138,566,177	166,423,580
Retention payables		72,710,733	73,500,641
Accrued employee benefits		55,459,076	45,158,953
Accrued professional fee and other services		30,494,912	18,016,803
Accrued financial charges		29,952,081	20,933,853
Provision for impairment of investment in associates	27.2	15,709,001	11,820,080
Accrued Board and committee remuneration		5,838,000	4,900,000
Provision for legal claims	27.1	4,927,611	64,858,636
Payable to contractors		3,119,614	5,701,692
Other accrued expenses		34,174,860	43,413,577
Other payables		23,905,546	6,192,744
		<u>647,243,794</u>	<u>671,048,548</u>

27.1 Movement in the legal claims provision is as follows:

	<i>Opening balance</i> ﷲ	<i>Charge during the year</i> ﷲ	<i>Reversed /Utilized during the year</i> ﷲ	<i>Ending balance</i> ﷲ
2025	64,858,636	5,748,727	(65,679,752)	4,927,611
2024	63,742,537	3,804,221	(2,688,122)	64,858,636

During the year ended 31 December 2023, a legal provision of ﷲ 58.3 million was recognized related to a legal dispute over the termination of operation and management agreement with the hotel operator. The arbitrators ruled that Al-Aqeeq Real Estate Development Company ("Al-Aqeeq") was not entitled to terminate the agreements and should pay for the losses incurred by the operator.

During the year ended 31 December 2025, the Group reached a mutually agreed settlement with the operator, which includes an unconditional waiver of outstanding financial claims. This settlement also waives any other claims up to the signing date and limits potential future claims as outlined in the new operation and management agreement. As a result of this settlement, the Group paid a settlement amount of ﷲ 10.9 million and reversed the legal provision previously recognized. The net reversal of the provision is included within other income in the consolidated statement of income.

27.2 This balance represents the Group's share of the equity of its investee, Madinah Airport Hotel Company ("MAHC"). As the Group has a constructive obligation to support the investee, it continues to recognize its share of losses even after the carrying value of the investment has been reduced to nil. The movement during the year relates solely to the Group's additional share of losses recognized for the period. Refer note 13.3.

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28. DIVIDENDS PAYABLE

The Board of Directors, in their meeting held on 18 March 2025, recommended to distribute cash dividend of **ﷲ** 195 million (**ﷲ** 0.75 per share) for the year ended 31 December 2024 which was approved by the shareholders in the General Assembly held on 13 May 2025.

Dividends payable represent amounts due to shareholders for the dividends declared but not yet claimed as at the reporting date.

As at 31 December 2025, the Group held no restricted cash relating to unclaimed dividends (31 December 2024: **ﷲ** 102.1 million), which had been maintained in segregated bank accounts. These balances were not available for the Group's general use.

29. ZAKAT

29.1 Zakat charge

Zakat charge is computed based on Zakat base. The main components of the Zakat base for each company are determined in accordance with the applicable Zakat, Tax and Customs Authority (ZATCA) regulations and generally comprise shareholders' equity, certain provisions at the beginning of the year, and adjusted income, net of applicable deductions, including the adjusted net book value of property and equipment, investment properties, projects under construction, and investments.

Zakat assessments for the Group are performed at the level of the individual legal entities (and, where applicable, on a combined basis for certain subsidiaries), in accordance with the regulatory framework. In the consolidated financial statements, the Group recognizes a Zakat liability that represents the aggregate statutory obligation of its Zakat-paying entities. The Group presents Zakat expenses, movements, and related balances in these consolidated financial statements, while the detailed components of the Zakat base are maintained at the level at which Zakat is legally assessed.

Zakat charge for the year ended December 31 was as follows:

	2025 ﷲ	2024 ﷲ
Zakat expense	<u>17,807,863</u>	<u>19,131,101</u>

29.2 Movement in Zakat provision is as follows:

	2025 ﷲ	2024 ﷲ
Balance at the beginning of the year	25,870,307	28,434,620
Charge during the year	17,807,863	19,131,101
Paid during the year	(15,252,540)	(21,695,414)
Balance at the end of the year	<u>28,425,630</u>	<u>25,870,307</u>

29.3 Zakat status

As at 31 December 2025, the Zakat status is as follows:

Taiba Investments Company and Al Aqeeq Real Estate Development Company

From the year 2019, Taiba Investments Company and Al Aqeeq Real Estate Development Company, a wholly owned subsidiary, submitted a consolidated Zakat return. The consolidated Zakat returns have been filed with Zakat, Tax and Customs Authority ("ZATCA") for all years up to 2024 and Zakat certificate is received, valid until 30 April 2026.

The companies have received final Zakat assessments up to the year ended 31 December 2023.

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29. ZAKAT (continued)

29.3 Zakat status (continued)

Taiba Investments Company and Al Aqeeq Real Estate Development Company (continued)

During the year ended 31 December 2025, ZATCA issued a Zakat assessment for the year 2022, amounting to 236,889. The Company has filed a formal objection against the full assessed amount, which was rejected by ZATCA. The Company maintained its position and escalated the matter by filing a lawsuit with the General Secretariat of Zakat, Tax and Customs Committees "GSTC". The case is currently under the GSTC review process by the Secretariat. The Company has not yet received the final zakat assessment for the year 2024.

During the year ended 31 December 2025, ZATCA has raised certain queries for the year 2024 respectively. The companies have provided the necessary information in response to ZATCA, and these are still under the ZATCA's review process.

Dur Hospitality Company

Dur Hospitality Company ("Dur") and its subsidiaries have filed their separate Zakat returns with ZATCA for all years up to 2024 and received Zakat certificates valid until 30 April 2026.

Dur received its final Zakat assessments from ZATCA up to the year ended 31 December 2023.

There are no outstanding liabilities as at the date of the consolidated financial statements. Dur has not yet received the final zakat assessment for the year 2024.

ZATCA has issued final Zakat assessments for Tabuk Hotels Company, Al Nakheel Company and Tourist Areas Limited, and Makkah Hotels Company covering all fiscal years up to 2020.

Final Zakat assessments have also been issued for Saudi Hotels Services Company for all fiscal years up to 2019.

Additionally, ZATCA has issued Zakat assessments for the remaining subsidiaries of Dur for all fiscal years up to 2018, with no further claims received to date.

30. REVENUE

30.1 The following is the disaggregation of the Group's revenue from contracts with customers for the years ended 31 December:

	2025 ﷲ	2024 ﷲ
Hospitality services – room revenue	707,144,312	687,297,788
Sales of goods - food and beverage revenue	196,862,019	181,361,990
Hajj services revenue	53,744,441	63,158,485
Ancillary services revenues	24,192,526	22,850,390
Total hospitality revenue	981,943,298	954,668,653
Lease revenue - real estate properties	374,004,255	351,883,484
Property management	8,391,139	8,730,351
	1,364,338,692	1,315,282,488
Timing of revenue recognition	2025 ﷲ	2024 ﷲ
Over time	1,143,284,147	1,111,070,108
At a point in time	221,054,545	204,212,380
	1,364,338,692	1,315,282,488

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30. REVENUE (continued)

30.2 Contract liabilities mainly represent advance consideration received from customers for hotel stays and related hospitality services. Revenue is recognized as and when the Group satisfies its performance obligations. The amount of ~~ﷲ~~ 74.2 million included in contract liabilities at 31 December 2024 has been recognized as revenue in 2025 (2024: ~~ﷲ~~ 51.4 million).

30.3 In accordance with IFRS 15, the Group has not disclosed information regarding remaining performance obligations for contracts with an original expected duration of one year or less. These obligations are typically short-term and relate primarily to hospitality services.

31. COSTS OF REVENUE

	2025 ﷲ	2024 ﷲ
Salaries and other employee benefits	311,043,706	273,438,159
Depreciation and amortization	166,708,216	153,354,124
Operating supplies	137,459,848	108,596,977
Food and beverage	56,188,324	47,510,541
Utilities	53,391,947	47,903,598
Travel agency commissions and credit card fees	42,881,016	38,638,014
Repairs and maintenance	36,635,285	32,821,779
Advertising and promotion expenses	22,281,925	19,097,479
Service and operation fees	10,543,161	22,147,013
Security and guarding services	1,783,273	3,835,341
Others	17,128,697	9,368,600
	<u>856,045,398</u>	<u>756,711,625</u>

32. GENERAL AND ADMINISTRATIVE EXPENSES

	2025 ﷲ	2024 ﷲ
Salaries and other employee benefits	51,089,330	55,283,272
Professional fees	19,508,404	17,808,744
Board of Directors' remuneration	6,537,213	8,760,097
Subscriptions	8,285,289	6,273,168
Corporate Social Responsibility	3,379,700	3,165,781
Depreciation of property and equipment	3,360,922	3,263,053
Hospitality expenses	2,546,899	4,825,899
Repairs and maintenance	2,289,165	2,109,273
Communication and utilities	1,718,217	1,926,819
Others	4,900,100	2,595,744
	<u>103,615,239</u>	<u>106,011,850</u>

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33. OTHER OPERATING EXPENSES

	Note	2025 ﷲ	2024 ﷲ
Provision for legal fees and related expenses		15,748,727	3,804,221
Pre-opening expenses	33.1	38,972,966	30,120,932
Impairment of projects under construction	8.4	66,878,772	2,184,716
(Reversal) / Impairment of property and equipment	7.3	(111,094,274)	2,050,000
Impairment of investment property	10.4	22,300,000	-
Impairment of intangible assets	9.4	8,708,333	-
Depreciation of property and equipment	33.1	-	6,211,631
Reversal of impairment of right of use asset	11.1	-	(29,267,624)
Impairment of slow-moving inventory		-	1,554,606
Professional fees		-	1,469,677
Others		418,520	2,386,724
		<u>41,933,044</u>	<u>20,514,883</u>

33.1 These expenses relate to properties under renovation and construction.

34. DIVIDENDS FROM FINANCIAL ASSETS CARRIED AT FVOCI

	2025 ﷲ	2024 ﷲ
Sabir for Agri-Nutrients Company	7,905,359	7,297,254
Kinan International Real Estate Development Company	1,958,621	1,818,720
Makkah Construction and Development Company	2,083,077	1,779,871
National Tourism Company	350,000	350,000
	<u>12,297,057</u>	<u>11,245,845</u>

35. OTHER INCOME, NET

	Note	2025 ﷲ	2024 ﷲ
Provision against losses of investment in an associate	13.3	(3,888,921)	(2,143,291)
Gain/(Loss) on disposal of property and equipment	7.5	52,055,200	(2,625,402)
Income from settlement of legal cases		49,206,027	3,392,960
Murabaha investments income		1,210,604	3,134,877
Reversal of legal provision		2,204,048	-
Profits from sale of investments		-	3,282,564
Income on liquidation of investments		-	731,368
Others		1,484,328	2,074,506
		<u>102,271,286</u>	<u>7,847,582</u>

36. FINANCE COSTS

	2025 ﷲ	2024 ﷲ
Financial charges on term loans	61,033,484	70,352,258
Financial charges on lease liabilities	19,303,160	18,258,320
Bank charges	137,982	512,022
	<u>80,474,626</u>	<u>89,122,600</u>

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37. EARNING PER SHARE

Earnings per share is calculated as follows:

	2025 ﷲ	2024 ﷲ
Net profit for the year to shareholders	<u>364,807,954</u>	<u>333,724,736</u>
Weighted average number of ordinary shares	<u>260,457,483</u>	<u>260,457,483</u>
Earning per share - basic and diluted	<u>1.40</u>	<u>1.28</u>

There are no items for diluting earnings per share that impact weighted average number of ordinary shares.

38. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has covered the risk of Murabaha rates on some of the loans obtained from local banks. This is to reduce the risk of Murabaha rates that are eligible for designation as “cash flow hedges”. The Group’s share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognized in its equity. According to the Group's policy, financial derivatives are not used for trading and speculation purposes.

As of 31 December 2025, Murabaha price swap agreements (“swap contracts”) with local banks amounted to a total nominal amount of ﷲ 600 million to hedge against future fluctuations in Murabaha rates for part of their loans signed with the bank for financing projects under development.

The tables below provide a summary of hedged items, hedging instruments and derivative trading, the notional amounts, and their fair values. The notional amounts indicate the volume of transactions outstanding at the consolidated financial statements date and are neither indicative of market risk nor credit risk.

Maturity date for swap contracts, and average rate of interest are as follows:

	<i>Maturity date</i>				<i>Total</i> ﷲ
	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>More than 5 years</i>	
	ﷲ	ﷲ	ﷲ	ﷲ	
Murabaha rate swap contracts	-	-	600,000,000	-	600,000,000
Average rate of Murabaha	-	-	4.37%	-	4.37%

The impact of Hedging instrument on the consolidated statement of financial position is as below:

<i>Murabaha rate swap contracts as at 31 December</i>	<i>Nominal value</i>	<i>Carrying value</i>	<i>Item in the statement of financial position</i>	<i>Change in fair value</i> ﷲ
2025	600,000,000	9,025,508	Derivative Financial instruments	(2,063,892)
2024	600,000,000	20,353,337	Derivative Financial instruments	24,497,224

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38. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The impact of Cash flow hedges recorded in consolidated statement of income and consolidated other comprehensive income consist of:

	<i>Profits and losses through other comprehensive income</i>	<i>Non-effectiveness recognized in statement of income</i>	<i>Item in the statement of income</i>	<i>Reclassified amounts through the statement of income</i>	<i>Item in the statement of income</i>
	S\$	S\$	S\$	S\$	S\$
2025	(2,063,892)	-	-	(9,165,924)	Finance costs
2024	24,497,224	-	-	(10,789,340)	Finance costs

39. CONTINGENCIES & COMMITMENTS

As at 31 December 2025, the Group has contingencies in the form of letters of guarantee amounted to S\$ 35.34 million (December 31, 2024: S\$ 31.51 million).

Further, the Group has capital obligations related to projects under development that represent the remaining value of design and implementation agreements and contracts amounting to S\$ 419 million (31 December 2024: S\$ 501 million). The Group has a capital commitment in relation to equity accounted investees' projects under construction amounting to S\$ 16.2 million (31 December 2024: S\$ 39.3 million).

For Zakat related matters, refer to note 29.

40. NON-CONTROLLING INTERESTS ("NCI")

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before intragroup eliminations:

	<i>Nuzul Shada Company</i>		<i>Saudi Hotels Services Company</i>	
	S\$	S\$	S\$	S\$
	2025	2024	2025	2024
Percentage NCI	<u>40%</u>	<u>40%</u>	<u>20%</u>	<u>20%</u>
Non-current assets	77,816,152	81,282,459	76,304,119	75,418,406
Current assets	14,116,526	12,139,531	29,348,184	33,691,819
Non-current liabilities	15,664,217	16,496,268	4,193,684	3,320,136
Current liabilities	4,038,676	4,204,021	5,836,359	5,957,521
Net assets of the subsidiary	<u>72,229,785</u>	<u>72,721,701</u>	<u>95,622,260</u>	<u>99,832,568</u>
Net assets attributable to NCI	<u>28,891,914</u>	<u>29,088,680</u>	<u>19,124,452</u>	<u>19,966,514</u>
Revenues	15,567,745	18,744,560	40,444,717	45,483,090
Profit or loss	207,491	(80,596)	3,206,828	8,155,603
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>207,491</u>	<u>(80,596)</u>	<u>3,206,828</u>	<u>8,155,603</u>
Profit allocated to NCI	<u>82,996</u>	<u>(32,238)</u>	<u>641,366</u>	<u>1,631,121</u>
OCI allocated to NCI	-	-	-	-

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41. FINANCIAL RISK MANAGEMENT

The Group's significant financial liabilities include trade payables, other payables, advance from customers, and due to related parties, are initially measured at fair value and thereafter carried at their amortized cost. Financial assets comprise of trade receivables, due from related parties, other debit balances, LTI and cash and cash equivalents measured at amortized cost, financial assets at fair value through OCI.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Group's Treasury Department under a Service Level Agreement that advises on the financial risks and the appropriate financial risk governance framework. The Board reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks include two kinds of risks: Commission rate risk and currency risk. Financial instruments affected by market risk include loans.

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates.

The Company's exposure to the Group's risk of changes in market commission rates relates primarily to the Group's loans related to floating commission rates.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rate on that portion of loans affected. With all other variables held constant, the Group's profit before zakat is affected through the impact on floating rate borrowings as follows:

	<i>100 basis point increase</i> ﷲ	<i>100 basis point decrease</i> ﷲ
2025	18,796,122	(18,796,122)
2024	(16,520,156)	16,520,156

Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Company is not exposed to any significant currency risks, as the Group has no material balances as at 31 December 2025 dominated in currencies other than ﷲ and US Dollars.

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41. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration risk arises when a number of counterparties engaged in similar business activities or activities in the same geographical region or have economic features that would cause them to fail their contractual obligations. To reduce exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The Group's management also continuously monitors credit risk to customers. It recognizes the costs of the necessary decrease against the balances deemed doubtful. To reduce this risk, the Group has a system to reduce credit limits granted to customers based on an extensive assessment of customer rating and payment history.

Receivables are monitored regularly. The credit granted to most of the receivables is secured, where possible, by obtaining letters of credit, bank guarantee deposits, bank guarantees and insurance guarantees.

The Group also deposits its cash balances with a number of financial institutions of good reputation, given the previous business of the banks that the Group deals with the management does not expect any party to be unable to fulfill its obligations towards the other.

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

Financial assets:	<i>2025</i> S	<i>2024</i> S
Trade receivables	123,172,930	105,586,571
Cash and cash equivalent	102,585,655	244,818,515
Short-term investments	6,300,000	-
	<u>232,058,585</u>	<u>350,405,086</u>
Financial assets:	<i>2024</i> S	<i>2023</i> S
Secured	108,885,655	244,818,515
Unsecured	123,172,930	105,586,571
	<u>232,058,585</u>	<u>350,405,086</u>

The debt lives of trade receivables are as follows:

	<i>Trade receivables</i>				
	<i>Due days</i>				<i>Total</i> S
	<i>Less 90</i> <i>days</i> S	<i>91- 180</i> <i>days</i> S	<i>180- 360</i> <i>days</i> S	<i>More 360</i> <i>days</i> S	
Expected losses rate	1%	3%	13%	59%	36%
Carrying amount exposed to default	59,274,183	16,821,506	7,277,468	102,984,223	186,357,380
Expected credit loss	(498,898)	(577,596)	(947,286)	(61,160,670)	(63,184,450)
31 December 2024	<i>Trade receivables</i>				
	<i>Due days</i>				<i>Total</i> S
	<i>Less 90</i> <i>days</i> S	<i>91- 180</i> <i>days</i> S	<i>180- 360</i> <i>days</i> S	<i>More 360</i> <i>days</i> S	
Expected losses rate	1%	5%	24%	74%	46%
Carrying amount exposed to default	58,233,210	4,542,227	18,365,237	114,622,594	195,763,268
Expected credit loss	(744,027)	(204,864)	(4,429,719)	(84,798,087)	(90,176,697)

There is no significant concentrations of credit risk were identified by the management as at the reporting date.

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41. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments, Liquidity risk may result from an inability to realize financial assets quickly at an amount close to its fair value. The Group manages liquidity risk by monitoring working capital requirements and cash flows on a regular basis.

Management has developed policies and practices to manage liquidity risk in accordance with risk tolerance and ensure that the Group maintains adequate liquidity. Senior management continuously reviews information on the Group's liquidity developments.

The Group has set a strong mechanism to manage its cash to ensure the best use of available cash resources. This requires the regulation of collection and exchange systems in a way that maximizes the investment of un-invested funds through term deposits and short-term deposits, while reducing the borrowing of funds and ensuring that necessary facilities are available to manage its operations.

<u>At 31 December 2025</u>	<i>Within one year</i> ﷲ	<i>Two years and over</i> ﷲ	<i>Total</i> ﷲ
Trade and other payables	58,326,282	-	58,326,282
Dividend payables	156,179,840	-	156,179,840
Term loans	257,994,364	1,621,617,835	1,879,612,199
Lease liabilities	37,577,993	246,904,274	284,482,267
	<u>510,078,479</u>	<u>1,868,522,109</u>	<u>2,378,600,588</u>
<u>31 December 2024</u>	<i>Within one year</i> ﷲ	<i>Two years and over</i> ﷲ	<i>Total</i> ﷲ
Trade and other payables	37,179,875	-	37,179,875
Dividend payables	155,167,604	-	155,167,604
Term loans	299,344,616	1,352,671,002	1,652,015,618
Lease liabilities	48,344,625	235,944,991	284,289,616
	<u>540,036,720</u>	<u>1,588,615,993</u>	<u>2,128,652,713</u>

There is no material difference between the carrying amount and the fair value of these financial liabilities.

42. CAPITAL MANAGEMENT

Capital is equity attributable to the shareholders' equity of the Group. The Group's main objective when managing capital is to support its business and maximize the Shareholder's return.

Management's policy is to maintain a strong capital base so as to maintain investors and lenders and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. The Board of Directors monitors the return on capital, which the Group determines by the output of operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to shareholders.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

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42. CAPITAL MANAGEMENT (continued)

Group's debt to adjusted capital ratio is as follows:

	2025 ﷲ	2024 ﷲ
Total liabilities	3,134,005,348	2,920,723,049
Less: Cash and cash equivalent and short-term investments	<u>(108,885,655)</u>	<u>(244,818,515)</u>
Net debt (less cash and cash equivalents and short-term investments)	3,025,119,693	2,675,904,534
Equity	<u>6,928,479,441</u>	<u>6,929,285,307</u>
Net obligations to equity	<u>43.66%</u>	<u>38.62%</u>

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 assumption that selling an asset or transferring an obligation will take 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 may use when pricing the asset or liability and assuming that the participants act for their best interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits arising from the best use of the asset or its sale to another market participant who may be using the best use is taken into account.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 values are measured or disclosed in the consolidated financial statements are classified within the fair value hierarchy, which is illustrated below, on the basis of the minimum inputs that are important to measure the fair values as a whole:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value can be observed directly or indirectly.
Level 3	Valuation techniques so that the minimum limit that can be determined for significant inputs to measure fair value cannot be observed.

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43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following tables show the carrying amounts of financial assets and financial liabilities.

	31 December 2025			31 December 2024		
	Amortized cost S	Carrying value Fair value through OCI S	Total S	Amortized cost S	Carrying value Fair value through OCI S	Total S
Financial assets measured at fair value						
Financial assets carried at FVOCI	-	656,189,894	656,189,894	-	846,840,757	846,840,757
Derivative financial instruments	-	9,025,508	9,025,508	-	20,353,337	20,353,337
	-	665,215,402	665,215,402	-	867,194,094	867,194,094
Financial assets not measured at fair value						
Trade receivables	123,172,930	-	123,172,930	105,586,571	-	105,586,571
Amounts due from related parties	52,079,683	-	52,079,683	19,745,440	-	19,745,440
Short-term investments	6,300,000	-	6,300,000	-	-	-
Cash and cash equivalents	102,585,655	-	102,585,655	244,818,515	-	244,818,515
	284,138,268	-	284,138,268	370,150,526	-	370,150,526
Financial liabilities not measured at fair value						
Trade and other payable	58,326,282	-	58,326,282	37,179,875	-	37,179,875
Amounts due to related parties	33,915,629	-	33,915,629	36,041,098	-	36,041,098
Dividend payable	156,179,840	-	156,179,840	155,167,604	-	155,167,604
Term loans	1,879,612,199	-	1,879,612,199	1,652,015,618	-	1,652,015,618
	2,128,033,950	-	2,128,033,950	1,880,404,195	-	1,880,404,195

The following table shows the fair values of financial assets and financial liabilities, including their fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair Value			Total S
	Level 1 S	Level 2 S	Level 3 S	
31 December 2025				
Financial assets measured at fair value				
Financial assets carried at FVOCI	583,712,894	-	72,477,000	656,189,894
Derivative financial instruments	-	9,025,508	-	9,025,508
	583,712,894	9,025,508	72,477,000	665,215,402
31 December 2024				
Financial assets measured at fair value				
Financial assets carried at FVOCI	760,457,757	-	86,383,000	846,840,757
Derivative financial instruments	-	20,353,337	-	20,353,337
	760,457,757	20,353,337	86,383,000	867,194,094

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43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

There were no transfers between Level 1 and Level 2 fair value measurements during the year, and no transfers into or out of Level 3 fair value measurements during the year ended 31 December 2025. Their fair value change in financial instruments categorized within Level 3 amounted to ~~ﷲ~~ 13.9 million (31 December 2024: ~~ﷲ~~ 55 million), recorded in the consolidated statement of comprehensive income.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the consolidated statement of financial position, as well as significant unobservable inputs.

<u>Type</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Derivative financial instruments	The fair value is calculated by applying multi-curve framework for the valuation of interest rate derivatives, reflecting market practices and the differentiation between discounting and forecasting curves. The inputs include a range of instruments such as interest rate swaps, futures, and basis swaps as par instruments depending on the curve, and then employing standard calibration techniques (e.g., bootstrapping, optimization algorithms) and interpolation methods (e.g., linear, cubic spline) to derive zero rates.	Not applicable	Not applicable
Investment in equity instruments	<p><i>Market comparison technique:</i> The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITDA of the investee.</p> <p><i>Net Asset valuation technique:</i> This technique is based on the estimated value of assets minus liabilities as of the valuation date. It may not reflect future earnings potential or market fluctuations and has been used alongside market comparison to derive the fair value of the investment.</p>	<p>EV EBITDA multiple of 14x (2024: 15.5x)</p> <p>EV REVENUE multiple of 2.0x (2024: 2x)</p>	A +/- 10% change in the multiples would result in the fair value to change by : ﷲ 7.3 million (2024: : ﷲ 8.7 million)

44. SUBSEQUENT EVENTS

There are no matters that have occurred up to and including the date of the approval of the consolidated financial statements that would materially affect the consolidated financial statements or require adjustments or disclosures in the consolidated financial statements for the year ended 31 December 2025.

45. COMPARATIVE FIGURES

For better presentation certain prior year numbers have been reclassified to conform with the presentation in the current year.

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46. APPROVAL OF THE CONSOLIDATED FINANCIAL

The consolidated financial statements were approved and authorized for issue by the Group's Board Directors on 12 Ramadan 1447H (corresponding to 01 March 2026).