Umm Al Qura for Development and Construction Prospectus

Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares, representing 9.09% of the share capital of Umm Al Qura for Development and Construction after the capital increase (which is equivalent to 10% of the Company's share capital prior to the capital increase) for public subscription at an Offer Price of [•] Saudi Riyals (SAR [•]) per Share.

Offering Period: Three (3) business days
Commencing Wednesday 05/09/1446H (corresponding to 05/03/2025G)
until the end of Sunday 09/09/1446H (corresponding to 09/03/2025G).

أم القرى
للتنمية والإعمار
MASAR مسار

A Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), and registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G).

Umm Al Qura for Development and Construction (hereinafter referred to as the "Company" or the "Issuer" or the "Group") is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), and registered under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). Its registered address is Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District, P.O. Box 16786, Makkah, 21955, Kingdom of Saudi Arabia (hereinafter referred to as the "Kingdom").

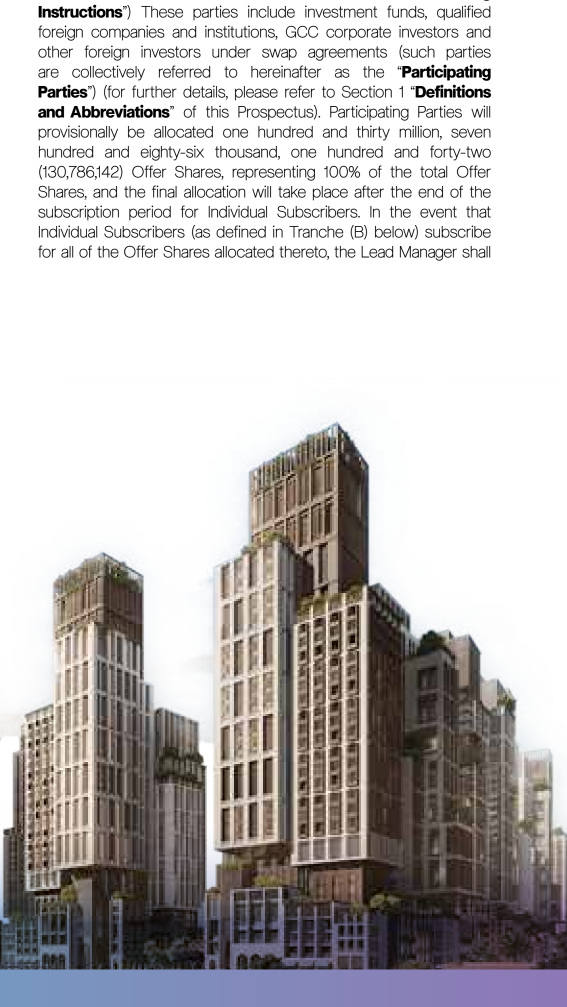
The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed joint-stock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), with a fully paid-up share capital of nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company is registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). The Company's share capital has increased several times since its incorporation. The Company's share capital was first increased pursuant to the Extraordinary General Assembly resolution dated 16/07/1433H (corresponding to 06/06/2012G) from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460) to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion and seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders; and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 150,490,820) was fulfilled through Mabahij Al Arabia for Real Estate Development Limited bearing the expenses of the Company's incorporation. On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was fulfilled in cash through the issuance of seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares distributed to the Company's current Shareholders on a pro rata basis; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, paid in cash from the value of the real estate within the project. On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, which was paid in cash from the value of the real estate within the project; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on their preemptive rights, the value of which was collected through cash contributions from the current Shareholders. Thereafter, on 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (1,187,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on their preemptive rights. On 17/09/1443H (corresponding to 18/04/2022G), the Extraordinary General Assembly approved the increase of the Company's share capital from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was met through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new in-kind Shares to new Shareholders owning real estate in the KAAR Project in Makkah. Finally, on 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares (hereinafter collectively referred to as the "**Shares**") with a nominal value of ten Saudi Riyals (SAR 10) per Share, as well as the public Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares (hereinafter referred to as the "**New Shares**") on the Saudi Stock Exchange (Tadawul) (hereinafter referred to as the "**Exchange**" or "**Tadawul**"), representing 9.09% of the Company's share capital after the capital increase (equivalent to ten per cent. (10%) of the Company's share capital prior to the capital increase) (for further information regarding the Company's history, please refer to Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus).

The Company's Pre-Offering share capital is thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company's share capital Post-Offering will be fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share.

The initial public offering (hereinafter referred to as the "**Offering**") consists of the offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares (hereinafter collectively referred to as the "**Offer Shares**" and each individually as an "**Offer Share**") at an Offer Price of [•] (SAR [•]) per Share, with a nominal value of ten Saudi Riyals (SAR 10) per Share (hereinafter referred to as the "**Offer Price**"). The total Offer Shares represent 9.09% of the Company's share capital after the capital increase (which is equivalent to 10% of the Company's share capital before the capital increase).

Subscription to the Offer Shares shall be limited to two tranches of investors (hereinafter referred to as the "**Investors**") as follows:

Tranche (A): Participating Parties: This tranche comprises the parties entitled to participate in the book building process as specified under the Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued by the Board of the Capital Market Authority (hereinafter referred to as the "**CMA**") pursuant to Resolution No. 2-94-2016, dated 15/10/1437H (corresponding to 20/07/2016G), as amended by CMA Board Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G) (hereinafter referred to as the "**Book Building Instructions**") These parties include investment funds, qualified foreign companies and institutions, GCC corporate investors and other foreign investors under swap agreements (such parties are collectively referred to hereinafter as the "**Participating Parties**") (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). Participating Parties will provisionally be allocated one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) Offer Shares, representing 100% of the total Offer Shares, and the final allocation will take place after the end of the subscription period for Individual Subscribers. In the event that Individual Subscribers (as defined in Tranche (B) below) subscribe for all of the Offer Shares allocated thereto, the Lead Manager shall




have the right to reduce the number of Offer Shares allocated to the Participating Parties to a minimum of one hundred and seventeen million, seven hundred and seven thousand, five hundred and twenty-eight (117,707,528) Offer Shares, representing 90% of the total Offer Shares. The Financial Advisors, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to the Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom, or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution (hereinafter collectively referred to as the "**Individual Subscribers**" and each individually as an "**Individual Subscriber**", and together with the Participating Parties as the "**Subscribers**"). A subscription for shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void, and only the first subscription will be accepted. A maximum of thirteen million, seventy-eight thousand, six hundred and fourteen (13,078,614) Offer Shares, representing 10% of the total Offer Shares, shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all of the Offer Shares allocated thereto, the Financial Advisors may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares they subscribed for.

The Law of Real Estate Ownership and Investment by Non-Saudis promulgated by Royal Decree No. M/15 dated 17/04/1421H (corresponding to 19/07/2000G) (hereinafter referred to as the "**Law of Real Estate Ownership and Investment by Non-Saudis**") prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah . This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the Non-Saudi Ownership and Investment Law issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock Exchange that own properties within the boundaries of the cities of Makkah and Madinah , provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.

Following completion of the Offering, the General Organization for Social Insurance (GOSI), the Public Investment Fund (PIF) and Dallah Albaraka Holding Company (hereinafter referred to as the "**Substantial Shareholders**") will collectively own 50.84% of the Shares and will thus retain a controlling interest in the Company. The Offering Proceeds, after deduction of the Offering Expenses (hereinafter referred to as the "**Net Offering Proceeds**") will be distributed for the purpose of developing the King Abdulaziz Road (KAAR) Project in Makkah (hereinafter referred to as "**Masar Destination**") (for further information regarding Masar Destination, please refer to Section 4.3.2 "**Overview of Masar Destination**" of this Prospectus. For further information regarding the use of the Offering Proceeds, please refer to Section 8 "**Use of Offering Proceeds**" of this Prospectus). The Offering has been fully underwritten by the Underwriters (for further information regarding the underwriting, please refer to Section 13 "**Underwriting**" of this Prospectus). The Substantial Shareholders and the Shareholders acting in concert, namely (1) Dallah Albaraka Holding Company, (2) Abdullah Saleh Abdullah Kamel, (3) Dallah Trans Arabia, (4) Dallah Albaraka Investment Holding Company, (5) Muhiyuddin Saleh Abdullah Kamel, (6) Abdullah Mohammed Abdo Abdullah Yamani and (7) Al Mawajed International for Real Estate Development Co. Ltd, in addition to (1) Real Estate Development Company and (2) Mabahij Al Arabia for Real Estate Development Limited (collectively referred to hereinafter as the "**Shareholders Acting in Concert**"), are prohibited from disposing of their shares for a period of six (6) months from the trading of the Company's Shares commences on the Exchange (hereinafter referred to as the "**Lock-up Period**"), as set out on page (xvii) of this Prospectus. The Substantial Shareholders of the Company, who directly own 5% or more of its Shares are: GOSI, PIF and Dallah Albaraka Holding Company. Table 1.2: "**The Direct Substantial Shareholders and the Shareholders Acting in Concert, the Number of their Shares and their Ownership Percentages Pre- and Post-Offering**" of this Prospectus sets out ownership percentages of the Substantial Shareholders in the Company's share capital.

The Offering Period will commence on Wednesday 05/09/1446H (corresponding to 05/03/2025G) and will remain open for a period of three (3) business days, up to and including the subscription closing day on Sunday 09/09/1446H (corresponding to 09/03/2025G) (hereinafter referred to as the "**Offering Period**"). Individual Subscribers may subscribe for the Offer Shares during the Offering Period electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents listed on pages (ix) to (xi) of this Prospectus (hereinafter referred to as the "**Receiving Agents**") (for further information, please refer to Section 17.3.2 "**Subscription by Individual Subscribers**" of this Prospectus). Participating Parties may subscribe for the Offer Shares through the Bookrunners during the book building process, which will take place prior to the Offering of the Shares to Individual Subscribers.

Each Individual Subscriber must apply for a minimum of ten (10) Offer Shares and a maximum of two million, five hundred thousand (2,500,000) Offer Shares. The minimum allocation per Individual Subscriber is ten (10) Shares. The balance of Offer Shares, if any, will be allocated pro rata based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds one million, three hundred and seven thousand, eight hundred and sixty-one (1,307,861) subscribers, the Company will not guarantee the minimum allocation. In such case, the allocation will be made as deemed appropriate by the Financial Advisors and the Company. Excess subscription monies (if any) will be refunded to Individual Subscribers without any charge or commission being withheld by the relevant Receiving Agents. Announcement of the final allocation will be made no later than Thursday 13/09/1446H (corresponding to 13/03/2025G) and refund of excess subscription monies (if any) will be made no later than Sunday 16/09/1446H (corresponding to 16/03/2025G) (for further information, please refer to the "**Key Dates and Subscription Procedures**" section on page (xix) and Section 17 "**Subscription Terms and Conditions**" of this Prospectus).

The Company has one class of ordinary Shares. Each Share entitles its holder to one vote, and each Shareholder in the Company (hereinafter referred to as a "**Shareholder**") has the right to attend and vote at the Shareholder General Assembly meetings (hereinafter referred to as the "**General Assembly**"). No Shareholder benefits from any preferential voting rights. The Offer Shares will entitle holders to receive their portion of any dividends declared by the Company as of the date of this Prospectus (hereinafter referred to as the "**Prospectus**") and for subsequent financial years (for further information regarding the dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).

Prior to the Offering, the Company's Shares have not been previously listed or traded on any stock market in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offer of the Shares, and an application to the Exchange for the listing of the Shares. All required supporting documents have been submitted to the relevant authorities. All requirements have been met and all approvals related to the Offering have been obtained, including this Prospectus. It is expected that trading of the Shares will commence on the Exchange after the final allocation of the Offer Shares and the fulfillment of all relevant regulatory requirements (for further details, please refer to the "**Key Dates and Subscription Procedures**" section on page (xix) of this Prospectus). Saudi Arabian nationals, companies, banks and investment funds established in the Kingdom will be permitted to trade in the Shares after they are registered with the CMA and listed on the Exchange.

Persons who wish to subscribe for the Company's Shares must carefully read and consider the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus prior to making an investment decision with respect to the Offer Shares.

Financial Advisors, Bookrunners and Underwriters

جي آي بي كابيتال GIB CAPITAL | البلاد المالية Albilad Capital | الراجحي المالية alrajhi capital

Lead Manager

البلاد المالية Albilad Capital

Receiving Agents

البلاد المالية Albilad Capital | جي آي بي كابيتال GIB CAPITAL | الراجحي المالية alrajhi capital | SNB Capital | الأول للاستثمار SAB Invest

BSF Capital | anb capital | دراية derayah | الجزيرة كابيتال ALJAZIRA CAPITAL | الرياض المالية Riyad Capital

الإنماء للاستثمار alinma investment | يقين Yaqeen | الخبير المالية Alkhabeer Capital | Sahm | الاستثمار كابيتال Alistithmar Capital

This Prospectus is dated 22/06/1446H (corresponding to 23/12/2024G).


masardestination.com

Important Notice

This Prospectus contains detailed information relating to the Company and the Offer Shares. When submitting an application for subscription to the Offer Shares, Participating Parties and Individual Subscribers will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which can be obtained from the Company, the Lead Manager or the Receiving Agents or by visiting the websites of the Company (www.ummalqura.com.sa), the CMA (www.cma.org.sa) or the Financial Advisors (www.gibcapital.com), (www.albilad-capital.com) and (www.alrajhi-capital.com).

The Company has appointed GIB Capital, Albilad Investment Company and Al Rajhi Capital as its financial advisors (hereinafter referred to as the "**Financial Advisors**"), with GIB Capital, Albilad Investment Company, Al Rajhi Capital and Alinma Investment Company as Bookrunners (hereinafter referred to as the "**Bookrunners**") and underwriters (hereinafter referred to as the "**Underwriters**") in connection with the Offer Shares described in this Prospectus. The Company has also appointed Albilad Investment Company as the Lead Manager (hereinafter referred to as the "**Lead Manager**") in connection with the Offer Shares described in this Prospectus.

This Prospectus includes information that has been presented in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the CMA. The Board Members, whose names appear on page (iv) of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable inquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, a substantial portion of the information in this Prospectus which is relevant to the markets and industry in which the Company operates has been derived from external sources. While neither the Company nor the Board Members or any of the Advisors whose names appear on pages (vi) to (viii) of this Prospectus have any reason to believe that any of the market and industry information is materially inaccurate, such information has not been independently verified, and, therefore, no representation or assurance is made with respect to the accuracy or completeness of any such information.

The information included in this Prospectus as of the date hereof is subject to change. In particular, the actual financial position of the Company and the value of the Shares may be adversely affected by future developments related to inflation, interest rates, taxation or any other economic or political factors over which the Company has no control (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). Neither the issuance of this Prospectus nor any verbal, written or printed communication in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise or representation regarding future earnings, results or events.

This Prospectus should not be regarded as a recommendation on the part of the Company, the Board Members, the Receiving Agents or any of the Advisors to subscribe for the Offer Shares. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making a decision to invest in the Offer Shares, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA-licensed financial advisor in relation to subscribing for the Offer Shares to consider the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some Investors but not others. Prospective investors should not rely on a third party's decision whether to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

Subscription for the Offer Shares shall be limited to two tranches of investors as follows:

Tranche (A) Participating Parties: This tranche comprises a number of parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Tranche (B) Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void, and only the first subscription will be accepted.

The Law of Real Estate Ownership and Investment by Non-Saudis prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah. This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the Non-Saudi Ownership and Investment Law issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock Exchange that own properties within the boundaries of the cities of Makkah and Madinah, provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.

It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares in any country other than the Kingdom. The Company and the Financial Advisors request recipients of this Prospectus to inform themselves of all regulatory restrictions related to the Offering and the sale of Offer Shares and to observe all such restrictions. Each Individual Subscriber and Participating Party should read this Prospectus in full and seek professional advice from a CMA-licensed financial advisor and from their own attorneys, accountants and professional advisors concerning the various legal, tax, regulatory and economic considerations relating to their investment in the Offer Shares, and they will personally bear the fees associated with such advice. Neither the Company nor the Financial Advisors can make any assurance that profits will be achieved.

Market and Industry Information

The information and data contained in Section 3 "**Market and Sector Overview**" of this Prospectus with respect to the market and industry in which the Company operates has been derived from the Market Study prepared on 29/02/1446H (corresponding to 02/09/2024G) by the Market Consultant, Professional Realtors Company LLC (Colliers) (hereinafter referred to as the "**Market Consultant**").

Colliers is an independent firm specialized in providing strategic market research services to a wide range of clients. It was founded in 1976G and is headquartered in Toronto, Canada.

The Board Members believe that the information and data contained in this Prospectus which has been obtained or derived from third-party sources, including the Market Study prepared by the Market Consultant, are reliable. However, such information and data have not been independently verified by the Company, the Board Members or the Advisors (except for the Market Consultant), and therefore none of the aforementioned bears any liability for the accuracy or completeness of such information or data.

Neither the Market Consultant nor any of its shareholders, board members or their relatives have any shares or interest of any kind in the Company. The Market Consultant has given and, as of the date of this Prospectus, has not withdrawn its written consent to the use of the market research data in the form and manner set out in this Prospectus.

Financial Information

The audited consolidated financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G and the unaudited consolidated interim financial statements of the Company for the six-month period ended 30 June 2024G, along with the accompanying notes thereto, have been prepared in accordance with the International Financial Reporting Standards (IFRS). The Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the Company's unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G have been audited by KPMG Professional Services (hereinafter referred to as the "**Auditor**"). These financial statements have been included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus. The Company publishes its financial statements in Saudi Riyals.

Certain financial and statistical information contained in this Prospectus has been rounded to the nearest integer. Accordingly, if the figures contained in the tables are aggregated, the total may not correspond to what is mentioned in this Prospectus.

Forecasts and Forward-looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used, and consequently, no representation or warranty is made with respect to the accuracy or completeness of any such forecasts or estimates. The Company confirms that, to the best of its reasonable knowledge, the necessary due diligence has been carried out in preparing the statements contained in this Prospectus.

Certain forecasts and statements contained in this Prospectus constitute or may be considered to be "forward-looking statements". Such forward-looking statements can generally be identified through their use of forward-looking words such as "plans", "intends", "proposes", "estimates", "believes", "forecasts", "expected", "may", "could", "likely", "possibly", "will", "would" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of the Company's actual future performance. Numerous factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The key risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (for further details, please refer to Section 2 "**Risk Factors**" of this Prospectus). Should one or more of these factors materialize or any of the forecasts or forward-looking statements contained in this Prospectus prove to be incorrect or inaccurate, the actual results of the Company may differ materially from those described in this Prospectus.

Subject to the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus if, at any time after the publication of this Prospectus and before the completion of the Offering, the Company becomes aware that: (a) there has been a significant change in any material information contained in this Prospectus or any document required by the Rules on the Offer of Securities and Continuing Obligations; or (b) the occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information contained in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing and other risks, uncertainties and estimates, the forward-looking events and circumstances discussed in this Prospectus may not occur in the way the Company expects, or may not occur at all. Accordingly, Subscribers should consider all forward-looking statements in light of these explanations and should not place undue reliance thereon.

Definitions and Abbreviations

For an explanation of certain terms and abbreviations included in this Prospectus, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus.

Presentation of Figures in the Prospectus

This Prospectus has been prepared using Arabic numerals, namely 1, 2, 3, 4, 5, 6, 7, 8, 9 and 0. Certain figures are presented as decimals, whereby a decimal point is placed to the right of the decimal place with the base value. Each digit to the right of this decimal point has a base value of one-tenth of the value of the previous digit to the left. Accordingly, the figure 123.4 represents the number one hundred and twenty-three and four-tenths.

General Provisions

Certain figures contained in this Prospectus have been rounded to the nearest integer. Accordingly, figures shown in the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In this Prospectus, Hijri dates are mentioned along with their corresponding Gregorian dates. The Hijri calendar is prepared based on the upcoming lunar cycles; however, the beginning of each month is determined by the actual observation and sighting of the moon. Therefore, conversions between the Hijri calendar and the Gregorian calendar are often subject to discrepancies of one or a few days. In addition, any reference to "year" or "years" is a reference to Gregorian years, unless otherwise expressly specified in this Prospectus.

Corporate Directory

Board of Directors

Table (1.1): The Company's Board of Directors

No.	Name	Position	Nationality	Age	Status	Direct Ownership (%)**		Indirect Ownership (%)***		Date of Appointment*
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1.	Abdullah Saleh Abdullah Kamel	Chairman	Saudi	57 years	Non-executive	4.30%	3.91%	2.47%	2.25%	26/11/1444H (corresponding to 15/06/2023G)
2.	Abdulrahman Mohammed Abdullah Al-Rashid	Vice Chairman	Saudi	65 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
3.	Abdullah Saleh Hammad Al-Balawi	Board Member	Saudi	33 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
4.	Jehad Abdulrahman Suleiman Al-Kadi	Board Member	Saudi	44 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
5.	Abdulaziz Abdulrahman Abdulaziz Al-Khunain	Board Member	Saudi	60 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
6.	Abdulaziz Mutaib Abdullah Al-Rasheed	Board Member	Saudi	56 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
7.	Zuhair Fouad Amin Hamzah	Board Member	Saudi	64 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
8.	Ahmed Abdulmohsen Ahmed Al-Rumaih	Board Member	Saudi	38 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
9.	Haitham Mohammed Abdulrahman Al-Fayez	Board Member	Saudi	46 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)

* The dates listed in this table are the dates of appointment of the Board Members to the current term of the Board pursuant to the Ordinary General Assembly resolution dated 26/11/1444H (corresponding to 15/06/2023G). It should be noted that the term of the Board commenced on 13/12/1444H (corresponding to 01/07/2023G) for a period of three (3) years. The respective biographies of the Board Members state the dates of their original appointment to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus).

** The direct ownership is a result of Abdullah Saleh Abdullah Kamel directly owning fifty-six million, two hundred and ninety-eight thousand, six hundred and twenty-three (56,298,623) shares, representing 4.30% of the Issuer's share capital.

*** The indirect ownership of Abdullah Saleh Abdullah Kamel is a result of his indirect ownership in the Issuer's share capital as follows: (i) twenty-eight million, one hundred and nineteen thousand, five hundred and eight point fifty three (28,119,508.53) shares through Dallah Albaraka Holding Company, representing 2.15% of the Issuer's share capital; (ii) four million, one hundred and nineteen thousand, four hundred shares (4,119,400) through the ownership of Dallah Trans Arabia, representing 0.31% of the Issuer's share capital; (iii) one hundred and nine thousand and eighty-four shares (109,084) through the ownership of Dallah Albaraka Investment Holding Co., representing 0.01% of the Issuer's share capital; and (iv) fifteen hundredths of a share (0.15) in Al Mawajed International for Real Estate Development Co. Ltd through his ownership in Sinad Holding, which owns 100% of the shares of Al Mawajed International for Real Estate Development Co. Ltd, representing 0.000% of the Issuer's share capital. He also owns, through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani, 11.46% of the Issuer's share capital [(1)].

(1) The ownership percentage of Abdullah Saleh Abdullah Kamel in the Issuer's share capital through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani represents the remaining percentage of the total ownership of Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co. and Al Mawajed International for Real Estate Development Co. Ltd in the Issuer's share capital. Such percentage was calculated independently of the indirect ownership of Abdullah Saleh Abdullah Kamel in the Issuer's share capital, the details of which are stated at the beginning of this marginal note to avoid double counting the same among the total number of shares owned by him.

**** The percentages in this table have been rounded.

Source: The Company

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Company Address, Representatives and Board Secretary

Company Address

Umm Al Qura for Development and Construction
Al Sharif Time Tower, Al Shajaah Street,
Al-Rusayfah District
P.O. Box 16786, Makkah, 21955
Kingdom of Saudi Arabia
Tel: +966 12 6962400
Website: www.ummalqura.com.sa
E-mail: info@ummalqura.com.sa

Company Representatives

Abdullah Saleh Abdullah Kamel
Chairman
Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District
P.O. Box 16786, Makkah, 21955
Kingdom of Saudi Arabia
Tel: +966 505358000
Website: www.ummalqura.com.sa
E-mail: chairman@ummalqura.com.sa

Yasser Abdulaziz Mohammed Abu Ateek
CEO
Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District
P.O. Box 16786, Makkah, 21955
Kingdom of Saudi Arabia
Tel: +966 505640329
Website: www.ummalqura.com.sa
E-mail: governance@ummalqura.com.sa

Board Secretary

Bader Ayman Fadel
Al Sharif Time Tower, Al Shajaah Street,
Al-Rusayfah District
P.O. Box 16786, Makkah, 21955
Kingdom of Saudi Arabia
Tel: +966 504380300
Website: www.ummalqura.com.sa
E-mail: bfadel@ummalqura.com.sa

Stock Exchange

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Kingdom of Saudi Arabia
Tel: +966 11 92000 1919
Fax: +966 11 218 9133
Website: www.saudiexchange.sa
E-mail: csc@saudiexchange.sa

Depository Center

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Fax: +966 11 218 9133
Website: www.edaa.com.sa
E-mail: cc@edaa.com.sa

Advisors

Financial Advisors

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Fax: +966 11 511 2201
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Fax: +966 11 2906299
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E-mail: investmentbanking@albilad-capital.com

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Bookrunners and Underwriters

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Al Rajhi Capital King Fahad Road P.O. Box 5561 Riyadh 11432 Kingdom of Saudi Arabia Tel: +966 (11) 920005856 Fax: +966 (11) 460 0625 Website: www.alrajhi-capital.com E-mail: ProjectMaqamARC@alrajhi-capital.sa	
Alinma Investment Company Al Anoud Tower 2 – King Fahad Road Riyadh Kingdom of Saudi Arabia Tel: +966 (11) 218 5999 Fax: +966 (11) 218 5970 Website: www.alinmainvestment.com E-mail: info@alinmainvestment.com	
Lead Manager	
Albilad Investment Company 8162 King Fahad Road – Al Olaya Riyadh 12313-3701 Kingdom of Saudi Arabia Tel: +966 920003636 Fax: +966 11 2906299 Website: www.albilad-capital.com E-mail: investmentbanking@albilad-capital.com	
Legal Advisor to the Issuer	
The Law Firm of Latham & Watkins King Fahad Road Al-Tatweer Towers, Tower 1, 7th Floor P.O. Box 17411, Riyadh 11484 Kingdom of Saudi Arabia Tel: +966 11 2072500 Fax: +966 11 2072577 Website: www.lw.com E-mail: projectmaqam.lwteam@lw.com	
Legal Advisor to the Financial Advisors, Bookrunners, Underwriters and Lead Manager	
White & Case for Advocacy and Legal Consultations The Business Gate Building, No. 26, Zone C Airport Road P.O. Box 1080, Riyadh 11431 Kingdom of Saudi Arabia Tel: +966 (11) 4167300 Fax: +966 (11) 4167399 Website: www.whitecase.com E-mail: WCProjectMaqam@whitecase.com	

The Company's Advisor
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Financial Due Diligence Advisor
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Auditor
KPMG Professional Services KPMG Tower Roshn Front, Airport Road P.O. Box 92876, Riyadh 11663 Kingdom of Saudi Arabia Tel: +966 11 874 8500 Fax: +966 11 874 8600 Website: www.kpmg.com/sa E-mail: marketingsa@kpmg.com
Market Consultant
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Note:

As of the date of this Prospectus, all of the above-mentioned Advisors and the Auditor have given and have not withdrawn their written consent to the inclusion of and reference to their names, logos, statements and reports attributed to each of them in the context in which they appear in this Prospectus. None of the Advisors or their employees forming part of the engagement team serving the Company, or any of their relatives have any shareholding or interest of any kind in the Company as of the date of this Prospectus which would impair their independence.

Receiving Agents

Receiving Agents
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Offering Summary

This Offering Summary is intended to provide a brief overview of the information on the Offering contained in this Prospectus in detail. As such, it does not contain all the information that may be important to prospective investors, and which should be taken into account prior to making a decision to invest in the Offer Shares. Accordingly, persons wishing to subscribe for the Offer Shares should read and review this Prospectus in full, and any decision to invest in the Offer Shares should be based on a consideration of all information this Prospectus. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this summary.

Company Name, Description and Incorporation	Umm Al Qura for Development and Construction is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). Its registered address is Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District, P.O. Box 16786, Makkah, 21955, Kingdom of Saudi Arabia. The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed joint-stock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), with a fully paid-up share capital of nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company is registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). The Company's share capital has increased several times since its incorporation. The Company's share capital was first increased pursuant to the Extraordinary General Assembly resolution dated 16/07/1433H (corresponding to 06/06/2012G) from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460) to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion and seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders; and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 150,490,820) was fulfilled through Mabahij Al Arabia for Real Estate Development Limited bearing the expenses of the Company's incorporation. On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was fulfilled in cash through the issuance of seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares distributed to the Company's current Shareholders on a pro rata basis; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, paid in cash from the value of the real estate within the project. On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share.

Company Name, Description and Incorporation	The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, which was paid in cash from the value of the real estate within the project; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on their preemptive rights, the value of which was collected through cash contributions from the current Shareholders. On 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (1,187,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on their preemptive rights. On 17/09/1443H (corresponding to 18/04/2022G), the Extraordinary General Assembly approved the increase of the Company's share capital from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was met through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new in-kind Shares to new Shareholders owning real estate in the KAAR Project in Makkah. Finally, on 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, as well as the Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares for public subscription on the Exchange (for further information regarding the Company's history, please refer to Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus).
Company Activities	The principal activities of the Company are concentrated in the real estate sector. The Company specializes in developing the Masar Destination project and is responsible for supervising all technical, planning, administrative and operational aspects of Masar Destination. Pursuant to its Bylaws, the Company's activities consist of the following: 1- Manufacturing: manufacture of furniture. 2- Construction: construction of buildings. 3- Construction: construction of roads and railways. 4- Wholesale and retail trade and repair of motor vehicles and motorcycles: retail sale of other new goods in specialized stores. 5- Lodging and food services: short-term accommodation activities. 6- Real estate activities: real estate activities in owned or leased properties. 7- Education: other types of education not classified elsewhere. As per its Commercial Registration, the Company's activities consist of the following: 1- purchase and sale of land plots and real estate, subdivision thereof and off-plan sales activities; 2- management and leasing of owned or leased residential real estate; 3- management and leasing of owned or leased non-residential real estate; 4- general construction of residential buildings; 5- general constructions of non-residential buildings (such as schools, hospitals, hotels, etc.); 6- construction of roads, streets, sidewalks and road accessories; and 7- construction of bridges and tunnels. The Company has obtained all of the necessary licenses to carry out its activities as of the date of this Prospectus (for further information regarding the Company's licenses, please refer to Section 12.2.4 "**Material Licenses**" of this Prospectus).

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Substantial Shareholders and Shareholders Acting in Concert, the Number of their Shares and their Ownership Percentages Pre- and Post-Offering

The Company's Substantial Shareholders who directly own 5% or more of the Company's Shares are GOSI, PIF and Dallah Albaraka Holding Company. The Shareholders Acting in Concert are (1) Dallah Albaraka Holding Company, (2) Abdullah Saleh Abdullah Kamel, (3) Dallah Trans Arabia, (4) Dallah Albaraka Investment Holding Company, (5) Muhiyuddin Saleh Abdullah Kamel, (6) Abdullah Mohammed Abdo Abdullah Yamani and (7) Al Mawajed International for Real Estate Development Co. Ltd, in addition to (1) Real Estate Development Company and (2) Mabahij Al Arabia for Real Estate Development Limited. The following table shows the number of shares of direct Substantial Shareholders and their ownership percentages in the Company Pre- and Post-Offering, as well as the Shareholders Acting in Concert, the number of their shares and their ownership percentages Pre- and Post-Offering:

Table (1.2): The Direct Substantial Shareholders and the Shareholders Acting in Concert, the Number of their Shares and their Ownership Percentages Pre- and Post-Offering

Shareholder	Pre-Offering			Post-Offering		
	Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
GOSI	345,980,070	3,459,800,700	26.45%	345,980,070	3,459,800,700	24.05%
PIF	282,302,039	2,823,020,390	21.59%	282,302,039	2,823,020,390	19.62%
Dallah Albaraka Holding Company	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%
Shareholders Acting in Concert	227,465,344	2,274,653,440	17.39%	227,465,344	2,274,653,440	15.82%
Total*	**958,858,848**	**9,588,588,480**	**73.31%**	**958,858,848**	**9,588,588,480**	**66.66%**

Source: The Company

* The number, value and percentage of shares owned by the Shareholder Dallah Albaraka Holding Company were calculated once upon calculation of the final total number of shares, their value and ownership percentage, in order to avoid calculating them more than once within the total.

Company's Pre-Offering Share Capital

Thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190).

Company's Post-Offering Share Capital

Fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610).

Total Number of the Company's Shares Pre-Offering

One billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares.

Total Number of the Company's Shares Post-Offering

One billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares.

Nominal Value per Share

Ten Saudi Riyals (SAR 10) per Share.

Offering

Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares, representing 9.09% of the Company's share capital after the capital increase (which is equivalent to 10.0% of the Company's share capital prior to the capital increase) for public subscription at an Offer Price of [•] Saudi Riyals (SAR [•]) per Share.

Total Number of Offer Shares	One hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares.
Ratio of Offer Shares to the Company's Share Capital	The Offer Shares represent 9.09% of the Company's share capital after the capital increase (which is equivalent to 10.0% of the Company's share capital before the capital increase).
Offer Price	[•] Saudi Riyals (SAR [•]).
Total Value of the Offering	[•] Saudi Riyals (SAR [•]).
Use of Offering Proceeds	The Offering Proceeds, amounting to approximately [•] Saudi Riyals (SAR [•]) (after deduction of all expenses and costs related to the Offering, which are estimated at [•] Saudi Riyals (SAR [•]) will be used for the purpose of developing Masar Destination (for further information regarding the Offering Proceeds, please refer to Section 8 "**Use of Offering Proceeds**" of this Prospectus).
Number of Offer Shares to be Underwritten	One hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares.
Total Underwritten Offering Amount	[•] Saudi Riyals (SAR [•]).
Target Investor Categories	Subscription for the Offer Shares shall be limited to two tranches of investors as follows: **Tranche (A): Participating Parties:** This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). **Tranche (B): Individual Subscribers:** This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. The Law of Real Estate Ownership and Investment by Non-Saudis promulgated by Royal Decree No. M/15 dated 17/04/1421H (corresponding to 19/07/2000G) prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah . This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the Non-Saudi Ownership and Investment Law issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock Exchange that own properties within the boundaries of the cities of Makkah and Madinah , provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.
Total Number of Offer Shares for Each Category of Target Investors	
Number of Offer Shares for Participating Parties	One hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) Offer Shares, representing 100% of the total Offer Shares. In the event that Individual Subscribers subscribe for all of the Offer Shares allocated thereto, the Lead Manager shall have the right to reduce the number of Shares allocated to the Participating Parties to a minimum of one hundred and seventeen million, seven hundred and seven thousand, five hundred and twenty-eight (117,707,528) Offer Shares, representing 90% of the total Offer Shares.
Number of Offer Shares for Individual Subscribers	A maximum of thirteen million, seventy-eight thousand, six hundred and fourteen (13,078,614) Offer Shares, representing 10% of the total Offer Shares.

Subscription Method for Each Target Investor Category	
Subscription Method for Participating Parties	Participating Parties may apply for participation in the book building process by filling out the Bid Forms which will be made available to them by the Bookrunners during the book-building process. After the provisional allocation, the Bookrunners will provide Subscription Application Forms to Participating Parties, which they must complete in accordance with the instructions outlined in Section 17 "**Subscription Terms and Conditions**" of this Prospectus.
Subscription Method for Individual Subscribers	Individual Subscribers wishing to subscribe to the Offer Shares must submit Subscription Applications electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe for the Company's shares during the Offering Period (for more information, please refer to Section 17.3.2 "**Subscription by Individual Subscribers**" of this Prospectus).
Minimum Number of Offer Shares that can be Subscribed for by Each Target Investor Category	
Minimum Number of Offer Shares that can be Subscribed for by Participating Parties	One hundred thousand (100,000) Shares.
Minimum Number of Offer Shares that can be Subscribed for by Individual Subscribers	Ten (10) Shares.
Minimum Subscription Amount for Each Target Investor Category	
Minimum Subscription Amount for Participating Parties	[•] Saudi Riyals (SAR [•]).
Minimum Subscription Amount for Individual Subscribers	[•] Saudi Riyals (SAR [•]).
Maximum Number of Offer Shares that can be Subscribed for by Each Target Investor Category	
Maximum Number of Offer Shares that can be Subscribed for by Participating Parties	Seventy-one million, nine hundred and thirty-two thousand, three hundred and seventy-seven (71,932,377) Shares.
Maximum Number of Offer Shares that can be Subscribed for by Individual Subscribers	Two million, five hundred thousand (2,500,000) Shares.
Maximum Subscription Amount for Each Target Investor Category	
Maximum Subscription Amount for Participating Parties	[•] Saudi Riyals (SAR [•]).
Maximum Subscription Amount for Individual Subscribers	[•] Saudi Riyals (SAR [•]).

Method of Allocation and Refund of Excess Subscription Monies (if any) for Each Target Investor Category	
Allocation Method and Refund of Excess Subscription Monies for Participating Parties	The initial allocation will be made as the Financial Advisors deem appropriate, in coordination with the Company, using the discretionary share allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors. Final allocation of the Offer Shares to Participating Parties shall be made through the Financial Advisors upon completion of the subscription period for Individual Subscribers. The number of Offer Shares that will be provisionally allocated to the Participating Parties is one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) Shares, representing 100% of the total Offer Shares. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Lead Manager shall have the right to reduce the number of Shares allocated to Participating Parties to one hundred and seventeen million, seven hundred and seven thousand, five hundred and twenty-eight (117,707,528) Shares of the total Offer Shares upon completion of the subscription period for Individual Subscribers. [•] ([•]) ordinary Shares, representing [•]% of the Offer Shares, will provisionally be allocated to the public funds category. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Lead Manager shall have the right to reduce the number of Shares allocated to public funds to a minimum of [•] ([•]) ordinary Shares, representing [•]% of the total Offer Shares, upon completion of the subscription period for Individual Subscribers.
Allocation Method for Individual Subscribers	A maximum of thirteen million, seventy-eight thousand, six hundred and fourteen (13,078,614) Offer Shares, representing 10% of the total Offer Shares, shall be allocated to Individual Subscribers. Allocation of the Offer Shares to Individual Subscribers is expected to be completed no later than Thursday 13/09/1446H (corresponding to 13/03/2025G). The minimum allocation per Individual Subscriber is ten (10) Shares, while the maximum allocation per Individual Subscriber is two million, five hundred thousand (2,500,000) Shares. The balance of Offer Shares (if any) will be allocated pro rata based on the number of Offer Shares requested by each Individual Subscriber and the total number of Offer Shares requested for subscription. In the event that the number of Individual Subscribers exceeds one million, three hundred and seven thousand, eight hundred and sixty-one (1,307,861) subscribers, the Company will not guarantee the minimum allocation. In such case, the allocation of the Offer Shares to Individual Subscribers will be determined at the discretion of the Company and the Financial Advisors (for further information, please refer to Section 17 "**Subscription Terms and Conditions**" of this Prospectus).
Refund of Excess Subscription Monies (if any)	The Lead Manager or the Receiving Agents, as applicable, shall notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers in full, without any commissions or deductions, and will be deposited in the Subscribers' accounts specified in the Subscription Application Forms. Announcement of the final allocation will be made no later than Thursday 13/09/1446H (corresponding to 13/03/2025G) and refund of excess subscription monies (if any) will be made no later than Sunday, 16/09/1446H (corresponding to 16/03/2025G).
Offering Period	The Offering Period will commence on Wednesday 05/09/1446H (corresponding to 05/03/2025G) and will remain open for a period of three (3) business days, up to and including the subscription closing day on Sunday 09/09/1446H (corresponding to 09/03/2025G).
Entitlement to Dividends	Holders of Offer Shares will be entitled to their portion of any dividends declared and paid by the Company as of the date of this Prospectus and for subsequent financial years (for further information, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus).
Voting Rights	The Company has one class of ordinary shares. None of the shares carries any preferential voting rights and each share entitles its holder to one vote. Each Shareholder has the right to attend and vote at General Assembly meetings and may delegate another Shareholder who is not a Board Member to attend General Assembly meetings on their behalf (for further information regarding voting rights, please refer to Section 12.10 "**Summary of the Company's Bylaws**" of this Prospectus).
Restrictions on the Shares (Lock-up Period)	The Substantial Shareholders and the Shareholders Acting in Concert are subject to a lock-up period of six (6) months from the date on which trading of the Company's Shares commences on the Exchange. During the Lock-up Period, the Substantial Shareholders may not dispose of any of their shares. After the end of the Lock-up Period, the Substantial Shareholders may dispose of their shares without prior approval from the CMA.
Shares Previously Listed by the Company	Prior to the Offering, the Company's Shares have not been previously listed in the Kingdom or elsewhere. The Company has submitted an application to the CMA for the registration and offering of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations, and an application to the Exchange for admission to listing in accordance with the Listing Rules. All relevant approvals required to conduct the Offering have been granted and all supporting documents requested by the CMA have been obtained. It is expected that trading of the Shares will commence on the Exchange after final allocation of the Shares (for further information, please refer to the "**Key Dates and Subscription Procedures**" section on page (xix) of this Prospectus).

Risk Factors	There are certain risks related to investment in the Offer Shares. These risks can be categorized as follows: 1- Risks related to the Company's business. 2- Risks related to the sector in which the Company operates. 3- Risks related to the Offer Shares. These risks are described in Section 2 "**Risk Factors**" of this Prospectus and should be carefully considered prior to making an investment decision in relation to the Offer Shares.
Offering Expenses	The expenses and costs related to the Offering will be fully borne by the Company and will be deducted from the Offering Proceeds. The Offering Expenses are estimated at approximately eighty-two million and three hundred thousand Saudi Riyals (SAR 82,300,000), including the fees of the Financial Advisors, Underwriters, Bookrunners, Legal Advisor, Legal Advisor to the Underwriters, Auditor, Market Consultant, Financial Due Diligence Advisor and the Receiving Agents, in addition to marketing, printing, distribution, translation and other expenses related to the Offering.
Underwriters	**GIB Capital** Low Rise Building 1, Granada Business & Residential Park Eastern Ring Road P.O. Box 89589 Riyadh 11692 Kingdom of Saudi Arabia Tel: +966 11 511 2200 Fax: +966 11 511 2201 Website: www.gibcapital.com E-mail: uaq.ipo@gibcapital.com
	Albilad Investment Company 8162 King Fahad Road – Al Olaya Riyadh 12313-3701 Kingdom of Saudi Arabia Tel: +966 920003636 Fax: +966 11 2906299 Website: www.albilad-capital.com E-mail: investmentbanking@albilad-capital.com
	Al Rajhi Capital King Fahad Road, P.O. Box 5561 Riyadh 11432 Kingdom of Saudi Arabia Tel: +966 (11) 920005856 Fax: +966 (11) 460 0625 Website: www.alrajhi-capital.com Email: ProjectMaqamARC@alrajhi-capital.sa
	Alinma Investment Company Al Anoud Tower 2 – King Fahad Road Riyadh Kingdom of Saudi Arabia Tel: +966 (11) 218 5999 Fax: +966 (11) 218 5970 Website: www.alinmainvestment.com E-mail: info@alinmainvestment.com

Note: The "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus should be carefully considered prior to making a decision to invest in the Offer Shares under this Prospectus.

Key Dates and Subscription Procedures

Key Dates

Table (1.3): Expected Offering Timetable

Event	Date
Bidding and Book-Building Period for Participating Parties	A period of five (5) business days commencing on Sunday 17/08/1446H (corresponding to 16/02/2025G) until the end of Thursday 21/08/1446H (corresponding to 20/02/2025G).
Subscription Period for Individual Subscribers	A period of three (3) business days commencing on Wednesday 05/09/1446H (corresponding to 05/03/2025G) until the end of Sunday 09/09/1446H (corresponding to 09/03/2025G).
Deadline for Submission of Subscription Application Forms for Participating Parties Based on the Number of Provisionally Allocated Offer Shares	Monday 03/09/1446H (corresponding to 03/03/2025G).
Deadline for Payment of Subscription Monies for Participating Parties Based on the Number of Provisionally Allocated Offer Shares	Wednesday 05/09/1446H (corresponding to 05/03/2025G).
Deadline for Submission of Subscription Application Forms and Payment of Subscription Monies for Individual Subscribers	Sunday 09/09/1446H (corresponding to 09/03/2025G).
Announcement of Final Allocation of Offer Shares	Thursday 13/09/1446H (corresponding to 13/03/2025G).
Refund of Excess Subscription Monies (if any)	Sunday 16/09/1446H (corresponding to 16/03/2025G).
Expected Date of Commencement of Trading on the Exchange	Trading of the Company's shares on the Exchange is expected to commence after fulfillment of all relevant statutory requirements. Trading will be announced on the website of the Saudi Exchange (www.saudiexchange.sa).

Note: The above timetable and dates therein are indicative. Actual dates will be communicated through announcements appearing on the websites of the Saudi Exchange (www.saudiexchange.sa), the Financial Advisors (www.gibcapital.com), (www.albilad-capital.com) and (www.alrajhi-capital.com) and the Company (www.ummalqura.com.sa).

How to Apply for the Offering

Subscription for the Offer Shares shall be limited to two tranches of investors as follows:

a- Participating Parties:

This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further details, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus).

Participating Parties can obtain Bid Forms from the Bookrunners during the book-building process and Subscription Application Forms from the Bookrunners after the provisional allocation. After the approval of the CMA is obtained, the Bookrunners shall offer the Offer Shares to Participating Parties during the book-building period only. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to any of the Bookrunners, which represents a legally binding agreement between the Company and the Participating Party submitting the application.

b- Individual Subscribers:

This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void, and only the first subscription will be accepted.

Individual Subscribers wishing to subscribe to the Offer Shares must submit Subscription Applications electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe to the Company's shares during the Offering Period, provided that:

- The Individual Subscriber has an investment account and an active portfolio with a Receiving Agent that offers such services.
- There have been no changes in the personal information or data of the Individual Subscriber (the removal or addition of a family member) since they last participated in a recent IPO.

Subscription Applications must be completed in accordance with the instructions set out in Section 17 "**Subscription Terms and Conditions**" of this Prospectus. Each applicant must complete all relevant items of the Subscription Application. The Company and the Lead Manager reserve the right to reject any Subscription Application, in part or in whole, in the event that any of the Subscription Terms and Conditions are not met. Subscription Applications cannot be amended or withdrawn once submitted. Upon submission, a Subscription Application Form is considered a binding agreement between the Subscriber and the Company (for further information, please refer to Section 17 "**Subscription Terms and Conditions**" of this Prospectus).

Excess subscription monies, if any, will be refunded to the Subscriber's investment account held with the Receiving Agents from which the subscription amount was initially debited, without any commissions or deductions being withheld by the Bookrunners or the Receiving Agents. Excess subscription monies shall not be refunded in cash or to third-party accounts.

The Law of Real Estate Ownership and Investment by Non-Saudis promulgated by Royal Decree No. M/15 dated 17/04/1421H (corresponding to 19/07/2000G) prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah . This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the Non-Saudi Ownership and Investment Law issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock

Exchange that own properties within the boundaries of the cities of Makkah and Madinah , provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.

Summary of Key Information

This summary of key information is intended to provide a brief overview of the information contained in this Prospectus in detail. However, it does not include all the information that may be important to prospective investors which must be taken into consideration before deciding to invest in the Offer Shares. Accordingly, persons wishing to subscribe for the Offer Shares must read and review this Prospectus in full. Any decision to invest in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this summary.

Company Overview

Umm Al Qura for Development and Construction is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). Its registered address is Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District, P.O. Box 16786, Makkah, 21955, Kingdom of Saudi Arabia.

The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed joint-stock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), with a fully paid-up share capital of nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company is registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). The Company's share capital has increased several times since its incorporation. The Company's share capital was first increased pursuant to the Extraordinary General Assembly resolution dated 16/07/1433H (corresponding to 06/06/2012G) from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460) to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion and seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders; and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 150,490,820) was fulfilled through Mabahij Al Arabia for Real Estate Development Limited bearing the expenses of the Company's incorporation. On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was fulfilled in cash through the issuance of seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR

5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares distributed to the Company's current Shareholders on a pro rata basis; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, paid in cash from the value of the real estate within the project. On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate in the KAAR Project in Makkah, which was paid in cash from the value of the real estate within the project; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on their preemptive rights. On 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (1,187,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on their preemptive rights, paid for by cash contributions from the current Shareholders. On 17/09/1443H (corresponding to 18/04/2022G), the Extraordinary General Assembly approved the increase of the Company's share capital from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixtyone thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was met through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new in-kind Shares to new Shareholders owning real estate in the KAAR Project in Makkah. Finally, on 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, as well as the Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares for public subscription on the Exchange (for further information regarding the Company's history, please refer to Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus).

Principal Activities of the Company

The principal activities of the Company are concentrated in the real estate sector. The Company specializes in developing the Masar Destination project and is responsible for supervising all technical, planning, administrative and operational aspects of Masar Destination.

Pursuant to its Bylaws, the Company's principal activities consist of the following:

1- Manufacturing: manufacture of furniture.
2- Construction: construction of buildings.
3- Construction: construction of roads and railways.
4- Wholesale and retail trade and repair of motor vehicles and motorcycles: retail sale of other new goods in specialized stores.
5- Lodging and food services: short-term accommodation activities.
6- Real estate activities: real estate activities in owned or leased properties.
7- Education: other types of education not classified elsewhere.

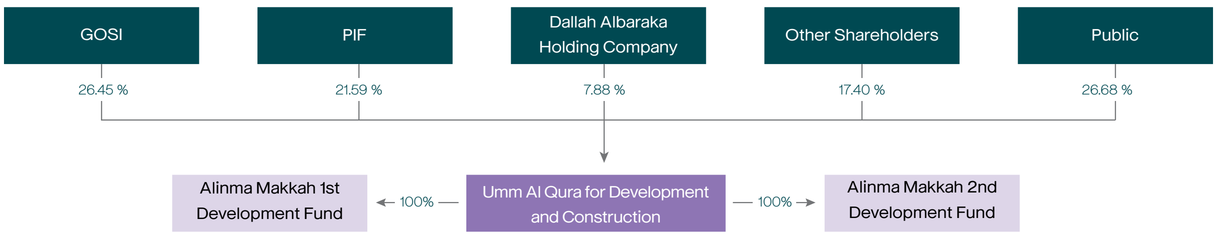
As per its Commercial Registration, the Company's activities consist of the following:

1- Purchase and sale of land plots and real estate, subdivision thereof and off-plan sales activities;
2- Management and leasing of owned or leased residential real estate;
3- Management and leasing of owned or leased non-residential real estate;
4- General construction of residential buildings;
5- General constructions of non-residential buildings (such as schools, hospitals, hotels, etc.);
6- Construction of roads, streets, sidewalks and road accessories; and
7- Construction of bridges and tunnels.

The Company has obtained all of the necessary licenses to carry out its activities as of the date of this Prospectus (for further information regarding the Company's licenses, please refer to Section 12.2.4 "**Material Licenses**" of this Prospectus).

Ownership Structure of the Company

Figure (1): Ownership Structure of the Company Pre-Offering



Source: The Company

The Company's Vision, Mission and Strategy

Vision

Making state-of-the art urban destinations that serve places and communities creating unparalleled experiences.

Mission

To contribute to elevating the quality of life in the Kingdom by making urban destinations according to the highest international standards.

Strategy and Prospects

a- Implementing a Development Plan for Masar Destination Project That Is Consistent with the Future Needs of Makkah and Addressing Key Challenges

Masar Destination was specifically designed by the Company to keep pace with Makkah dynamics. It is also one of the few projects that offers solutions specifically designed to meet the future needs of Makkah and future generations of the global Muslim community, including:

- Meeting the infrastructure needs for comprehensive mobility to ensure ease of movement to and from the Holy Mosque and Makkah through multiple means of transportation and without overlap between pedestrians and vehicles.
- Addressing the shortage of residential units and hotel rooms through high-quality residential and hospitality offerings and through partnerships with the finest hospitality service providers globally.
- Developing unassigned properties in Makkah as per an integrated master plan.
- Developing a real estate plan that combines community, destination and hospitality to provide a unique experience for residents and visitors in Makkah based on integrating cultural, entertainment and community offerings.
- Cooperating with the best experts across all fields to ensure an exceptional experience for Hajj and Umrah pilgrims and residents.

b- Establishing an Investment Platform Based on a Safe Development Strategy, Coupled with a SelfFi-nancing Model and Diversified Revenue Sources

The Company aims to mitigate the implementation risks associated with large projects by adopting a relatively safe development strategy and diversifying revenue sources.

The Company will self-develop a portion of the land plots, while the remaining land plots will be sold, leased or developed through joint venture agreements, with the development and construction costs being financed by the contribution of partners to the capital of the joint venture, and the Company contributing in kind through ownership of the relevant land plot.

This strategy contributes to reducing the Company's capital requirements, preserving cash and liquidity, and paving the way for faster development of Masar Destination within the framework of an investment platform model.

In general, according to the current development plan, the Company is expected to retain a percentage of the land plots of Masar Destination through self-development, leasing or by partnering with experienced developers, which allows it to ensure the quality of development and compliance with the development plan and quality standards. It is also expected that approximately half of the land plots will be sold over the next ten years and early cash flows will be obtained within the Company's development phase which will contribute to strengthening its financial position and liquidity. As such, the Company will provide investors with an unparalleled range of offerings, including a range of real estate of different grades, values and distances from the Holy Mosque, in addition to various investment options such as the option of leasing, direct acquisition or joint ventures (for further information regarding the Company's development plan, please refer to Section 4.3.4 "**Development Plan**" of this Prospectus.

The expected sources of income for the project include the following:

- Sale of land plots.
- Leasing of land plots.
- Operating income from managing developed real estate.
- Sale of developed real estate.
- Income distributions from joint ventures.
- Other revenue.

The Company seeks to activate Masar Destination and accelerate the development of the master plan through a combination of disciplined implementation, a strong partnership network of reputable developers, operators and contractors and close cooperation with key stakeholders. As of the date of this Prospectus, the Company has entered into agreements with a number of prominent developers, such as Hamat Group, Aldyar Alarabiya and Soliman Abdul Kader Fakeeh Hospital (DSFH) (hereinafter referred to as "**Fakeeh Hospital Company**"), in addition to international companies such as Kempinski Hotels, Hotels by Hilton and Taj Hotels.

c- Creating Added Value through Integration of Project Components, Including Destination, Hospitality and Community Components

Masar Destination was designed by the Company to create an unparalleled experience, maximize the synergy between the various development elements, optimize added value from the various components, and capitalize on the principle of comprehensive mobility facilitated by the site's diverse transportation and transport means. The Haramain High Speed Railway Station, the western shopping center managed by Hamat Group, the central mosque and the luxury hotels on the eastern side of the site are considered focal points of attraction in the journey of visitors to the Holy Mosque and are connected via the pedestrian walkway extending throughout the site.

Overall, the project currently comprises two hundred and five (205) investment land plots that include a wide range of different offerings, including the following approximate figures as per the current plan:

- Serviced apartments represent 31.6% of the gross floor area, consisting of approximately 18 thousand keys and a total floor area of 1.8 million square meters that will be distributed across the length of the project.
- Hotels represent 31.1% of the gross floor area, consisting of approximately 23 thousand keys and a total floor area of 1.8 million square meters.
- Residential units represent 29.3% of the gross floor area, consisting of 9,000 units to be developed and sold.
- Retail elements will constitute 5.7% of the gross floor area, consisting of 330,000 square meters (216,000 square meters of leasable area). This includes a shopping center on the western side of the project, which is being developed by Hamat Holding Company, in addition to two shopping centers on the eastern side. Outlets, stores, and stalls will also be distributed along the pedestrian walkway.
- Masar Destination also includes various other elements such as a hospital, a large mosque at the center of the site, office spaces and other complementary services.

In addition, the majority of real estate plans in the vicinity of the Holy Mosque were designed to accommodate the largest possible number of Hajj and Umrah pilgrims without focusing on the provision of additional services related to entertainment, transportation, experience and culture. However, through the components of Masar Destination which comprise modern offerings that transcend hospitality services, the Company intends to offer comprehensive integrated services with the aim of providing a unique experience for visitors and residents of Masar Destination.

d- Maintaining a Strong Financial Position through Prudent Management

The Company seeks to maintain a strong financial position by leveraging the investment platform model and relying on the resources and capabilities of its partnership network with reputable developers, operators and external contractors, as well as reducing its financing requirements and capital costs.

The Company has obtained financing facilities to complete the infrastructure works and self-development projects, which include four (4) towers and two (2) shopping centers that comprise hotels, retail elements and serviced apartments (Package A), in addition to three (3) towers (Package B). The Company has also sought to maintain cash reserves and financial liquidity, ensuring the possibility of arranging additional financing when needed, by maintaining an adequate ratio of debt to fair value of assets.

As of the date of this Prospectus, the Company has identified a number of land plots under discussion with a number of potential investors and developers. The Company expects to sell a number of land plots and use the proceeds to finance any additional capital requirements.

The Company also strives to adhere to best governance practices through a strong governance framework that supports cooperation with various stakeholders including contractors, Shareholders, developers, service providers and Governmental Entities.

Strengths and Competitive Advantages

a- Masar Destination is Located in Makkah, One of the Most Attractive Destinations throughout the Year, with Sustained Demand as the Foremost Religious Destination of the Islamic World

Makkah is the permanent holy destination for more than two billion Muslims worldwide, and its economy is largely dependent on Islamic religious tourism along with Hajj and Umrah pilgrimages. Makkah is expected to witness continuous expansion and development as a result of the expected significant growth in the number of Hajj and Umrah pilgrims in the coming years. To this end, the Kingdom's Vision 2030 targets thirty (30) million Umrah pilgrims in 2030G and seeks to develop the tourism sector, transform the Kingdom into a global tourist destination, and enhance the visitor's experience. Hajj and Umrah seasons are among the key elements of the tourism sector in the Kingdom, with the total number of visitors to Makkah is expected to reach more than forty-two (42) million by 2030G, representing a significant increase of 2.6x compared to the actual figures recorded in 2019G.

Accordingly, several mega projects and independent development projects are reshaping Makkah, including the development of key infrastructure and the revamping of transportation and connections to and from Makkah as part of the goals of Saudi Vision 2030. These projects aim to enhance the overall visitor experience and provide unique offerings to visitors. In addition, a draft real estate ownership law comprising articles dedicated to non-Saudis' ownership of and investment in real estate was circulated on 01/12/1442H (corresponding to 11/07/2021G) through a consultation platform, which, if implemented, could contribute to transforming Makkah into a global investment hub. Some of the infrastructure projects include:

- The Third Expansion of the Holy Mosque of Makkah, which is expected to accommodate 2.2 million Hajj pilgrims.
- The Air Connectivity Program, which aims at increasing point-to-point connectivity in order to enhance the airport capacity to handle three hundred and thirty (330) million passengers by 2030G.
- Developing and expanding King Abdulaziz International Airport in Jeddah, with the capacity expected to reach 114 million passengers by 2030G.

By investing in new and innovative projects, the public and private sectors are contributing to the city's constant growth and transformation. The growth in visitor numbers is expected to increase demand for real estate sectors including residential, hospitality, retail and food and beverages, and will also open up a number of activities inside and outside the central area adjacent to the Holy Mosque of Makkah and the Prophet's Mosque.

The number of Hajj and Umrah pilgrims visiting Makkah ranged from 15.5 million to 16.4 million between 2018G and 2019G. The number of visitors declined following the outbreak of COVID-19 as the Kingdom took measures to combat the pandemic, including by imposing restrictions on Hajj visas. As the global situation improved and travel restrictions were gradually lifted, the number of Hajj and Umrah pilgrims increased to 28.7 million in 2023G, compared to 3.6 million in 2021G. During 2022G and 2023G, the numbers of Hajj and Umrah pilgrims witnessed a remarkable recovery, exceeding pre-pandemic levels. As the global situation improved and travel restrictions were gradually eased, more people were able to travel internationally, contributing to an increase in the number of Hajj and Umrah pilgrims arriving in Makkah since 2022G.

In the hospitality sector, the growth in the number of Hajj and Umrah pilgrims is expected to support demand for hotels and serviced apartments in the long term. The total number of keys is expected to reach 103.6 thousand by 2030G, compared to 75.1 thousand in 2024G, with a high occupancy rate, especially for high-quality services and offerings. The residential sector is currently suffering from a shortage in supply, with such shortage expected to increase as a result of heightened demand by 2030G, due to the increasing population and the implementation of infrastructure projects.

In the retail sector, the growth in the number of visitors, the rapid expansion of infrastructure and urbanization and the demand for key elements to improve quality of life are expected to increase demand for retail outlets, with current offerings and services lacking entertainment options, as the focus has historically been on providing capacity for visitors at the expense of unique experience services.

Masar Destination's unique location in the heart of the religious capital of the Islamic world leverages the endless sustainable demand, supported by the scarcity of available land around the Holy Mosque. Masar Destination's investment real estate offerings combine community and the provision of a distinctive experience on the one hand, and destination and hospitality on the other hand, to create lasting added value for visitors, investors and developers by providing an environment that supports the attraction of investment to meet the needs of Makkah and its visitors.

b- A Main Point of Entry to the Holy Capital with a Distinctive Location Offering Comprehensive Mobility, Ease of Movement and Multiple Means of Transportation

Masar Destination is uniquely located in Makkah in a pivotal location extending over more than 3.5 kilometers from the intersection of the Third Ring Road with Umm Al Qura Road up to the borders of the Jabal Omar Project with a pedestrian walkway leading to the Holy Mosque. It is divided into two hundred and five (205) investment land plots, comprising one of the largest real estate portfolios in terms of value in the Kingdom, with a value in excess of SAR 40 billion.

The project is designed to be an entrance to Makkah through an unparalleled transportation infrastructure and various means of transportation including two main roads, a pedestrian walkway that extends across the length of the project, four (4) pedestrian bridges, four (4) service tunnels, eleven (11) pedestrian underpasses, two (2) main bus stations, eleven (11) bus drop-off and pick-up points, two (2) metro stations, four (4) main parking lots for visitors, not including the parking lots designated for investment land plots, which will accommodate more than five thousand, five hundred (5,500) vehicles, and direct access to the Haramain High Speed Railway Station. These means will relieve pressure on the Holy Mosque area and facilitate the movement of pilgrims and visitors of the Holy Mosque traveling to and leaving Makkah, whose number is expected to reach approximately 90 thousand visitors per hour at peak times in Masar Destination.

With its outstanding mobility and connectivity features, Masar Destination extends from the Third Ring Road to approximately five hundred and fifty (550) meters from the Holy Mosque and can be directly accessed via Prince Mohammed bin Salman bin Abdulaziz (Jeddah-Makkah) Highway. The site is a strategic hub in Makkah and a focal transportation point within the region and is expected to attract a large number of visitors and residents, particularly those traveling to and from the Holy Mosque, resulting in a vibrant community.

c- An Integrated Destination Offering Unique Experiences and an Unparalleled Range of Services Supported by the Latest Infrastructure

Masar Destination covers an area of 1.25 million square meters and will replace more than three thousand, six hundred (3,600) real estate units in six (6) different unassigned districts. It comprises a wide range of offerings and services including serviced apartments, hotels, residential units, and retail and entertainment spaces, among others.

The unique features of the site provide a wide range of services that combine experience and hospitality and blend international and Islamic cultures. Hospitality services also feature a range of premium local and international branded hotels, including three, four and five-star hotels, serviced apartments, residential units, retail, entertainment and food and beverage spaces of grades "A" and "A-", including shopping centers and retail stores along the pedestrian walkway. The project also features residential units ranging from one to four bedrooms, office spaces and healthcare facilities, which are complemented by additional supplementary services.

Upon completion of the project, Masar Destination is expected to comprise more than 50,000 units with a total estimated development value of approximately SAR 100 billion.

d- Distinctive Business Model and Development Strategy

The Company's business model and the Masar Destination project plan were designed to keep pace with the dynamics of the holy city of Makkah and avoid the problems faced by previous megaprojects, as well as to capitalize on Makkah's unique qualities and maintain a prudent debt ratio and suitable capital structure. The project is among the few projects that provide solutions designed to meet Makkah's future needs, including meeting the infrastructure requirements for comprehensive mobility, addressing the shortage of residential units and hotel rooms, and developing Makkah unassigned properties. The Company also adopts a safe development strategy and diversified revenue streams, contributing to preserving cash and liquidity. To this end, the Company shall develop part of the land plots itself while the remaining land plots shall be sold, leased or developed through joint venture agreements, with the development and construction costs being financed by the partners' contribution to the share capital of the joint venture project and the Company providing an in-kind contribution through ownership of relevant land plots (for further information regarding the Company's strategy, please refer to Section 4.2.5 "**Strategy and Prospects**" of this Prospectus).

As of November 2024G, the completion rate of the key infrastructure works was 99.77%, with such works expected to be completed during H1 of 2025G. With the approaching completion of the key infrastructure works, the current development strategy as of the date of this Prospectus is based on four (4) main pillars as follows:

- Land plots that the Company will develop and retain (directly or through joint ventures), which represent approximately 28% of the total number of investment land plots.
- Land plots that the Company will develop and sell (directly or through joint ventures), which represent approximately 4% of the total number of investment land plots.
- Land plots that the Company will lease, which represent approximately 14% of the total number of investment land plots.
- Land plots that the Company will sell, which represent approximately 54% of the total number of investment land plots.

In 2022G, the Company also began developing the superstructure of some of the land plots planned for self-development, which is expected to continue for a period of four (4) years, ending in 2026G. It is also expected that the entirety of Masar Destination will be developed over a period of seventeen (17) years, ending in 2039G (for further information regarding the Company's development plan, please refer to Section 4.3.4 "**Development Plan**" of this Prospectus).

e- Management Team with Distinguished Experience in Various Operational and Financial Fields, Supported by Prominent Shareholders from the Public and Private Sectors

As of the date of this Prospectus, the number of the Company's employees was in excess of one hundred (100), with a Saudization rate of more than 60%. The Company relies on a combination of in-house competencies, partnerships with third parties with distinguished reputation and capabilities, a strong governance framework and close cooperation with key stakeholders to implement the project.

The management team consists of professionals with extensive experience in the Kingdom of almost one hundred (100) years of accumulated know-how in real estate development and project management. The previous experience of the management team has also enabled it to develop a distinct understanding of the dynamics of the Makkah market. The Company's management enjoys the trust of the largest developers in the Kingdom who have invested in Masar Destination, such as Hamat Group, Fakeeh Hospital Company and Zamil Real Estate Development Company.

Internal competencies are complemented by a wide network of partnerships with developers, operators, contractors and other parties participating in Masar Destination as well as stakeholders, allowing the Company to develop all internal capabilities and competencies across all aspects of the project and better supervise the development.

Since the Company's inception in 2012G, it has enjoyed strong support from its prominent Shareholders, demonstrating the keenness of stakeholders for the project's success through the increase of the Company's share capital to approximately SAR 13 billion as of the date of this Prospectus. The share capital has been steadily increased through several rounds, more than 70% of which was through cash contributions, including a significant contribution of approximately SAR 1.8 billion by the PIF in 2021G.

f- Achievement of Milestones through a Disciplined Implementation Approach

Since the Company's inception pursuant to a High Order in 2012G, it has delivered numerous milestones. As of the date of this Prospectus, agreements have been concluded for sixty-one (61) land plots out of a total of two hundred and five (205) investment land plots. This agreement includes self-development packages that are expected to be completed in 2026G, in addition to sales agreements and lease agreements with prominent partners, such as Hamat Group, Aldyar Alarabiya Real Estate Development and Zamil Real Estate Development. The Company has also made significant progress and is close to completing the infrastructure development works, which is one of the stages most exposed to implementation risks. The title deeds for the project have also been issued in the name of the Company.

Some of the Company's achievements include:

- Acquisition of all real estate within the site.
- Obtaining approval of the master plan and securing development rights.
- Completion of demolition works and 99% of the main infrastructure contractor works.
- Issuance of title deeds for all land plots on the project site.
- Commencement of revenue generation through the sale of three (3) land plots in 2022G (which are land plots for which the superstructure has not been developed and that will be developed by the purchasing investor), and five (5) land plots in 2023G, and nine (9) land plots as of 16/07/1446H (corresponding to 16/01/2025G), noting that no land plots were sold in 2021G.
- Execution of sale, lease or joint venture agreements for forty-four (44) land plots, excluding the land plots used in the compensation agreement with the General Authority for Awqaf, and excluding seven (7) land plots reserved for Aldyar Alarabiya. The aforementioned land plots include hotel, residential, retail, healthcare and multi-use land plots. As of 11/05/1446H (corresponding to 13/11/2024G), these agreements include the sale of seventeen (17) land plots, the lease of twenty-six (26) land plots and a joint investment in relation to one (1) land plot as of 16/07/1446H (corresponding to 16/01/2025G).
- Execution of agreements for eight (8) land plots to be self-developed and obtaining financing for the development thereof. Seven (7) of these land plots (which are under the management of the Alinma Funds) are classified for development and retention through the development of hotels and operation thereof by international operators. The remaining land plot is currently classified for development and sale until the relevant procedures are completed, through which the Company intends to develop a serviced apartments building and then sell the serviced apartments as units. Such works are expected to be completed in 2026G.
- Six (6) land plots have been identified for various agreements consisting of sale, joint venture and lease agreements, which are still under discussion. Of the aforementioned land plots, an estimated two (2) land plots are to be sold, and four (4) land plots are earmarked for contribution in joint ventures. Out of the six (6) land plots under discussion, five (5) land plots are designated for hospitality purposes (hotels and serviced apartments) and one (1) land plots for residential use.
- Execution of complementary deals related to water and sewage supply and electricity delivery, in addition to the mobile infrastructure network (5G).

g- Strong Financial Position and Prudent Debt Ratio

Through its distinguished development strategy and prudent management of operations, the Company has obtained the necessary financing and sufficient liquidity to complete the development of a large part of the infrastructure works and finish the construction of the self-development real estate properties during the first phase of the project. The Company also has a strong share capital of more than SAR 13.1 billion as of the date of this Prospectus, which was raised through several rounds, in addition to long-term bank facilities exceeding SAR 14 billion, of which approximately SAR 9.8 billion has been utilized as of 30 June 2024G. The recent share capital increase of SAR 3.0 billion in 2021G (with significant contribution from the PIF) has contributed to strengthening the Company's financial position.

As of 30 June 2024G, the Company has a strong cash position of SAR 915 million and total assets of SAR 24.6 billion, in addition to an adequate debt-to-equity ratio. The Company's financial position is expected to be further strengthened through the IPO.

As of 30 June 2024G, a significant portion of the project's capital expenditures, representing the cost of land purchases and infrastructure works, has been paid.

The Company's self-financing and low-risk business model, supported by a strong financial position, contribute to reducing the debt-to-asset ratio and allow for ease of access to financing, which enables the Company to apply a flexible business model that can be adapted during changing market conditions.

Market and Industry Overview

Based on the Kingdom's Vision 2030, a central objective has been set to receive 30 million incoming Umrah pilgrims by 2030G. This target confirms the Government's commitment to achieving sustainable growth in the number of Hajj and Umrah pilgrims and enriching their religious and cultural experience. In line with the broader vision of advancing the tourism sector, this ambitious target affirms the Kingdom's vision to transform Makkah into a global hub for travelers and pilgrims.

Recognizing the critical importance of religious experience, the Government has prioritized enhancing the religious experience for visitors of the holy sites. With a strong focus on infrastructure development, coupled with initiatives to improve amenities and services, the Kingdom intends to provide a welcoming and enriching environment that exceeds the expectations of Hajj and Umrah pilgrims.

Based on the announced figures, the Hajj season witnessed 1.8 million pilgrims in 2024G. Over the course of the year, the number of Umrah pilgrims is estimated to reach thirty (30) million in 2024G. Looking ahead, 42.9 million visitors are expected by 2030G, indicating a significant increase of 2.6x in comparison to the actual numbers recorded in 2019G.

In its next phase, the Pilgrim Experience Program seeks to transform the Hajj and Umrah journey into a profound spiritual experience for Hajj and Umrah pilgrims by simplifying and facilitating the accommodation procedures to host the largest possible number of individuals. The program focuses on streamlining coordination between all stakeholders to improve the service system through 16 priority pathways. Through these efforts, the Kingdom aims to enable approximately 43 million persons to visit the holy sites by 2030G.

The Kingdom's retail market is witnessing a major transformation characterized by a shift towards more interactive experiential retail concepts. In Makkah, the full realization of the vision to accommodate thirty (30) million incoming Umrah pilgrims annually is expected to provide sustainable demand for related retail offerings and high-quality food and beverage establishments. This will also open up areas for economic activity outside the central area, including the Holy Mosque and the Prophet's Mosque.

In terms of retail tourism spending, the Makkah market is expected to witness significant growth from approximately SAR 63.8 billion to SAR 103.7 billion between 2023G and 2030G. The significant increase in retail tourism spending reflects the importance of Makkah as a global pilgrimage destination and the increasing number of visitors flocking to the city.

The regulated retail supply in Makkah was estimated at approximately 390,000 square meters in 2023G, with shopping centers (malls) dominating the regulated retail landscape, accounting for approximately 85% of the total supply, followed by convenience stores at approximately 7%, lifestyle destinations at 7% and entertainment destinations at 2%. 46% of the current total supply is classified under Category A.

Retail shopping centers in close proximity to the Holy Mosque, referred to as pilgrim shopping centers, primarily target pilgrims, in addition to shopping centers strategically designed to provide easy access when entering or exiting the Holy Mosque. The tenant mix of the shopping centers makes them a destination for pilgrims and worshipers to shop or dine. A typical pilgrim shopping center includes tenants such as local perfume stores, traditional clothing stores, and gold and souvenir shops, along with a variety of food and beverage options. Pilgrim shopping centers generally have healthy occupancy rates compared to resident shopping centers (local Makkah residents), which are generally located outside the perimeter of the Holy Mosque area and primarily serve the population within the city. As of 2023G, the citywide occupancy rate for pilgrim and retail shopping centers was estimated at 87% and 86%, respectively.

In the hospitality sector, demand for hotels is expected to reach approximately 23 million hotel room nights by 2030G. The growth of demand in the hospitality sector is largely dependent on the achievement of visitor targets within Vision 2030, with the hotels surrounding the Holy Mosque being directly affected thereby. The completion of mega projects and other future projects will help stimulate demand for new products.

Based on the 2024G forecasts and the excellent performance in 2023G, the market currently has the capacity to absorb the additional supply as occupancy figures exceed the occupancy threshold of 60%. Taking into account future supply if unconfirmed mega projects are considered, the Makkah market is expected to support an additional 14,127 rooms and approximately 103,700 keys over this period.

In the residential sector, Makkah, known primarily as a religious destination for Hajj and Umrah pilgrims, faces constraints with respect to land availability for commercial purposes. The city has traditionally focused on catering to the needs of pilgrims and residents, resulting in a smaller commercial land market compared to the residential sector. However, in recent years, Makkah has witnessed significant real estate developments, including mega projects such as the Jabal Omar project.

The real estate market in Makkah is supported by the local population and the constant flow of pilgrims visiting the city. Long-term demand for residential, commercial and infrastructure development in Makkah is constantly driven by its religious significance and the ongoing need to accommodate increasing numbers of visitors. This is due to the fact that residential units are often re-used as pilgrim accommodation, particularly during the Hajj season. Being closer to the Holy Mosque, the central area features a highly appealing strategic location for various purposes, including residential and hospitality developments. Hence, it commands higher than the average prices across Makkah. The existing supply of residential units in Makkah in 2023G was estimated at approximately 688,660 units. An additional 170,724 units are expected to be added to the existing supply by 2030G. Of the 170,724 units, 81,478 are part of announced development projects, while the remaining units are expected to be developed by landowners and smaller developers. The potential market for second homes in Makkah is estimated to grow globally from approximately 1.7 million Muslims with the financial means to invest in such market in 2023G to approximately 2.3 million in 2030G. This growth equates to the addition of approximately 643,000 individuals to the potential market for second homes between 2023G and 2030G.

Demand for residential units will be further fueled by Government initiatives to increase foreign direct investment within the country. According to the Real Estate General Authority (REGA), legislation on foreign ownership of real estate is now in its final stages. Such legislation will cover commercial, residential and agricultural real estate across all regions of the Kingdom, including in Makkah and Madinah. Flexibility with respect to foreign ownership is expected to significantly stimulate demand from both foreign and expatriate investors.

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Summary of Risk Factors

Below is a summary of the risk factors associated with investment in the Offer Shares. However, this summary does not contain all the information that may be important to investors. Accordingly, persons wishing to subscribe for the Offer Shares should read and review this Prospectus in full, and any decision to invest in the Offer Shares should be based on a consideration of all information this Prospectus. In particular, the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Prospectus must be carefully considered prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this summary.

a- Risks Related to the Company's Business

1- Risks Related to the Company's Limited Operating History
2- Risks Related to Litigation and Claims
3- Risks Related to Construction and Development
4- Risks Related to the Relatively Low Liquidity of Real Estate Investments
5- Risks Related to the Company's Ability to Sell Real Estate Assets to Non-Saudi Investors
6- Risks Related to Expropriation of the Real Estate of Masar Destination
7- Risks Related to Real Estate Owned by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II
8- Risks Related to the Concentration of the Company's Business in the Makkah Province
9- Risks Related to the Company's Ability to Implement its Strategy on Time or at All
10- Risks Related to Financing and Credit Facilities
11- Risks Related to the Availability of Financing to Customers
12- Risks Related to the Company's Material Agreements
13- Risks Related to Significant Reliance on Strategic Partners and Third Parties
14- Risks Related to Costs Arising from Delays in Infrastructure Works by Service Provider 2
15- Risks Related to the Exposure of the Company and Strategic Partners to Operational Risks
16- Risks Related to Increased Operating Expenses
17- Risks Related to the Book Value of the Company's Real Estate Properties and the Evaluation Thereof Not Reflecting the Market Value of Such Real Estate Properties
18- Risks Related to Working Capital
19- Risks Related to Unforeseen Future Capital Expenditures
20- Risks Related to the Collection of Receivables
21- Risks Related to Real Estate Properties
22- Risks Related to Quality and Maintaining the Company's Reputation
23- Risks Related to Protection of the Company's Trademarks
24- Risks Related to Related Party Transactions
25- Risks Related to Competing Business Activities in which Board Members are Involved
26- Risks Related to Zakat and Taxation
27- Risks Related to Reliance on Senior Executives and Key Personnel
28- Risks Related to Employee Misconduct and Errors
29- Risks Related to the Recent Implementation of the Corporate Governance Rules
30- Risks Related to the Recent Formation of the Board Committees
31- Risks Related to Lack of Experience in Managing a Joint-Stock Company Listed on the Exchange
32- Risks Related to Information Technology Systems and Cyberattacks

Summary of Financial Information

The financial information and key performance indicators set out below should be read in conjunction with the Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the accompanying notes thereto, which were prepared by the Group in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G and the accompanying notes thereto, which were prepared by the Group in accordance with IAS 34 (Interim Financial Reporting) as endorsed in the Kingdom. The audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G were audited, and the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G were reviewed by the Auditor, KPMG Professional Services. These financial statements are included in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

Table (1.4): Summary of Financial Information and Key Performance Indicators for the Years Ended 31 December 2021G, 2022G and 2023G and the Six-Month Period Ended 30 June 2024G

SAR	As of 31 December			As of 30 June	
	2021G	2022G	2023G	2023G	2024G
Income Statement					
Revenue	-	429,399,522	988,143,756	647,146,733	760,747,589
Cost of Revenue	-	(248,820,672)	(688,857,300)	(492,262,169)	(434,495,250)
Gross Profit	-	180,578,850	299,286,456	154,884,564	326,252,339
Other Operating Income	12,875,936	30,649,503	408,342,487	3,866,486	21,964,115
General and Administrative Expenses	(138,462,030)	(159,692,797)	(218,510,066)	(60,408,938)	(84,092,706)
Sales and Marketing Expenses	(15,780,904)	(45,007,189)	(60,419,529)	(40,488,061)	(21,775,424)
Provision for Expected Credit Losses (ECLs)	-	(845,005)	(2,345,233)	(1,719,784)	(3,260,011)
Operating Income	(141,366,998)	5,683,362	426,354,115	56,134,267	239,088,313
Finance income	-	-	-	13,970,692	7,810,449
Finance Costs	(13,914,909)	(20,189,106)	(34,222,640)	(13,435,141)	(19,316,696)
(Loss)/ profit before Zakat	(155,281,907)	(14,505,744)	392,131,475	56,669,818	227,582,066
Zakat	(10,619,344)	(7,590,461)	(75,134,974)	(8,728,398)	(35,421,888)
(Loss)/ profit for the Year/ Period	(165,901,251)	(22,096,205)	316,996,501	47,941,420	192,160,178
Statement of Financial Position					
Current Assets	2,875,400,784	1,523,704,016	1,489,372,591	1,464,882,342	2,033,857,935
Non-Current Assets	18,222,760,471	21,121,699,262	21,723,522,842	21,690,472,290	22,520,317,956
Total Assets	21,098,161,255	22,645,403,278	23,212,895,433	23,155,354,632	24,554,174,891
Current Liabilities	3,005,499,956	3,246,645,380	1,946,059,112	3,107,517,202	2,092,022,420
Non-Current Liabilities	7,124,181,497	7,244,602,225	8,793,992,644	7,854,740,337	9,797,148,616
Total Liabilities	10,129,681,453	10,491,247,605	10,740,051,756	10,953,257,539	11,889,171,036
Equity	10,968,479,802	12,154,155,673	12,472,843,677	12,202,097,093	12,665,003,855
Total Equity and Liabilities	21,098,161,255	22,645,403,278	23,212,895,433	23,155,354,632	24,554,174,891

SAR	As of 31 December			As of 30 June	
	2021G	2022G	2023G	2023G	2024G
Statement of Cash Flows					
Net Cash Generated from / (Used in) Operating Activities	(183,939,493)	(582,329,048)	(501,521,762)	(260,445,420)	(188,914,648)
Net Cash Used in Investing Activities	(999,277,151)	(1,094,074,145)	(977,233,460)	(433,428,174)	(336,657,396)
Net Cash Generated from / (Used in) Financing Activities	3,516,810,615	(171,217,956)	1,094,994,577	444,530,978	901,889,718
Cash and Cash Equivalents at the End of the Year/ Period	2,769,894,105	922,272,956	538,512,311	672,930,340	914,829,985
Key Performance Indicators					
Gross Profit Margin (%)	N/A	42.1%	30.3%	23.9%	42.9%
Net Profit Margin (%)	N/A	(5.1)%	32.1%	7.4%	25.3%
Current Liquidity Ratio	1.0	0.5	0.8	0.5	1.0
Total Assets to Total Liabilities	208.3%	215.9%	216.1%	211.4%	206.5%
Total Number of Investment Land Plots (as per the Master Plan)	205	205	205	205	205
Debt-to-Equity Ratio	63.4%	58.3%	69.2%	63%	77.3%

Source: The Company's audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G, the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G and Management information.

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List of Exhibits

1. Definitions and Abbreviations

Acting in Concert	Actively co-operating, pursuant to an agreement or understanding (whether formal or informal) between persons, to acquire interest in or exercise voting right in the shares or in the convertible debt instruments of the issuer.
Advisors	The Company's advisors with respect to the Offering, whose names appear on pages (vi) to (viii) of this Prospectus.
Affiliate	Any person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Al Arabia	Arabian Contracting Services Co.
Aldyar Alarabiya	Aldyar Alarabiya Real Estate Development.
Alfanar	Alfanar Construction.
Alfanar Construction	Alfanar Construction Company.
Alfanar Projects	Alfanar Projects Company.
Alinma First Development Company Limited	A special purpose vehicle to hold the assets of Alinma Makkah Development Fund I, all units of which are owned by Umm Al Qura for Development and Construction. Alinma First Development Company Limited is 100% owned by the Trustee (NOMW Capital for Financial Consultations).
Alinma Second Development Company Limited	A special purpose vehicle to hold the assets of Alinma Makkah Development Fund II, all units of which are owned by Umm Al Qura for Development and Construction. Alinma Second Development Company Limited is 100% owned by the Trustee (NOMW Capital for Financial Consultations).
AlRajhi United	AlRajhi United Real Estate Company.
Auditor	KPMG Professional Services.
Avanceon	Avanceon Arabia InfoTech.
Bid Form	The bid form to be used by Participating Parties to bid for the Offer Shares during the Book-Building Period. This term includes, when applicable, the supplemental bid form when the price range is changed.
Bin Dayel Alliance	The alliance consisting of the Company, Bin Dayel Contracting and Easy Parking Solutions, pursuant to the Lease, Operation and Maintenance (LOM) Agreement dated 01/08/1445H (corresponding to 11/02/2024G).
Board Members	The members of the Company's Board of Directors.
Board or Board of Directors	The Company's Board of Directors.
Board Secretary	The secretary of the Company's Board of Directors.
Book Building Instructions	The Instructions for Book Building Process and Allocation Method in Initial Public Offerings (IPOs) issued pursuant to CMA Board Resolution No. 2-94-2016G, dated 15/10/1437H (corresponding to 20/07/2016G), as amended by CMA Board Resolution No. 1-103-2022, dated 02/03/1444H (corresponding to 28/09/2022G), and as may be amended from time to time.
Bookrunners	GIB Capital, Albilad Investment Company, Al Rajhi Capital and Alinma Investment Company.
BTC	BTC Networks.
Business Day	Any day (except for Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in the Kingdom.
Bylaws	The Company's Bylaws approved by the General Assembly.
Capital Market Institution	A Capital Market Institution licensed by the CMA to engage in securities business.
Capital Market Law	The Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), and as may be amended from time to time.
CEO	The chief executive officer of the Company.
CGRs or Corporate Governance Regulations	The Corporate Governance Regulations issued by CMA Board Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), pursuant to the Companies' Law, as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G), and as may be amended from time to time.
Chairman or Board Chairman	The chairman of the Company's Board of Directors.
CMA	The Capital Market Authority in the Kingdom.
Companies' Law	The Companies' Law promulgated by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G), and as may be amended from time to time.
Company or Issuer	Umm Al Qura for Development and Construction Company.
Compass	Compass Contracting Ltd.

Control	Pursuant to the definition stated in the Glossary of Defined Terms used in the CMA Regulations, "control" means the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (i) holding 30% or more of the voting rights in a company, or (ii) having the right to appoint 30% or more of the members of the administrative staff. The term "controller" shall be construed accordingly.
DAR Engineering	DAR International for Engineering Consultancy.
EFSIM	EFSIM Facilities Management Company.
Engineers of the Construction Agreement with Service Provider 2	The design and construction engineer appointed pursuant to the construction agreement concluded with Service Provider 2, dated 14/08/1436H (corresponding to 01/06/2015G), as amended on 21/09/1440H (corresponding to 26/05/2019G).
Exchange or Tadawul	The Saudi Exchange Company.
Extraordinary General Assembly	An Extraordinary General Assembly of Shareholders held in accordance with the Bylaws.
Fakeeh Hospital Company	Soliman Abdul Kader Fakeeh Hospital Co.
Financial Advisors	GIB Capital, Albilad Investment Company and Al Rajhi Capital.
Financial Statements	The financial statements of the Company for the periods covered in this Prospectus, namely the financial years ended 31 December 2021G, 2022G and 2023G, in addition to the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G.
Financial Year	The financial year of the Company, which starts on 1 January until 31 December of each calendar year.
Foreign Strategic Investors (FSIs)	Any foreign legal person who intends to own a direct ownership percentage in the listed company's shares, through which the owner aims to contribute to enhancing the financial or operating performance of the listed company.
G	Gregorian.
GCC	The Cooperation Council for the Arab States of the Gulf, whose member states are the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar and the United Arab Emirates.
General Assembly	An Extraordinary General Assembly or Ordinary General Assembly, and "**General Assembly**" shall mean any general assembly of the Company.
Glossary of Defined Terms Used in the CMA Regulations	The Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority issued pursuant to CMA Board Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended pursuant to CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G).
Government	The government of the Kingdom of Saudi Arabia, and the term "**governmental**" shall be construed accordingly.
Group	Umm Al Qura For Development and Construction Company, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. The Company owns all of the units of the aforementioned funds.
H	Hijri.
Hamat	Advanced Hamat Company.
Hilton	Hilton Garden Inn.
Hilton Embassy Suites by Hilton Management Agreement	The Embassy Suites by Hilton Management Agreement, entered into between the Company and Hilton on 05/02/1440H (corresponding to 14/10/2018G), as amended on 06/07/1442H (corresponding to 18/02/2021G) and on 18/12/1442H (corresponding to 28/07/2021G).
Hyatt	Hyatt International Co. - Southwest Asia Limited.
Hyatt Global	Hyatt Global Services, Inc. Co.
Hyatt International	Hyatt International Technical Services, Inc.
Iconic	Iconic Industries.
IHCL	The Indian Hotels Company Limited.
Implementing Regulations of the Companies' Law	The Implementing Regulation of the Companies' Law for Listed Joint Stock Companies issued by CMA Board Resolution No. 8-127-2016, dated 16/01/1438H (corresponding to 17/10/2016G), as amended by CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G), and as may be amended from time to time.
Individual Subscribers	Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe in the names of her minor children, provided that she proves that she the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom, or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution.

International Financial Reporting Standards (IFRS)	The International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia and other standards and issuances endorsed by SOCPA.
Investment Funds Regulations	The Investment Funds Regulations issued by CMA Board Resolution No. 1-219-2006, dated 03/12/1427H (corresponding to 24/12/2006G), as amended by CMA Board Resolution No. 2-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G), and as may be amended from time to time.
Investors	The Participating Parties and Individual Subscribers who are entitled to subscribe for the Offer Shares.
Kempinski	Kempinski Hotels S.A.
Kempinski Management Agreement	Kempinski Hotel Management Agreement, entered into between the Company and Kempinski on 11/10/1439H (corresponding to 25/06/2018G).
Labor Law	The Labor Law promulgated by Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G), and as may be amended from time to time.
Law of Real Estate Ownership and Investment by Non-Saudis	The Law of Real Estate Ownership and Investment by Non-Saudis promulgated by Royal Decree No. M/15, dated 17/04/1421H (corresponding to 19/07/2000G).
Lead Manager	Albilad Investment Company.
Legal Advisor	The Law Firm of Latham & Watkins.
Legal Advisor to the Underwriters	White & Case for Advocacy and Legal Consultations.
Listing	Admission of the Company's Shares to listing on the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 4-114-2024, dated 04/04/1446H (corresponding to 07/10/2024G), and as may be amended from time to time.
Lock-up Period	The six (6) month period commencing from the date on which trading of the Company's Shares commences on the Exchange during which the Substantial Shareholders and the Shareholders Acting in Concert are subject to a lock-up. During the Lock-up Period, the Substantial Shareholders may not dispose of their Shares.
MariMatic	MariMatic Company.
Market Consultant	Professional Realtors Company LLC (Colliers).
Market Study	The market study prepared by Professional Realtors Company LLC (Colliers).
Masar Destination or the Project	The King Abdulaziz Road (KAAR) Project in Makkah, which is owned by the Company.
Masar SEDCO Fund	Masar SEDCO Capital Real Estate Fund.
MHRSD	The Ministry of Human Resources and Social Development in the Kingdom.
Midwam	Midwam Edutainment.
MoC or Ministry of Commerce	The Ministry of Commerce in the Kingdom.
National Grid	National Grid SA – a subsidiary of the Saudi Electricity Company (SEC).
Net Offering Proceeds	The Offering proceeds after deduction of the Offering Expenses.
Offer Price	[•] Saudi Riyals (SAR [•]) per Share.
Offer Shares or New Shares	One hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares, representing 9.09% of the Company's share capital after the capital increase (which is equivalent to 10.0% of the Company's share capital prior to the capital increase).
Offering	Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares, representing 9.09% of the Company's share capital after the capital increase (which is equivalent to 10.0% of the Company's share capital before the capital increase), for public subscription on the Exchange.
Offering Period	The period which will commence on Wednesday 05/09/1446H (corresponding to 05/03/2025G) and will remain open for a period of three (3) business days, up to and including the subscription closing day on Sunday 09/09/1446H (corresponding to 09/03/2025G).
Official Gazette	Umm Al-Qura newspaper, the official gazette of the Kingdom of Saudi Arabia.
Ordinary General Assembly	An Ordinary General Assembly of Shareholders held in accordance with the Bylaws.

Participating Parties	The parties entitled to participate in the book-building process, namely: a- public and private funds that invest in securities listed on the Exchange, if permissible according to the terms and conditions of such funds, in compliance with the provisions and restrictions set forth in the Investment Funds Regulations and the Book Building Instructions; b- Capital Market Institutions licensed by the CMA to deal in securities as principals, in compliance with the provisions set forth in the Prudential Rules when submitting the Bid Forms; c- clients of a Capital Market Institution authorized by the CMA to conduct management activities in accordance with the provisions and restrictions set forth in the Book Building Instructions; d- any legal persons entitled to open an investment account in the Kingdom and an account with Edaa, including foreign legal persons who may invest on the Exchange, taking into account the Controls For Listed Companies' Investment in Securities Listed on the Exchange as per CMA Circular No. 6/05158, dated 11/08/1435H (corresponding to 09/06/2014G) issued pursuant to CMA Board Resolution No. 9-28-2014, dated 20/07/1435H (corresponding to 19/05/2014G); e- Governmental Entities, any supranational authority recognized by the CMA or the Exchange or any other stock exchange recognized by the CMA or the Securities Depository Center (Edaa); f- Government-owned companies, whether investing directly or through a private portfolio manager; and g- GCC companies and funds, if permissible according to the terms and conditions of such funds. The foregoing excludes the foreign strategic investor in accordance with the special controls excluding the companies listed in the Saudi Stock Exchange, which are deemed to be (non-Saudi) according to the Law of Real Estate Ownership and Investment by Non-Saudis issued by the Authority on 27/07/1446 AH (corresponding to 27/01/2025).
Prospectus	This Prospectus prepared by the Company in connection with the Offering.
Public	Persons other than the following: 1- Affiliates of the Issuer; 2- Substantial Shareholders of the Issuer; 3- Board members and Senior Executives of the Issuer; 4- Board members and senior executives of the Affiliates of the Issuer; 5- Board members and senior executives of the Substantial Shareholders of the Issuer; 6- any Relatives of the persons referred to in 1, 2, 3, 4 or 5 above; 7- any company Controlled by any person referred to in 1, 2, 3, 4, 5, or 6 above; and 8- persons acting in concert with a collective shareholding of 5% or more of the class of shares to be listed.
Real Estate Transaction Tax (RETT)	The tax imposed on all real estate transactions whereby a legal effect is produced transferring real estate ownership or possession of real estate for the purpose of ownership or beneficial ownership, including, but not limited to, contracts involving the transfer of usufruct rights or long-term leases. Examples of such transactions include sales, exchanges, gifts, bequests, barters, leases, finance leases, transfers of shares in real estate companies, or the establishment of usufruct rights for a period exceeding fifty (50) years. Royal Order No. A/84, dated 24/02/1442G (corresponding to 11/10/2020G), was issued exempting the supply of real estate by way of transfer of title or the right to dispose by the owner from value-added tax. However, it imposed a 5% RETT on sales and similar transactions. RETT came into effect as of 17/02/1442H (corresponding to 04/10/2020G).
Receiving Agents	The Receiving Agents whose names are listed on pages (ix) to (xi) of this Prospectus.
Related Party	The term "**Related Party**" or "**Related Parties**" in this Prospectus and in accordance with the Glossary of Defined Terms Used in the CMA Regulations includes the following: a- Affiliates of the Issuer; b- Substantial Shareholders of the Issuer; c- Board members and Senior Executives of the Issuer; d- Board members and senior executives of the Affiliates of the Issuer; e- Board members and senior executives of the Substantial Shareholders of the Issuer; f- any Relatives of the persons referred to in (a), (b), (c), (d) and (e) above; and g- any company Controlled by any person referred to in (a), (b), (c), (d), (e) and (f) above.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations: • Fathers, mothers, grandfathers, grandmothers and their ancestors. • Children, grandchildren and their descendants. • Siblings, maternal and paternal half-siblings. • Husbands and wives.

Retail Sales to Residents	Retail sales to residents generally take place outside the perimeter of the Holy Mosque and target both pilgrims and locals.
Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued pursuant to CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 3-114-2024, dated 04/04/1446H (corresponding to 07/10/2024G), and as may be amended from time to time.
Saudi Riyal (SAR)	The Saudi Arabian Riyal, the official currency of the Kingdom of Saudi Arabia.
SEDCO Capital	Saudi Economic and Development Securities Company.
Senior Executives or Executive Management	Any natural person assigned, individually or jointly with others, by the Company's Board of Directors or by a Board Member to oversee and manage tasks and who reports directly to the Board of Directors, a Board Member or the CEO.
SETS	SETS Saudi Arabia Engineering Consultants Company.
Shareholders	Any holder of shares in the Company.
Shareholders Acting in Concert	Nine (9) shareholders of the Company divided into two groups, the first group includes (1) Dallah Albaraka Holding Company, (2) Abdullah Saleh Abdullah Kamel, (3) Dallah Trans Arabia, (4) Dallah Albaraka Investment Holding Company, (5) Muhiyuddin Saleh Abdullah Kamel, (6) Abdullah Mohammed Abdo Abdullah Yamani and (7) Al Mawajed International for Real Estate Development Co. Ltd, who are acting in concert to own two hundred and thirty-eight million, five hundred and seventy-nine thousand and fifteen (238,579,015) shares, representing 16.58% of the Company's shares post-Offering, while the second group includes (1) Real Estate Development Company and (2) Mabahij Al Arabia for Real Estate Development Limited, who are acting in concert to own ninety-one million, nine hundred and ninety-seven thousand, seven hundred and twenty-four (91,997,724) of the Company's Shares, representing approximately 6.39% of the Company's Shares post-Offering.
Shares	Any fully paid ordinary shares of the Company with a nominal value of ten Saudi Riyals (SAR 10) per Share.
SOCPA	The Saudi Organization for Chartered and Professional Accountants in the Kingdom (formerly the Saudi Organization for Certified Public Accountants (SOCPA)).
Strategic Partners	The strategic partners of the Company are defined as all investors in Masar Destination, such as developers and operators with experience and good reputation in their fields, whom the Company engages to develop Masar Destination.
Subscribers	The Participating Parties and Individual Subscribers.
Subscription Application Form	The subscription application form that Individual Subscribers and Participating Parties (as applicable) must complete to subscribe for the Offer Shares.
Substantial Shareholders	Any person holding 5% or more of the Company's share capital, namely GOSI, PIF, and Dallah Albaraka Holding Company as of the date of this Prospectus.
The Kingdom or KSA	The Kingdom of Saudi Arabia.
Underwriters	GIB Capital, Albilad Investment Company, Al Rajhi Capital and Alinma Investment Company.
Underwriting Agreement	The underwriting agreement entered into between the Company and the Underwriters in connection with the Offering.
Zamil Company	Zamil Real Estate Development Company.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.

2. Risk Factors

Prior to making any investment decision with respect to the Offer Shares, prospective investors should carefully consider all of the information contained in this Prospectus, particularly the risk factors described below. The risks described below are those that the Company believes may affect it or an investment in the Offer Shares. The risks described below do not necessarily represent all risks that may affect the Company or an investment in the Offer Shares. There may be other risks and uncertainties that are not currently known to the Company, or that the Board Members believe are not currently material. In the event that any of these risks and uncertainties do occur, this could materially and adversely affect the Company's business, financial position, results of operations and future prospects, result in a decline in the price of the Shares, impair the Company's ability to distribute dividends to Shareholders, and could result in investors losing all or part of their investment in the Shares. The Company's business, financial position, results of operations and future prospects could be adversely and materially affected if any of the following risks, or any other risks that the Board has not identified or that it currently considers to be immaterial, were to occur or become material. As a result of the foregoing and other risks, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company and/or the Board expects or at all. Accordingly, investors should consider all forward-looking statements contained in this Prospectus in light of this explanation and should not rely on such statements without verifying them (for further details, please refer to the "**Important Notice**" section on page (i) of this Prospectus).

The Board Members declare that, to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus, other than those disclosed in this Section, which would affect an investor's decision to invest in the Offer Shares.

All prospective investors who wish to invest in the Offer Shares should carefully evaluate the risks and benefits of such investment and of the Offer Shares in general, as well as the economic, regulatory and market environment in which the Company operates in particular. An investment in the Offer Shares is only suitable for investors who are capable of evaluating the risks of such an investment and who have sufficient resources to bear any loss that might result from such an investment. Prospective investors who have doubts about which actions to take should refer to a financial advisor licensed by the CMA for advice with respect to investing in the Offer Shares.

The risks described below are not presented in any assumed order of priority that reflects their expected impact on the Company. There may also be other risks that the Company is unaware of or currently considers to be immaterial which may have the same effects or consequences as those described in this Prospectus. Accordingly, the risks described in this section, or any other section of this Prospectus may not include all of the risks that may affect the Company or its operations, activities, assets or the markets in which it operates and/or may not indicate all of the risks involved in investing in the Offer Shares.

2.1 Risks Related to the Company's Business

2.1.1 Risks Related to the Company's Limited Operating History and Uncertainty with Respect to the Success of the Company's Projects and Plans

The Company was established in 2012G to develop and operate Masar Destination. The Company is still developing Masar Destination as of the date of this Prospectus. Therefore, the Company has a limited operating history, and the future success of the Company's business and projects, including the successful development of Masar Destination, cannot be evaluated. The Company's business model primarily relies on the sale, lease and development of land in partnerships with strategic partners such as developers, investors and operators with whom the Company has established partnerships to develop Masar Destination (collectively referred to hereinafter as the "**Strategic Partners**"). The Company expects to generate its revenue primarily from the sale and lease of land, joint development of real estate with Strategic Partners and revenue from the operations of real estate properties developed by the Company itself or through contracted parties. In the initial phase, this includes eight (8) land plots out of a total of two hundred and five (205) land plots. The Company began to generate revenue in 2022G, recording four hundred and twenty-nine million, three hundred and ninety-nine thousand, five hundred and twenty-two Saudi Riyals (SAR 429,399,522), nine hundred and eighty-eight million, one hundred and forty-three thousand, seven hundred and fifty-six Saudi Riyals (SAR 988,143,756), and seven hundred and sixty million, seven hundred and forty-seven thousand, five hundred and eighty-nine Saudi Riyals (SAR 760,747,589) as of the years ended 31 December 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. It should be noted that the revenue generated for the financial years ended 31 December 2022G and 2023G and the six-month period ended 30 June 2024G were derived from the sale of a portion of the Company's land. Although the Company generated revenue during the aforementioned financial periods, the Company may realize losses in future financial years as Masar Destination is still under construction and development. As of the date of this Prospectus, the Company aims to sell one hundred and eleven (111) land plots out of a total of two hundred and five (205) investment land plots, representing 54%. If the Company is unable to successfully sell the number of land plots specified thereby, this may affect its ability to generate revenues, which in turn would have an adverse effect on its future financial position and results of operations. It is also worth noting that as of 31 December 2023G, the consolidated statement of profit or loss and other comprehensive income included other operating revenue, including profits from plot settlements amounting to three hundred and fifty-five million, six hundred and forty-one thousand, two hundred Saudi Riyals (SAR 355,641,200), representing approximately 36% of the total revenues during the same year, which resulted from the Company's assignment of real estate to the GAA for the purpose of settling liabilities. Accordingly, although the Company has achieved revenues during the previous financial periods, the business results during the following financial years may include revenue, returns or profits resulting from other activities that may not be included under the revenue item, which, in turn, would have an adverse effect on the Company's future financial position or results of operations.

Given the Company's limited operating history, having only begun to achieve revenue in 2022G, the information available to prospective investors is limited for assessing the Company's future prospects for success. Furthermore, the information contained in this Prospectus may not be indicative of the Company's future financial position or results of operations. As such, investment in the Offer Shares involves a high risk as it may be difficult for investors to accurately assess the Company's business, results of operations, financial position and future prospects. Given the uncertainty regarding the Company's ability to generate consistent revenue, the Company may not be able to distribute dividends to its Shareholders in the coming years (for further information regarding the risks related to the Company's ability to distribute dividends, please refer to Section 2.3.5 "**Risks Related to the Company's Ability to Distribute Dividends**" of this Prospectus). In addition, any delay in completing the infrastructure works will have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Company's future prospects depend on its ability to successfully overcome a number of challenges and risks associated with the development of Masar Destination, including challenges in securing sufficient financing for the development of the project, the ability to sell and lease real estate within the project at appropriate prices and in a timely manner, operational risks associated with project development and other risks pertaining to real estate development such as risks related to regulations, laws, Zakat, taxation and the like. If the Company is unable to successfully overcome these challenges and mitigate the associated risks, it may not be able to achieve the expected profits and may instead incur losses. This could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.2 Risks Related to Litigation and Claims

The Company may, in the future, be subject to material lawsuits, claims and other legal proceedings within or outside the Kingdom arising from its operations, filed by various parties including landlords whose property has been expropriated by the Company, lessees, customers, contractors, suppliers, employees, operators and other third parties. As of the date of this Prospectus, the Company is a defendant in two (2) lawsuits arising in the ordinary course of its business, with a total potential financial impact of nine hundred thirty-nine thousand and ten Saudi Riyals (SAR 939,010). There are several real estate properties that have been expropriated for the Company's benefit, regarding which there is a dispute with respect to the method of compensation and the party responsible therefor, whether it is the Company or the Development Committee for the Squares Surrounding the Holy Mosque or other entities, due to there being overlapping boundaries between the parties. It is estimated that the total claims related to these real estate properties will not exceed twenty million Saudi Riyals (SAR 20,000,000) in the event they are ultimately borne by the Company. There may also be other spatial overlaps with projects and properties adjacent to the project boundary over which the Company has no control. The Company was previously involved in claims filed by the General Authority for Awqaf ("**GAA**") related to the valuation of real estate properties within Masar Destination amounting in total to one billion, two hundred and sixty-one million, three hundred thousand Saudi Riyals (SAR 1,261,300,000). The Company has entered into a settlement agreement with the General Authority for Awqaf in relation to the aforementioned claim, pursuant to which the Company undertakes to pay a cash settlement of one hundred and thirty-six million, three hundred and twenty-eight thousand, six hundred Saudi Riyals (SAR 136,328,600), in addition to an in-kind settlement consisting of real estate within Masar Destination for the benefit of the General Authority for Awqaf valued at one billion, one hundred and twenty-four million, nine hundred and seventy-one thousand, four hundred Saudi Riyals (SAR 1,124,971,400), in favor of full and final settlement of the claim. All cash payments under the settlement agreement have been made as of the date of this Prospectus and the Company is transferring the title deed of the two land plots to the General Authority for Awqaf as a requirement of the settlement agreement (for further information, please refer to Section 12.8 "**Litigation and Claims**" of this Prospectus). The in-kind settlement includes two land plots, measuring four thousand and eightyseven square meters and eighteen hundredths of a square meter (4,087.18 m^2) for the first land plot, and four thousand, three hundred and twenty-six square meters and nine hundredths of a square meter (4,326.09 m^2), for the second land plot. The aforementioned real estate represents approximately 1% of the total real estate investment land plots amounting to two hundred and five (205) investment land plots.

Furthermore, the Company shall bear the costs of any real estate expropriation in connection with lawsuits filed against Makkah Province Development Authority and the RCMC with respect to real estate that forms part of Masar Destination. As of the date of this Prospectus, Makkah Province Development Authority is a defendant in four (4) ongoing lawsuits related to a real estate that forms part of Masar Destination. The total potential impact of these lawsuits is undetermined. Additionally, RCMC is a defendant in a lawsuit related to a real estate forming part of Masar Destination. The total potential impact of this lawsuit is undetermined as of the date of this Prospectus. The Company has established a provision for legal claims and disputes amounting to approximately (60) million Saudi Riyals to cover any future liabilities arising from such claims or disputes (for further information, please refer to Section 12.8.2 "**Litigation and Claims Requiring the Company's Cooperation**" of this Prospectus).

Furthermore, the Company was subject to a potential claim related to a commercial contract with a contractor. Service Provider 2 has submitted claims amounting to SAR 3.8 billion based on the construction agreement entered into between the parties, and the parties have entered into an addendum to the construction agreement, whereby the parties have agreed to settle the dispute for a total amount of SAR 600 million (for further information, please refer to Section 12.3.1 "**Construction Agreements**" of this Prospectus). The Company may in the future be subject to potential disputes and claims under its agreements which, if not resolved amicably, may be referred to the courts, which in turn will have a material adverse effect on the Company's business, results of operations, financial condition and future prospects.

The Company is also a party to an arbitration dispute filed by one of its contractors due to a controversy over the subject of the agreement concluded between the Company and Service Provider 5 with a financial impact that, if settled against the Company, may amount to approximately SAR 3 million (for further information, please refer to Section 12.8.4 "**Arbitration Dispute**" of this Prospectus). As of the date of this Prospectus, this claim has not been referred to the courts, and the Company is working to resolve it amicably with the service providers. If the Company is unable to resolve the claim amicably, it may be referred to the courts, and the Company cannot predict the outcome of such proceedings. Any adverse outcome for the Company could have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The Company anticipates the incurrence of costs in connection with current or future proceedings brought by or against it, or as a result of such lawsuits or judgments, including penalties imposed and damages due therefrom. Therefore, any unfavorable decision for the Company could have a material adverse effect on its business, results of operations, financial position and future prospects.

2.1.3 Risks Related to Construction and Development

The Company operates in the real estate development sector, specifically developing Masar Destination. This involves undertaking infrastructure works for the project and developing a portion of the residential, commercial, hospitality and other real estate properties either through self-development or through partnerships with Strategic Partners. The Company's success is mainly dependent on its ability to develop the infrastructure for Masar Destination within the specified plan, sell the real estate located therein, and develop other real estate which the Company intends to self-develop within the specified plan. It is worth noting that the Company's development plan is subject to future expectations and assumptions based on market conditions, some of which are beyond the Company's control. Accordingly, the Company's development plan serves as a guiding plan for the development of the Masar Destination and commitment to its execution cannot be guaranteed (for more information, please refer to Section No. 4.3.4 "**Development Plan**" of this Prospectus). As of the date of this Prospectus, the estimated total project cost for Masar Destination, including land expropriation, infrastructure and superstructure costs for the entire project, is approximately SAR 92 billion until the completion of all development works (excluding financing costs for the superstructure). It should be noted that, according to the Company's strategy, most of the funding for the superstructure works within the project will be provided by third-party entities/investors (Strategic Partners) (for further information, please see Section 4.2.5 "**Strategy and Prospects**" of this Prospectus. The Company may not be able to complete the project on time or it may incur costs which exceed those outlined in its budget, as this is contingent on a number of factors that the Company may not have control over, including:

- Obtaining demolition and construction permits from the relevant authorities, as the Company may experience delays in obtaining all of the necessary licenses, permits and approvals for zoning, land use, construction, development and occupancy due to failure to meet regulatory requirements, the imposition of new requirements, withdrawal of approvals for the project master plan by the relevant authorities, or rejection of the Company's application in totality;
- The occurrence of unforeseen engineering, environmental or geological issues;
- Delays by key contractors in making payments to subcontractors or their bankruptcy or insolvency, or disputes with contractors or subcontractors;
- Delays in obtaining the necessary approvals from the relevant Governmental agencies;
- The discovery of defects in the design or construction works or failure to complete the project in accordance with the design specifications;
- Shortages or defects in materials and/or equipment, as well as labor and other supply shortages;
- Increases in the cost of building materials and/or raw materials such as steel and other goods commonly used in construction, or energy prices and construction equipment (such as cranes), as well as labor costs and other necessary supplies, due to rising commodity prices, inflation or other factors;
- Lack of project managers, contractors and construction specialists employed by the Company or third parties to ensure that the planned project is delivered on time and within budget;
- Strikes, work disruption and other labor unrest or walkouts that affect the Company's projects or its contractors, subcontractors or suppliers;
- The failure of contractors to adhere to agreed timelines, particularly with respect to more complex or technically challenging developments (such as those resulting from the size, height or complex design of a particular building); and
- Adverse weather conditions, natural disasters, accidents, force majeure events and changes in Government priorities.

Delayed projects may take longer to complete and may fail to generate the revenues, cash flows and profit margins that were initially anticipated. Additionally, the project may fail to achieve its targeted return on investment (ROI). There is no guarantee that the Company will be able to generate sufficient revenue from Masar Destination to cover the costs of construction incurred. The occurrence of any of the aforementioned factors could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

As of 30 June 2024G, the completion rate of the infrastructure development for Masar Destination was 92.13%, and it is expected that the main infrastructure works will be completed in H1 of 2025G. It should be noted that High Order No. 44133, dated 05/08/1442H (corresponding to 18/03/2021G), instructs the issuance of comprehensive title deeds for all real estate located in Masar Destination for the benefit of the Company. These comprehensive title deeds have been issued (for further information, please refer to Section 12.5 "**Real Estate**" of this Prospectus). Among the real estate properties covered by the comprehensive title deeds issued by the Ministry of Justice, there are one hundred and twenty-six (126) primary project properties which have been expropriated for the benefit of the Company with a total area of approximately sixty thousand, five hundred and ninety-one point seven five square meters (60,591.75 m^2) owned by the Company. However, administrative procedures are underway to settle the expropriation amounts for these properties, which represent liabilities on the Company of SAR 431.4 million. These are expected to be settled through cash payments, and the Company is still in the process of finalizing payment procedures with the former owners of these properties as of the date of this Prospectus. It should be noted that SAR 431.4 million is recorded as a current liability item on the Company's statement of financial position in relation to the settlement of the expropriation amounts for these properties. Although these properties are included in the comprehensive title deeds issued to the Company, the Company is still working to finalize payment procedures to the former owners thereof. The finalization of such payments is contingent upon the completion of administrative procedures related to the transfer and annotation of the original title deeds. This is due to factors such as the inaccurate demarcation of these properties in the title deeds and issues related to the heirs of some of the former owners of the relevant properties. If the Company is unable to finalize the settlement of the payment procedures relating to the aforementioned properties, this may result in the Company incurring additional costs or being subject to claims for damages arising from delay or the overall progress of the project being affected.

The following table sets out the details and uses of the properties that are still under process as mentioned above.

Table (2.1): Details and Uses of Properties under Process

#	Property Number	Land Area (m²)	Intended Use of Property
1.	201	1,120.39	Unassigned land plot prior to project development and issuance of the unified title deeds
2.	601	661.85	Unassigned land plot prior to project development and issuance of the unified title deeds
3.	608	155.51	Unassigned land plot prior to project development and issuance of the unified title deeds
4.	714	113.81	Unassigned land plot prior to project development and issuance of the unified title deeds
5.	903	549.91	Unassigned land plot prior to project development and issuance of the unified title deeds
6.	914	86.97	Unassigned land plot prior to project development and issuance of the unified title deeds
7.	920	85.00	Unassigned land plot prior to project development and issuance of the unified title deeds
8.	1004	80.43	Unassigned land plot prior to project development and issuance of the unified title deeds
9.	1101	178.62	Unassigned land plot prior to project development and issuance of the unified title deeds
10.	1508	182.08	Unassigned land plot prior to project development and issuance of the unified title deeds
11.	1515	96.55	Unassigned land plot prior to project development and issuance of the unified title deeds
12.	1909	74.66	Unassigned land plot prior to project development and issuance of the unified title deeds
13.	2006	1,543.90	Unassigned land plot prior to project development and issuance of the unified title deeds
14.	2101	11,084.00	Unassigned land plot prior to project development and issuance of the unified title deeds
15.	2502	209.29	Unassigned land plot prior to project development and issuance of the unified title deeds
16.	2912	124.46	Unassigned land plot prior to project development and issuance of the unified title deeds
17.	3201	184.16	Unassigned land plot prior to project development and issuance of the unified title deeds
18.	3205	933.23	Unassigned land plot prior to project development and issuance of the unified title deeds
19.	3206	259.31	Unassigned land plot prior to project development and issuance of the unified title deeds
20.	3217	823.42	Unassigned land plot prior to project development and issuance of the unified title deeds
21.	3307	448.79	Unassigned land plot prior to project development and issuance of the unified title deeds
22.	3501	219.32	Unassigned land plot prior to project development and issuance of the unified title deeds
23.	3712	264.71	Unassigned land plot prior to project development and issuance of the unified title deeds

#	Property Number	Land Area (m²)	Intended Use of Property
24.	3720	169.72	Unassigned land plot prior to project development and issuance of the unified title deeds
25.	3914	107.54	Unassigned land plot prior to project development and issuance of the unified title deeds
26.	4212	86.89	Unassigned land plot prior to project development and issuance of the unified title deeds
27.	4801	54.92	Unassigned land plot prior to project development and issuance of the unified title deeds
28.	4904	173.51	Unassigned land plot prior to project development and issuance of the unified title deeds
29.	5203	147.53	Unassigned land plot prior to project development and issuance of the unified title deeds
30.	5316	62.68	Unassigned land plot prior to project development and issuance of the unified title deeds
31.	5511	268.23	Unassigned land plot prior to project development and issuance of the unified title deeds
32.	5512	84.84	Unassigned land plot prior to project development and issuance of the unified title deeds
33.	5513	221.13	Unassigned land plot prior to project development and issuance of the unified title deeds
34.	5604	216.87	Unassigned land plot prior to project development and issuance of the unified title deeds
35.	6912	51.24	Unassigned land plot prior to project development and issuance of the unified title deeds
36.	7106	311.66	Unassigned land plot prior to project development and issuance of the unified title deeds
37.	7301	552.62	Unassigned land plot prior to project development and issuance of the unified title deeds
38.	7802	388.44	Unassigned land plot prior to project development and issuance of the unified title deeds
39.	7901	170.73	Unassigned land plot prior to project development and issuance of the unified title deeds
40.	7909	285.45	Unassigned land plot prior to project development and issuance of the unified title deeds
41.	8220	183.13	Unassigned land plot prior to project development and issuance of the unified title deeds
42.	8311	114.42	Unassigned land plot prior to project development and issuance of the unified title deeds
43.	8312	99.08	Unassigned land plot prior to project development and issuance of the unified title deeds
44.	8721	71.62	Unassigned land plot prior to project development and issuance of the unified title deeds
45.	8924	230.39	Unassigned land plot prior to project development and issuance of the unified title deeds
46.	9010	145.63	Unassigned land plot prior to project development and issuance of the unified title deeds
47.	9302	75.80	Unassigned land plot prior to project development and issuance of the unified title deeds
48.	9303	185.05	Unassigned land plot prior to project development and issuance of the unified title deeds
49.	9305	395.12	Unassigned land plot prior to project development and issuance of the unified title deeds

#	Property Number	Land Area (m²)	Intended Use of Property
50.	9307	286.71	Unassigned land plot prior to project development and issuance of the unified title deeds
51.	9603	228.00	Unassigned land plot prior to project development and issuance of the unified title deeds
52.	9910	197.93	Unassigned land plot prior to project development and issuance of the unified title deeds
53.	10204	47.60	Unassigned land plot prior to project development and issuance of the unified title deeds
54.	12510	138.71	Unassigned land plot prior to project development and issuance of the unified title deeds
55.	12528	45.57	Unassigned land plot prior to project development and issuance of the unified title deeds
56.	12812	684.04	Unassigned land plot prior to project development and issuance of the unified title deeds
57.	12904	114.23	Unassigned land plot prior to project development and issuance of the unified title deeds
58.	12906	145.71	Unassigned land plot prior to project development and issuance of the unified title deeds
59.	13127	126.75	Unassigned land plot prior to project development and issuance of the unified title deeds
60.	13722	226.80	Unassigned land plot prior to project development and issuance of the unified title deeds
61.	13724	203.24	Unassigned land plot prior to project development and issuance of the unified title deeds
62.	13815	360.71	Unassigned land plot prior to project development and issuance of the unified title deeds
63.	14226	259.13	Unassigned land plot prior to project development and issuance of the unified title deeds
64.	14302	221.31	Unassigned land plot prior to project development and issuance of the unified title deeds
65.	14319	216.17	Unassigned land plot prior to project development and issuance of the unified title deeds
66.	14401	669.50	Unassigned land plot prior to project development and issuance of the unified title deeds
67.	14402	420.03	Unassigned land plot prior to project development and issuance of the unified title deeds
68.	14524	286.94	Unassigned land plot prior to project development and issuance of the unified title deeds
69.	14525	206.60	Unassigned land plot prior to project development and issuance of the unified title deeds
70.	14705	2,806.15	Unassigned land plot prior to project development and issuance of the unified title deeds
71.	14828	102.81	Unassigned land plot prior to project development and issuance of the unified title deeds
72.	15012	1,588.39	Unassigned land plot prior to project development and issuance of the unified title deeds
73.	15202	567.56	Unassigned land plot prior to project development and issuance of the unified title deeds
74.	15203	1,470.00	Unassigned land plot prior to project development and issuance of the unified title deeds
75.	15207	646.91	Unassigned land plot prior to project development and issuance of the unified title deeds

#	Property Number	Land Area (m²)	Intended Use of Property
76.	15208	630.41	Unassigned land plot prior to project development and issuance of the unified title deeds
77.	15301	2,487.22	Unassigned land plot prior to project development and issuance of the unified title deeds
78.	16015	568.26	Unassigned land plot prior to project development and issuance of the unified title deeds
79.	17118	85.97	Unassigned land plot prior to project development and issuance of the unified title deeds
80.	17608	87.70	Unassigned land plot prior to project development and issuance of the unified title deeds
81.	18011	302.18	Unassigned land plot prior to project development and issuance of the unified title deeds
82.	18409	228.90	Unassigned land plot prior to project development and issuance of the unified title deeds
83.	19105	961.17	Unassigned land plot prior to project development and issuance of the unified title deeds
84.	20027	92.54	Unassigned land plot prior to project development and issuance of the unified title deeds
85.	20036	96.84	Unassigned land plot prior to project development and issuance of the unified title deeds
86.	20046	187.28	Unassigned land plot prior to project development and issuance of the unified title deeds
87.	20519	197.27	Unassigned land plot prior to project development and issuance of the unified title deeds
88.	20653	299.60	Unassigned land plot prior to project development and issuance of the unified title deeds
89.	20655	204.56	Unassigned land plot prior to project development and issuance of the unified title deeds
90.	20659	87.94	Unassigned land plot prior to project development and issuance of the unified title deeds
91.	20662	118.32	Unassigned land plot prior to project development and issuance of the unified title deeds
92.	20672	236.18	Unassigned land plot prior to project development and issuance of the unified title deeds
93.	20673	51.83	Unassigned land plot prior to project development and issuance of the unified title deeds
94.	20710	144.35	Unassigned land plot prior to project development and issuance of the unified title deeds
95.	20718	114.14	Unassigned land plot prior to project development and issuance of the unified title deeds
96.	20731	176.59	Unassigned land plot prior to project development and issuance of the unified title deeds
97.	22066	385.02	Unassigned land plot prior to project development and issuance of the unified title deeds
98.	22068	222.22	Unassigned land plot prior to project development and issuance of the unified title deeds
99.	22183	227.21	Unassigned land plot prior to project development and issuance of the unified title deeds
100.	22237	170.33	Unassigned land plot prior to project development and issuance of the unified title deeds
101.	22306	216.24	Unassigned land plot prior to project development and issuance of the unified title deeds

#	Property Number	Land Area (m²)	Intended Use of Property
102.	22401	267.09	Unassigned land plot prior to project development and issuance of the unified title deeds
103.	28042	189.42	Unassigned land plot prior to project development and issuance of the unified title deeds
104.	28107	177.01	Unassigned land plot prior to project development and issuance of the unified title deeds
105.	28127	165.78	Unassigned land plot prior to project development and issuance of the unified title deeds
106.	28209	1,035.44	Unassigned land plot prior to project development and issuance of the unified title deeds
107.	28255	174.28	Unassigned land plot prior to project development and issuance of the unified title deeds
108.	28313	128.55	Unassigned land plot prior to project development and issuance of the unified title deeds
109.	29032	93.21	Unassigned land plot prior to project development and issuance of the unified title deeds
110.	29054	262.62	Unassigned land plot prior to project development and issuance of the unified title deeds
111.	29250	267.16	Unassigned land plot prior to project development and issuance of the unified title deeds
112.	29252	75.90	Unassigned land plot prior to project development and issuance of the unified title deeds
113.	29265	139.12	Unassigned land plot prior to project development and issuance of the unified title deeds
114.	30023	195.45	Unassigned land plot prior to project development and issuance of the unified title deeds
115.	30027	276.58	Unassigned land plot prior to project development and issuance of the unified title deeds
116.	30037	3,203.81	Unassigned land plot prior to project development and issuance of the unified title deeds
117.	30057	453.92	Unassigned land plot prior to project development and issuance of the unified title deeds
118.	30066	160.22	Unassigned land plot prior to project development and issuance of the unified title deeds
119.	30118	630.29	Unassigned land plot prior to project development and issuance of the unified title deeds
120.	32729	114.06	Unassigned land plot prior to project development and issuance of the unified title deeds
121.	33014	78.23	Unassigned land plot prior to project development and issuance of the unified title deeds
122.	33702	198.65	Unassigned land plot prior to project development and issuance of the unified title deeds
123.	34009	900.00	Unassigned land plot prior to project development and issuance of the unified title deeds
124.	35503	2,926.53	Unassigned land plot prior to project development and issuance of the unified title deeds
125.	43417	75.19	Unassigned land plot prior to project development and issuance of the unified title deeds
126.	43420	52.43	Unassigned land plot prior to project development and issuance of the unified title deeds

Source: The Company

Furthermore, pursuant to High Order No. 44133, dated 05/08/1442H (corresponding to 18/03/2021G), the real estate located in Masar Destination and owned by the Company has been consolidated into four (4) unified title deeds. These are subdivided into two hundred and twenty-two (222) subdivided title deeds, comprising of two hundred and five (205) investment land plots and a further seventeen (17) land plots for public services, in accordance with the Masar Destination development plan. All two hundred and twenty-two (222) title deeds have been issued. The Company's current development plan for Masar Destination includes the sale of one hundred and eleven (111) real estate properties and the leasing of twenty-eight (28) real estate properties, while the remaining real estate properties are planned to be developed by the Company independently (fourteen (14) real estate properties) and in partnership with Strategic Partners (fifty-two (52) real estate properties). Consequently, any delays in the administrative procedures with respect to sorting and issuing the title deeds may lead to delays in the Company's implementation of Masar Destination development plan. If any of the aforementioned factors were to occur, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The following table details the property title deeds that have been subdivided as previously mentioned, along with the intended use of each property.

Table (2.2): Details of Title Deeds of Fully Subdivided Property that have been Sorted and Issued as of the Date of this Prospectus, including the Intended Land Use for Completed Contracts and Agreements

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
1.	460001333256	07/11/1445H (corresponding to 15/05/2024G)	3,953.48	Self-development (development by the Issuer)
2.	360001333272	07/11/1445H (corresponding to 15/05/2024G)	6,893.41	Self-development (development by the Issuer)
3.	460001333274	07/11/1445H (corresponding to 15/05/2024G)	2,639.45	Self-development (development by the Issuer)
4.	360001333249	07/11/1445H (corresponding to 15/05/2024G)	2,157.88	Unspecified
5.	394133010510	24/06/1446H (corresponding to 25/12/2024G)	2,558.02	Sale
6.	320110017612	25/12/1444H (corresponding to 13/07/2023G)	2,684.28	Sale
7.	360001421925	11/02/1446H (corresponding to 15/08/2024G)	2,684.22	Sale
8.	320129008280	01/01/1445H (corresponding to 19/07/2023G)	2,291.46	Sale
9.	220128006115	06/01/1445H (corresponding to 24/07/2023G)	2,603.16	Unspecified
10.	920113011743	07/01/1445H (corresponding to 25/07/2023G)	2,703.50	Unspecified
11.	320129008268	30/12/1444H (corresponding to 18/07/2023G)	2,625.81	Unspecified
12.	320113011744	07/01/1445H (corresponding to 25/07/2023G)	2,933.22	Unspecified
13.	420128006189	13/01/1445H (corresponding to 31/07/2023G)	3,904.16	Barter/sale (legal settlement)
14.	320129008196	25/12/1444H (corresponding to 13/07/2023G)	4,131.35	Barter/sale (legal settlement)
15.	960001333533	07/11/1445H (corresponding to 15/05/2024G)	3,610.15	Self-development (development by the Issuer)
16.	460001333532	07/11/1445H (corresponding to 15/05/2024G)	6,893.54	Self-development (development by the Issuer)
17.	360001333509	07/11/1445H (corresponding to 15/05/2024G)	2,650.16	Self-development (development by the Issuer)
18.	360001332415	06/11/1445H (corresponding to 14/05/2024G)	2,157.88	Unspecified
19.	460001333511	07/11/1445H (corresponding to 15/05/2024G)	2,682.03	Unspecified
20.	494133008655	09/05/1445H (corresponding to 23/11/2023G)	2,436.71	Sale
21.	260001422154	11/02/1446H (corresponding to 15/08/2024G)	2,684.27	Sale

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
22.	360001421991	11/02/1446H (corresponding to 15/08/2024G)	2,346.87	Sale
23.	960001332413	06/11/1445H (corresponding to 14/05/2024G)	2,533.57	Unspecified
24.	720113011745	07/01/1445H (corresponding to 25/07/2023G)	2,500.11	Unspecified
25.	320129008271	30/12/1444H (corresponding to 18/07/2023G)	2,500.07	Unspecified
26.	360001332410	06/11/1445H (corresponding to 14/05/2024G)	2,500.43	Unspecified
27.	460001332402	06/11/1445H (corresponding to 14/05/2024G)	2,948.12	Unspecified
28.	420110017639	25/12/1444H (corresponding to 13/07/2023G)	4,975.58	Unspecified
29.	760001333510	07/11/1445H (corresponding to 15/05/2024G)	4,916.96	Unspecified
30.	481880001128	24/04/1446H (corresponding to 27/10/2024G)	2,969.39	Sale
31.	360001333257	07/11/1445H (corresponding to 15/05/2024G)	4,129.18	Unspecified
32.	760001333268	07/11/1445H (corresponding to 15/05/2024G)	3,554.98	Unspecified
33.	360001333569	07/11/1445H (corresponding to 15/05/2024G)	3,805.46	Unspecified
34.	860001333525	07/11/1445H (corresponding to 15/05/2024G)	3,795.55	Unspecified
35.	894133009003	04/11/1445H (corresponding to 12/05/2024G)	3,905.60	Unspecified
36.	760001333567	07/11/1445H (corresponding to 15/05/2024G)	3,775.86	Unspecified
37.	960001333518	07/11/1445H (corresponding to 15/05/2024G)	3,815.35	Unspecified
38.	960001333544	07/11/1445H (corresponding to 15/05/2024G)	3,739.60	Unspecified
39.	460001332420	06/11/1445H (corresponding to 14/05/2024G)	2,873.98	Unspecified
40.	394133009015	04/11/1445H (corresponding to 12/05/2024G)	2,517.44	Unspecified
41.	320129008493	28/01/1445H (corresponding to 15/08/2023G)	5,000.00	Unspecified
42.	394133009001	04/11/1445H (corresponding to 12/05/2024G)	2,893.49	Unspecified
43.	220128006012	25/12/1444H (corresponding to 13/07/2023G)	3,635.36	Unspecified
44.	860001333552	07/11/1445H (corresponding to 15/05/2024G)	3,181.05	Lease
45.	420110017640	25/12/1444H (corresponding to 13/07/2023G)	3,496.45	Unspecified
46.	394133008982	23/10/1445H (corresponding to 02/05/2024G)	3,337.66	Unspecified
47.	994133008983	23/10/1445H (corresponding to 02/05/2024G)	2,430.56	Unspecified
48.	720129008210	28/12/1444H (corresponding to 16/07/2023G)	5,689.54	Unspecified
49.	320111016072	13/01/1445H (corresponding to 31/07/2023G)	4,676.04	Unspecified
50.	520113011687	01/01/1445H (corresponding to 19/07/2023G)	4,256.26	Unspecified
51.	394133009002	04/11/1445H (corresponding to 12/05/2024G)	3,813.71	Unspecified
52.	460001333526	07/11/1445H (corresponding to 15/05/2024G)	2,931.60	Unspecified
53.	794133009017	04/11/1445H (corresponding to 12/05/2024G)	2,889.07	Unspecified
54.	720113011688	01/01/1445H (corresponding to 19/07/2023G)	2,933.40	Unspecified
55.	320113011689	01/01/1445H (corresponding to 19/07/2023G)	3,397.70	Unspecified
56.	994133009016	04/11/1445H (corresponding to 12/05/2024G)	3,035.42	Unspecified
57.	320113011741	07/01/1445H (corresponding to 25/07/2023G)	2,756.47	Lease
58.	920129008265	30/12/1444H (corresponding to 18/07/2023G)	3,379.36	Unspecified

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
59.	720129008273	30/12/1444H (corresponding to 18/07/2023G)	2,971.41	Unspecified
60.	994133009014	04/11/1445H (corresponding to 12/05/2024G)	2,861.79	Unspecified
61.	394133009013	04/11/1445H (corresponding to 12/05/2024G)	2,654.80	Unspecified
62.	494133009012	04/11/1445H (corresponding to 12/05/2024G)	2,621.58	Unspecified
63.	794133009011	04/11/1445H (corresponding to 12/05/2024G)	2,568.31	Unspecified
64.	220113011751	08/01/1445H (corresponding to 26/07/2023G)	3,444.33	Unspecified
65.	920128006461	08/02/1445H (corresponding to 24/08/2023G)	3,709.12	Unspecified
66.	620113011752	08/01/1445H (corresponding to 26/07/2023G)	2,750.00	Unspecified
67.	260001332421	06/11/1445H (corresponding to 14/05/2024G)	2,500.00	Unspecified
68.	220129008574	08/02/1445H (corresponding to 24/08/2023G)	2,291.60	Unspecified
69.	920113011753	08/01/1445H (corresponding to 26/07/2023G)	2,386.02	Unspecified
70.	520113011786	15/01/1445H (corresponding to 02/08/2023G)	2,500.00	Unspecified
71.	920111016048	12/01/1445H (corresponding to 30/07/2023G)	2,334.98	Unspecified
72.	320129008325	06/01/1445H (corresponding to 24/07/2023G)	3,681.10	Unspecified
73.	320113011697	02/01/1445H (corresponding to 20/07/2023G)	2,750.00	Unspecified
74.	960001332427	06/11/1445H (corresponding to 14/05/2024G)	2,500.00	Unspecified
75.	520128006113	06/01/1445H (corresponding to 24/07/2023G)	2,291.60	Unspecified
76.	420128006112	06/01/1445H (corresponding to 24/07/2023G)	2,397.63	Unspecified
77.	720111016046	09/01/1445H (corresponding to 27/07/2023G)	2,500.00	Unspecified
78.	320113011698	02/01/1445H (corresponding to 20/07/2023G)	2,323.39	Unspecified
79.	320129008338	07/01/1445H (corresponding to 25/07/2023G)	787.50	Unspecified
80.	320111016028	08/01/1445H (corresponding to 26/07/2023G)	787.50	Unspecified
81.	860001332433	06/11/1445H (corresponding to 14/05/2024G)	5,033.10	Unspecified
82.	320128006111	06/01/1445H (corresponding to 24/07/2023G)	3,082.98	Unspecified
83.	960001333503	07/11/1445H (corresponding to 15/05/2024G)	3,683.73	Unspecified
84.	520128006110	06/01/1445H (corresponding to 24/07/2023G)	4,170.95	Unspecified
85.	220113011699	02/01/1445H (corresponding to 20/07/2023G)	4,000.57	Unspecified
86.	520111016045	09/01/1445H (corresponding to 27/07/2023G)	2,985.67	Unspecified
87.	320113011700	02/01/1445H (corresponding to 20/07/2023G)	3,000.00	Unspecified
88.	620113011701	02/01/1445H (corresponding to 20/07/2023G)	3,000.00	Unspecified
89.	720128006109	06/01/1445H (corresponding to 24/07/2023G)	3,000.09	Unspecified
90.	394133009010	04/11/1445H (corresponding to 12/05/2024G)	3,732.52	Unspecified
91.	820129008302	05/01/1445H (corresponding to 23/07/2023G)	3,796.07	Unspecified
92.	320111016073	13/01/1445H (corresponding to 31/07/2023G)	3,236.47	Unspecified
93.	420111016043	09/01/1445H (corresponding to 27/07/2023G)	3,236.62	Unspecified
94.	220129008303	05/01/1445H (corresponding to 23/07/2023G)	3,286.20	Unspecified
95.	520113011702	02/01/1445H (corresponding to 20/07/2023G)	30,035	Unspecified

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
96.	220129008304	05/01/1445H (corresponding to 23/07/2023G)	7,183.72	Unspecified
97.	720128005997	24/12/1444H (corresponding to 12/07/2023G)	3,436.37	Sale
98.	320110017573	23/12/1444H (corresponding to 11/07/2023G)	3,199.03	Lease
99.	420129008177	24/12/1444H (corresponding to 12/07/2023G)	4,650.00	Lease
100.	620128005964	22/12/1444H (corresponding to 10/07/2023G)	4,650.00	Lease
101.	420129008178	24/12/1444H (corresponding to 12/07/2023G)	4,650.00	Lease
102.	320111016079	15/01/1445H (corresponding to 02/08/2023G)	4,650.00	Lease
103.	920128005962	22/12/1444H (corresponding to 10/07/2023G)	4,650.00	Lease
104.	520129008179	24/12/1444H (corresponding to 12/07/2023G)	4,650.00	Lease
105.	820110017568	22/12/1444H (corresponding to 10/07/2023G)	4,650.00	Lease
106.	720129008180	24/12/1444H (corresponding to 12/07/2023G)	4,650.00	Lease
107.	720111016081	15/01/1445H (corresponding to 02/08/2023G)	4,486.01	Lease
108.	994133009009	04/11/1445H (corresponding to 12/05/2024G)	2,900.00	Unspecified
109.	994133009008	04/11/1445H (corresponding to 12/05/2024G)	3,042.44	Unspecified
110.	394133009007	04/11/1445H (corresponding to 12/05/2024G)	2,900.00	Unspecified
111.	620113011703	02/01/1445H (corresponding to 20/07/2023G)	3,703.97	Joint venture
112.	220129008403	15/01/1445H (corresponding to 02/08/2023G)	3,200.00	Lease
113.	420110017569	22/12/1444H (corresponding to 10/07/2023G)	2,583.33	Lease
114.	420129008128	23/12/1444H (corresponding to 11/07/2023G)	2,583.33	Lease
115.	320129008129	23/12/1444H (corresponding to 11/07/2023G)	2,583.33	Lease
116.	320128005978	23/12/1444H (corresponding to 11/07/2023G)	2,583.33	Lease
117.	320129008130	23/12/1444H (corresponding to 11/07/2023G)	2,583.33	Lease
118.	620110017570	22/12/1444H (corresponding to 10/07/2023G)	2,583.33	Lease
119.	320110017571	22/12/1444H (corresponding to 10/07/2023G)	2,583.33	Lease
120.	920128005975	23/12/1444H (corresponding to 11/07/2023G)	2,583.33	Lease
121.	320129008131	23/12/1444H (corresponding to 11/07/2023G)	2,455.83	Lease
122.	994133009006	04/11/1445H (corresponding to 12/05/2024G)	2,900.00	Unspecified
123.	694133009005	04/11/1445H (corresponding to 12/05/2024G)	3,042.44	Unspecified
124.	994133009004	04/11/1445H (corresponding to 12/05/2024G)	2,900.00	Unspecified
125.	320111016075	13/01/1445H (corresponding to 31/07/2023G)	3,870.59	Unspecified
126.	520128005972	23/12/1444H (corresponding to 11/07/2023G)	2,568.47	Sale
127.	320128006134	07/01/1444H (corresponding to 25/07/2023G)	900.00	Unspecified
128.	360001333553	07/11/1445H (corresponding to 15/05/2024G)	3,546.06	Unspecified
129.	960001332435	06/11/1445H (corresponding to 14/05/2024G)	2,965.16	Unspecified
130.	960001333124	07/11/1445H (corresponding to 15/05/2024G)	3,362.98	Unspecified
131.	320128006002	24/12/1444H (corresponding to 12/07/2023G)	2,057.81	Unspecified
132.	420129008289	02/01/1445H (corresponding to 20/07/2023G)	2,124.82	Unspecified

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
133.	360001333123	07/11/1445H (corresponding to 15/05/2024G)	2,472.61	Unspecified
134.	320110017618	25/12/1444H (corresponding to 13/07/2023G)	2,307.19	Unspecified
135.	920128006001	24/12/1444H (corresponding to 12/07/2023G)	3,061.58	Unspecified
136.	360001333517	07/11/1445H (corresponding to 15/05/2024G)	2,915.80	Unspecified
137.	620128006000	24/12/1444H (corresponding to 12/07/2023G)	3,370.76	Unspecified
138.	320128005999	24/12/1444H (corresponding to 12/07/2023G)	3,137.82	Unspecified
139.	460001333502	07/11/1445H (corresponding to 15/05/2024G)	3,496.65	Unspecified
140.	460001333131	07/11/1445H (corresponding to 15/05/2024G)	3,261.32	Unspecified
141.	320507000131	08/06/1446H (corresponding to 09/12/2024G)	2,287.18	Sale
142.	360001333220	07/11/1445H (corresponding to 15/05/2024G)	3,641.83	Unspecified
143.	360001333519	07/11/1445H (corresponding to 15/05/2024G)	3,217.21	Unspecified
144.	960001333538	07/11/1445H (corresponding to 15/05/2024G)	2,859.29	Self-development (development by the Issuer)
145.	420111016039	09/01/1445H (corresponding to 27/07/2023G)	2,830.58	Unspecified
146.	720128006106	06/01/1445H (corresponding to 24/07/2023G)	2,820.17	Unspecified
147.	820129008320	06/01/1445H (corresponding to 24/07/2023G)	2,569.65	Unspecified
148.	320129008132	23/12/1444H (corresponding to 11/07/2023G)	2,383.75	Sale
149.	320111016032	08/01/1445H (corresponding to 26/07/2023G)	3,350.25	Lease
150.	720128006105	06/01/1445H (corresponding to 24/07/2023G)	3,196.36	Lease
151.	320111016031	08/01/1445H (corresponding to 26/07/2023G)	3,187.00	Lease
152.	320111016030	08/01/1445H (corresponding to 26/07/2023G)	3,177.65	Sale
153.	420111016029	08/01/1445H (corresponding to 26/07/2023G)	3,443.99	Sale
154.	420128006135	07/01/1445H (corresponding to 25/07/2023G)	4,189.43	Unspecified
155.	360001333539	07/11/1445H (corresponding to 15/05/2024G)	3,936.46	Unspecified
156.	320110017609	25/12/1444H (corresponding to 13/07/2023G)	2,967.30	Sale
157.	560001333218	07/11/1445H (corresponding to 15/05/2024G)	5,012.26	Self-development (development by the Issuer)
158.	862009001427	04/06/1445H (corresponding to 17/12/2023G)	3,597.49	Unspecified
159.	762012000371	04/06/1445H (corresponding to 17/12/2023G)	1,050.00	Unspecified
160.	660001479532	27/03/1446H (corresponding to 30/09/2024G)	2,750.00	Unspecified
161.	994133010437	08/06/1446H (corresponding to 09/12/2024G)	2,750.00	Unspecified
162.	581880001226	08/06/1446H (corresponding to 09/12/2024G)	2,750.00	Unspecified
163.	760001479537	27/03/1446H (corresponding to 30/09/2024G)	2,750.00	Unspecified
164.	460001479538	27/03/1446H (corresponding to 30/09/2024G)	2,750.00	Unspecified
165.	360001479539	27/03/1446H (corresponding to 30/09/2024G)	2,500.00	Unspecified
166.	360001479540	27/03/1446H (corresponding to 30/09/2024G)	2,452.28	Unspecified
167.	594133010438	08/06/1446H (corresponding to 09/12/2024G)	2,250.17	Unspecified
168.	360001479543	27/03/1446H (corresponding to 30/09/2024G)	2,991.76	Unspecified

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
169.	660001479544	27/03/1446H (corresponding to 30/09/2024G)	2,979.02	Unspecified
170.	360001479545	27/03/1446H (corresponding to 30/09/2024G)	2,750.00	Unspecified
171.	481880001228	08/06/1446H (corresponding to 09/12/2024G)	2,750.00	Unspecified
172.	381880001229	08/06/1446H (corresponding to 09/12/2024G)	2,750.00	Unspecified
173.	460001479549	27/03/1446H (corresponding to 30/09/2024G)	3,134.82	Unspecified
174.	360001479551	27/03/1446H (corresponding to 30/09/2024G)	2,749.99	Unspecified
175.	460001479552	27/03/1446H (corresponding to 30/09/2024G)	2,750.00	Unspecified
176.	760001479553	27/03/1446H (corresponding to 30/09/2024G)	2,697.11	Unspecified
177.	781880001230	08/06/1446H (corresponding to 09/12/2024G)	2,250.17	Unspecified
178.	760001479571	27/03/1446H (corresponding to 30/09/2024G)	2,697.76	Unspecified
179.	260001479572	27/03/1446H (corresponding to 30/09/2024G)	2,824.09	Mosque
180.	760001479573	27/03/1446H (corresponding to 30/09/2024G)	6,124.98	School
181.	960001479559	27/03/1446H (corresponding to 30/09/2024G)	2,640.12	Unspecified
182.	360001479560	27/03/1446H (corresponding to 30/09/2024G)	2,670.89	Unspecified
183.	981880001232	08/06/1446H (corresponding to 09/12/2024G)	3,060.48	Unspecified
184.	781880001233	28/06/1446H (corresponding to 09/12/2024G)	1,836.46	Unspecified
185.	481880001234	08/06/1446H (corresponding to 09/12/2024G)	1,834.09	Unspecified
186.	260001479528	27/03/1446H (corresponding to 30/09/2024G)	3,462.25	Unspecified
187.	960001479530	27/03/1446H (corresponding to 30/09/2024G)	2,712.53	Unspecified
188.	360001479568	27/03/1446H (corresponding to 30/09/2024G)	2,671.21	Unspecified
189.	960001479567	27/03/1446H (corresponding to 30/09/2024G)	2,390.79	Unspecified
190.	860001479562	27/03/1446H (corresponding to 30/09/2024G)	2,246.66	Unspecified
191.	360001479512	27/03/1446H (corresponding to 30/09/2024G)	2,362.50	Unspecified
192.	394133010447	08/06/1446H (corresponding to 09/12/2024G)	2,997.52	Unspecified
193.	381880001236	08/06/1446H (corresponding to 09/12/2024G)	4,487.38	Unspecified
194.	294133010448	08/06/1446H (corresponding to 09/12/2024G)	3,835.31	Unspecified
195.	381880001237	08/06/1446H (corresponding to 09/12/2024G)	3,177.70	Unspecified
196.	994133010449	08/06/1446H (corresponding to 09/12/2024G)	4,859.99	Unspecified
197.	760001479514	27/03/1446H (corresponding to 30/09/2024G)	4,646.98	Multi-use public utilities - usufruct of facilities
198.	360001479513	27/03/1446H (corresponding to 30/09/2024G)	5,190.75	Multi-use public utilities - usufruct of facilities
199.	320101002997	18/05/1446H (corresponding to 20/11/2024G)	2,979.02	Unspecified
200.	381880001227	08/06/1446H (corresponding to 09/12/2024G)	2,933.68	Unspecified
201.	420101002995	18/05/1446H (corresponding to 20/11/2024G)	2,891.56	Unspecified
202.	494133010439	08/06/1446H (corresponding to 09/12/2024G)	3,154.38	Unspecified
203.	920101003001	18/05/1446H (corresponding to 20/11/2024G)	2,749.99	Unspecified
204.	481880001231	08/06/1446H (corresponding to 09/12/2024G)	2,250.00	Unspecified

#	Fully Subdivided Title Deed Number	Fully Subdivided Title Deed Date	Area (m²)	Intended Use of Land
205.	520101002987	01/05/1446H (corresponding to 03/11/2024G)	1,154.01	Unspecified
206.	720101002986	01/05/1446H (corresponding to 03/11/2024G)	4,315.61	Unspecified
207.	720101002988	01/05/1446H (corresponding to 03/11/2024G)	1,518.61	Unspecified
208.	620101002985	01/05/1446H (corresponding to 03/11/2024G)	4,649.10	Unspecified
209.	994133010440	08/06/1446H (corresponding to 09/12/2024G)	2,439.60	Unspecified
210.	394133010441	08/06/1446H (corresponding to 09/12/2024G)	2,359.27	Unspecified
211.	794133010442	08/06/1446H (corresponding to 09/12/2024G)	2,413.92	Unspecified
212.	794133010443	08/06/1446H (corresponding to 09/12/2024G)	3,198.63	Unspecified
213.	394133010444	08/06/1446H (corresponding to 09/12/2024G)	2,388.87	Unspecified
214.	920101003005	18/05/1446H (corresponding to 20/11/2024G)	1,987.41	Unspecified
215.	294133010407	26/05/1446H (corresponding to 28/11/2024G)	3,270.75	Sale
216.	294133010408	26/05/1446H (corresponding to 28/11/2024G)	2,736.56	Sale
217.	481880001235	08/06/1446H (corresponding to 09/12/2024G)	2,479.78	Unspecified
218.	394133010446	08/06/1446H (corresponding to 09/12/2024G)	2,516.59	Unspecified
219.	394133010418	02/06/1446H (corresponding to 03/12/2024G)	2,673.99	Unspecified
220.	260001479563	27/03/1446H (corresponding to 30/09/2024G)	2,694.98	Unspecified
221.	320101003004	18/05/1446H (corresponding to 20/11/2024G)	2,000.00	Unspecified
222.	394133010445	08/06/1446H (corresponding to 09/12/2024G)	2,250.00	Unspecified

Source: The Company

In addition, given the nature of the Company's business, it is exposed to general risks associated with the establishment and development of projects, such as the Company's inability to continue development work due to a lack of adequate financing on favorable terms or due to the Company incurring construction costs that exceed its original estimates as a result of increased material, labor and other costs. The Company may not be able to raise rents or land sale prices to offset the increase in construction costs. Any of these factors would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.4 Risks Related to the Relatively Low Liquidity of Real Estate Investments

The Company's business model relies primarily on the sale, lease and development of land with Strategic Partners. The Company is expected to generate its revenue primarily through the sale and lease of land, which encompasses one hundred and thirty-nine (139) land plots out of a total of two hundred and five (205) land plots. Real estate investments are inherently characterized by their illiquidity. In addition, when securing additional financing, the Company may be forced to mortgage new or existing real estate, limiting its salability. As a result, the Company may not be able to sell its real estate in a timely manner and at a favorable price, which could have an adverse effect on its business, financial position and results of operations. Regional economic, social, political and security conditions could adversely affect the real estate development market and may result in a slowdown in real estate sales. The Company may find it difficult to liquidate its developed and vacant real estate assets, given the size of the investment required to purchase the said real estate. If the Company is unable to sell or dispose of its real estate, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.5 Risks Related to the Company's Ability to Sell Real Estate Assets to Non-Saudi Investors

The Company's business model relies primarily on the sale, lease and development of land in partnership with Strategic Partners. The Company is expected to generate its primary revenue from the sale and lease of land, which encompasses one hundred and thirty-nine (139) land plots out of a total of two hundred and five (205) land plots. As such, the Company is targeting a number of potential Saudi and non-Saudi investors to purchase real estate assets. The Law of Real Estate Ownership and Investment by Non-Saudis, prohibits non-Saudis from acquiring rights of ownership, easement or benefit of real estate located within the boundaries of the cities of Makkah and Madinah. This prohibition extends to natural persons who do not hold Saudi nationality, non-Saudi companies and Saudi companies founded or co-founded by, or in which shares are held by, any natural or legal person who does not hold Saudi nationality, with certain limited exceptions and individuals or groups that the Council of Ministers or the Prime Minister decides to include in this category. The Ministry of Investment published draft amendments to the Law of Real Estate Ownership and Investment by Non-Saudis in 2022G. Such an amendment will allow non-Saudis to acquire rights of ownership, easement or benefit of real estate located within the boundaries of the cities of Makkah and Madinah. However, it will prohibit non-Saudis from acquiring rights of ownership, easement or benefit of real estate located within the boundaries of the Two Holy Sites, as determined by the Implementing Regulations. This project is still under development and has not yet been approved pursuant to a Royal Decree. Accordingly, as of the date of this Prospectus, the Company is still unable to sell real estate assets located within Masar Destination to non-Saudis, since all its real estate assets are located within the boundaries of Makkah. Consequently, the Company is subject to restrictions on the types of its target buyers. If the Company is unable to find buyers from among Saudi investors, it may not be able to achieve the targeted level of revenue and improve its profitability, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.6 Risks Related to Expropriation of the Real Estate of Masar Destination

Pursuant to Resolution No. 6, dated 10/02/1433H (corresponding to 02/02/2012G), issued by the Governor of the Makkah Region in his capacity as Chairman of Makkah Province Development Authority, pursuant to the Law of Expropriation of Real Estate for the Public Benefit and Temporary Seizure of Real Estate issued by Royal Decree No. M/15, dated 11/03/1424H (corresponding to 12/05/2003G), Makkah Province Development Authority decided to approve several matters, including the approval of the expropriation of real estate that falls within the premises of King Abdullah Mosque on King Abdulaziz Road, in accordance with title documents and the resolutions of the Real Estate Valuation Committee, and the disbursement of compensation for the aforementioned real estate. Furthermore, Resolution No. 1305/HMM, dated 14/05/1434H (corresponding to 26/03/2013G), and Resolution No. 2099/HMM, dated 26/07/1434H (corresponding to 05/06/2013G), both issued by the Governor of the Makkah Region, were issued following the completion of the first phase of demolition of real estate within Masar Destination. These resolutions ordered the Makkah region police department to notify all former residents to immediately vacate their real estate located within Masar Destination in accordance with the agreed timeframes (for further information, please refer to Section 12.5.1 "**Land Expropriation**" of this Prospectus).

Accordingly, the real estate owned by the Company to develop Masar Destination is built on real estate that has been expropriated from its owners in return for compensation. Accordingly, the Company may be subject to lawsuits from former landowners if they are dissatisfied with the compensation provided to them. For instance, certain real estate has been expropriated for the benefit of the Company regarding which there is a disagreement with respect to the compensation mechanism and the entity responsible therefor, whether it is the Company, the Development Committee for the Squares Surrounding the Holy Mosque, or other entities, due to overlaps in the boundaries of the areas between the two parties. It is expected that the total claims for such real estate will not exceed twenty million Saudi Riyals (SAR 20,000,000) if they are borne by the Company. Furthermore, the Company was previously involved in claims filed by the General Authority for Awqaf related to the valuation of real estate within Masar Destination, amounting to a total of one billion, two hundred and sixty-one million, three hundred thousand Saudi Riyals (SAR 1,261,300,000). The Company has entered into a settlement agreement with the General Authority for Awqaf with respect to the aforementioned lawsuit, pursuant to which the Company has undertaken to pay a cash settlement of one hundred and thirtysix million, three hundred and twenty-eight thousand, six hundred Saudi Riyals (SAR 136,328,600), in addition to an in-kind settlement consisting of real estate within Masar Destination for the benefit of the General Authority for Awqaf valued at one billion, one hundred and twenty-four million, nine hundred and seventy-one thousand, four hundred Saudi Riyals (SAR 1,124,971,400), in full and final settlement of the claim (for further information, please refer to Section 12.8 "**Litigation and Claims**" of this Prospectus). Furthermore, Resolution No. 6, dated 20/10/1433H (corresponding to 02/02/2012G), issued by the Governor of the Makkah Region in his capacity as Chairman of Makkah Province Development Authority, pursuant to the Law of Expropriation of Real Estate for the Public Benefit and Temporary Seizure of Real Estate issued by Royal Decree No. 15/M, dated 11/03/1424H (corresponding to 12/05/2003G), approves, inter alia, the expropriation of the real estate that forms part of Masar Destination in accordance with the expropriation documents and the resolutions of the Real Estate Valuation Committee. Furthermore, the aforementioned resolution stipulates that compensation for the aforementioned property shall be paid from the budget allocated to the Company, and that annotation shall be made on the relevant title deeds regarding such compensation and the ownership of such property shall be transferred to the Company. Accordingly, the Company shall bear all costs associated with the expropriation of the relevant real estate, including any legal fees related to any lawsuits filed against Makkah Province Development Authority and the RCMC in relation to the land plots that form part of Masar Destination. In accordance with a memorandum of understanding between the Company and Makkah Province Development Authority and the RCMC, the Company shall assist Makkah Province Development Authority and RCMC with respect to any claims or lawsuits filed against them regarding the real estate that forms part of Masar Destination by bearing the costs associated with such claims or litigation. As of the date of this Prospectus, Makkah Province Development Authority is a party to four (4) ongoing lawsuits as a defendant with respect to real estate that is part of Masar Destination, with an unspecified total impact value. The RCMC is a party to a lawsuit in which it is a defendant with respect to real estate that is part of Masar Destination, the total estimated impact of which is undetermined as of the date of this Prospectus. Such real estate consists of unassigned properties within Masar Destination with a total area of four thousand, four hundred and sixty-five point four one square meters (4,465.41 m^2). The financial impact of these claims is yet to be determined as they are related to appeals to revoke an administrative resolution. The determination of the financial impact is subject to re-evaluation of the real estate if the appeal is successful (for further information, please refer to Section 12.8.2 "**Litigation and Claims Requiring the Company's Cooperation**" of this Prospectus). If the Company is exposed to legal claims by the owners of the land plots subject to expropriation, this could lead to a disruption of the Company's business and the development of Masar Destination or cause the Company to incur costs in order to resolve such disputes. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.7 Risks Related to Real Estate Owned by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II

The Company entered into an agreement to establish Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company. Pursuant to these agreements, Alinma Investment Company, as the Fund Manager, shall establish Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, which the Company owns all the units of, for the purpose of acquiring seventy-two (72) land plots in Makkah with a total area of two hundred and twenty-seven thousand, seven hundred and fifty-nine point sixty-two (227,759.62) square meters for both funds, developing the superstructure of some of these land plots, as well as operating and selling such land plots thereafter (for further information regarding the agreement for the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with the Fund Manager, Alinma Investment Company, please refer to Section 12.3.7(m) "**Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements**" of this Prospectus). As of the date of this Prospectus, seventy-two (72) land plot title deeds have been transferred to be under the names of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (for further information regarding the real estate owned by the Company, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, please refer to Section 12.5.2 "**Real Estate Owned by the Company**" of this Prospectus). Although the Company owns all the units in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, both funds are managed by an independent board of directors whose members are appointed by Alinma Investment Company. Accordingly, the board of directors of both funds has the ability to make decisions regarding the real estate owned by the two funds and as such, the Company does not have direct control over the real estate owned by them. The board of directors of the two funds may make decisions regarding such real estate that may conflict with the Company's strategy, which would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.8 Risks Related to the Concentration of the Company's Business in Masar Destination, Makkah Province

The Company's business is concentrated in Masar Destination, Makkah Province, and the revenues generated therefrom. All of the Company's business and assets are located in the Makkah Province. Consequently, any deterioration in the economic, regulatory, geographic, weather, epidemiological or other conditions that may occur in the Kingdom in general, or in the Makkah Province or within Masar Destination in particular, would have a significant impact in comparison to other companies whose assets and projects are distributed across or outside the Kingdom. This in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.9 Risks Related to the Company's Ability to Implement its Strategy on Time or at All

The Company's ability to generate revenue and improve its profitability is dependent on the successful implementation of its strategy, which is focused on the sale and lease of land plots within Masar Destination as well as the development of other land plots either independently or in partnership with Strategic Partners (for further information regarding the Company's strategy, please refer to Section 4.2.5 "**Strategy and Prospects**" of this Prospectus). In order to implement its strategy, the Company is subject to numerous factors, some of which are beyond its control. Such factors include, but are not limited to: competition from current or future competitors; the suitability of economic conditions for the Company's plans; obtaining the necessary licenses and regulatory approvals; the Company's ability to successfully negotiate acceptable terms with purchasers and lessees; the effectiveness of the Company's marketing campaigns; completion of planned construction development plans; the swift execution of such works; and its ability to monitor operations, reduce costs and control quality levels. As of the date of this Prospectus, and in light of certain regulatory factors and procedures beyond the Company's control, such as the issuance and amendment of deeds, the updating of land uses and the issuance of construction and operating licenses by the various relevant authorities, the Company has faced and continues to face some of these risks in the agreements it has executed. Furthermore, there have been delays in the implementation of Masar Destination's infrastructure development projects due to factors beyond the Company's control. Any delays in project implementation may affect the operationalization of the project, which in turn may delay the realization of expected revenues. The Company cannot guarantee that similar issues will not arise in the future, whether caused by the Company itself or by factors directly related to contractors or other service providers engaged by the Company, any of its funds, or its Strategic Partners in the project. In addition, the Company's available resources, including employees, systems, infrastructure and funding, may not be sufficient to support the Company's strategy. In addition, the Company may not be able to obtain sufficient funding to support its business. If the Company is unable to implement or manage its growth strategy for any reason, or if any of the factors described in this section were to occur, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.10 Risks Related to Financing and Credit Facilities

a- Current Financing and Facilities

As of the date of this Prospectus, the Company has entered into a number of financing agreements under which it has obtained a financing ceiling from Alinma Bank, Bank AlJazira and Riyad Bank in a total amount of SAR 8,200 million. Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have concluded two financing agreements with Alinma Bank, whereby they obtained a financing ceiling therefrom in a total amount of SAR 6,500 million. As of 30 June 2024G, SAR 9,793 million of the facilities granted to the Company, Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II has been utilized. It should be noted that the debt-to-equity ratio was 63.4%, 58.3%, 69.2% and 77.3% as of the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Moreover, the total liabilities to total assets ratio was 48.01%, 46.33%, 46.27% and 48.42% as of the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Furthermore, the interest coverage ratio was 1%, 74% and 72% as of the financial years ended 31 December 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. The interest coverage ratio is not applicable for the financial year ended 31 December 2021G as no operating revenue was generated during the period (for further information, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus). The financing agreements contain certain undertakings, which, if breached, or if any of the events of default specified therein were to occur, may result in the termination of such agreements, entitling the lenders to demand immediate payment from the Company, Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) without the need for notice. Such events of default include the Company's failure to fulfill any of its obligations under the financing agreements, inaccuracy of the information provided, the liquidation of the Company or it being placed under administration, or its inability to fulfill its liabilities towards others, among other things (for further information regarding the undertakings and events of default contained in the financing agreements entered into by the Company, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus). Pursuant to the credit facility agreement entered into with Bank AlJazira, the Company has issued a promissory note in the amount of SAR 3,190 million and mortgaged some of its lands to cover the facilities provided by Bank AlJazira. Furthermore, pursuant to the agreement entered into with Bank AlJazira, the Company undertakes to notify the Bank in writing of all provisions and mortgages on any current or future assets. The Company further undertakes not to mortgage or sell any of its real estate without notifying the Bank in writing. In addition, material restrictions under the agreement with Bank AlJazira stipulate that the Company may not distribute dividends if it fails to make payments due on the agreed dates or if it is more than one year in arrears on any installment payment.

Pursuant to the credit facility agreement entered into between the Company and Alinma Bank, the Company has provided the following collateral, among other things: (a) a mortgage of the Company's real estate representing project land plots, which (i) provide a coverage ratio specified in the agreement, and (ii) fall within the scope of investment land plots (meaning land plots that are salable and not public); (b) a promissory note in the amount of four billion, four hundred million Saudi Riyals (SAR 4,400,000,000) signed by the Company; (c) a pledge to deposit the land plot sale proceeds from the mortgaged land plots into a revenue account; (d) a pledge to deposit the public offering proceeds into the client's accounts with Alinma Bank; (e) a pledge to deposit the Public Offering proceeds into the Company's accounts with Alinma Bank; (f) a pledge to deposit the sale/lease proceeds of any other land plots within Masar Destination that are free—not held, relinquished or mortgaged to any other financing institutions—to be deposited in the Company's regular/unrestricted main account with Alinma Bank; (g) assignment of the letters of credit related to the contractors (if any) to Alinma Bank; (h) assignment of the insurance policies for the project and/or the property subject to the insurance policies, where Alinma Bank is the first beneficiary thereof; and (i) opening a revenue account, an early settlement account and an operating account with Alinma Bank in the name of the Company. In addition, pursuant to the credit facility agreement concluded with Alinma Bank, Alinma Bank confirmed that no restrictions shall apply to the Company's use of the aforementioned proceeds in relation to the project or operational purposes and that such proceeds shall be deposited in an escrow account with Alinma Bank and used on the basis of the following arrangement: (a) payments to cover the Company's operating expenses; (b) payments to cover the costs of developing infrastructure and/or capital expenditures; (c) repayment of the amounts due to Alinma Bank, if any; and (d) financing the employee retirement savings account for the purpose of voluntary advance payments. Under the credit facility agreement with Alinma Bank, the Company is required to notify Alinma Bank in advance of any proposed change in its legal form or shareholding structure. If Alinma Bank approves such change, the Company shall provide Alinma Bank with the updated constitutional documents within fifteen (15) days. Any change in the legal or administrative status of the Company without prior written consent from Alinma Bank shall constitute a default under this agreement. Furthermore, the Company shall not mortgage any of its assets provided as collateral to Alinma Bank without obtaining prior written consent from Alinma Bank and shall notify Alinma Bank in writing of all future encumbrances or mortgages on its assets or its incurrence of any other liabilities that may affect its obligations under this agreement. It should be noted that pursuant to a letter dated 27/07/1445H (corresponding to 08/02/2024G), Alinma Bank has permitted the distribution of cash dividends to Shareholders provided that there are no defaults under the terms of this agreement.

Moreover, pursuant to the facility agreements entered into between Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I, Alinma Makkah Development Fund II and Alinma Bank, Alinma First Development Company Limited and Alinma Second Development Company Limited have each issued a promissory note for a value of SAR 3,250 million and a promissory note covering Alinma Bank's maximum expected profits for the initial twelve (12) months from the date of the agreements. Furthermore, both Alinma First Development Company Limited and Alinma Second Development Company Limited have provided Alinma Bank with a pledge on their bank accounts as specified in the relevant agreements, with a maximum amount of SAR 3,250 million for each company. The credit facility agreements entered into by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank also comprise several guarantees, including: (a) the obligation of both Alinma First Development Company Limited and Alinma Second Development Company

Limited to deliver to Alinma Bank (1) one or more promissory notes in the amount of three billion, two hundred and fifty million Saudi Riyals (SAR 3,250,000,000); and (2) a promissory note for an amount equal to the Alinma Bank's maximum expected profits from each of the credit facility agreements of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank, which Alinma Bank reasonably estimates are likely to be realized during the initial twelve (12) months of the credit facility agreements of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; and (b) the obligation of both Alinma First Development Company Limited and Alinma Second Development Company Limited to pledge their bank accounts as collateral for the credit facility agreements of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II as set forth in each of Alinma Bank's account pledge agreements. Moreover, real estate owned by Alinma First Development Company Limited and Alinma Second Development Company Limited has been mortgaged in favor of Alinma Bank pursuant to the credit facility agreements entered into by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank.

Additionally, under the facility agreement between the Company and Riyad Bank, the Company has provided a promissory note for SAR 1,420 million and a mortgage on real estate properties in favor of Riyad Bank. Furthermore, pursuant to the agreement with Riyad Bank, the Company undertakes that any change in its legal form, its Shareholders, the extent of their liability, their ownership, their obligations towards third parties, legal representatives and their powers or activities or any other change shall not affect the continued validity of the Riyad Bank facility agreement and that Riyad Bank shall be notified immediately of any such change. In addition, there may not be any change in the Company's legal form or ownership structure without Riyad Bank's prior written approval.

The Company also provided guarantees under the credit facility agreement with Bank AlJazira, including a promissory note for SAR 3.19 billion and a mortgage on a number of its real estate properties in favor of Bank AlJazira to cover the total amount of the facility. The agreement stipulates that in the event of the Company defaults in paying the due installments, Bank AlJazira shall have the right to deduct 20% of the proceeds from the sale of land financed by the subfacilities provided by Bank AlJazira in the amount of one billion and seven hundred million Saudi Riyals (SAR 1,700,000,000), and to deduct 15% of the proceeds from the sale of land financed by the sub-facilities provided by Bank AlJazira in the amount of one billion and two hundred million Saudi Riyals (SAR 1,200,000,000). Furthermore, pursuant to the agreement with Bank AlJazira, and in the event of failure to repay the amounts due to the bank on the agreed dates or in the event of a delay in paying any installment due within one year, the Company undertakes not to withdraw or distribute any dividends (for further information regarding the guarantees included in the financing agreements entered into by the Company, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus). Governmental Entities currently own more than half of the share capital, which has enabled the Company to obtain certain banking benefits from some lenders. However, the Company does not guarantee that, after the listing of its shares, the ownership percentages of these entities will not change as a result of them disposing of their shares, which may affect the terms and guarantees currently in place in some of the executed banking agreements.

If the Company fails to fulfill any of its obligations under the financing agreements, if any representation made by the Company in such agreements is found to be false or inaccurate, or if the Company initiates bankruptcy or insolvency proceedings or undergoes restructuring, this will result in a default event enabling the lenders to terminate the financing agreements and demand immediate repayment of all outstanding amounts. Additionally, the lenders may exercise their rights against any collateral provided by the Company, including the mortgaged land within the real estate properties of Masar Destination. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Also, if the Company is unable to repay installments when due or obtain extensions, its cash flow may not be sufficient in all years to meet all maturing debt obligations. If the creditors refuse to provide new loans at reasonable costs, this could adversely affect the Company's ability to complete the development of Masar Destination. Additionally, if the Company is unable to refinance its debt on acceptable terms or has not been able to refinance its debts at all, it may need to dispose of one or more of its real estate properties under unfavorable conditions. If the Company mortgages its real estate properties as collateral for its debt, including mortgaging existing real estate properties under future financing arrangements, and fails to make the required payments, the mortgage could be foreclosed, or a receiver could be appointed to acquire an assignment for the Company's lease amounts and contracts. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

b- Future Financing and Facilities

In the future, the Company may need to obtain additional financing from commercial banks, Government lenders and/or other financiers to execute Masar Destination development works, cover working capital requirements, pay its dues or issue new shares. The Company's ability to obtain loans and facilities from lenders at lower costs or on appropriate terms depends on its future financial position, global economic conditions, stock market conditions, the availability of credit from banks or external lenders and the confidence of lenders in the Company. The Company may not be able to obtain such financing on reasonable terms or may not obtain such financing at all for any reason, for instance, due to restrictions that may be placed on any existing financing, on lenders' views of the Company or on the future results of the Company's operations, financial position and cash flows. The Company may be subject to increased interest rates (that may be significantly affected by factors beyond the Company's control, such as monetary and tax policies and global economic and political conditions). As such, the Company may not be able to obtain such financing on reasonable terms or may not obtain financing at all when necessary. Any increase in interest rates, whether fixed or variable, imposed by banks may lead to an increase in financing costs borne by the Company, which will negatively affect its future profits and its ability to pay and fulfill its obligations to lenders. As a result, the Company may not be able to capitalize on business opportunities or respond to changes in market or sector conditions. The occurrence of any of the above would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.11 Risks Related to the Availability of Financing to Customers

The ability of customers to obtain financing for the purchase cost of residential units is contingent on numerous factors, including general economic and market conditions, interest rates, inflation, the availability of credit from banks or other lenders, and the willingness of banks or other lenders to lend to particular customers. In particular, a significant portion of the financing of the purchase cost for the Company's affordable residential units is subsidized by MOMRAH, which offers interest-free mortgage loans to help fund the purchase of residential units by customers. However, there is no guarantee that this level of financing will be sustained or that such financing will remain available at all in the future, whether in the short term or over the longer term. The inability of customers to obtain the requisite financing in the future on favorable terms to help fund the purchase of the Company's residential units would lead to reduced demand for such residential units. This would in turn have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.12 Risks Related to the Company's Material Agreements

The Company has concluded various material agreements in connection with Masar Destination, including construction agreements with contractors to execute construction works, infrastructure support agreements, consultancy agreements, hotel operating agreements, investment agreements, build-to-suit lease agreements, land sale agreements, and agreements with Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, as well as financing agreements. The total value of the Company's material agreements is approximately SAR 29.8 billion. Total revenue from the Company's material agreements (which include the sale and lease of the Company's land plots) amounted to zero Saudi Riyals (SAR 0), four hundred and twenty-nine million, three hundred and ninety-nine thousand, five hundred and twenty-two Saudi Riyals (SAR 429,399,522), nine hundred and eighty-eight million, one hundred and forty-three thousand, seven hundred and fifty-six Saudi Riyals (SAR 988,143,756) and seven hundred and sixty million, seven hundred and forty-seven thousand, five hundred and eighty-nine Saudi Riyals (SAR 760,747,589) for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively, representing 100% of the Company's revenue for the financial years ended 31 December 2022G, 2023G and the six-month period ended 30 June 2024G. The Company did not achieve any revenue for the financial year ended 31 December 2021G, noting that all of the Company's revenue results from the material agreements. Land sale agreements constituted the largest percentage of the Company's revenues, with revenues from land plot sale agreements representing 100% of the Company's total revenues for the financial years ended 2022G and 2023G and 99% of the Company's revenues for the six-month period ended 30 June 2024G (for further information regarding the Company's material agreements, please refer to Section 12.3 "**Material Agreements**" of this Prospectus). These material agreements are essential for the realization of the Company's strategy. In certain instances, some of these material agreements may include business restrictions for the Company. Additionally, some of these agreements may grant the contracting parties the right to terminate such agreements without cause, including the framework agreement with the National Water Company (NWC). In the event of termination of the agreement with NWC, the Company shall bear all financial costs resulting from such termination (for further information regarding this agreement, please refer to Section 12.3.2 "**Infrastructure Agreements**" of this Prospectus). Moreover, certain agreements may not have provisions for renewal. In such case, the parties contracting with the Company are not legally obligated to renew the relevant agreements, conclude new agreements with the Company or continue implementing such agreements if the Company breaches its obligations. In the event these parties decide to terminate any or all such agreements at any time or if they refuse to renew them on terms favorable to the Company or to not renew them at all, the Company may not be able to recover any losses incurred as a result of work disruption under any of its material agreements. If the Company is unable to maintain its partnerships with these parties on a commercial basis, it may lose an important source of revenue, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects. Furthermore, some of the Company's material agreements include provisions for damages and late fees. Consequently, if the Company breaches the terms and conditions of its material agreements, this could result in the Company incurring financial penalties and could also negatively impact the Company's reputation and its ability to attract future agreements, business opportunities and investments. In addition, a number of the Company's material agreements are governed by the laws and courts of foreign jurisdictions. Consequently, if the Company were to face any claims or disputes arising under such agreements, it would be unable to predict the outcome of such claims or disputes and would incur significant legal costs in defending its rights. Some of the material agreements entered into by the Company contain a franchise right granted by the Company for a number of locations within Masar Destination. If franchisees misuse their franchise rights, it could negatively impact the Company's reputation. Furthermore, future agreements may include business terms that are more restrictive than the current terms, which could make compliance more difficult. Failure to comply therewith could harm the Company's reputation or result in the termination of such agreements, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Pursuant to the operating agreements entered into with hotels, the Company has concluded a number of sub-licensing agreements for hotel trademarks in its own interest. Furthermore, if the Company misuses the trademarks, it may be subject to financial or legal claims by the trademark owners (for further information on the risks related to trademarks, please refer to Section 2.1.23 "**Risks Related to Trademarks**" of this Prospectus).

The Company concluded the Service Provider 2 Agreement on 14/08/1436H (corresponding to 01/07/2015G), as amended on 21/09/1440H (corresponding to 26/05/2019G), pursuant to which Service Provider 2 agreed to provide works related to Masar Destination, including the design, construction, completion, testing and operation of Masar Destination infrastructure (for further information regarding this agreement, please refer to Section 12.3.1 "**Construction Agreements**" of this Prospectus). Service Provider 2 has previously submitted to the Company a series of claims totaling SAR 3.8 billion. Furthermore, the Company filed counterclaims against Service Provider 2 amounting to SAR 1.1 billion. The claims relate to a series of works carried out by Service Provider 2 as part of the scope of the Service Provider 2 Agreement. The Company and Service Provider 2 have entered into an addendum to the construction agreement pursuant to which the parties agreed to settle the dispute for a total amount of SAR 600 million (for further information, please refer to Section 12.3.1 "**Construction Agreements**" of this Prospectus).

Additionally, the Company has entered into agreements to establish two funds with Alinma Investment Company, namely Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. The Company owns land that constitutes part of the assets of the two investment funds. The Company has sold the real estate properties and all related ownership interests to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in exchange for units in the investment funds. Both agreements include conditions that the Company and Alinma Investment Company must satisfy prior to the final land transfer date, namely: (a) obtaining the approval of the CMA and any other necessary regulatory approvals for the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (b) Alinma Investment Company obtaining funds equal to or exceeding the capital required to operate Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; and (c) Alinma Investment Company and its advisors completing all legal, technical and financial studies required by Alinma Investment Company, and Alinma Investment Company's satisfaction with the results thereof at its sole discretion. The Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II also stipulate the following seller warranties made by the Company, which must be true and accurate as of the date of the agreements, the expected handover date and the actual final handover date: (a) the Company is the true owner of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) shall be the absolute owners under the transfer; (b) except for the mortgages of Alinma Real Estate Company, which shall be released prior to the expected handover date, the real estate of Alinma Makkah

Development Fund I and Alinma Makkah Development Fund II are not mortgaged; (c) the Company has obtained all of the relevant regulatory approvals in respect of the ownership, development, use and operation of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (d) there are no outstanding or incidental liabilities that may arise with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (e) the Company has not breached any obligations under any agreements relating to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (f) except as set forth in Schedule 6 of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, there are no other ongoing or threatened claims or lawsuits against the Company in relation to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, and any liabilities relating to such claims or lawsuits shall be fulfilled by the Company; (g) the particulars set out in Schedules 1 and 2 of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II relating to the description of the title deeds and land plots comprising the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II are true, complete, accurate and not misleading; (h) there are no other facts which have not been disclosed relating to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II that, if disclosed, would have an adverse effect on any buyer of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II or would result in a material adverse change; (i) except as disclosed, there are no expropriation proceedings against any of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and no notices of such proceedings have been sent to the seller; and (j) there are no commissions or fees due to any agents or other parties in connection with the sale of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. The Company also has the right throughout the term of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II to sell all or part of its units in such funds at a price it deems appropriate to one or more parties upon obtaining the approval of Alinma Investment Company, acting reasonably and provided that there are no burdens or commitments on the relevant units and pursuant to the agreements establishing Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company. However, Alinma Investment Company shall have the preemptive rights to purchase any such units. In addition, the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II also stipulate the following seller warranties made by the Company, which must be true and accurate as of the date of the agreements, the expected handover date and the actual final handover date: (a) the Company shall not take any actions with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II except with instructions from Alinma Investment Company, and shall not acquire the value of such real estate until the actual final handover date; (b) the Company shall provide all agreements/documents relating to the management, development and operation of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (c) the Company shall enter into a real estate development and management agreement with Alinma Investment Company in a manner satisfactory thereto within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (d) the Company warrants that Alinma Investment Company will release all mortgages and guarantees due with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (e) the Company shall obtain all necessary approvals from any Related Party having any interest in the land plots adjacent to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II for the benefit of Alinma Investment Company and its representatives to grant them the necessary access to develop the infrastructure and superstructure of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; (f) the Company, as an investor in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, shall pay its share of the units in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II upon their final closing; and (g) the Company shall correct and rectify any defects discovered prior to the actual handover date at its own expense and in a manner satisfactory to Alinma Investment Company (for further information regarding the two land sale agreements with Alinma Investment Company, please refer to Section 12.3.7(m) "**Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements**" of this Prospectus). In the event that the Company breaches any of the aforementioned terms and representations, it may be subject to claims or penalties by Alinma Investment Company. These agreements also grant Alinma Investment Company the right to terminate the agreements immediately upon written notice to the Company in the event that: (a) any penal order, restraining order or other order is issued or any legal or regulatory restrictions are imposed by any court or any person that permanently restrict, hinder, or prohibit the sale of the real estate by the Company or the purchase thereof by Alinma Investment Company; (b) the Company fails to perform any of its obligations under the agreements or breaches any of its obligations or warranties under such agreements; (c) the Company fails to comply with all of the conditions stipulated in the call option granted to Alinma Investment Company or Alinma Investment Company does not waive such option or within five hundred and forty (540) days from the date of the agreements without Alinma Investment Company extending the same; (d) the Company fails to fulfill all the terms and conditions related to the transfer of title deeds as stipulated in these agreements; or (e) the CMA does not permit the establishment of either of the investment funds. Pursuant to purchase agreements comprising call options granted to the purchaser, which have been concluded with Alinma Makkah Development Fund I and Alinma Makkah Development Fund II through the fund manager, Alinma Investment Company, the Company will receive an amount of thirteen billion Saudi Riyals (SAR 13,000,000,000). Such amount is necessary to finance the Company's operations required for Masar Destination. Accordingly, in the event that the Company fails to comply with the terms of the agreement or breaches its undertakings, or if Alinma Investment Company exercises its right to terminate for breach or non-fulfillment of terms, the Company will be unable to obtain the necessary funds to finance its operations, which may delay the execution of its works or cause it to incur costs, time and effort to conclude similar agreements that may not be financially favorable. This may also affect its obligations to other parties under agreements entered into with them, as the Company may not be able to meet its financial obligations under such agreements, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.13 Risks Related to Significant Reliance on Strategic Partners and Third Parties

The Company operates in the real estate development sector with a focus on developing the infrastructure for Masar Destination and developing a portion of the real estate properties located within the project. The Company aims to develop eight (8) land plots out of a total of two hundred and five (205) land plots in the first phase, and thereafter aims to develop an additional six (6) land plots by 2035G. Meanwhile, the Company will sell and lease a portion of the remaining land plots, while the other portion will be developed through partnerships with Strategic Partners. Government and private sector investments are crucial for the development of Masar Destination. Therefore, the inadequacy of such investments may adversely affect the Company's development activities. The development strategy involves the participation of third-party investors or developers who invest, purchase or lease land and develop several segments according to the master plan. Accordingly, the successful development of Masar Destination is dependent on the involvement of third parties, which is beyond the Company's control. Furthermore, in the event that there is insufficient participation from such parties, certain key parts may not be developed on time or may not be developed at all. Additionally, investors and developers participating in the development of certain real estate properties within Masar Destination may deviate from the agreed development plan or standards, and the Company may not be able to compel them to comply therewith in a timely manner or they may not comply at all. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

In addition, the Company may provide warranties to lessees of the units developed by the Company, with the contractors and subcontractors bearing the risks of such warranties. The Company may provide such warranties based on the guarantees provided to it for the construction by the contractors pursuant to the agreements entered into between the parties. Furthermore, if these risks are not covered by the contractors or if the warranties are not honored, the Company may face the risk of significant financial liabilities in the event of any defects in the real estate properties, which could adversely impact the Company's reputation, sales and financial performance. Accordingly, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.14 Risks Related to Costs Arising from Delays in Infrastructure Works by Service Provider 2

The Masar Destination master plan is based on a timeline for the completion of the project works, including the completion of the key infrastructure works, which are being executed by the Company through Service Provider 2. Service Provider 2 has incurred numerous delays due to the late appointment of a design consultant, resulting in (1) delays in commencing work, (2) delays in appointing a specialized consultant and (3) non-compliance with the submitted program in terms of hiring the required workforce. Such delays have resulted in a revision of the completion date for the infrastructure works.

In addition, the Company has received claims from Service Provider 2 amounting to SAR 3.8 billion, while the Company has filed counterclaims against Service Provider 2 for SAR 1.1 billion. The Company and Service Provider 2 have entered into an addendum to the construction agreement pursuant to which the parties agreed to settle the dispute for a total amount of SAR 600 million (for further information, please refer to Section 12.3.1 "**Construction Agreements**" of this Prospectus).

The Company may in the future be subject to potential disputes and claims under its agreements relating to the project's business. If the Company is unable to resolve these claims amicably, they may be referred to arbitration. The Company cannot predict the outcome of such proceedings, and any unfavorable outcome for the Company could have a material adverse effect on the Company's business, results of operations, financial position and future prospects. Furthermore, any delay in the completion of the infrastructure works would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.15 Risks Related to the Exposure of the Company and Strategic Partners to Operational Risks

The Company aims to develop a portion of the land located in Masar Destination through partnerships with other developers or investors from among its Strategic Partners. The success of the Company and its Strategic Partners depends largely on the continuity of development and construction works without impediment (for further information regarding development and construction activities, please refer to Section 2.1.13 "**Risks Related to Significant Reliance on Strategic Partners and Third Parties**" of this Prospectus). Development and construction activities are subject to a number of operational risks, including adverse weather conditions, physical damage to buildings, power outages, equipment breakdowns or failures, substandard equipment performance, work disruption, criminal acts, natural disasters, fires and other related risks. In the event that any of the operational risks occur which hinder the continuity of development and construction activities, this would impact the ability of the Company and its Strategic Partners to complete the project on schedule or at all, which in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Moreover construction sites are inherently dangerous, and development and construction activities involve a number of risks pertaining to health and safety. Due to the nature of the Company's business, it is prone to accidents that could jeopardize health and safety. Any major health and safety incident may be costly in terms of potential liabilities incurred as a result. Such incidents may have a material adverse effect on the reputation of Masar Destination, which in turn would affect the Company's reputation. In addition, the Company's employees and contractors may be exposed to health and safety risks. This could result in the loss of the services of employees and contractors and expose the Company to significant litigation and fines, which may not be covered by insurance or insufficiently insured. If any of the Strategic Partners is exposed to such uninsured risks, it may result in their default or inability to complete the development works on time, which would adversely impact Masar Destination. The occurrence of any of the foregoing would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.16 Risks Related to Increased Operating Expenses

The Company incurs numerous operating expenses within the course of its ordinary business, such as labor, energy, water, electricity and other operating expenses. The Company's total operating expenses amounted to SAR 154 million, SAR 206 million, SAR 281 million and SAR 109 million for the financial years ended 31 December 2021G, 2022G and 2023G and the first half of 2024G, respectively, representing 86.28%, 88.09%, 72.00%, and 66.60% of the Company's total expenses (which also include financing and Zakat expenses only) for the same periods, respectively. Operating costs are subject to the effect of several factors, including economic factors, the regulatory environment and other factors. Consequently, if operating costs increase and the Company is unable to offset such increase by passing on the costs to its customers or lessees, the Company's profitability would be materially affected. This would also result in a decline in its cash flows and the Company's inability to undertake future expansion and development activities, which in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.17 Risks Related to the Book Value of the Company's Real Estate Properties and the Evaluation Thereof Not Reflecting the Market Value of Such Real Estate Properties

The book value of the real estate properties within Masar Destination was calculated based on certain assumptions and dates. The valuation of the real estate properties may be inaccurate or materially different from the market value thereof or such valuation may be subject to significant fluctuations. In addition, the book value of the Company's real estate properties does not accurately reflect the market value of such real estate properties at any given time. Moreover, there can be no assurance that the book value of the real estate properties will not decline in the future, particularly with respect to large land plots that may be more difficult to liquidate. Accordingly, the book value, Management estimates, or valuations by external valuers may not reflect the actual realizable liquid value. Furthermore, future developments in the Company's real estate properties may widen the gap between the book value, Management estimates, valuations and market value thereof due to the risks inherent in real estate development. Even if the valuations and book values of the Company's real estate properties increase, such an increase alone will not improve the Company's cash position. Instead, the relevant real estate properties must be sold to realize any related gains in order to improve the Company's cash position. Consequently, direct unrealized gains arising from increases in book values and valuations will not necessarily result in profits and/or an increase in the market price of the shares as long as the Company does not sell such real estate properties to realize actual gains. Additionally, unrealized gains will not be realized if the Company were to sell its real estate properties or a portion thereof in situations where the book values and valuations have decreased. Therefore, decreases in or inaccurate book values and valuations of the Company's real estate properties could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.18 Risks Related to Working Capital

The Company may face difficulties in the future in meeting and managing its working capital requirements properly. The Company's financing facilities and arrangements may not be sufficient to cover those needs to the extent required (for further information, please see Section 4.6 "**Working Capital**" of this Prospectus). The ratio of current assets to current liabilities was 95.67%, 46.93%, 76.53% and 97.22% for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Furthermore, the ratio of cash and trade receivables to current liabilities was 92.16%, 36.61%, 48.99% and 71.40% for the same periods, respectively. Moreover, the debt-to-equity ratio was 63.41%, 58.33%, 69.22% and 77.33% for the same periods, respectively. Difficulties in managing working capital would have an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.19 Risks Related to Unforeseen Future Capital, Operating and Financing Expenditures

The Company's capital, operating and financing expenditures could increase as a result of a number of factors (for further information regarding the Company's financial and operating performance, please refer to Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus), including, for example, costs related to the Company's planned growth and strategy (for further information regarding the Company's planned growth and strategy, please refer to Section 4.2.5 "**Strategy and Prospects**" of this Prospectus). The Company's capital expenditures amounted to SAR 1.4 billion, SAR 1.1 billion, SAR 1.5 billion and SAR 620 million for the years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Any increase in the Company's future capital, operating or financing expenditures may reduce the cash available for current development and construction activities and other obligations, which could have an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.20 Risks Related to the Collection of Trade Receivables

The trade receivables balance amounted to three hundred and eighty-six million, three hundred and forty-seven thousand, one hundred and eighty-seven Saudi Riyals (SAR 386,347,187), one billion, twenty-nine million, one hundred and seventy-two thousand and fifty-seven Saudi Riyals (SAR 1,029,172,057) and one billion, seven hundred and seventy-five million, five hundred and eighty-eight thousand, three hundred and thirty-six Saudi Riyals (1,775,588,336) for the financial years ended 31 December 2022G and 2023G and the six-month period ended 30 June 2024G, respectively, representing 1.7%, 4.4% and 7.2% of the Company's total assets for the same periods, respectively. This is not applicable for the year 2021G due to the lack of a balance (for further information, please refer to Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus).

Any delay in collecting trade receivables or non-collection thereof at all will affect the Company's working capital financing and its future projects, as well as its cash flows and profitability, and its ability to meet its financial obligations to other parties. This may also limit the Company's ability to accomplish its future development plan or may limit its ability to distribute dividends to Shareholders. If any of these factors were to occur, this would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.21 Risks Related to Real Estate Properties

a- Real Estate Properties Owned by the Company

The Company relies on its owned real estate properties to develop and operate Masar Destination (for further information regarding the Company's land holdings, please refer to Section 12.5 "**Real Estate**" of this Prospectus). There is no guarantee that the Company will not lose such land, either through expropriation for public benefit or due to other reasons such as disputes over real estate properties ownership. If any of the foregoing were to occur, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects. It is important to note that a number of the Company's real estate properties are mortgaged pursuant to financing agreements entered into by the Company (for further details, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus). The following table sets out the details of the Company's mortgaged real estate properties.

Table (2.3): The Company's Mortgaged Real Estate Properties

#	Title Deed Number and Date	Owner	Mortgage Status	Facility Amount for Which the Real Estate Property is Mortgaged (SAR)	Book Value as of 30 June 2024G (SAR)	Book Value as a Percentage of Total Assets as of 30 June 2024G
1.	460001333256[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.	3,250,000,000	370,874,608.95	1.51%
2.	360001333272[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		198,807,996.56	0.81%
3.	460001333274[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		238,900,162.48	0.97%
4.	360001333249[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		176,614,435.61	0.72%
5.	360001332415[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		166,202,641.02	0.68%
6.	960001332413[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		142,962,316.29	0.58%
7.	360001332410[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		154,681,502.78	0.63%
8.	460001332402[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		164,922,964.17	0.67%
9.	360001333257[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		205,191,123.15	0.84%
10.	760001333268[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate is mortgaged in favor of Alinma Bank		201,039,140.74	0.82%
11.	460001332420[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		90,864,794.17	0.37%
12.	260001332421[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		94,622,044.02	0.39%
13.	960001332427[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		88,266,452.40	0.36%
14.	860001332433[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		212,248,161.32	0.86%

#	Title Deed Number and Date	Owner	Mortgage Status	Facility Amount for Which the Real Estate Property is Mortgaged (SAR)	Book Value as of 30 June 2024G (SAR)	Book Value as a Percentage of Total Assets as of 30 June 2024G
15.	960001332435[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.	3,250,000,000	51,048,011.09	0.21%
16.	960001333124[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		58,823,089.55	0.24%
17.	360001333123[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		34,364,017.81	0.14%
18.	460001333131[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		39,287,937.14	0.16%
19.	360001333220[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		62,322,510.52	0.25%
20.	560001333218[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	The real estate property is mortgaged in favor of Alinma Bank.		116,696,044.72	0.48%
21.	960001333533[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.	3,250,000,000	366,591,782.76	1.49%
22.	460001333532[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		195,448,060.10	0.80%
23.	360001333509[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		239,766,089.68	0.98%
24.	460001333511[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		169,695,090.70	0.69%
25.	760001333510[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		346,366,028.95	1.41%
26.	360001333569[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		166,303,373.71	0.68%
27.	860001333525[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		157,082,849.42	0.64%
28.	760001333567[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		168,706,223.92	0.69%

#	Title Deed Number and Date	Owner	Mortgage Status	Facility Amount for Which the Real Estate Property is Mortgaged (SAR)	Book Value as of 30 June 2024G (SAR)	Book Value as a Percentage of Total Assets as of 30 June 2024G
29.	960001333518(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.	3,250,000,000	132,544,367.82	0.54%
30.	960001333544(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		117,744,477.96	0.48%
31.	860001333552(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		182,751,317.13	0.74%
32.	460001333526(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		160,592,250.89	0.65%
33.	960001333503(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		135,143,218.82	0.55%
34.	360001333553(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		87,298,743.59	0.36%
35.	360001333517(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		34,989,009.12	0.14%
36.	460001333502(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		50,847,339.49	0.21%
37.	360001333519(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		52,914,167.86	0.22%
38.	960001333538(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		88,029,585.67	0.36%
39.	360001333539(3)(4) 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	The real estate property is mortgaged in favor of Alinma Bank.		80,455,023.92	0.33%

#	Title Deed Number and Date	Owner	Mortgage Status	Facility Amount for Which the Real Estate Property is Mortgaged (SAR)	Book Value as of 30 June 2024G (SAR)	Book Value as a Percentage of Total Assets as of 30 June 2024G
40.	394133009015[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.	2,900,000,000	78,843,962.96	0.32%
41.	394133009001[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		170,360,451.83	0.69%
42.	394133009002[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		207,879,706.82	0.85%
43.	794133009017[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		148,026,343.28	0.60%
44.	994133009016[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		136,056,008.87	0.55%
45.	994133009014[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		90,417,559.88	0.37%
46.	394133009013[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		89,616,342.94	0.36%
47.	494133009012[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		88,132,988.43	0.36%
48.	794133009011[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		80,626,352.49	0.33%
49.	394133009010[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		63,810,501.70	0.26%
50.	994133009009[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		68,126,519.58	0.28%
51.	994133009008[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		57,947,199.17	0.24%
52.	394133009007[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		60,731,280.89	0.25%
53.	994133009006[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		60,699,026.81	0.25%
54.	694133009005[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		50,131,811.25	0.20%
55.	994133009004[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		62,385,869.99	0.25%
56.	894133009003[5] 04/11/1445H (corresponding to 12/05/2024G)	The Company	The real estate property is mortgaged in favor of Bank AlJazira.		196,607,829.69	0.80%

#	Title Deed Number and Date	Owner	Mortgage Status	Facility Amount for Which the Real Estate Property is Mortgaged (SAR)	Book Value as of 30 June 2024G (SAR)	Book Value as a Percentage of Total Assets as of 30 June 2024G
57.	394133008982[6] 23/10/1445H (corresponding to 02/05/2024G)	The Company	The real estate is mortgaged in favor of Riyad Bank	800,000,000	289,139,573.23	1.18%
58.	994133008983[6] 23/10/1445H (corresponding to 02/05/2024G)	The Company	The real estate is mortgaged in favor of Riyad Bank		207,914,494.47	0.85%
Total				**10,200,000,000**	**8,009,462,780.28**	**32.64%**

(1) This title deed was transferred to Alinma Makkah Development Fund I pursuant to the articles of agreement of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company. For further information, please refer to Section 12.3.7(m) "**Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements**" of this Prospectus.

(2) This title deed has been pledged to Alinma Bank pursuant to the First Credit Facility Agreement with Alinma Fund, concluded between Alinma Bank, Alinma First Development Company Limited and Alinma Makkah Development Fund I. For further information, please refer to Section 12.3.10(b) "**Credit Facility Agreements between Alinma Makkah Development Fund I, Alinma Makkah Development Fund II and Alinma Bank**" of this Prospectus.

(3) This title deed was transferred to Alinma Makkah Development Fund II pursuant to the articles of agreement of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company. For further information, please refer to Section 12.3.7(m) "**Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements**" of this Prospectus.

(4) This title deed has been pledged to Alinma Bank pursuant to the Second Credit Facility Agreement with Alinma Fund, concluded between Alinma Bank, Alinma Second Development Company Limited and Alinma Makkah Development Fund II. For further information, please refer to Section 12.3.10(b) "**Credit Facility Agreements between Alinma Makkah Development Fund I, Alinma Makkah Development Fund II and Alinma Bank**" of this Prospectus.

(5) This title deed has been pledged to Bank AlJazira pursuant to the Bank AlJazira Facility Agreement. For further information, please refer to Section 12.3.10(c) "**Credit Facility Agreement with Bank AlJazira**" of this Prospectus.

(6) This title deed has been pledged to Riyad Bank pursuant to the Riyad Bank Facility Agreement. For further information, please refer to Section 12.3.10(d) "**Credit Facility Agreement with Riyad Bank**" of this Prospectus.

Source: The Company

Accordingly, if the Company defaults on its payment obligations under the credit facility agreements with the relevant parties, this could result in the foreclosure of the mortgage on the Company's real estate properties, leading to the Company's loss of such land. This, in turn, could hinder the Company's operations and the successful development of Masar Destination, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects (for further information regarding the risks related to financing and credit facilities, please refer to Section 2.1.10 "**Risks Related to Financing and Credit Facilities**" of this Prospectus).

b- Leases

The Company's plans for Masar Destination include retaining and leasing a portion of the developed real estate properties for residential or commercial purposes, estimated at twenty-eight (28) land plots out of a total of two hundred and five (205) land plots within Masar Destination. As of the date of this Prospectus, the total land area with respect to transactions executed for the purpose of leasing was eighty-six thousand, eight hundred and seventy-nine square meters (86,879 m^2). Consequently, the Company's future revenue will be primarily dependent on the financial stability and creditworthiness of its lessees and the extent of their compliance with making timely lease payments. Any inability of lessees to pay lease dues or their delay in making such payments could materially impact the Company's cash flows, affecting its ability to meet its obligations to lenders and to proceed with new projects. This could necessitate the Company seeking alternative financing to fulfill its obligations, thereby having a material adverse effect on the Company's business, results of operations, financial position and future prospects.

In addition, the Company may be unable to renew leases upon their expiration, or renewal thereof may be on terms less favorable than the existing terms, or lessees may delay in vacating and handing over leased properties upon termination or cancellation of their leases. Furthermore, the Company's standard lease agreements stipulate an increase in the lease amount every three (3) to five (5) years. The Company may not be able to retain lessees due to such increases, as they could prompt lessees to let their leases expire and not renew them. Additionally, marketing its vacant real estate properties and finding new lessees will incur the Company time and expenses. This will result in the Company losing lease income from such vacant real estate properties and incurring additional expenses, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.22 Risks Related to Quality and Maintaining the Company's Reputation

The absence of construction and finishing defects and the overall high quality of buildings are essential to the sale and marketing of real estate properties. As such, the Company must maintain its quality standards strictly and continuously implement technical control measures for its operations and real estate properties, including those developed in partnership with Strategic Partners. Furthermore, such measures must be improved continuously, as any decline in quality could make it difficult to market the Company's real estate properties, leading to decreased sales. This could in turn have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.23 Risks Related to Trademarks

The Company relies heavily on its trademarks and intellectual property rights to conduct its operations and maintain its reputation and quality of work. The Company has eighteen (18) trademarks registered in the Kingdom and is in the process of registering three (3) additional trademarks, for which applications are currently pending as of the date of this Prospectus (for further information regarding the Company's intellectual property rights, please refer to Section 12.6.1 "**Trademarks**" of this Prospectus). The Company's success and ability to compete are contingent upon its ability to protect the intellectual property of its trademarks. Any failure to do so could have a material adverse effect on the Company's business, results of operations, financial position and future prospects. Even if the Company successfully registers the intellectual property of its trademarks, there is no guarantee that third parties will not use, copy, misappropriate or infringe upon such trademarks without the Company's authorization. Although the Company has obtained registrations for some of its trademarks and is pursuing registrations for others, there is no guarantee that it will be able to secure adequate trademark protection to safeguard its reputation in a timely manner to meet the needs of the Company's business or may not able to do so at all. From time to time, the Company may have to file lawsuits to protect its trademarks. If the Company is unable to protect its trademarks for any reason, or if third parties misuse, damage, or infringe upon its trademarks, the value of such trademarks will be jeopardized, which could have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The reputation of the Company and Masar Destination could be adversely affected if third parties use the Company's trademarks in a manner inconsistent with the Company's vision, aspirations and quality standards. Such unauthorized use could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Pursuant to the operating agreements entered into with hotels, the Company has concluded a number of sub-licensing agreements for hotel trademarks in its own interest. If the Company misuses trademarks, it may be subject to financial or legal claims by the trademark owners, which could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.24 Risks Related to Related Party Transactions

In the ordinary course of its business, the Company engages in transactions with Related Parties. The Company has entered into several transactions with Related Parties, including agreements for the establishment and management of closed-end real estate investment funds, along with the fund terms and conditions; two share purchase agreements comprising a call option granted to the purchaser with Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, through the fund manager, Alinma Investment Company; a land sale agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF); and a dispute settlement agreement with General Authority for Awqaf (for further information regarding Related Party agreements, please refer to Section 12.4 "**Material Agreements with Related Parties**" of this Prospectus). Transactions with Related Parties amounted to SAR 199 million, SAR 387 million, SAR 2.1 billion and SAR 508 million for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Related Party transactions consist of loans, financing costs, management fees, settlement of payables, sales, bonuses and meeting attendance allowances. Loans and financing costs accounted for 1%, 3%, 7% and 4% of the Company's total liabilities for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. Management fees, bonuses and meeting attendance allowances represented 0.62%, 0.60%, 0.59% and 0.27% of the Company's total liabilities for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. The settlement agreement item represented 12% of the Company's total liabilities for the financial year 2023G and is not applicable to other financial periods. The sales item represented 9% of the Company's total revenue for the financial year 2023G and is not applicable to other financial periods.

Total balances due from Related Parties amounted to SAR 0, SAR 0, SAR 68 million and SAR 0, meaning that it does not represent any percentage in the financial years ending on December 31, 2021G, and 2022G, and the six-month period ending on June 30, 2024G, and it represents a percentage of 0.29% of the Company's total assets for the financial year ended 31 December 2023G. Total balances due to Related Parties amounted to SAR 2,205 million, SAR 2,423 million, SAR 3,187 million and SAR 3,291 million, representing 21.77%, 23.09%, 29.67% and 27.68% of the Company's total liabilities for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. The Company obtained the approval of the General Assembly for the applicable transactions and agreements at its meeting held on 26/11/1444H (corresponding to 15/06/2023G).

The conclusion of contracts and transactions with Related Parties is subject to the provisions of the relevant laws and regulations in the Kingdom. In accordance with Article 71 of the Companies' Law, the approval of the General Assembly must be obtained for any transactions in which a Company Board Member has a direct or indirect interest. It is prohibited for any Board Member and/or Shareholder who has an interest in such transactions to vote on the respective transactions, whether at the level of the Board of Directors or the Shareholders' Assemblies. Accordingly, the Company may not be able to renew contracts with Related Parties when they expire, since the Company's Board of Directors or General Assembly may not approve such transactions. In addition, if future Related Party transactions are not concluded on an arm's length basis, this will adversely affect the Company's business, results of operations, financial position and future prospects.

2.1.25 Risks Related to Competing Business Activities in which Board Members are Involved

Under Article 27 of the Companies' Law, Company's Board Members may not engage in any business that competes with the Company or any of its activities without the authorization of the General Assembly. Furthermore, under Article 45 of the Corporate Governance Regulations, the following is deemed participation in an activity that competes with the Company or any of its activities: (1) the Board Members establishing a company or sole proprietorship, or owning a controlling percentage of shares or stakes in a company or any other entity engaged in activities similar to that of the Company or its Group; (2) accepting membership on the board of a company or entity that competes with the Company or its Group, or managing the affairs of a competing sole proprietorship or any competing company, regardless of its form, except for the Company's affiliates; and (3) the Board Member acting as a covert or overt commercial agent of another company or entity that competes with the Company or its Group.

The Board Member Haitham Mohammed Al-Fayez competes with the Company through his membership on the board of directors of Kidana Development Company, which competes with the Company in one of its activities and is considered a business that competes with the Company. The Board Member Haitham Mohammed Al-Fayez also competes with the Company in his position as CEO of Awqaf Investments, which competes with the Company in one of its activities and is considered a business that competes with the Company. The Board Member Abdulaziz Mutaib Al Rasheed also competes with the Company through his membership on the Board of Directors of Awqaf Investments, which competes with the Company in one of its activities and is considered a business that competes with the Company. The General Assembly granted its authorization of the engagement of the Board Members Haitham Mohammed Al-Fayez and Abdulaziz Mutaib Al Rasheed in these competing businesses on 19/11/1442H (corresponding to 29/06/2021G), 17/09/1443H (corresponding to 18/04/2022G) and 05/12/1445H (corresponding to 11/06/2024G). The engagement of Board Members in competing businesses may directly or indirectly lead to a conflict of interests, since the relevant Board Members may have access to the Company's internal information and use it for their personal benefit or in a manner that is inconsistent with the Company's interests and objectives. If the conflicted Board Members exert a negative influence on the Company's decisions or misuse the Company's information to its detriment, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects (for further information, please refer to Section 5.10 "**Conflicts of Interest**" of this Prospectus).

2.1.26 Risks Related to Zakat and Taxation

The Company is subject to Zakat and tax requirements in the Kingdom. (as per the Executive Regulations for the Collection of Zakat issued by Ministerial Resolution No. 2216 dated 14 March 2019 and new Executive Regulations Zakat (Bylaws) under Ministerial Resolution No. 1007 dated 22 March 2024) Any increases in Zakat and/or tax requirements applicable to the Company may adversely affect its profitability, financial position and future prospects. The Kingdom issued the VAT Law that came into effect on 14/04/1439H (corresponding to 01/01/2018G). The said law imposes a VAT of 5% on a number of products and services. On 17/09/1441H (corresponding to 10/05/2020G) and in response to the economic impact of the novel coronavirus (COVID-19) pandemic, the Kingdom announced an increase in VAT to 15%, which entered into force on 10/11/1441H (corresponding to 01/07/2020G). As of 14/02/1442H (corresponding to 02/10/2020G), real estate supplies were exempted from VAT, which was replaced with Real Estate Transaction Tax (RETT) at a rate of 5% of the value of real estate supplies, collected upon the documentation of the real estate properties transaction. This increase, or any future increase in Zakat dues or tax requirements applicable to the Company, could have an adverse effect on its profitability, financial position and future prospects. The implementation of VAT and RETT is relatively new. As a result, the Company may make mistakes in implementing the regulatory requirements, which could lead to the imposition of penalties by ZATCA in accordance with the VAT Law, RETT Law or the Implementing Regulation for Zakat Collection. Such penalties would in turn have an adverse effect on the Company's business, results of operations, financial position and future prospects.

The Company has filed Zakat and tax returns for the period from 2021G to 2023G and has paid Zakat and tax dues within the required timeframes. No Zakat assessments have been issued by ZATCA for the financial years 2017G, 2019G, 2020G, 2021G or 2022G. ZATCA issued a Zakat assessment for the year 2014G amounting to SAR 4.6 million. The Company filed an objection thereto, which was partially accepted. Consequently, the dispute between the parties was resolved, and the assessment amount was canceled on 01/01/1446H (corresponding to 07/07/2024G). Furthermore, ZATCA issued a Zakat assessment for the year 2018G, demanding an additional Zakat amount of SAR 31.0 million. The Company filed an objection to this assessment and escalated the matter to the General Secretariat of Zakat, Tax, and Customs Committees. The Secretariat subsequently issued a decision accepting some of the Company's claim items. The Company filed an appeal against the Secretariat's decision before the Appellate Committee for Zakat, Tax, and Customs Violations and Dispute Resolution with respect to rejected items. However, the Appellate Committee issued its decision and rejected the Company's appeal. The Committee's decision is final, and the additional Zakat differences are payable and due. Such differences have been settled by the Company (for further information regarding Zakat claims, please refer to Section 12.9 "**Zakat and Tax Status of the Company**" of this Prospectus). The Company has also received the final Zakat certificates for the years 2020G, 2021G and 2022G. While the Company has obtained Zakat certificates for 2017G and 2019G, the final Zakat assessment for those years has not been issued by ZATCA. However, there is a risk that ZATCA may revert to any of the previous five (5) years, or more in certain cases, if no Zakat assessment has been issued therefor. ZATCA may challenge the Company's submitted tax returns for such years, demand additional Zakat or tax payments or impose penalties on the Company. The Company will bear any additional claims that may arise from Zakat assessments by ZATCA for all previous periods until listing. It is worth noting that according to the accounting requirements, periodic Zakat provisions have been added with respect to the Zakat due for each financial period as follows: ten million, six hundred and nineteen thousand, three hundred and forty-four Saudi Riyals (SAR 10,619,344), and seven million, five hundred and ninety thousand, four hundred and sixty-one Saudi Riyals (SAR 7,590,461), seventy-five million, one hundred and thirty-four thousand, nine hundred and seventy-four Saudi Riyals (SAR 75,134,974), and thirty-five million, four hundred and twenty-one thousand, eight hundred and eighty-eight Saudi Riyals (SAR 35,421,888) for the financial years ended 31 December 2021G, 2022G and 2023G and the period ended 30 June 2024G, respectively. The Company has not set aside any additional reserve amounts or provisions other than a provision for litigation and claims. Any differences in ZATCA's assessment of the Company's Zakat would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.27 Risks Related to Reliance on Senior Executives and Key Personnel

The Company's success depends on its ability to attract, recruit, develop, motivate and retain a team of highly qualified Senior Executives. The Company's future performance will be affected by any disruptions in the continued service of its senior executives and other key personnel. Any departure or transfer of senior executives or key personnel may disrupt the Company's operations or materially affect the results of its operations. Competition for senior executives and key personnel in the real estate properties development sector is intense, and the Company may not be able to retain senior executives and key personnel or attract and retain new employees with the necessary skills and knowledge in the future. The Company's competitors may actively seek to recruit the Company's Senior Executives or key personnel, and they may be successful in these efforts. The loss of any of the Company's Senior Executives or key personnel, or the inability to appoint new qualified employees with the required experience in exchange for reasonable remuneration, would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Company may need to invest significant financial and human resources in order to attract and retain new employees, and it may not achieve returns on these investments. The loss of any of the Company's Senior Executives or key personnel may hinder or delay the implementation and achievement of its strategic objectives, divert Management's attention towards searching for suitable qualified alternatives or negatively impact its ability to manage its business effectively and efficiently. In addition, any of the senior executives or key personnel may resign at any time. If the Company is unable to recruit and retain Senior Executives and key personnel with high levels of skill in the appropriate areas, this would have a material adverse effect on its business, results of operations, financial position and future prospects.

2.1.28 Risks Related to Employee Misconduct and Errors

Company employees may perform actions or commit errors that negatively affect the Company's business, such as by engaging in illegal activities, misusing information, disclosing confidential information, publishing misleading information or violating the Company's internal controls. This may result in a violation of any of the applicable laws or regulations in the Kingdom, which may lead to the imposition of statutory penalties on the Company by the competent authorities. These penalties may vary based on the extent of the employee's misconduct or error that exposes the Company to financial liability and/or causes damage to its reputation. The Company may not be able to prevent its employees from committing any misconduct as there is no guarantee that the Company's employees will adhere to its internal policies, which would cause losses, fines and financial burdens for the Company or damage its reputation. The Company's internal policies related to governance and compliance (including with respect to sanctions, trade restrictions, anti-bribery, corruption and employee conduct and the whistle-blowing policies in relation thereto) may not be sufficient to protect the Company from any errors committed by its employees. Any fines, penalties or claims may impact the Company's profitability, and negative publicity regarding employee misconduct may adversely affect the Company's reputation and revenue. If any misconduct is committed by the Company's employees or they commit any errors, this would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.29 Risks Related to the Recent Implementation of Corporate Governance Regulations

The Company's Board of Directors approved the internal Corporate Governance Manual on 04/08/1443H (corresponding to 07/03/2022G), 17/09/1443H (corresponding to 18/04/2022G), 24/11/1443H (corresponding to 23/06/2022G), and 27/10/1444H (corresponding to 17/05/2023G). In addition, the Company's General Assembly approved the Audit Committee Charter and the Nomination and Remuneration Committee Charter on 26/11/1444H (corresponding to 15/06/2023G) (for further information regarding the Corporate Governance Manual, please refer to Section 5.9 "**Corporate Governance**" of this Prospectus). This manual includes, among other things, rules derived from the Corporate Governance Regulations issued by the CMA. The Company's success in correctly implementing corporate governance rules and procedures depends on the extent of its awareness and understanding of such rules and the proper implementation thereof by the Board of Directors, its Committees and the Senior Executives, particularly with respect to the requirements for the independence of Board Members, conflicts of interest procedures and disclosure requirements. Failure to comply with the mandatory provisions of the Corporate Governance Regulations issued by the CMA may lead to the imposition of regulatory penalties on the Company, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.30 Risks Related to the Recent Formation of the Board Committees

The Company formed the Audit Committee and the Nomination and Remuneration Committee pursuant to the Board of Directors' resolution dated 15/12/1444H (03/07/2023G) (for further information regarding the Company's Board committees, please refer to Section 5.4 "**Board Committees**" of this Prospectus). Failure by members of such committees to perform their duties and adopt a framework that ensures protection of the Company's interests and those of its Shareholders would affect the Company's compliance with corporate governance and continuing disclosure requirements and the Board's ability to monitor the Company's activities through such committees, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.31 Risks Related to Lack of Experience in Managing a Joint-Stock Company Listed on the Exchange

Since its establishment, the Company has operated as a closed joint-stock company. Consequently, all Senior Executives of the Company have little to no experience in managing a joint-stock company listed on the Exchange in the Kingdom and complying with the rules and regulations related thereto. Accordingly, the Company's Senior Executives will require internal or external training in the field of management of joint-stock companies listed on the Exchange and the obligations imposed on listed companies, including regulatory oversight and reporting obligations, which will require significant attention from the Senior Executives and may distract them from the day-to-day management of the Company. If the Company does not comply with the regulations and disclosure requirements imposed on companies listed on the Exchange in a timely manner, it will be exposed to regulatory penalties and fines. The imposition of fines on the Company would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.32 Risks Related to Information Technology Systems and Cyberattacks

The Company relies increasingly on information technology systems for its business operations. The Company depends on the efficiency of its electronic systems for the effective management of its business. The Company's information technology systems may be exposed to internal and external risks such as malware, bugs, hacking attempts, lack of necessary updates or fixes, cyberattacks, sabotage, destruction, theft, computer viruses, loss or damage of data or programs, data leaks, human errors or other similar events that pose a direct threat to the Company's services and data. The Company's systems may also be disrupted by unforeseen force majeure events or power or internet outages. Furthermore, the Company's business may be adversely affected if the confidentiality, integrity or availability of the Company's information is compromised as a result of data loss, whether caused by the Company or by a third party with whom the Company does business. Additionally, the cost and operational consequences of implementing further updates to the Company's information technology systems and networks, as well as data protection or security measures, may be significant, whether due to expansion, upgrades, new technology, new laws and regulations or other factors. Any internet outages or malfunction of the Company's information technology systems and/or technical infrastructure, including interruptions affecting the Company's computer systems, or the occurrence of any of the aforementioned risks, could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.33 Risks Related to Insufficient Insurance Coverage

The Company maintains several types of insurance policies to provide coverage for its operations, including medical insurance, auto liability insurance, and board members and officers liability insurance (for further information regarding the insurance policies obtained by the Company, please refer to Section 12.7 "**Insurance**" of this Prospectus). The insurance policies maintained by the Company may not provide adequate coverage for all the risks to which it is exposed. Moreover, the limits of insurance coverage under such policies may be insufficient to cover all the losses that the Company may incur with respect to the insured risks. The Company may be unable to substantiate its claims under its existing insurance policies due to exclusions or limitations in the insurance coverage, which would require the Company to compensate for losses arising from any incidents itself. The Company may also be exposed to a number of risks that are not insurable or are insurable at unreasonable rates. Future events may occur for which the Company does not hold insurance coverage for potential losses or which may not be covered by insurance at all, such as risks arising from hostile acts, political risks, wars, disruptive acts and natural disasters (such as earthquakes and floods), which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Additionally, the Company's claims may exceed the value of the insurance policies it holds, the damage may not be insured, or the claim submitted by the Company may be rejected by the relevant insurance company. The Company may also be unable to obtain adequate insurance coverage due to increased insurance premiums or due to the unavailability of such coverage (resulting from an increase in premiums, deductibles or co-insurance requirements). Any of these factors would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.34 Risks Related to Licenses, Permits and Approvals

The Company is subject to a number of laws and regulations that require it to obtain the necessary licenses and permits from the relevant regulatory authorities in the Kingdom to conduct its business. The Company currently holds a number of licenses, certificates, permits and approvals related to its activities, including, inter alia, commercial registration certificates issued by the Ministry of Commerce, municipal licenses, civil defense permits and environmental licenses. The Company may be subject to penalties and fines if it continues to carry out its activities without renewing or obtaining the necessary licenses. Furthermore, when renewing or amending the scope of a license, certificate or permit, the competent authority may not agree to such renewal or amendment and may impose conditions that adversely affect the Company's performance if it were to agree to the renewal or amendment of such documents. The Company may believe that it has fulfilled all the necessary requirements and obtained the necessary licenses to operate. However, Government authorities may request additional licenses or compliance with other requirements in the future (for further information regarding the Company's material licenses, please refer to Section 12.2.4 "**Material Licenses**" of this Prospectus). If the Company is unable to obtain or renew the licenses it requires for its operations, this may result in the suspension of its operations or the imposition of regulatory penalties, including the cessation of any activities that violate licensing requirements or the imposition of fines. This in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.1.35 Risks Related to the Impact of Occupancy Rates on Operating Income

The Company's plans within the Masar Destination project include retaining a number of properties for the purpose of development and retention thereof by the Company (directly or through joint ventures). These land plots represent approximately 28% of the total number of investment land plots, for the purpose of developing assets such as hospitality and commercial elements. Thus, the Company's future income will depend primarily on the occupancy rates of these assets, as the occupancy rate is a key performance indicator that measures the utilization of hotel and shopping center supply and reflects the demand for accommodation/shopping centers in a given period. The occupancy rate is also important for hotels and shopping centers since it directly affects revenue generation and profitability. High occupancy rates indicate strong demand and efficient use of assets, while low occupancy rates indicate weak performance, and therefore any decline in occupancy rates will have a material adverse impact on the Company's business, results of operations, financial position and future prospects.

2.1.36 Risks Related to Demand for Second Homes

According to the "Masar" Destination master plan, sixty-six (66) land plots have been allocated for residential elements, comprising nine thousand, two hundred and twenty-two (9,222) units with a total area of approximately one hundred and eighty-nine thousand, three hundred and ninety-seven (189,397) square meters, representing 29.6% of the total investment land plot area, of which approximately one thousand, seven hundred (1,700) residential units are expected to be developed by the Company (directly or through joint ventures) and then sold. Given that part of the demand for residential units in Makkah, specifically in the vicinity of the Holy Mosque, is a result of demand for second homes, the Company's future income will therefore depend primarily on demand for residential units in Makkah, especially in the areas surrounding the Holy Mosque. Accordingly, any decrease in demand for second homes in Makkah in general and in the vicinity of the Holy Mosque in particular will have a negative material impact on the Company's business, results of operations, financial position and future prospects.

2.2 Risks Related to the Sector in which the Company Operates

2.2.1 Risks Related to Competition

The Company operates in the real estate development sector in the Kingdom, particularly within Makkah, where the sector is characterized by high competition. This increases the ratio of supply versus demand and the intensity of competition. Therefore, if current or prospective competitors offer competitive prices, terms or better options than those offered by the Company, it will not be able to compete with such companies. The Company may face competition in the form of lower lease offers or competitive pricing to sell more land plots or developed real estate properties. The Company may not be able to maintain its competitive position and advantages in the market or its market share, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

In addition, if the Company attains a dominant position in the market or is considered to have attained such position by the General Authority for Competition ("**GAC**"), the Company will be subject to the terms and controls contained in the Competition Law and its Implementing Regulations, which aim at protecting fair competition in the Saudi markets, as well as promoting and further establishing market rules, freedom of prices and transparency. In the event that the Company violates the provisions of the Competition Law or if the GAC issues any award against it in relation to any violation, the Company may be subject to a fine not exceeding ten million Saudi Riyals (SAR 10,000,000). The GAC also has the right to request the suspension of the Company's activities temporarily or permanently (either partially or completely) in the event the Company repeats such violation, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.2 Risks Related to Changes in the Regulatory Environment

In conducting its business, the Company is regulated by a number of Governmental Entities within the Kingdom. The legal and regulatory environment is subject to rapid change, in line with the Kingdom's economic reform plans. As a result, the relevant regulators may adopt changes in laws, regulations and policies in the future which the Company cannot foresee, including changes in the Companies' Law, regulations, implementation thereof, and policies that pertain to import and export, taxes and customs duties, the Law of Real Estate Registration, the Idle Lands Fees Law, antitrust, boycott, pricing, corporate governance, the Lease Law, health and safety standards, working hours and other changes that could affect the Company's business and operations. Failure to comply with the requirements of the applicable laws may result in fines or penalties imposed against the Company by the relevant regulators. If the Kingdom enacts new laws or amends existing laws that govern the Company's business and operations, the Company may be required to expend significant costs or adjust its business practices, operations or products to comply with current or future laws and regulations. The occurrence of any of these factors would result in unforeseen or additional costs, which in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

In addition, the Kingdom's Government provides facilities for Hajj and Umrah pilgrims. For instance, the provisions of Royal Decree No. M/40, dated 15/04/1444H (corresponding to 09/11/2022G), stipulate extension of the validity of visitor visas, including for Umrah, for a period of three (3) months from the date of their issuance. This extension resulted in a longer Umrah time window to enable pilgrims to perform their rites, potentially resulting in an ever-growing number of Umrah pilgrims. Accordingly, any change in the law may lead to a change in the number of Umrah pilgrims, which could affect the Company's income future prospects and the use of its services. The Company expects that a portion of its future revenue will be generated from hospitality real estate properties, which depends to some extent on the number of Hajj and Umrah pilgrims. The Company's projected revenues from hospitality facilities will depend on the continuation of this trend. Based on the current laws, Hajj and Umrah visas issued each year are the responsibility of the relevant ministries, which control the number of such visas. Therefore, any changes in the current laws or in the number of Hajj and Umrah visas permitted to be issued may lead to a change in the number of Hajj and Umrah pilgrims, which could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.3 Risks Related to Compliance with Saudization Requirements

Compliance with Saudization requirements is required by law in the Kingdom, whereby all companies operating in the Kingdom, including the Company, must employ and maintain a certain percentage of Saudi employees. This percentage varies based on the activity of each entity as set out under the Nitaqat program. The Company must maintain a Saudization percentage of no less than 36% in order to comply with the Saudization requirements in the Kingdom. As of the date of this Prospectus, the Company is currently in compliance with the Saudization requirements and was classified under the "High Green" category according to the Nitaqat program (for further information regarding the Company's Saudization rates, please refer to Section 4.5.2 "**Saudization Requirements and Nitaqat Program**" of this Prospectus). However, the Company may not be able to continue to comply with Saudization and Nitaqat program requirements. In such case, the Company faces penalties imposed by Governmental Entities, such as the suspension of work visa applications, suspension of sponsorship transfer requests for non-Saudi employees and exclusion from Government tenders and loans. The Company may not be able to recruit Saudi employees under favorable conditions, if at all was able to recruit them, or maintain its current Saudi employees, which in turn would affect its ability to meet the required Saudization percentage. There may be a significant increase in the cost of salaries in the event that the Company hires a larger number of Saudi employees. The occurrence of any of the foregoing would have an adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.4 Risks Related to Government Fees Applicable to Employees and Labor Costs

The Kingdom has implemented a number of reforms aimed at increasing the participation of Saudi employees in the labor market, including the imposition of fees on non-Saudi employees working for Saudi institutions, as well as fees for residency permits for family members of non-Saudi employees. Non-Saudi employee fees came into effect as of 14/04/1439H (corresponding to 01/01/2018G), while residence permit fees became effective on 07/10/1438H (corresponding to 01/07/2017G). These fees gradually increased to nine thousand, six hundred Saudi Riyals (SAR 9,600) annually per employee in 2020G. Non-Saudi employees constituted 48%, 46%, 47% and 45% of the Company's total employees as of the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. The application and increase of these fees have resulted in an increase in the Government fees paid by the Company for its non-Saudi employees, which amounted to SAR 0.53 million, SAR 0.42 million, SAR 0.54 million and SAR 0.15 million for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. In addition, the increase in fees payable by non-Saudi employees for their family members has resulted in higher living costs, which may impact the Kingdom's attractiveness to such employees who may look to relocate to other countries with lower costs of living. Consequently, the rise in Government fees and the difficulty of retaining non-Saudi employees will have an adverse effect on the Company's business, results of operations, financial position and future prospects.

The Ministry of Human Resources and Social Development ("**MHRSD**") in the Kingdom has officially announced the launch of the Initiative to Improve the Contractual Relationship for Domestic Workers, which comprises a number of policies and controls, including the adoption of an employment contract between employers and expatriate employees, which entered into force on 01/08/1442H (corresponding to 14/03/2021G) in place of the sponsorship system. This initiative comes as part of the Kingdom's efforts to promote the efficiency of the work environment, increase the flexibility, effectiveness and competitiveness of the labor market, as well as its attractiveness in line with the best international practices. Such efforts also aim to enforce a contractual reference in employment relationships between employers and employees based on an employment contract documented between them through the Contract Documentation Program. The job mobility service also allows expatriate workers to switch to another job upon the expiration of their employment contract without the employer's consent. Furthermore, the initiative also defines the mechanisms of mobility during the term of the contract, provided that the notice period and applicable controls are adhered to. The exit and return service allows expatriate workers to travel outside the Kingdom upon submitting an application, while notifying their employers electronically. The final exit service enables expatriate workers to leave immediately upon the expiration of the contract, while notifying their employers electronically, without requiring the employer's consent. There is also the option to leave the Kingdom where the worker bears all the consequences of contract termination. All these services are available through the "Absher" platform and MHRSD's "Qiwa" platform. As a result, the Company may be adversely affected in the event that a large number of employees decide to move to other companies, in which case the Company would not be able to prevent them except to the extent permitted under their employment contracts. Hence, the Company may face difficulties in contracting with new employees to replace them. Should the Company lose a large number of its employees due to such employees switching to other companies and be unable to hire new employees to replace them, this could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.5 Risks Related to the Economy of the Kingdom and the Global Economy

The Company's assets, operations and client base are located in the Kingdom, and therefore, its performance, results of operations and growth future prospects are affected by the general economic conditions within the Kingdom as well as global economic conditions that affect the Kingdom's economy. Any economic slowdown in the Kingdom or in the oil and gas sector could adversely affect the Company, as it may affect client behavior and spending. This in turn may negatively impact demand for the Company's products, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The Kingdom's economy is also highly dependent on oil revenue, which plays a significant role in the Kingdom's economic plan and gross domestic product. Any decrease in oil prices may result in an economic slowdown and/or slowdown in the Government's spending plans, which would affect all segments of the Kingdom's economy and would have a material adverse effect on the Company's business, results of operations, financial position and future prospects. The Kingdom's economy, as is the case with the economies of numerous other countries, is currently experiencing significant disruptions as a result of the outbreak of the COVID-19 pandemic (for further information regarding the risks related to COVID-19, please refer to Section 2.2.8 "**Risks Related to the Outbreak of COVID-19 or Any Other Infectious Disease**" of this Prospectus). Such disruptions may lead to a sharp decline in oil prices. Moreover, economic conditions in the Kingdom may worsen in the future as a result of fluctuations in oil prices or otherwise. All of these factors may have an adverse effect on the Kingdom's economy, which would lead to a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.6 Risks Related to Political Instability and Security Concerns in the Middle East

The Company's primary operations and assets are based in the Kingdom. The Middle East region, including the Kingdom, are exposed to various geopolitical and security risks. Any geopolitical events or any future developments in the geopolitical situation in the Kingdom could cause unrest in the Middle East and surrounding regions (that may or may not involve the Kingdom). As such, investments in the Middle East are characterized by a significant degree of uncertainty. Thus, any unexpected changes in the political, social or other conditions within the Middle East countries, or any terrorist attacks or acts of sabotage in the future targeting the Kingdom may have a material adverse effect on the markets in which the Company operates, its ability to retain and attract customers in such regions, and the investments that the Company has made or may make in the future. This could in turn have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.7 Risks Related to the Prices of Energy, Water and Related Materials and Services

The Company's contractors rely heavily on basic construction materials, including, but not limited to, cement and steel. Some of these materials are available locally while the remaining part is sourced by importing from abroad. Therefore, any shortage in the availability of materials necessary to complete infrastructure development and construction operations will result in a noticeable increase in the pricing of such materials, which will cause the Company to incur construction and development costs that significantly exceed its current estimated costs as a result of increased costs of materials, labor and other costs, in addition to the incurrence of other unexpected costs, including, but not limited to, any fees that the state may impose on the import of building materials or increases in the price thereof due to their scarcity in the market. This would make the implementation and/or operation of projects economically unfeasible, as the Company may not be able to raise the prices of its leases sufficiently to compensate for the increased costs. For example, an increase in demand for construction materials would limit the Company's ability to fulfill its needs for such materials in order to complete its projects on time or it may not be able to complete them at all. This would lead to an increase in other costs such as costs resulting from contractor work disruption, finding alternative contractors and bearing the expenses of some labor despite the stoppage of the project. Consequently, the Company would incur losses with respect to these projects, which in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

Furthermore, as part of the Kingdom's policies intended for rationalizing the Government support program, the Council of Ministers issued Resolution No. 95, dated 17/03/1437H (corresponding to 28/12/2015G), raising energy prices (including fuel) as well as electricity, water and wastewater tariffs for the residential, commercial and industrial sectors. The Ministry of Energy and Industry issued a statement dated 24/03/1439H (corresponding to 12/12/2017G) on the Fiscal Balance Program to reform the prices of energy products. This resulted in an increase in the prices of gasoline 91, gasoline 95, diesel for industry and facilities, diesel for transportation, and kerosene as of 14/04/1439H (corresponding to 01/01/2018G).

The Company's water and electricity expenses amounted to SAR 146 thousand, SAR 199 thousand, SAR 214 thousand and SAR 124 thousand in the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. The price increases described above, in addition to any other potential increases, may result in a reduction in the Company's discretionary spending rate or the income available to clients in general. Consequently, the Company's ability to lease its real estate properties and its development works may be adversely affected, and the Company's operating expenses may increase. This would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.8 Risks Related to the Outbreak of COVID-19 or Any Other Infectious Disease

An outbreak of an infectious disease in the Kingdom or elsewhere or any other serious public health concern could have a material adverse effect on economies, financial markets and commercial activities worldwide, including the Group's business operations. For example, the COVID-19 global pandemic caused by the SARS-CoV-2 novel strain of coronavirus, as declared by the World Health Organization in March 2020G, led to certain preventative measures taken by governments, businesses and individuals which resulted in global business disruptions. The COVID-19 pandemic adversely affected global economies, financial markets and global supply chains. Global demand for oil also reduced as a result, thus leading to a decline in oil prices. Furthermore, the overall environment in which the Company operates was also affected. The Kingdom, like other countries, implemented strict precautionary measures and restrictions on travel and public transportation. It also imposed curfews and social distancing practices, suspended attendance at workplaces in certain sectors and reduced the number of employees and workers present at workplaces in certain other sectors. Furthermore, economic activities were closed, and schools and universities were temporarily suspended in the Kingdom for certain periods during 2020G. Any re-introduction of preventative measures or the introduction of additional measures due to the spread of infectious diseases, whether COVID-19 or otherwise, may result in a prolonged or further decline in oil prices, or have a long-term adverse effect on the Kingdom's economy or the economies of the countries in which the Group operates. This could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

The novel coronavirus (COVID-19) negatively affected the number of Hajj and Umrah pilgrims, with the Kingdom suspending all Hajj and Umrah visits from 03/07/1441H (corresponding to 27/02/2020G). Hajj and Umrah pilgrimages were gradually reopened for visitors from 17/02/1442H (corresponding to 04/10/2020G). The Kingdom may impose new precautionary measures or re-impose any of the previous precautionary measures for short or extended periods of time, whether due to the COVID-19 pandemic or other infectious diseases. This could negatively impact the number of Hajj and Umrah pilgrims, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.9 Risks Related to Foreign Currencies and Exchange Rates

The Company engages in certain operational transactions that are not denominated in Saudi riyals and is thus exposed to foreign exchange risks. The Saudi riyal is pegged at a fixed rate to the US dollar. In the future, the Kingdom may remove or adjust the peg, which would cause the value of the Company's assets and liabilities denominated in US dollars to fluctuate. Any measures adopted by the Company to hedge against foreign exchange fluctuations may not be sufficient to manage all of the risks thereof, and fluctuations in foreign exchange rates could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.10 Risks Related to Interest Rates

The facilities provided under the Company's existing financing agreements carry variable interest rates. Accordingly, unhedged increases in the reference interest rates on which its current facilities are based would increase its finance charges and reduce its cash flows. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, international and domestic economic and political conditions, and other factors beyond the Company's control. In response to the current inflationary environment, central banks in certain jurisdictions have increased interest rates, such as, for example, SAMA's concurrent decisions to increase profit rates during the financial year ended 31 December 2023G. Central banks, including SAMA, may continue revising interest rates in the coming periods in light of the economic environment, further impacting the cost of financing. The Company may elect to further hedge interest rate exposure from time to time; however such hedging may be costly and may not fully insulate it against increases in interest rates. Therefore, increases in interest rates and related financing costs may lead to reductions in the Company's profitability and cash flows, which would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.11 Risks Related to Floods, Earthquakes, Other Natural Disasters and Disruptive Acts

The occurrence of natural disasters or disruptive acts beyond the Company's control may adversely affect the Company's operations or employees. Any damages to the Company's facilities or property as a result of floods, earthquakes, storms or other natural disasters, or as a result of disruptive acts such as terrorist attacks, could result in significant costs and/or operational disruptions, which would result in increased costs and decreased revenues. The occurrence of any of these events could have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.12 Risks Related to Environmental Protection and Public Safety

The Company is subject to the environmental protection and public safety laws and regulations in force in the Kingdom. These laws and regulations allow for the imposition of fines and penalties for certain violations that harm the environment. Moreover, these laws allow the General Authority of Meteorology and Environmental Protection to temporarily or permanently suspend the Company's activities if it does not comply with the directives requiring it to adjust or cease operations that cause environmental damage. Even if the Company complies with the environmental, safety, health and quality laws and regulations as well as the directives issued by the General Authority of Meteorology and Environmental Protection, any changes, such as potential changes in the environmental conditions of the Company, the applicable laws or certain provisions thereof, the interpretation of the laws and regulations by the relevant authorities, or their discovery of previously unknown environmental conditions in the Company, would increase the possibility of the issuance of Government orders for increased on-site obligations or the adoption of more stringent environmental standards by the General Authority of Meteorology and Environmental Protection. This would cause the Company to incur increased costs to ensure compliance therewith, which in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.2.13 Risks Related to Fluctuations in the Value of Real Estate Assets

The Company operates in the real estate properties development sector, and its assets consist mainly of real estate. Therefore, any decrease in the value of the Company's real estate properties would adversely affect the Company's activity. The value of real estate properties in the Kingdom is affected by changes in Government requirements, economic and political factors, competition on lease fee rates, the location of the real estate properties and the quality of construction, among other factors. On 05/05/1441H (corresponding to 31/12/2019G), the CMA announced that listed companies are permitted to use the fair value or revaluation model to valuate real estate properties and investment properties for the financial periods beginning in or after 2022G. The CMA imposed requirements for listed companies using the fair value or revaluation model to valuate real estate properties and investment properties. Such requirements include adoption of a fair value or revaluation model policy by the Company's Board of Directors upon the recommendation of the Audit Committee in this regard, and the preparation of a valuation of each piece of real estate properties or investment property by at least two valuers. The lowest of these two valuations must be adopted when preparing the annual financial statements and when using the fair value or revaluation model for the first time. The valuers must be appointed pursuant to a resolution of the Board of Directors following the recommendation of the Audit Committee. Appointed valuers must also hold Fellowship of the Saudi Authority for Accredited Valuers. In addition, the Audit Committee must follow up on the valuation process and the results thereof and submit the same to the Board of Directors for feedback. The CMA also directed listed companies to disclose any material profits or losses arising from changes in the fair value of investment properties within their interim and annual financial results. The interim and annual financial statements must also include the cost model and a reconciliation of discrepancies in listed companies' assets, net assets, net income and comprehensive income within the fair value or revaluation model. Therefore, the Company is exposed to the risk of short-term and sudden fluctuations in the value of its real estate assets. If the Company adopts the fair value or revaluation method to evaluate its investment properties, it must adopt the lowest valuation. The occurrence of any of the foregoing would lead to a decrease in the value of the Company's assets, which may adversely affect the Company's activity, profits and ability to achieve attractive returns by selling its assets or leveraging them as planned by the Company's Management. This in turn would have a material adverse effect on the Company's business, results of operations, financial position and future prospects.

2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to Effective Control Post-Offering by the Substantial Shareholders

Following completion of the Offering, the Substantial Shareholders will own 50.84% of the Company's share capital. As a result, the Substantial Shareholders will be able to control matters requiring Shareholder approval and will be able to significantly influence the Company's business, including matters such as the election of Board Members, material corporate transactions, dividend distributions and share capital adjustments. If circumstances were to arise where the interests of the Substantial Shareholders conflicted with the interests of minority Shareholders (including the Subscribers), the minority Shareholders may be disadvantaged and the Substantial Shareholders may otherwise exercise their control over the Company in a way which negatively impacts the Company. This, in turn, could have an adverse effect on Subscribers' anticipated returns and/or result in the loss of all or a portion of their investment in the Company.

2.3.2 Risks Related to the Ownership of Some of the Company's Shares by Shareholders Acting in Concert

Two groups of the Company's Shareholders are acting in concert. The first group includes (1) Dallah Albaraka Holding Company, (2) Abdullah Saleh Abdullah Kamel, (3) Dallah Trans Arabia, (4) Dallah Albaraka Investment Holding Co., (5) Muhiyuddin Saleh Abdullah Kamel, (6) Abdullah Mohammed Abdo Abdullah Yamani, and (7) Al Mawajed International for Real Estate Development Co. Ltd, who are acting in concert to own two hundred and thirty-eight million, five hundred and seventy-nine thousand and fifteen (238,579,015) shares, representing 16.58% of the Company's shares post-Offering. The second group includes (1) Real Estate Development Company and (2) Mabahij Al Arabia for Real Estate Development Limited, who are acting in concert to own ninety-one million, nine hundred and ninety-seven thousand, seven hundred and twenty-four (91,997,724) of the Company's shares, representing approximately 6.39% of the Company's shares post-Offering. Therefore, the aforementioned Shareholders effectively cooperate to exercise the voting rights tied to the aforementioned shares of the Company. As a result, the aforementioned Shareholders shall collectively be able to significantly influence the Company's business, including matters such as the election of Directors, material corporate transactions, dividend distributions and share capital adjustments. Shareholders Acting in Concert, after the successful completion of the Offering, will be subject to a lock-up period of six (6) months after the listing of the Company's shares, during which they may not dispose of any of the shares they own. If circumstances were to arise where the interests of the Shareholders Acting in Concert conflicted with the interests of other Company Shareholders (including Subscribers), the other Shareholders may be disadvantaged, and the Shareholders Acting in Concert may otherwise exercise their rights tied to the aforementioned shares in a way that adversely impacts the Company. This, in turn, could have an adverse impact on Subscribers' anticipated returns and/or result in the loss of all or a portion of their investment in the Company.

2.3.3 Risks Related to the Lack of a Previous Market for the Company's Shares

There has previously been no public market for the Company's Shares. As such, there is currently no market for the Company's Shares. Moreover, there may not be an active trading market for the Company's Shares after the Offering. If such a market were to exist, it may not be sustained. The absence or lack of a continued active market with high liquidity may have an adverse effect on the trading price of the Company's Shares or lead to Subscribers losing all or part of their investment in the Company, which in turn would affect the expected returns of Subscribers.

2.3.4 Risks Related to Fluctuations in the Price of the Shares on the Exchange

The Offering Price may not be equal to the price at which the Shares are traded following completion of the Offering. Subscribers may not be able to resell the Offer Shares at or above the Offer Price or may not be able to sell the Shares at all. The trading price of the Shares may also be volatile and may fluctuate significantly as a result of a variety of factors, many of which are beyond the Company's control, including the following:

- Negative fluctuations in the Company's operating performance and improvements in the performance of its competitors.
- Actual or expected fluctuations in the Company's quarterly or annual results of operations.
- Reductions or changes in research coverage by equity research analysts in relation to the Company, its competitors or the sector in which the Company operates.

- Public reactions to the Company's press releases and other public announcements.
- The inability of the Company or its competitors to meet analysts' forecasts.
- The appointment or resignation of key personnel.
- Changes in the Company's business strategy.
- Changes in the regulatory environment.
- Changes in applicable accounting rules and policies.
- Political or military developments or terrorist attacks in the Middle East or elsewhere.
- Political, economic or other developments in or affecting the Kingdom.
- Commencement or expiration of the Lock-up Period or other transfer restrictions on the Shares.
- Natural and other disasters.
- Any changes in the general market and economic conditions.

Any of these factors may result in large and sudden changes in the trading volume and market price of the Shares, which, in turn, may lead to a material adverse effect on Subscribers' anticipated returns and/or result in the loss of all or a portion of their investment in the Company.

2.3.5 Risks Related to the Company's Ability to Distribute Dividends

The Company may not be able to pay dividends, or the Board may not recommend so and the Shareholders may not approve the payment of dividends for any reason. The future distribution of dividends will depend on several factors, including, but not limited to, amortization of the Company's accumulated losses, the achievement of future profits, the Company's financial position, cash flows, working capital requirements, capital expenditures and distributable reserves, and the terms of financing facilities and financing agreements (for further information regarding the Company's dividend distribution policy, please refer to Section 7 "**Dividend Distribution Policy**" of this Prospectus). Under the credit facility agreement concluded with Bank AlJazira, the Company must not withdraw or distribute dividends in the event it fails to pay the amounts due on the agreed dates or if it delays in paying any installment due within one year. Pursuant to correspondence submitted by Alinma Bank, dated 27/07/1445H (corresponding to 08/02/2024G), cash dividends may be distributed to Shareholders provided that there are no violations of the credit facility agreement concluded with Alinma Bank (for further information, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus).

In addition, the Company may be subject to the terms of its current or future financing agreements, which may include restrictions on making any dividend payments. The Company may incur expenses or liabilities that would reduce or eliminate the cash available for the distribution of dividends. If the Company does not pay dividends on the Shares, Shareholders will not receive any return on their investment in the Shares unless they sell the Shares at a price higher than the Offer Price. Furthermore, there is no guarantee that the Company will be able to distribute dividends to Shareholders, or that the distribution of dividends will be recommended by the Board or approved by the Shareholders. This could adversely affect investors' expected returns on their investment in the Offer Shares.

2.3.6 Risks Related to the Sale of a Significant Number of Shares on the Exchange Post-Offering

The sale of a significant number of Shares on the Exchange after the completion of the Offering, or the perception that such sale will occur, may adversely affect the market price of the Shares. Upon completion of the Offering, the Substantial Shareholders and the Shareholders Acting in Concert will be subject to a Lock-up Period of six (6) months following the listing of the Company's Shares, during which they may not dispose of any of the Shares they own. The sale of a significant number of Shares by the Substantial Shareholders following the expiration of the Lock-up Period, or the perception that such a sale may occur, could have an adverse effect on the market for the Shares and may result in a reduction in their price on the Exchange.

Furthermore, if the Company decides to raise additional capital by issuing new shares, the newly issued shares may adversely affect the price of the Shares on the Exchange and dilute the Shareholders' ownership percentages in the Company if they do not subscribe for the new shares at that time. The occurrence of any of the foregoing factors could have an adverse effect on the anticipated returns of investors or may result in the loss of all or a portion of their investment in the Company.

2.3.7 Risks Related to Research Published on the Company

The trading price and volume of the Shares will depend in part on the research that securities or industry analysts publish about the Company and its business. If analysts do not consistently conduct adequate research or if one or more of the analysts covering the Company downgrades their recommendations on the Shares or publishes inaccurate or unfavorable research regarding the Company's business, the price of the Shares on the Exchange may decline. In addition, if one or more of such analysts who publish research cease to cover the Company or fail to publish reports on it regularly, the Company could lose its position and visibility in the financial markets, which, in turn, would cause the price of the Shares on the Exchange to decline significantly. This could have a material adverse effect on the expected returns of Subscribers on their investment in the Offer Shares.

3. Market and Sector Overview

3.1 Introduction

The information presented in this section is sourced from a report prepared exclusively for the company by the market study advisor, Professional Realtors Company LLC, operating under the name Colliers, dated 29/02/1446H (corresponding to 02/09/2024). Colliers is an independent firm specializing in strategic market research services, with a broad range of clients. Founded in 1976 and headquartered in Toronto, Canada, Colliers has no ownership stakes, interests, or shares in the Company, nor do any of its subsidiaries, affiliates, partners, shareholders, board members, directors, or any of their relatives. The market study advisor has provided written consent for the use of its name and the market information and data it supplied in this prospectus. As of the date of this prospectus, this consent has not been withdrawn.

The Board of Directors believes that the information and data provided in this prospectus from various sources, including those provided by the market study advisor, are credible. However, neither the company, nor any member of the Board of Directors, nor any member of the Executive Management, nor any other advisors have independently verified or ensured the accuracy or completeness of the information contained in this section. Accordingly, none of them assume any responsibility for these details.

3.2 Methodology

Research Methodology

The information presented in this section is based on comprehensive research conducted during the second quarter of 2024G. The research methodology involved the collection of publicly available secondary data, including macroeconomic indicators and demographic statistics from reliable sources such as the General Authority for Statistics (GASTAT), the Ministry of Finance, the Ministry of Tourism (MOT), Credit Suisse, the Secretariat General of the Gulf Cooperation Council, the Vision 2030 website, and Euromonitor. Additionally, the analysis incorporated the latest developments, trends, and insights specific to the Makkah market, obtained through extensive research, field visits, and credible sources. All data sources were meticulously examined and analyzed to provide a thorough market assessment and to identify historical trends across the residential, retail, and hospitality sectors.

The retail market demand methodology involves multiplying the total retail spending obtained from Euromonitor by the percentage spent in organized retail to calculate the funds available for rent. The rent-to-sales ratio is then applied based on market standards to determine the total funds available for rent. Dividing the total funds available for rent by the average rental rate results in the total supportable and leasable area, representing the maximum leasable space supported by market conditions. The supply of organized retail refers to commercial spaces developed and managed according to international standards, such as those set by the International Council of Shopping Centers (ICSC), which includes large shopping centers and malls with professional management and structured design. On the other hand, unorganized retail supply encompasses commercial spaces that do not adhere to these standards, such as small shops and traditional markets that lack organized management and design.

The forecasting methodology for analyzing hotel supply and demand employs a comprehensive approach. First, the estimation of hospitality supply takes into account several factors, including announced and confirmed hospitality projects expected to enter the market by 2030. Additionally, historical trends and anticipated delays are considered to account for any potential market changes. Similarly, the demand forecasts for the hospitality sector adopt a multifaceted approach. Key considerations include inbound tourism forecasts for Saudi Arabia, as provided by Euromonitor. Furthermore, induced demand resulting from the introduction of new hotels and the development of tourism infrastructure is also factored into the analysis.

To determine the additional number of hotel rooms that the market can support each year, an occupancy rate of 60% was applied. This occupancy rate serves as a benchmark for assessing market capacity and identifying growth and expansion potential in the sector. By employing this comprehensive methodology and integrating various data sources and factors, more accurate and informed forecasts can be made regarding the future supply and demand dynamics in the hospitality sector.

Residential demand is estimated based on the growing need for formal housing, driven by an increasing population and a decreasing average household size, in line with historical growth rates. Additionally, the estimation includes replacement demand, which accounts for approximately 1% of the existing housing stock. This represents the demand arising from the need to replace aging residential units.

The demand for second homes is calculated by estimating the total number of high-net-worth individuals in Saudi Arabia, the Gulf Cooperation Council (GCC) countries, and globally. The likelihood of these wealthy individuals purchasing second homes is determined based on the proximity of Saudi Arabia to these global destinations. This results in the current demand from high-net-worth individuals for second homes in the Kingdom, which is then projected to grow at a compound annual growth rate aligned with the historically stable growth rates of high-net-worth individuals.

3.3 Overview of the Saudi Economy

3.3.1 Saudi Arabia's Economy and Performance

Saudi Arabia is the largest country in the Gulf region in terms of both land area and population density. Historically, the oil sector has played a pivotal role in driving the nation's economic growth, as Saudi Arabia is one of the world's largest producers and exporters of oil. Oil exports constitute a substantial portion of the Kingdom's Gross Domestic Product (GDP) and government revenue. However, Saudi Arabia is actively working to diversify its economy to reduce its dependence on oil and promote sustainable growth.

A key driver of non-oil GDP growth is the Kingdom's Vision 2030 initiative. This ambitious reform plan aims to transform the Saudi economy by focusing on various sectors, including tourism, entertainment, healthcare, education, and technology. Vision 2030 aims to create new opportunities, attract foreign investment, and stimulate private sector growth by diversifying the economy and reducing reliance on oil. Additionally, there is a strong emphasis on large-scale projects such as NEOM, the Red Sea Project, and Qiddiya, which are expected to generate significant economic growth by creating jobs and increasing foreign investment.

Another key driver of GDP growth is the government's focus on infrastructure development. Saudi Arabia has heavily invested in large-scale infrastructure projects, such as the construction of new cities, the establishment of transportation networks, and the development of industrial zones. These investments not only create job opportunities and boost economic activity during the construction phase, but also lay the groundwork for long-term economic growth by facilitating trade, improving connectivity, and attracting foreign investment.

Additionally, Saudi Arabia is actively promoting entrepreneurship and supporting the growth of small and medium-sized enterprises (SMEs). Initiatives such as the General Authority for Small and Medium Enterprises (Monsha'at) have been launched to provide support, funding, and training for local entrepreneurs. The government aims to stimulate innovation, create job opportunities, and diversify the economy by fostering a dynamic entrepreneurial ecosystem. The National Investment Strategy (NIS) holds significant importance serving as a key driver of Vision 2030. Saudi Arabia aims to attract a net annual foreign direct investment (FDI) of SAR 388 billion by the fiscal year 2030, with the goal of achieving substantial economic growth and establishing itself as a major global investment hub.

Finally, population growth and the expanding consumer market in Saudi Arabia contribute significantly to GDP growth. The Kingdom has a young and affluent population with increasing disposable income, leading to higher demand for various goods and services. This demographic trend, coupled with a rising urbanization rate, creates a promising market for both local and international companies, further driving economic growth.

Overall, the diversification efforts under Vision 2030, infrastructure development, support for entrepreneurship, and the growing consumer market are key factors in the growth of Saudi Arabia's GDP. These efforts are enabling the Kingdom to progress towards a more sustainable and resilient economy.

3.3.2 Macroeconomic Indicators, GDP, and Inflation

According to the General Authority for Statistics, Saudi Arabia's real GDP declined by 1% in 2023G compared to the previous year, 2022G. This represents a significant improvement from the negative growth rate of -3.6% in 2020G, which was heavily impacted by the COVID-19 pandemic. In 2021G, the post-pandemic period saw real GDP growth increase by 5.1% year-on-year. The non-oil sector played a crucial role in the real GDP during 2023G, registering a positive year-on-year growth rate of approximately 4.4%, in contrast to the oil sector activities, which declined by 9.0%. The real estate sector was a major driver of non-oil GDP, benefiting from increased investments, large-scale projects, and a booming tourism industry. The continued growth of this sector is expected to contribute positively to the non-oil GDP in the future, providing a more diversified and sustainable income source for Saudi Arabia's economy.

Saudi Arabia holds the position of the largest economy within the Gulf Cooperation Council (GCC), with the total nominal GDP expected to reach approximately SAR 4,003 billion in 2023G, according to the General Authority for Statistics. This represents a 3.7% decrease from the estimated SAR 4,157 billion recorded in 2022G.

Table (3.1): Nominal GDP

Category	Unit	2018	2019	2020	2021	2022*	2023*
Inflation	%	2.5%	(2.1%)	3.4%	3.1%	2.5%	2.6%
Oil Activities	Billion SAR	1,078.2	949.8	604.2	919.9	1,608.4	1,255.2
	%	35%	31%	23%	30%	41%	33%
Non-Oil Activities	Billion SAR	1,452.4	1,519.1	1,455.1	1,582.7	1,754.5	1,902.0
	%	47%	50%	55%	51%	44%	50%
Government Activities	**Billion SAR**	**559.4**	**583.8**	**577.0**	**577.6**	**603.2**	**628.5**
Subtotal: Total Value Added	Billion SAR	3,090.0	3,052.7	2,636.2	3,080.2	3,966.1	3,785.7
Net Taxes	Billion SAR	84.7	91.9	117.3	197.9	191.1	217.8
Total: Nominal GDP	**Billion SAR**	**3,174.7**	**3,144.6**	**2,753.5**	**3,278.1**	**4,157.1**	**4,003.4**

Source: General Authority for Statistics;

Note: * indicates preliminary data.

Table (3.2): Real GDP

Category	Unit	2018	2019	2020	2021	2022*	2023*
Inflation	%	2.5%	(2.1%)	3.4%	3.1%	2.5%	2.6%
Oil Activities	Billion SAR	1,078.2	1,042.6	970.8	982.6	1,129.7	1,027.4
	%	35%	33%	32%	31%	33%	30%
Non-Oil Activities	Billion SAR	1,452.4	1,506.3	1,462.7	1,570.8	1,658.7	1,732.0
	%	47%	48%	49%	50%	49%	51%
Government Activities	Billion SAR	559.4	569.1	565.7	572.1	598.7	611.3
Subtotal: Total Value Added	**Billion SAR**	**3,090.0**	**3,117.9**	**3,002.6**	**3,141.1**	**3,399.1**	**3,351.6**
Net Taxes	Billion SAR	84.7	91.6	91.9	106.1	102.0	114.8
Total: Nominal GDP	**Billion SAR**	**3,174.7**	**3,209.5**	**3,094.6**	**3,251.6**	**3,495.1**	**3,468.7**

Source: General Authority for Statistics;

Note: * indicates preliminary data. According to the General Authority for Statistics' disclaimer on Saudi Arabia's real GDP: The chain-linking methodology represents a non-additive model, and as a result, the subcomponents do not sum to the totals.

Looking ahead, Saudi Arabia anticipates a decrease in the inflation rate. According to Euromonitor forecasts, the Kingdom is expected to experience a nominal GDP growth rate of 6.2% from 2024G to 2030.

Population and Household Distribution

Table (3.3): Historical and Projected Population of Saudi Arabia (Values Projected from 2023G Onwards)

Category	Unit	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	17.1	17.5	18.0	18.4	18.8	19.3	19.7	20.2	20.7	21.2	21.7	22.3	22.8
Non-Saudis	Million	13.1	12.6	13.6	12.4	13.4	13.7	14.1	14.4	14.8	15.2	15.6	16.0	16.4
Total Population	**Million**	**30.2**	**30.1**	**31.6**	**30.8**	**32.2**	**33.0**	**33.8**	**34.7**	**35.5**	**36.4**	**37.3**	**38.3**	**39.2**

Sources: General Authority for Statistics, 2022; Colliers, 2024G. Note: The totals may not match due to rounding.

Table (3.4): Historical and Projected Number of Households in Saudi Arabia (Values Projected from 2023G Onwards)

Category	Unit	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	3.6	3.7	3.9	4.0	4.2	4.3	4.5	4.6	4.8	5.0	5.2	5.3	5.5
Non-Saudis	Million	3.5	3.6	3.7	3.9	4.0	4.2	4.3	4.5	4.7	4.9	5.0	5.2	5.4
Total Population	**Million**	**7.1**	**7.3**	**7.6**	**7.9**	**8.2**	**8.5**	**8.8**	**9.1**	**9.5**	**9.8**	**10.2**	**10.6**	**11.0**

Sources: General Authority for Statistics, 2022; Colliers, 2024G. Note: The totals may not match due to rounding.

Saudi Arabia's real estate market has experienced significant growth, driven by the country's expanding population and the increasing demand for residential and commercial properties. With the total population expected to reach approximately 39.2 million by 2030, there is a growing need to provide high-quality, affordable housing to accommodate the population increase. The strong commitment of the Saudi government to developing the real estate sector further enhances the attractiveness of the Saudi market as an investment destination for developers and investors.

3.4 Overview of Makkah

3.4.1 Demographics of Makkah

Makkah city is the administrative capital of the Makkah Province, located approximately 70 kms from the city of Jeddah. Makkah holds immense significance in the Islamic world as the Qibla for Muslims and is home to the holiest site in Islam, the Kaaba. The population of Makkah is estimated to be around 2.5 million in 2023G and is expected to reach 2.83 million by 2030. In 2023G, the population mix consisted of 45% Saudis and 55% non-Saudis, with a slight shift anticipated by 2030, with 47% Saudis and 53% non-Saudis.

Concurrently, the number of households in Makkah is projected to rise from 616,000 in 2023G to approximately 771,000 by 2030. While the population increases, the average household size is expected to decrease from 4.0 to 3.7 members, reflecting the evolving social dynamics in the Kingdom.

The growth in Makkah's population and households can be attributed to various factors. The strong economic opportunities in Makkah, particularly in the thriving tourism and hospitality sectors, attract both Saudi and non-Saudi residents seeking employment in these industries. Additionally, ongoing infrastructure development and urban expansion initiatives enhance the city's appeal while creating more job opportunities.

3.4.2 Gross Domestic Product of Makkah

According to Euromonitor, the nominal GDP of Makkah is expected to reach SAR 231 billion in 2024G. The economy of Makkah is heavily reliant on the Hajj and Umrah seasons, which are projected to grow significantly by 2030. This growth will be further supported by infrastructure investments aimed at accommodating 30 million Umrah pilgrims by 2030. Consequently, Makkah's total GDP is anticipated to grow in parallel with Saudi Arabia's total GDP, with an estimated annual growth rate of 7.3% by 2030, compared to the Kingdom's total GDP growth rate of 6.2%.

3.4.3 Historical Hajj and Umrah Visits (2018G–2023G)

Table (3.5): Historical Numbers of Hajj and Umrah Pilgrims (2018G–2023G, in Millions)

Category	Unit	2018	2019	2020	2021	2022	2023
Inbound Umrah Pilgrims	Million	7.5	8.0	1.7	0.3	8.4	13.6
Domestic Umrah Pilgrims	Million	5.6	5.9	2.9	3.3	16.3	13.3
Inbound Hajj Pilgrims	Million	1.8	1.9	-	-	0.8	1.7
Domestic Hajj Pilgrims	Million	0.6	0.6	0.0	0.1	0.1	0.2
Total	**Million**	**15.5**	**16.4**	**4.6**	**3.7**	**25.6**	**28.8**

Sources: General Authority for Statistics, 2024; Colliers, 2024G. Note: Values are rounded to the nearest decimal place, and the totals may not match due to rounding.

The relaxation of restrictions to accommodate more Hajj and Umrah pilgrims between 2017G and 2019G led to an increase in their number from 15.9 million in 2017G to 16.4 million in 2019G. However, due to the outbreak of the COVID-19 pandemic and subsequent regulatory measures implemented by the government, the issuance of Hajj and Umrah visas for inbound visitors was restricted, resulting in a 72% decrease in the total number of pilgrims between 2019G and 2020G compared to the previous year.

Furthermore, the imposition of stringent restrictions to ensure the safety of pilgrims and visitors during 2020G and 2021G significantly reduced the number of inbound Hajj and Umrah pilgrims to Makkah. In the interest of public health, the Hajj pilgrimage in 2020G and 2021G was limited to residents within the Kingdom of Saudi Arabia, resulting in 10,000 domestic pilgrims in 2020G and 59,000 domestic pilgrims in 2021G. Similarly, domestic Umrah activities faced restrictions, with movement being curtailed in April 2020G as measures were implemented. However, 2021G saw an improvement in activity due to the availability of vaccines across the Kingdom, which allowed for an increase in the number of visitors to the Holy Mosque in Makkah.

In the years 2022G and 2023G, there was a clear recovery in the number of Hajj and Umrah pilgrims, with figures surpassing pre-pandemic levels. As the global situation improved and travel restrictions gradually eased, more individuals were able to engage in international travel, contributing to the increase in the number of inbound pilgrims to Makkah since 2022G.

3.4.4 Target Number of Visitors to Makkah (Vision 2030)

Table (3.6): Projected Number of Hajj and Umrah Pilgrims (2024–2030, in Millions)1

Category	Unit	2024	2025	2026	2027	2028	2029	2030
Inbound Umrah Pilgrims	Million	16.7	17.8	19.0	20.3	21.5	22.7	23.9
Domestic Umrah Pilgrims	Million	13.3	13.7	14.0	14.3	14.7	15.1	15.4
Inbound Hajj Pilgrims	Million	1.6	1.8	2.0	2.3	2.3	2.5	2.7
Domestic Hajj Pilgrims	Million	0.2	0.3	0.4	0.5	0.6	0.7	0.8
Total	**Million**	**31.8**	**33.6**	**35.4**	**37.4**	**39.1**	**41.1**	**42.8**

Sources: General Authority for Statistics, 2024; Colliers, 2024G.

Note: The totals may not match due to rounding.

According to the announced figures, the Hajj season in 2024G welcomed 1.8 million pilgrims. The number of Umrah pilgrims throughout the year is estimated to reach 30 million in 2024G. By 2030, the total number of Hajj and Umrah pilgrims is expected to reach 42.9 million, representing a significant increase of 2.6 times compared to the actual figures recorded in 2019G. A key objective has been set as part of Vision 2030 to welcome 30 million Umrah pilgrims from outside the Kingdom by 2030. This target underscores the government's commitment to enabling more Muslims to visit the Kingdom for Umrah, facilitating their arrival, and enriching the religious and cultural experience for both Hajj and Umrah pilgrims.

Recognizing the importance of serving the Kingdom's guests, a series of government-led improvements have been implemented to enhance the pilgrimage experiences for visitors to the Two Holy Mosques and the sacred sites. With a strong focus on infrastructure development, alongside initiatives to improve facilities and services, the Kingdom aims to create a welcoming and enriching environment and to continually enhance the experience for pilgrims and visitors.

In addition to the aforementioned efforts, the Guests of God Service Program (Doyof Al Rahman) was launched in 2019G. The initiative's primary goal is to ensure that as many Muslims as possible have the opportunity to perform Hajj and Umrah, while also improving their overall experience. This includes comprehensive preparations for the Two Holy Mosques, promoting the global message of Islam, enhancing tourist and cultural sites, and providing exceptional services before, during, and after their visit to Makkah, Madinah, and the sacred sites. Furthermore, the initiative aims to highlight Saudi Arabia's prestigious and progressive image in its commitment to serving the Two Holy Mosques and meeting the needs of Hajj and Umrah pilgrims.

The Guests of God Service Program (Doyof Al Rahman) has achieved significant milestones through collaboration with relevant stakeholders in the sector. These achievements were accompanied by the facilitation of electronic visa issuance for Hajj and Umrah pilgrims from all countries, the extension of the Umrah season, and the introduction of various technological advancements. These achievements include the successful implementation of initiatives such as "Eyab," "Smart Hajj," and "Hajj Without Luggage." Additionally, the initiative has ensured comprehensive health insurance coverage for pilgrims.

In its next phase, the Guests of God Service Program (Doyof Al Rahman) will focus on creating a rich spiritual journey for Hajj and Umrah pilgrims as well as visitors by simplifying and facilitating the hosting procedures to accommodate large numbers of pilgrims and visitors. The program also emphasizes achieving seamless coordination among all involved entities.

3.5 Retail Sector

3.5.1 Overview of the Retail Sector in Saudi Arabia

Saudi Arabia's retail market is undergoing a significant transformation, characterized by a shift towards more experiential retail concepts. Emerging shopping centers are focused on creating distinct and unique retail experiences, incorporating elements such as food and beverage offerings, entertainment facilities, and both indoor and outdoor spaces. This strategic approach aims to enhance customer engagement and satisfaction.

The Kingdom is experiencing profound economic and social changes as part of Vision 2030, which aims to diversify the economy and reduce dependence on oil. There has been a strong emphasis on developing new sectors such as tourism, entertainment, and sports, leading to a significant increase in the number of visitors and investors. In the retail sector, the government has launched several initiatives to bolster the market, including improving the business environment, supporting innovation, and developing infrastructure.

The unorganized retail sector (defined in Section 3.2 "**Methodology**") remains a crucial part of the overall retail market. Over time, it is expected that some of this sector will transition or be redirected towards organized retail centers (also defined in Section 3.2 "**Methodology**"). This trend is common in cities with rapidly changing urban environments. Additionally, new policies, such as year-round tourist visas, are attracting an increasing number of tourists and visitors to the Kingdom, boosting demand for retail spaces and driving economic growth.

Saudi Arabia has hosted numerous events across various cities, such as Jeddah Season, Formula 1, and Riyadh Season, which have likely played a role in boosting consumer spending within the retail market. These events are expected to continue in the future, serving as catalysts for increased consumer spending within the country.

The Kingdom's mega and transformational projects are anticipated to enhance competitiveness within the retail market. As a result, retail center operators are expected to adapt to this shift by offering more flexible and attractive leasing terms to compete better and market their products effectively. Overall, this is likely to lead to a more competitive and diverse market in the future.

3.5.2 Overview of the Retail Sector in Makkah

The retail market in Makkah is one of the most vibrant and important markets in the Kingdom of Saudi Arabia. With the continued growth in the number of visitors and tourists, particularly with the implementation of Vision 2030 programs and supportive government policies, the retail market in Makkah presents promising investment opportunities that require adapting to market changes and offering innovative and attractive shopping experiences.

The retail market in Makkah is expected to experience significant growth and transformation between 2023G and 2030, with a total retail spending by residents of Makkah projected to increase from approximately SAR 31.8 billion to SAR 42.2 billion during this period, indicating a substantial rise in consumer demand.

The full realization of Vision 2030 in Makkah city, which aims to accommodate 30 million international Umrah pilgrims annually, is also expected to generate sustained demand for retail offerings and high-quality food and beverage establishments, primarily concentrated within the central area. This should also lead to economic benefits for other areas surrounding the central region that serve the pilgrims and visitors.

In terms of tourism-related retail spending, Makkah's market is anticipated to grow significantly, from approximately SAR 63.8 billion to SAR 103.7 billion between 2023G and 2030. The substantial increase in tourism retail spending underscores Makkah's importance as a global pilgrimage destination and reflects the growing number of visitors flocking to Makkah city.

The organized retail supply in Makkah is estimated to be around 390,000 square meters in 2023G, with shopping malls dominating the organized retail landscape, accounting for approximately 85% of the total supply. This is followed by convenience centers at roughly 7%, lifestyle destinations at 7%, and entertainment destinations at 2%. Additionally, 46% of the current supply is classified as grade (A).

Retail centers near the Holy Mosque, referred to as pilgrim shopping centers, primarily target pilgrims and are strategically designed to provide easy access when entering and exiting the Holy Mosque. The tenant mix in these shopping centers makes them a destination for pilgrims and worshippers for shopping or dining activities. A typical pilgrim shopping center would include tenants such as local perfume shops, traditional clothing stores, gold shops, and souvenir stores, along with a variety of food and beverage options.

Pilgrim shopping centers located within the vicinity of the Holy Mosque generally have higher occupancy rates compared to resident shopping centers (serving the local population of Makkah), which are typically located outside the Holy Mosque area and primarily cater to the residents of Makkah. The occupancy rates for pilgrim shopping centers and resident shopping centers across Makkah are estimated at 87% and 86%, respectively, as in 2023G. The dampened occupancy rates in pilgrim shopping centers can be attributed to challenges in leasing upper floors with lower foot traffic, as well as some projects still being in the growth phase.

Rental rates for typical retail stores within pilgrim shopping centers are estimated at around SAR 10,800 per square meter in 2023G. In contrast, resident shopping centers (catering to local residents) recorded relatively lower rental rates of approximately SAR 2,100 per square meter in 2023G, mainly due to their location outside the central area.

3.5.3 Market Forecast

Table (3.7): Market Forecast

Organized Retail Supply	2023	2024	2025	2026	2027	2028	2029	2030
Existing Supply of Gross Leasable Area (in thousands of square meters)	390	390	390	424	443	536	575	577
Future Annual Supply of Gross Leasable Area (in thousands of square meters)	-	-	34	19	93	39	3	84
Total Supply of Gross Leasable Area (in thousands of square meters)	**390**	**390**	**424**	**443**	**536**	**575**	**578**	**661**

Source: Colliers, 2024

The demand for retail space in the market is primarily driven by the influx of pilgrims and local residents. Consequently, retail demand is expected to see a significant increase in 2024G, supported by the year-round electronic visa system, which contributed to notable tourism figures in Makkah in 2023G and is anticipated to continue providing benefits in the coming years. Additionally, Vision 2030 initiatives and ongoing enhancements to the Hajj and Umrah experience, aimed at increasing the number of pilgrims and improving their experience, are expected to further boost retail demand. By 2030, retail demand in Makkah is projected to reach approximately 898,000 square meters of total leasable area.

The anticipated organized supply is expected to contribute an additional 271,000 square meters of total leasable area by 2030. A significant portion of this future supply will consist of pilgrim shopping centers. Notable development projects include the Makkah Masar Destination, Jabal Omar, and Rou'a Al Haram (the date of completion for the Rou'a Al Haram project is not confirmed at this time).

The introduction of substantial new supply in 2027G and 2030 is expected to exert pressure on the market gap. However, despite this downward pressure during those years, the market supply-demand gap is expected to remain positive throughout the forecast period from 2024G to 2030.

3.6 Hospitality Sector

3.6.1 Overview of the Hospitality Sector in Saudi Arabia

The easing of COVID-19 restrictions, along with initiatives driven by Vision 2030 and the Guests of God Service Program (Doyof Al Rahman), has led to positive outcomes for tourism in Saudi Arabia, particularly in Makkah City.

According to the Tourism Information Center (TIC), the number of inbound tourists exceeded the figures recorded during the COVID-19 pandemic, reaching 27.4 million in 2023G. This indicates a recovery in inbound travel from the decline caused by the pandemic. The number of visitors is expected to continue growing, with estimates projecting 34.6 million by 2028G.

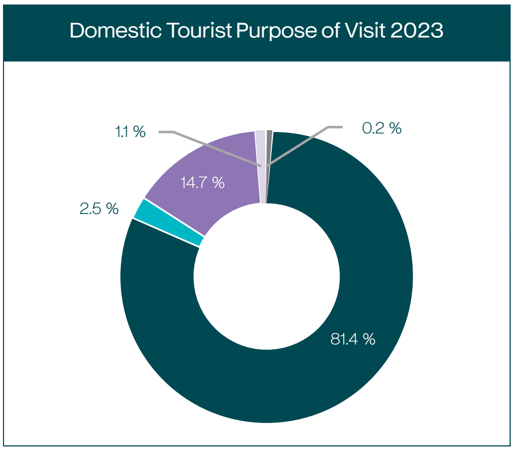
Based on the performance in 2023G, domestic tourism trips experienced a compound annual growth rate (CAGR) of 14.1%, with an increase of 34 million trips between 2019G and 2023G. This growth is expected to continue, with a projected CAGR of 5.25% between 2023G and 2028G, driven by developments aligned with Saudi Arabia's Vision 2030.

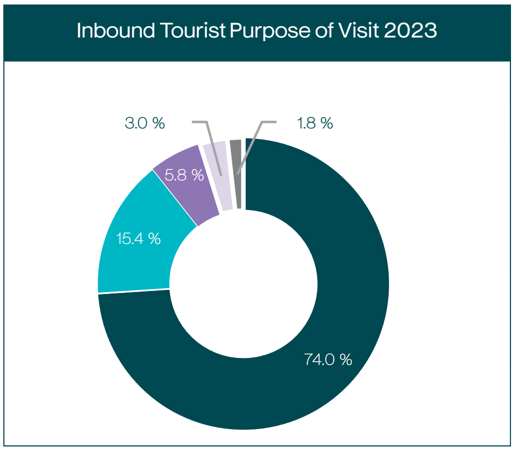
The top five inbound tourism markets are those with direct land access and/or easy air access to the Kingdom of Saudi Arabia. In 2022G, the Kingdom of Bahrain accounted for the largest share of inbound tourism at 13%, followed by Kuwait at 12% and Egypt at 9%. In 2023G, Bahrain's share decreased to 11%, Kuwait's to 11%, and Egypt's to 8%, while Pakistan's share increased by 2% to reach 10%, and Indonesia and India's shares each rose by 1% to 8%, respectively.

3.6.2 Overview of the Hospitality Sector in Makkah

King Abdulaziz International Airport in Jeddah serves as the primary airport for all tourists arriving in Makkah. The transportation of tourists to Makkah is facilitated by the Haramain High-Speed Railway in Jeddah.

Before the COVID-19 pandemic, King Abdulaziz International Airport experienced healthy annual growth in the number of arrivals, with a compound annual growth rate (CAGR) of 7.0% between 2016G and 2019G. The number of incoming visitors dropped by 67% from 2019G to 2020G due to the COVID-19 pandemic. Following the recovery from the COVID-19 pandemic, the number of visitors gradually increased, with tourism trips in 2023G surpassing the figures recorded in 2019G, reflecting the resumption of the Hajj and Umrah seasons after the lifting of restrictions. In 2023G, the number of arrivals to Makkah exceeded the 2019G figures by 15%.





Sources: General Authority of Civil Aviation (GACA) 2024G, Tourism Business Intelligence Center 2024G, Colliers 2024G.

Note: According to the latest information from the Tourism Business Intelligence Center (2023G data specific to Makkah tourism is unavailable).

Hajj and Umrah pilgrimages account for the highest percentage of tourists to Makkah, both from local and international visitors, representing 76% of total visits. These percentages are slightly lower than the pre-pandemic figures, following the lifting of restrictions on Hajj and Umrah in 2023G. Visits for entertainment and shopping constituted 11%, followed by visits to friends and relatives at 9%, with most of this demand arising from domestic tourism. Visits for business and other purposes made up 2% of the travelers.

Table (3.8): Performance Analysis

	2018	2019	2020	2021	2022	2023
Hotel Occupancy Rate (%)	58%	62%	25%	25%	61%	64%
Average Daily Rate (Saudi Riyals)	662	619	323	428	574	698
Revenue per Available Room (Saudi Riyals)	386	383	81	106	349	449

Sources: STR Global 2024G, Colliers 2024G.

Note: Key performance indicators are based on field research conducted by Colliers and STR Global, and estimates made using the best available data. The totals may not match due to rounding.

Occupancy rates improved from the levels seen in 2019G, with the sector achieving an occupancy rate of 64% in 2023G compared to 62% in 2019G. The hospitality sector in Makkah is approaching pre-pandemic performance levels, with the upscale hotel segments leading the recovery in terms of Average Daily Rate (ADR), contributing to an ADR of SAR 698 in 2023G compared to SAR 619 in 2019G, demonstrating stronger post-recovery performance in the hospitality sector. This sustained growth in occupancy indicates ongoing demand for visits to the Holy Mosques and the sacred sites, alongside improved accessibility that supports future increases in the number of visitors for Hajj and Umrah.

Optimism regarding investment in the holy cities remains strong, with both the private and public sectors actively participating in investment and development initiatives. This optimistic outlook aligns with the objectives set out in the Guests of God Service Program within Vision 2030, which aims to facilitate hosting more Umrah pilgrims, ease access to the Holy Mosques, provide high-quality services for pilgrims, and enrich the religious and cultural experience for pilgrims and visitors.

Undoubtedly, numerous mega-projects and independent developments are centered in the holy cities as part of Vision 2030's goals. These projects aim to enhance the overall Hajj and Umrah experience and provide a unique experience for visitors. Both the public and private sectors are actively contributing to the hospitality sector in Makkah, through investment in new and innovative projects.

Sources: Vision 2030 website, Colliers 2024G.

3.6.3 Sector Seasonality and Segmentation

a- Draft Resolution Occupancy Seasonality

The seasonality of the hotel market in Makkah is heavily influenced by the Islamic calendar, with peak periods during Hajj, Umrah seasons, and the last ten days of Ramadan. In March 2020G, the market was negatively affected by a significant drop in demand due to the COVID-19 pandemic. However, with the first signs of recovery emerging in November of the same year, the market began to gradually improve, eventually returning to pre-pandemic performance levels by July 2022G. Temperature and other climatic conditions also affect visitors' preferences for performing Umrah, with higher occupancy rates (67% and above in 2023/2024) recorded during the winter period (from November to March).

b- Adoption of the Optional Protocol to Segmentation

The hospitality sector in Makkah relies heavily on Hajj and Umrah as the primary sources of demand. Pilgrims and Umrah visitors are typically organized into large groups, with individuals booking packages through licensed Umrah or Hajj tour operators. As a result, limited-service hotels offer rooms with multiple beds to better accommodate these large groups. Since a significant portion of inbound tourism to Makkah comes from "Hajj and Umrah campaigns" that usually book in limited-service hotels, where 4 to 6 beds can be placed in a single room, this contributes to a higher double occupancy factor for rooms in Makkah compared to other markets.

3.6.4 Overview of Hospitality Sector Supply Rate: Market Characteristics

High-quality hotel development in Makkah can be categorized into two types: developments within master plans (such as Abraj Al Bait, Jabal Omar, and Al-Tilal Village) and standalone developments.

The majority of high-quality hotel supply (5-star category) in Makkah is concentrated around the vicinity of the Holy Mosque. In 2023G, the total high-quality supply amounts to approximately 65,100 keys, with a significant portion comprising 4- and 5-star hotels. This indicates that high-quality hotels play a prominent role in meeting visitors' needs, ensuring an enhanced hospitality experience.

The supply of serviced apartments in Makkah lacks branded options and suffers from low quality, which poses a challenge in the serviced apartments sector. This presents an opportunity to introduce higher-quality serviced apartments into the market.

Based on the current and anticipated supply, the largest hotel operator in Makkah is Accor, which holds a significant share of the market with approximately 10,000 keys. It is followed by Marriott International, which currently operates around 3,600 keys and is expected to add an additional 5,400 keys in the future. Meanwhile, the largest local brand is Elaf Hotels, which currently manages over 1,900 keys in Makkah. However, international brands dominate a substantial share of the hotel sector in Makkah.

Colliers has considered the impact of master-planned projects when assessing the anticipated supply in the hospitality sector. A supply-demand gap analysis approach was followed, which involves considering announced and confirmed hotel projects expected to enter the market by 2030. Additionally, historical trends of anticipated delays were taken into account to address potential market changes.

The current supply (as of 2024) in Makkah is approximately 66,600 keys, while the anticipated supply based on announced mega projects aims to add 84,400 keys by 2030. The total anticipated supply taken into account is based on confirmed projects as well as announced future supply from mega projects in Makkah. The total anticipated supply by 2030 is estimated to be around 38,200 keys.

Projects such as Masar Destination Project, Thakher City, Al-Tilal Village, Jabal Omar, and Abraj Kudai have announced their total supply for each project. However, limited information is available regarding the implementation phases and delivery timelines for these projects. As a result, Colliers makes assumptions about implementation stages and completion dates.

The Abraj Kudai project has been temporarily halted since 2015G, and therefore, its hotel supply has not yet entered the market. Colliers expects further delays in the supply, as no progress has been observed in the project through satellite imagery as of 2024G.

Table (3.9): Confirmed and Announced Supply for Mega Projects and Brands

Development Project	Confirmed and Announced Supply						
	2021 - 2025	2026 - 2030	2031 - 2035	2036 - 2040	2041 - 2045	2046 - 2050	Total
Masar Destination Project	0%	39%	37%	24%	-	-	40,000
Takhir City	26%	15%	29%	30%	-	-	39,000
Material	100%	-	-	-	-	-	11,283
Jabal Omar	65%	35%	-	-	-	-	10,000
Kudai Towers	-	100%	-	-	-	-	8,595
Jabal Al Kaaba	72%	28%	-	-	-	-	8,000
Darb Al Khalil	-	67%	33%	-	-	-	7,000
Al-Tilal Village	60%	40%	-	-	-	-	5,268
Small-Scale Projects	72%	28%	-	-	-	-	4,952
Cumulative Completion Percentage	30%	33%	21%	16%	-	-	100%
Total	**40,398**	**43,980**	**28,420**	**21,300**	**-**	**-**	**134,098**

Source: Colliers, 2024G.

Note: The information is based on preliminary interviews, BNC reports, STR reports, and public releases, reflecting the targeted operational dates of the projects as indicated in the sources mentioned above. The supply-demand and gap analysis have been adjusted based on the current level of project completion.

3.6.5 Overview of Hospitality Performance

The overall market has seen a significant recovery, with key performance indicators such as occupancy rates, Average Daily Rate (ADR), and Revenue per Available Room (RevPAR) surpassing pre-COVID-19 levels in 2023G. This recovery was supported by the increase in the number of Hajj and Umrah pilgrims, which reached approximately 28 million in 2023G, compared to 16.4 million in 2019G. Notably, the 5-star hotel segment recorded an occupancy rate of 72% and a RevPAR of SAR 745 in 2023G, compared to 69% and SAR 535, respectively, in 2019G.

Among the various market segments, the 4-star hotel category maintained its performance at pre-pandemic levels, achieving results in the year 2023G to similar to those achieved in 2019G, with an occupancy rate of 64% and a RevPAR of SAR 339. The expected growth in the number of Hajj and Umrah pilgrims is anticipated to have a positive impact on the long-term outlook for this sector.

The supply of hotels meeting international operational standards outside the central area improved by 16 percentage points from 2019G levels, with an occupancy rate of 56% in 2023G compared to 39% in 2019G. This improvement had a similar impact on RevPAR, with 2023G figures being 35% higher than those observed in 2019G.

These statistics highlight the positive trajectory of the market's recovery across key sectors in Makkah, reflecting the resilience and adaptability of the hospitality industry. The data indicates a resurgence in demand and a positive outlook, demonstrating the sector's recovery from the pandemic and the expected growth in the future.

5-Star Hotels Central Area						
	2018	2019	2020	2021	2022	2023
Occupancy Rate (%)	64%	69%	30%	29%	68%	72%
Average Daily Rate (Saudi Riyals)	808	770	500	610	752	1,029
Revenue per Available Room (Saudi Riyals)	514	535	148	174	510	745

4-Star Hotels Central Area						
	2018	2019	2020	2021	2022	2023
Occupancy Rate (%)	60%	64%	26%	27%	66%	64%
Average Daily Rate (Saudi Riyals)	577	539	378	426	571	530
Revenue per Available Room (Saudi Riyals)	349	347	97	115	378	339

Makkah Surrounding Area Hotels						
	2018	2019	2020	2021	2022	2023
Occupancy Rate (%)	36%	39%	23%	25%	50%	56%
Average Daily Rate (Saudi Riyals)	313	265	139	137	206	254
Revenue per Available Room (Saudi Riyals)	113	105	32	34	102	142

Source: Colliers, 2024G.

Note: The totals may not match due to rounding.

3.6.6 Supply, Demand, and Gap in the Hospitality Sector

To determine demand, Colliers employed a demand build-up approach to forecast the number of Hajj and Umrah pilgrims, as well as visitors, expected to visit Makkah by 2030. The hotel market in Makkah is projected to reach approximately 23 million occupied nights by 2030. The growth in hospitality demand is heavily dependent on achieving the visitor targets set by the Guests of God Service Program (Doyof Al Rahman) under Vision 2030. Hotels surrounding the Holy Mosque are particularly influenced by this demand, as well as by the completion of mega projects and other upcoming developments that will help stimulate demand.

Based on the projected levels for 2024G, supported by the strong performance in 2023G, the market currently has the capacity to absorb additional supply, with occupancy rates exceeding 60%. Considering the anticipated supply in the Makkah market, and factoring in the mega projects, the Makkah market is expected to support the addition of 14,127 rooms and sustain approximately 103,700 keys during this period. This projection accounts for anticipated supply in the Makkah market while considering potential delays and other challenges in bringing supply to the market.

Table (3.10): Confirmed and Announced Supply of Branded Mega Projects | Supply-Demand Gap

	2024 (Forecasted)	2025 (Forecasted)	2026 (Forecasted)	2027 (Forecasted)	2028 (Forecasted)	2029 (Forecasted)	2030 (Forecasted)
Number of Rooms Supplied	24,437,133	25,450,319	26,999,999	28,877,669	30,731,066	31,916,221	32,689,546
Occupancy Rate (%)	67%	68%	68%	68%	68%	69%	69%
Sustainable Hotel Supply (Number of Rooms)	75,113	79,261	83,813	89,488	94,969	100,667	103,687
Additional Supportable Rooms (Number of Rooms)	8,162	9,535	9,841	10,371	10,774	13,225	14,127

Source: Colliers, 2024

3.7 Residential Sector

3.7.1 Overview of the Sector in Saudi Arabia

The residential sector in Saudi Arabia has undergone significant developments and transformations in recent years. Various factors have contributed to the market's expansion, including urbanization, population growth, and demographic shifts. Investments in infrastructure, such as transportation networks and social amenities, have enhanced the appeal of residential properties in key cities and regions across the country.

The introduction of new regulations and policies, such as the implementation of the mortgage system and the establishment of mortgage financing companies, has facilitated access to housing finance and improved affordability for homebuyers. This has increased demand and stimulated activity in the residential market. Additionally, the growing focus on developing sustainable and smart cities has driven the creation of eco-friendly residential projects and integrated communities that prioritize energy efficiency, mobility, and a high quality of life. The establishment of real estate investment trusts (REITs) in the Kingdom of Saudi Arabia has also provided investors with opportunities to participate in the residential sector.

Furthermore, several notable trends have emerged in the Kingdom of Saudi Arabia's residential sector in recent years, including a shift towards affordable housing to meet the needs of middle and low-income populations. The government has launched various initiatives and programs to increase access to and availability of housing, including the "Sakani" Program, which aims to provide affordable housing units with suitable financing solutions.

3.7.2 Overview of Makkah

Makkah, primarily known as a religious destination for Hajj and Umrah pilgrims, faces limited commercial lands. Traditionally, the city's focus has been on meeting the needs of pilgrims and residents, leading to a smaller commercial land market compared to the residential sector. However, in recent years, Makkah has witnessed significant real estate developments, including mega projects such as the Jabal Omar and Masar Destination Project.

Makkah's real estate market is supported by both the local residents and the continuous influx of pilgrims and visitors to the city. The long-term demand for housing, commercial properties, and infrastructure development in Makkah is consistently driven by its religious significance and the ongoing need to accommodate the growing number of visitors. Residential units are often repurposed to house pilgrims, particularly during the Hajj season.

Residential areas in Makkah consist of a mix of unplanned communities, semi-planned communities, and newly developed master-planned communities. The majority of residential units in Makkah are apartment buildings, reflecting the prevailing housing trend. The total residential supply in the city is estimated at approximately 689,000 units in 2023G.

According to transaction data from the Ministry of Justice, the average trading prices for apartments in Makkah are approximately SAR 16,353 per square meter over the twelve months leading up to the end of June 2024G. However, the average price is relatively higher in the central area, reaching nearly SAR 85,613 per square meter over the same period, due to its proximity to the Haram area. The northeastern region recorded the second-highest sales rate at SAR 7,238 per square meter, likely due to the smaller unit sizes averaging around 64 square meters. Similarly, residential land prices in the central and northeastern regions exceed the overall average land prices in Makkah. The average price per square meter in the central area is SAR 38,835, while in the northeastern region, it is SAR 15,033, compared to SAR 6,129 per square meter for Makkah overall. This is due to the higher prices in Al-Ma'abdah district in the northeastern region and the lands near the Haram area, which command significantly higher prices than those farther from the central area.

Commercial land prices recorded the highest average price in the central area, with an average selling price of approximately SAR 75,546 per square meter, followed by the southeastern region at SAR 8,763 per square meter, compared to the general selling price across Makkah of SAR 16,551 per square meter. The southeastern region is characterized by a middle- to high-income demographic and significant commercial activity.

Being closer to the Holy Mosque, the central area holds a strategically attractive position for various purposes, including residential and hospitality development projects. Consequently, it commands higher-than-average prices compared to the overall Makkah market.

Note: The price analysis is based on the latest available data from the official website of the Ministry of Justice in Saudi Arabia for the last twelve months ending June 2024G.

Table (3.11): Residential Apartments over the Last Twelve Months Ending June 2024G (in Thousands of SAR per Square Meter)

Category	Minimum Sale Price	Average Sale Price	Maximum Sale Price
Central	1.9	85.6	185.0
Central South	-	-	-
Far East	1.1	3.0	5.7
Far North	1.4	2.6	4.4
North East	2.1	7.2	15.7
North West	1.3	2.8	3.8
South East	1.0	4.0	17.3
South West	1.1	3.0	7.2
Far South West	1.7	2.7	4.2
West	1.6	3.3	6.5
Average	**1.0**	**16.4**	**185.0**

Source: Colliers, 2024G.

Note: 1,150 transactions were excluded due to the absence of neighborhood specification, and therefore, they were not included in this analysis. The price analysis is based on the latest available data from the official website of the Ministry of Justice in Saudi Arabia for the last twelve months ending June 2024G.

Table (3.12): Residential Land over the Last Twelve Months Ending June 2024G (in Thousands of SAR per Square Meter)

Category	Minimum Sale Price	Average Sale Price	Maximum Sale Price
Central	1.1	38.8	104.0
Central South	-	-	-
Far East	1.0	2.6	17.1
Far North	1.0	2.0	6.1
North East	1.0	15.0	71.9
North West	1.0	2.4	14.5
South East	1.0	4.0	29.6
South West	1.5	3.7	8.5
Far South West	1.0	1.5	8.5
West	1.0	2.1	7.4
Average	**1.0**	**6.1**	**104.0**

Source: Colliers, 2024G.

Note: 970 transactions were excluded due to the absence of neighborhood specification, and therefore, they were not included in this analysis. The price analysis is based on the latest available data from the official website of the Ministry of Justice in Saudi Arabia for the twelve months ending June 2024G.

Table (3.13): Commercial Lands over the Last Twelve Months Ending June 2024G (in Thousands of SAR per Square Meter)

Category	Minimum Sale Price	Average Sale Price	Maximum Sale Price
Central	5.6	75.6	108.8
Central South	-	-	-
Far East	1.0	2.6	5.0
Far North	1.1	2.0	2.7
North East	2.0	4.5	11.3
North West	1.0	2.4	8.1
South East	2.9	8.8	63.6
South West	1.1	5.8	13.1
Far South West	1.0	2.2	4.5
West	1.2	2.3	7.2
Average	**1.0**	**16.6**	**108.8**

Source: Colliers, 2024G.

Note: 184 transactions were excluded due to the absence of neighborhood specification, and therefore, they were not included in this analysis. The price analysis is based on the latest available data from the official website of the Ministry of Justice in Saudi Arabia for the last twelve months ending June 2024G.

The number of real estate transactions for residential apartments in Makkah has seen a significant decline since 2020G, with transactions reaching 1,053. This figure dropped to 842 transactions in 2021G and further decreased to 530 transactions recorded in 2022G. This decline can be attributed to various factors, including the reduced market activity during the COVID-19 pandemic and the increase in interest rates. However, 2023G witnessed a strong recovery, with transactions rising to 2,612, possibly due to market corrections, improved economic conditions, and increased demand in the housing sector.

As for residential land, the number of transactions has been volatile over the period, with increases in 2020G and 2022G. However, 2023G saw a decline, reflecting the rise in sales prices during the year, with the number of transactions reaching 1,685. In contrast, the number of commercial land transactions showed a steady upward trend since 2019G, reaching its peak in 2022G. Nevertheless, 2023G experienced a decline in transactions, accompanied by an increase in sales prices, reaching a total number of 400 transactions.

Table (3.14): Number of Transactions

Category	2019	2020	2021	2022	2023
Apartments	1,486	1,053	842	530	2,612
Residential Lands	2,805	3,237	2,624	3,026	1,685
Commercial Lands	387	409	489	525	400

Source: Colliers, 2024G.

Table (3.15): Average Sale Price (SAR per Square Meter)

Category	2019	2020	2021	2022	2023
Apartments	3,571	3,594	7,098	4,578	5,318
Residential Lands	3,653	4,766	3,329	2,346	3,452
Commercial Lands	2,536	2,793	2,791	2,552	4,001

Source: Colliers, 2024G.

3.7.3 Second Homes

Second homes are residential units used by their owners for less than 30 days a year, often during weekends or as vacation destinations rather than as a primary residence. Many second homes are typically located in or near areas suitable for activities not commonly found in the owner's main city of residence.

In Makkah, second homes projects can be categorized into two main types: branded residences, which often provide services to end-users/investors and offer owners the option to enter into a rental pool program, typically achieving higher sales prices compared to premium unbranded residential projects. The usual sale price premium for branded residences ranges from 10% to 35% higher than non-branded residential properties, which generally have lower quality and do not offer a rental pool program option.

The majority of second homes projects in Makkah, particularly those near the Haram, are luxury developments. The prices of these properties are typically higher than those of projects located further away due to the premium associated with their prime location, quality, and views of the Holy Mosque. Many of these luxury developments consist of apartments linked to well-known hotel brands, such as those developed by Emaar and Jabal Omar.

Table (3.16): Current Supply and under Construction

Current Supply and under Construction (Project Name)	Location	Year of Construction	Total Number of Units
Emaar Residences	Central Zone	2012	316
Jabal Omar (Phase 1 & 2)	Central Zone	2018	193
Jabal Omar – Address	Central Zone	2024	741
Maad Towers	Central Zone	under-construction	874
Subtotal: Central Zone	-	-	**2,124**
As Saraya Eman	Haram Periphery	2006	476
Burj Al Jewar	Haram Periphery	2000	270
Burj Al Haram 2	Haram Periphery	2005	202
Subtotal: Haram Periphery	-	-	**948**
The Keram 2	Al Aziziyah District	2016	60
Al Masoud Tower	Al Aziziyah District	2002	160
An Nama'a Tower	Al Aziziyah District	2008	60
Al Sharif Yehya Tower	Al Aziziyah District	2009	230
Subtotal: Al Aziziyah District	-	-	**510**
Hatoon Tower	Hajj Street	2017	245
Telal Makkah Towers	Hajj Street	2017	856
Ruba Makkah	Hajj Street	2023	770

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Current Supply and under Construction (Project Name)	Location	Year of Construction	Total Number of Units
Dar Al Mashaer	Taif Rd.	2023	320
Golden Manafe'	Al Rawdah District	2006	350
Al Manara Tower	Al Rawdah District	2017	200
Dyar Al Haram	Um Al Qura Rd.	2026	503[1]
Novotel Residence	Takhir City	2024	242
Hamsati Tower	Um Al Qura Rd.	2015	112
Subtotal: Other Areas	**-**	**-**	**3,598**
Total	**-**	**-**	**7,180**

Source: Colliers, 2024G.

Note: 1The Diyar Al-Haram project includes 2,593 units, of which 503 units are under construction.

Table (3.17): Future Supply

Future Supply (Project Name)	Number of Units	Expected Completion Date	Planned/Confirmed
Masar Destination Project	9,222[1]	To Be Determined	Confirmed
Ru'a Al Haram	9,000	To Be Determined	Confirmed
Radisson Residence – Thakher City	Unannounced	2025	Confirmed
Total	**18,222**	**-**	**-**

Source: Colliers, 2024G.

Note: [1] The future supply of the Masar Destination Project includes the future supply of the Dyar Al-Haram project. Dyar Al-Haram encompasses 2,593 units, of which 503 are currently under construction, as shown in Table 3.16, "**Current and under Construction Supply,**" in this prospectus.

Secondary home development projects outside the Haram vicinity are expected to sell at prices ranging from approximately SAR 14,000 per square meter to SAR 29,000 per square meter, depending on the size and type of the unit. In contrast, development projects surrounding the Haram tend to be more prestigious by nature, offering direct views of the Haram. As a result, these developments command significantly higher sale prices, ranging from approximately SAR 57,000 per square meter to SAR 161,000 per square meter.

The disparity in sale prices between developments outside the Haram area and those within its vicinity reflects the increased demand, prime location, and added features associated with properties near the Haram. The appeal of direct Haram views contributes to the higher prices of these developments, offering a unique and desirable perspective for residents and investors.

3.7.4 Market Forecast

Table (3.18): Market Forecast

Residential Supply (Units)	2023	2024	2025	2026	2027	2028	2029	2030
Current Supply	688,660	688,660	710,957	733,918	757,561	781,909	806,981	832,799
Future Supply	-	22,297	22,960	23,644	24,347	25,072	25,818	26,586
Total Supply	**688,660**	**710,957**	**733,918**	**757,561**	**781,909**	**806,981**	**832,799**	**859,385**

Source: General Authority for Statistics 2024G, Colliers 2024G.

Note: The totals may not match due to rounding.

The current supply of residential units in Makkah in 2023G is estimated at approximately 688,660 units. An additional 170,724 units are expected to be added to the existing supply by 2030. Out of the 170,724 units, 81,478 are part of announced development projects, while the remaining units are anticipated to be developed sporadically by individual landowners and small-scale developers.

Approximately 7% of the announced future supply consists of Ministry of Housing projects, expected to be delivered cumulatively by 2027G. However, the majority of the announced supply is part of the master plans for Roshn Al Manar, Makkah Gate, and the Masar Destination Project, which together account for about 77% of the announced future supply. It is important to note that the delivery dates for these master plans remain uncertain and are tentatively set for 2030.

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Table (3.19): Market Forecast

Residential Demand (Units)	2023	2024	2025	2026	2027	2028	2029	2030
Current Demand	616,404	610,039	629,896	650,399	671,570	693,430	716,001	739,307
Demand from New Households	-	20,064	20,717	21,392	22,088	22,807	23,549	24,316
Replacement Demand	-	6,365	6,572	6,786	7,007	7,235	7,470	7,713
Total Demand	**616,404**	**636,468**	**657,185**	**678,577**	**700,665**	**723,472**	**747,020**	**771,336**

Source: General Authority for Statistics 2024G, Colliers 2024G.

Note: The totals may not match due to rounding.

Demand is expected to exceed supply in the future. Colliers estimates that the increasing demand in the city will amount to 204,079 units between 2023G and 2030. Out of this, 154,932 units will be driven by the formation of new households, while 49,147 units will result from replacement demand, which involves replacing older units that have deteriorated or become uninhabitable due to aging.

The supportable supply is expected to fall short of the upcoming demand, leading to a positive gap in the market and a shortage of at least 33,355 residential units by 2030.

Second homes purchases in Makkah will be influenced by the number of high-net-worth individuals in Saudi Arabia, the GCC countries, and neighboring Muslim-majority countries. These individuals represent a group of potential buyers with sufficient disposable income to participate in the second homes market in Makkah. It is estimated that the potential market for second homes demand in Makkah will grow globally from approximately 1.7 million financially capable Muslims in 2023G to around 2.3 million by 2030. This growth equates to an additional 643,000 individuals in the potential market for secondary home demand between 2023G and 2030.

Demand for residential units is also expected to increase through government initiatives to boost foreign direct investment (FDI) in the country. According to the General Real Estate Authority, legislation regarding foreign ownership of real estate has now reached its final stages. These regulations will cover commercial, residential, and agricultural properties across all regions of the Kingdom, including Makkah and Madinah. The increased flexibility in foreign ownership is anticipated to significantly stimulate demand from both foreign investors and expatriates.

3.8 Appendix – Table of Districts by Zones in the City

Zone	District
Central	Ajyad, Al-Bibyan, Al-Hajlah, Al-Hindawiyah, Al-Hujun, Al-Jumudistinctah, Al-Mansour, Al-Misfalah, Al-Taysir, Jarham, Al-Diyafah, Al-Haram, Al-Hijrah, Al-Qararah, Al-Sulaymaniyah, Al-Shubaikah, Al-Tandabawi, Al-Zahra, Haratal Bab and Ash Shamiyyah, Jarwal, Shib Amer and Shib Ali
Central South	Kuday, R-Rawabi
Far East	Al Khadra, Al Mursalat, Sharai Al Mujahidin, Ar Rashidiyyah, Ar Rawdah
Far North	An Nawwariyah, Al umrah Al Jadidah
Far South West	And Sunday nights
North East	Al-Maabdah, Ash Shuhada, Ray'zakhir, Wadi Jalil, Al-Adl, Al-Andalus, Al-Khansa, Al-Taniem, Al Utaybiyyah, Al'usaylah, Jabal Al-Noor
North West	Al Buhayrat, As Salamah, Al Thaher
South East	Al-Awali, Al-Mashaer, Batha Quraysh, Al-Jamiah, Al Ukayshiyyah, Al-Naseem, Al-Aziziyah
South West	Al-Kakiyyah, Ar Rusayfah, Al-Shawqiyyah, Al-Khalidiyyah, Al-Taqwa, King Fahd
West	Al-Hamra, um Al-Joud, Al-Nuzha

4. Background of the Company and Nature of its Business

4.1 Company Overview

Umm Al Qura for Development and Construction Company is a Saudi closed joint-stock company established pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), under Commercial Registration number 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). Its registered address is Al Sharif Time Tower, Al Shajaah Street, Al-Rusayfah District, P.O. Box 16786, Makkah, 21955, Kingdom of Saudi Arabia.

The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed jointstock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), with a paid-up share capital of nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company was registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). The Company's share capital has been increased several times since its incorporation. The Company's share capital was first increased pursuant to the Extraordinary General Assembly resolution dated 16/07/1433H (corresponding to 06/06/2012G) from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty (916,213,460) Saudi Riyals to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion, seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders; and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 150,490,820) was fulfilled through Mabahij Al Arabia for Real Estate Development Limited bearing the expenses of the Company's incorporation. On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was met through a cash contribution by issuing seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares on a pro rata basis to the Company's current Shareholders; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new Shareholders owning real estate properties in the KAAR Project in Makkah, paid in cash from the value of the real estate properties within the project's boundaries. On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and seventy-five million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate properties in the KAAR Project in Makkah, which was paid in cash from the value of the real estate properties within the project's boundaries; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on issuance of rights issues on a pro rata basis , the value of which was collected through cash contributions from the current Shareholders. On 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (1,187,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on issuance of rights issues on a pro rata basis. On 17/09/1443H (corresponding to 18/04/2022G), the Extraordinary General Assembly approved the increase of the Company's capital from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was fulfilled through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new inkind Shares to new Shareholders owning real estate properties in the KAAR project in Makkah. Finally, on 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610) divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, as well as the public Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares on the Exchange (for further information regarding the Company's history, please refer to Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus).

The main activities of the Company are concentrated in the real estate sector. The Company specializes in developing the Masar Destination project and is responsible for supervising all technical, planning, administrative and operational aspects of Masar Destination.

Pursuant to its Bylaws, the Company's main activities consist of the following:

1- Manufacturing: manufacture of furniture.
2- Construction: construction of buildings.
3- Construction: construction of roads and railways.
4- Wholesale and retail trade and repair of motor vehicles and motorcycles: retail sale of other new goods in specialized stores.
5- Accommodation and food services: short-term accommodation activities.
6- Real estate activities: real estate activities in owned or leased properties.
7- Education: other types of education not classified elsewhere.

As per its Commercial Registration, the Company's activities consist of the following:

1- Purchase and sale of land plots and real estate properties, subdivision thereof and off-plan sales activities;
2- Management and leasing of owned or leased residential real estate properties;
3- Management and leasing of owned or leased non-residential real estate properties;
4- General construction of residential buildings;
5- General construction of non-residential buildings (such as schools, hospitals, hotels, etc.);
6- Construction of roads, streets, sidewalks and road accessories; and
7- Construction of bridges and tunnels.

The Company has obtained all the necessary licenses to carry out its activities as of the date of this Prospectus (for further information regarding the Company's licenses, please refer to Section 12.2.4 "**Material Licenses**" of this Prospectus).

The Board Members declare that, as of the date of this Prospectus, there is no intention to make any material change to the nature of the Company's activity.

The Board Members declare that the Company has no business activity outside the Kingdom and that no material part of the Company's assets is located outside the Kingdom.

4.1.1 Shareholding Structure

The Company's current share capital is thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share, a portion of which are in-kind Shares and a portion of which are cash Shares. The Company's share capital post-Offering will be fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The following table sets out the Company's ownership structure pre- and post-Offering:

Table (4.1): The Company's Ownership Structure Pre- and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
Direct Substantial Shareholders							
1.	GOSI	345,980,070	3,459,800,700	26.45%	345,980,070	3,459,800,700	24.05%
2.	PIF	282,302,039	2,823,020,390	21.59%	282,302,039	2,823,020,390	19.62%
3.	Dallah Al-Baraka Holding Company	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%
Other Shareholders*							
4.	Abdullah Saleh Abdullah Kamel(1)	56,298,623	562,986,230	4.30%	56,298,623	562,986,230	3.91%
5.	Real Estate Development Company(2)	53,218,303	532,183,030	4.07%	53,218,303	532,183,030	3.70%
6.	Dallah Trans Arabia(3)	43,000,000	430,000,000	3.29%	43,000,000	430,000,000	2.99%
7.	Mabahij Al Arabia for Real Estate Development Limited(4)	38,779,421	387,794,210	2.97%	38,779,421	387,794,210	2.70%

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
8.	Al Mawajed International for Real Estate Development Co. Ltd[5]	13,371,916	133,719,160	1.02%	13,371,916	133,719,160	0.93%
9.	Muhiyuddin Saleh Abdullah Kamel[6]	12,194,339	121,943,390	0.93%	12,194,339	121,943,390	0.85%
10.	Abdullah Mohammed Abdo Abdullah Yamani[7]	10,202,742	102,027,420	0.78%	10,202,742	102,027,420	0.71%
11.	Dallah Albaraka Investment Holding Co.[8]	400,000	4,000,000	0.03%	400,000	4,000,000	0.028%
12.	Yasser Abdulaziz Mohammed Abu Ateek[9]	104,000	1,040,000	0.01%	104,000	1,040,000	0.007%
Public							
13.	Current Shareholders categorized as the "Public" (one hundred and forty-two (142) Shareholders)	348,898,571	3,488,985,710	26.68%	348,898,571	3,488,985,710	24.25%
14.	Public Shareholders through the Offering	N/A	N/A	N/A	130,786,142	1,307,861,420	9.09%
Total		**1,307,861,419**	**13,078,614,190**	**100%**	**1,438,647,561**	**14,386,475,610**	**100%**

Source: The Company

* The "Other Shareholders" category includes any of the Company's Shareholders who are not Direct Substantial Shareholders or Company Shareholders categorized as the "Public" according to the Glossary of Terms used in the CMA regulations.

(1) Abdullah Saleh Abdullah Kamel is categorized under "Other Shareholders" as he is: (1) a Company Board Director, (2) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (3) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(2) Real Estate Development Company is categorized under "Other Shareholders" as it acts in concert with Mabahij Al Arabia for Real Estate Development Limited.

(3) Dallah Trans Arabia is categorized under "Other Shareholders" as it is: (1) controlled by Dallah Albaraka Holding Company, and (2) acting in concert with Abdullah Saleh Abdullah Kamel, Dallah Albaraka Holding Company, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(4) Mabahij Al Arabia for Real Estate Development Limited is categorized under "Other Shareholders" as it acts in concert with Real Estate Development Company.

(5) Al Mawajed International for Real Estate Development Co. Ltd is categorized under "Other Shareholders" as it is: (1) controlled by Sinad Holding (where Dallah Albaraka Holding Company owns 53.189% of Sinad Holding), and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(6) Muhiyuddin Saleh Abdullah Kamel is categorized under "Other Shareholders" as he is: (1) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Abdullah Mohammed Abdo Abdullah Yamani.

(7) Abdullah Mohammed Abdo Abdullah Yamani is categorized under "Other Shareholders" as he is: (1) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Muhiyuddin Saleh Abdullah Kamel.

(8) Dallah Albaraka Investment Holding Co. is categorized under "Other Shareholders" as it is acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Al Mawajed International for Real Estate Development Co. Ltd, Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(9) Yasser Abdulaziz Mohammed Abu Ateek is categorized under "Other Shareholders" as he is a Senior Executive at the Company.

The following table sets out the Company's Substantial Shareholders by direct ownership Pre- and Post-Offering:

Table (4.2): The Company's Direct Substantial Shareholders Pre- and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
1.	GOSI	345,980,070	3,459,800,700	26.45%	345,980,070	3,459,800,700	24.05%
2.	PIF	282,302,039	2,823,020,390	21.59%	282,302,039	2,823,020,390	19.62%
3.	Dallah Al-Baraka Holding Company	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%
Total		**731,393,504**	**7,313,935,040**	**55.92%**	**731,393,504**	**7,313,935,040**	**50.84%**

Source: The Company

The following table sets out the Company's Substantial Shareholders by direct and indirect ownership / acting in concert Pre- and Post-Offering:

Table (4.3): The Company's Direct and Indirect / Acting in Concert Substantial Shareholders Pre- and Post-Offering

#	Shareholder	Direct Ownership						Indirect Ownership / Acting in Concert*					
		Pre-Offering			Post-Offering and Share Capital Increase			Pre-Offering			Post-Offering and Share Capital Increase		
		Number of Shares	Nominal Value (SAR)	Ownership Percent-age	Number of Shares	Nominal Value (SAR)	Ownership Percent-age	Number of Shares	Nominal Value (SAR)	Ownership Percent-age	Number of Shares	Nominal Value (SAR)	Ownership Percent-age
1.	Abdullah Saleh Abdullah Kamel**	56,298,623	562,986,230	4.30%	56,298,623	562,986,230	3.91%	182,280,392	1,822,803,920	13.94%	182,280,392	1,822,803,920	12.67%
2.	Dallah Albaraka Holding Company***	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%	135,467,620	1,354,676,200	10.36%	135,467,620	1,354,676,200	9.42%
3.	Real Estate Development Company****	53,218,303	532,183,030	4.07%	53,218,303	532,183,030	3.70%	38,779,421	387,794,210	2.97%	38,779,421	387,794,210	2.70%
Total*****		**212,628,321**	**2,126,283,210**	**16.26%**	**212,628,321**	**2,126,283,210**	**14.78%**	**277,358,436**	**2,773,584,360**	**21.21%**	**277,358,436**	**2,773,584,360**	**19.28%**

* The percentages in this table have been rounded.

** The indirect ownership of Abdullah Saleh Abdullah Kamel is a result of his indirect ownership in the Issuer's share capital as follows: (i) twenty-eight million, one hundred and nineteen thousand, five hundred and eight point fifty three (28,119,508.53) shares through Dallah Albaraka Holding Company, representing 2.15% of the Issuer's share capital; (ii) four million, one hundred and nineteen thousand, four hundred shares (4,119,400) through the ownership of Dallah Trans Arabia, representing 0.31% of the Issuer's share capital; (iii) one hundred and nine thousand and eighty-four shares (109,084) through the ownership of Dallah Albaraka Investment Holding Co., representing 0.01% of the Issuer's share capital; and (iv) fifteen parts of a share (0.15) in Al Mawajed International for Real Estate Development Co. Ltd through his ownership in Sinad Holding, which owns 100% of the shares of Al Mawajed International for Real Estate Development Co. Ltd, representing 0.00000001% of the Issuer's share capital. He also owns, through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani, 11.46% of the Issuer's share capital[(1)].

*** The indirect ownership of Dallah Albaraka Holding Company is a result of its indirect ownership of the following: (i) forty-three million shares (43,000,000) through Dallah Trans Arabia, representing 3.29% of the Issuer's share capital; and (ii) seven million, one hundred and thirteen thousand, eight hundred and fifty-nine point thirty one (7,113,859.31) shares through its ownership of 53.2% in Sinad Holding, which in turn owns 100% of the shares of Al Mawajed International for Real Estate Development Co. Ltd, representing 0.54% of the Issuer's share capital. It also owns, through acting in concert with Dallah Albaraka Investment Holding Company, Al Mawajed International for Real Estate Development Co. Ltd[(2)], Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani, 6.53% of the Issuer's share capital.

**** Real Estate Development Company indirectly owns 2.97% of the Company's share capital through acting in concert with Mabahij Al Arabia for Real Estate Development Limited.

(1) The ownership percentage of Abdullah Saleh Abdullah Kamel in the Issuer's share capital through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani represents the remaining percentage of the total ownership of Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co. and Al Mawajed International for Real Estate Development Co. Ltd in the Issuer's share capital. Such percentage was calculated independently of the indirect ownership of Abdullah Saleh Abdullah Kamel in the Issuer's share capital, the details of which are stated at the beginning of this marginal note to avoid double counting the same among the total number of shares owned by him.

(2) The ownership percentage of Dallah Albaraka Holding Company in the Issuer's share capital through acting in concert with Al Mawajed International for Real Estate Development Co. Ltd is 0.48%, representing the remaining percentage of the total ownership of Al Mawajed International for Real Estate Development Co. Ltd, which amounts to 1.02% of the Issuer's share capital. Such percentage was calculated independently of the indirect ownership amounting to 0.54% mentioned at the beginning of this marginal note to avoid double counting it in the total number of shares owned by Al Mawajed International for Real Estate Development Co. Ltd.

***** The number, value and percentage of shares owned by the shareholder Abdullah Saleh Abdullah Kamel and the shareholder Dallah Albaraka Holding Company, indirectly or through acting in concert were calculated once upon calculation of the final total of the number of shares, their value and ownership percentages in order to avoid double counting them more than once in the final total.

Source: The Company

4.1.2 Company Branches

The Company has one branch in the Kingdom. The following table sets out the details of the Company's registered branch as of the date of this Prospectus:

Table (4.4): The Company's Branches as of the Date of this Prospectus

#	Branch Name	Commercial Registration No.	Branch Activities	Commercial Registration Certificate Date	Commercial Registration Certificate Expiration Date
1.	Jeddah	4030397803	• General construction of residential buildings • General construction of non-residential buildings (such as schools, hospitals, hotels, etc.) • Real estate development of residential buildings using modern construction methods • Real estate development of commercial buildings using modern construction methods • Purchase and sale of land plots and real estate, subdivision thereof and off-plan sales activities • Construction project management	23/03/1442H (corresponding to 09/11/2020G)	23/03/1447H (corresponding to 15/09/2025G)

Source: The Company

4.1.3 Company's History and Evolution of Share Capital

The following is a description of the Company's history and the material developments in its share capital.

a- Incorporation (2012G)

The Company was initially established as a closed joint-stock company on 28/04/1433H (corresponding to 21/03/2012) pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), which mandated the establishment of a company specialized in the development of King Abdulaziz Road in Makkah with a share capital consisting of: (1) the value of real estate properties and real estate properties holdings within the project's boundaries; and (2) development costs. Priority was given to landowners and the General Authority for Awqaf to contribute to the Company's share capital, up to a maximum of 30%, excluding any real estate properties they own or real estate properties assigned thereto pursuant to the High Order. The remaining share capital was opened for subscription by citizens. The Company's share capital upon incorporation was nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The following table sets out the Company's ownership structure upon incorporation:

Table (4.5): The Company's Ownership Structure upon Incorporation

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Real Estate Development Company	43,664,000	10	436,640,000	47.66%
2.	Abdullah Mohammed Abdo Abdullah Yamani	21,907,789	10	219,077,890	23.91%
3.	Mabahij Al Arabia for Real Estate Development Limited	10,516,292	10	105,162,920	11.48%
4.	Al Mawajed International for Real Estate Development Co. Ltd	8,277,050	10	82,770,500	9.03%
5.	Saud Mohammed Ali Al-Qufaidi	4,490,630	10	44,906,300	4.90%
6.	Abdullah Saleh Abdullah Kamel	2,765,585	10	27,655,850	3.02%
Total		**91,621,346**	**-**	**916,213,460**	**100%**

Source: The Company

b- Share Capital Increase (2012G)

On 16/07/1433H (corresponding to 06/06/2012G), the Company's share capital was increased from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460) to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion, seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders, and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 150,490,820) was fulfilled through Mabahij Al Arabia for Real Estate Development Limited bearing the expenses of the Company's incorporation. The following table sets out the Company's ownership structure after the capital increase:

Table (4.6): The Company's Ownership Structure as of 16/07/1433H (corresponding to 06/06/2012G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI	107,100,000	10	1,071,000,000	27.91%
2.	Public Pension Agency	100,000,000	10	1,000,000,000	26.06%
3.	PIF	70,000,000	10	700,000,000	18.24%
4.	Real Estate Development Company	43,664,000	10	436,640,000	11.38%
5.	Mabahij Al Arabia for Real Estate Development Limited	25,565,374	10	255,653,740	6.66%
6.	Abdullah Mohammed Abdo Abdullah Yamani	21,907,789	10	219,077,890	5.71%
7.	Al Mawajed International for Real Estate Development Co. Ltd	8,277,050	10	82,770,500	2.16%
8.	Saud Mohammed Ali Al-Qufaidi	4,490,630	10	44,906,300	1.17%
9.	Abdullah Saleh Abdullah Kamel	2,765,585	10	27,655,850	0.72%
Total		**383,770,428**	**-**	**3,837,704,280**	**100%**

Source: The Company

c- Share Capital Increase (2013G)

On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was fulfilled in cash through the issuance of seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. The following table sets out the Company's ownership structure after the capital increase:

Table (4.7): The Company's Ownership Structure as of 24/04/1434H (corresponding to 06/03/2013G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI	107,100,000	10	1,071,000,000	23.22%
2.	Public Pension Agency	100,000,000	10	1,000,000,000	21.68%
3.	PIF	70,000,000	10	700,000,000	15.18%
4.	Real Estate Development Company	43,664,000	10	436,640,000	9.47%
5.	Mabahij Al Arabia for Real Estate Development Limited	25,565,374	10	255,653,740	5.54%
6.	Abdullah Mohammed Abdo Abdullah Yamani	21,907,789	10	219,077,890	4.75%
7.	Ahmed Ibrahim Hassan Al-Mesbahi	20,000,000	10	200,000,000	4.34%
8.	Dallah Albaraka Holding Company	15,000,000	10	150,000,000	3.25%
9.	Mansour Mohammed Mahmoud Fustok	12,500,000	10	125,000,000	2.71%
10.	Saudi Real Estate Company (Al Akaria)	10,000,000	10	100,000,000	2.17%
11.	Al Mawajed International for Real Estate Development Co. Ltd	8,277,050	10	82,770,500	1.79%
12.	General Authority for Awqaf	5,000,000	10	50,000,000	1.08%
13.	Mohammed Abdullah Abdulrahman bin Adwan	5,000,000	10	50,000,000	1.08%
14.	Saud Mohammed Ali Al-Qufaidi	4,490,630	10	44,906,300	0.97%
15.	Abdullah Saleh Abdullah Kamel	2,765,585	10	27,655,850	0.60%
16.	Al-Sabiq Investment Co.	2,500,000	10	25,000,000	0.54%
17.	ADEX Holding Group Company for Trading and Investment	2,500,000	10	25,000,000	0.54%
18.	Nesma Real Estate Co. Ltd.	2,500,000	10	25,000,000	0.54%
19.	Abdulrahman Ali Abdulrahman AlJeraisy	2,500,000	10	25,000,000	0.54%
Total		**461,270,428**	**-**	**4,612,704,280**	**100%**

Source: The Company

d- Share Capital Increase (2015G)

On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares on a pro rata basis to the Company's current Shareholders; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new Shareholders owning real estate properties in the KAAR Project in Makkah, paid in cash from the value of the real estate properties within the project's boundaries. The following table sets out the Company's ownership structure after the capital increase:

Table (4.8): The Company's Ownership Structure as of 11/07/1436H (corresponding to 30/04/2015G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI	107,100,000	10	1,071,000,000	19.42%
2.	Public Pension Agency	100,000,000	10	1,000,000,000	18.13%
3.	PIF	70,000,000	10	700,000,000	12.69%
4.	Real Estate Development Company	43,664,000	10	436,640,000	7.92%
5.	Dallah Al-baraka Holding Company	33,196,623	10	331,966,230	6.02%
6.	Mabahij Al Arabia for Real Estate Development Limited	30,268,145	10	302,681,450	5.49%
7.	General Authority for Awqaf	30,000,000	10	300,000,000	5.44%
8.	Ahmed Ibrahim Hassan Al-Musbahi	25,000,000	10	250,000,000	4.53%
9.	Mansour Mohammed Mahmoud Fustuq	12,500,000	10	125,000,000	2.27%
10.	Abdullah Mohammed Abdo Abdullah Yamani	10,201,796	10	102,017,960	1.85%
11.	Saudi Real Estate Company (Al Akaria)	10,000,000	10	100,000,000	1.81%
12.	Mohammed Abdullah Abdulrahman bin Adwan	10,000,000	10	100,000,000	1.81%
13.	Abdullah Saleh Abdullah Kamel	9,020,425	10	90,204,250	1.64%
14.	Al Mawajed International for Real Estate Development Co. Ltd	8,277,050	10	82,770,500	1.50%
15.	Nesma Real Estate Co. Ltd.	5,000,000	10	50,000,000	0.91%
16.	Hamad Abdulaziz Hamad Al-Wanees	4,896,109	10	48,961,090	0.89%
17.	Abdulrahman Ali Abdulrahman AlJeraisi	3,500,000	10	35,000,000	0.63%
18.	World Assembly of Muslim Youth	3,368,285	10	33,682,850	0.61%
19.	Mohammed Abo Baker Omar Bahaziq	2,506,915	10	25,069,150	0.45%
20.	Al-Sabiq Investment Co.	2,500,000	10	25,000,000	0.45%
21.	ADEX Holding Group Company for Trading and Investment	2,500,000	10	25,000,000	0.45%
22.	Al-Abdullatif Holding Group	2,500,000	10	25,000,000	0.45%
23.	Jameel Abdulrahman Mohammed Al-Qunaibit	2,110,003	10	21,100,030	0.38%
24.	Yaseen Abdulaziz Mohammed Kaaki	1,872,784	10	18,727,840	0.34%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
25.	Mansour Abdulaziz Mohammed Kaaki	1,672,784	10	16,727,840	0.30%
26.	Saleh Abdullah Mohammed Kamel	1,408,012	10	14,080,120	0.26%
27.	Nadia Abdulaziz Mohammed Kaaki	1,262,437	10	12,624,370	0.23%
28.	Faisal Abdulaziz Mohammed Kaaki	1,232,419	10	12,324,190	0.22%
29.	Aknaf AlBayt Co.	1,093,419	10	10,934,190	0.20%
30.	Zain Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.19%
31.	Naela Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.19%
32.	Nasser Abdullah Mohammed AlHussain	1,034,425	10	10,344,250	0.19%
33.	Khalid Abdullah Abdullatif Al-Abdullatif	1,000,000	10	10,000,000	0.18%
34.	Mohammed Ameen Abo Baker Mohammed Fallatah	939,992	10	9,399,920	0.17%
35.	Mohammed Omar Ahmad AlSubaie Badahdah	840,107	10	8,401,070	0.15%
36.	Saud Abdulaziz Mohammed Kaaki	542,297	10	5,422,970	0.10%
37.	Khadija Abdulaziz Mohammed Kaaki	536,392	10	5,363,920	0.10%
38.	Rawdah Abdulaziz Mohammed Kaaki	536,392	10	5,363,920	0.10%
39.	Mohammed Omar Hussain Halabi	518,196	10	5,181,960	0.09%
40.	Adnan Omar Hussain Halabi	518,196	10	5,181,960	0.09%
41.	Turki Abdullah Abdulaziz Al-Dukheel	500,000	10	5,000,000	0.09%
42.	Nawal Abdulaziz Mohammed Kaaki	471,610	10	4,716,100	0.09%
43.	Manal Abdulaziz Mohammed Kaaki	471,610	10	4,716,100	0.09%
44.	Mohammed Hamed Mohammed Zbermawi	413,568	10	4,135,680	0.07%
45.	Sameer Abdulaziz Mohammed Kaaki	410,376	10	4,103,760	0.07%
46.	AlWaleed Ahmed Idrees AlJely	388,433	10	3,884,330	0.07%
47.	Hamza Ahmed Idrees AlJely	319,886	10	3,198,860	0.06%
48.	Marwan Abdulaziz Mohammed Kaaki	310,376	10	3,103,760	0.06%
49.	Saleh Abdulrahman Ali Al-Youssef	278,635	10	2,786,350	0.05%
50.	Mohammed Ahmed Mohammed Hassan	273,213	10	2,732,130	0.05%
51.	Khairiyah Abdulaziz Mohammed Kaaki	238,388	10	2,383,880	0.04%
52.	Trading Company for Marketing Services and Agencies Ltd	213,799	10	2,137,990	0.04%
53.	Fatimah Ahmed Idrees Al-Jely	194,217	10	1,942,170	0.04%
54.	Majedah Ahmed Idrees Al-Jely	194,216	10	1,942,160	0.04%
55.	Muna Mohammed Hamed Zembarmawi	150,000	10	1,500,000	0.03%
56.	Yusra Mohammed Hamed Zembarmawi	150,000	10	1,500,000	0.03%
57.	Mohammed Ahmed Ali Fallatah	150,000	10	1,500,000	0.03%
58.	Abdulrahman Abdullah Othman Al-Hussaini	122,097	10	1,220,970	0.02%
59.	Abdulaziz Ahmed Idrees Fallatah	90,088	10	900,880	0.02%
60.	Khaled Kholdoun Bakri Barakat	89,398	10	893,980	0.02%
61.	Ghazi Abdullah Mohsin Hawari	89,398	10	893,980	0.02%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
62.	Fahad Abdullah Mohsin Hawari	89,398	10	893,980	0.02%
63.	Adel Abdullah Mohsin Hawari	89,398	10	893,980	0.02%
64.	Nabeel Abdullah Mohsin Hawari	89,398	10	893,980	0.02%
65.	Abdulaziz Abdullah Mohammed Ali Yamani	81,344	10	813,440	0.01%
66.	Abdulmohsen Ahmed Sheeb AlUsaimi	77,512	10	775,120	0.01%
67.	Abdullah Mohammed Ali Yamani	67,786	10	677,860	0.01%
68.	Youssef Awad Ahmed AlAhmadi	50,906	10	509,060	0.01%
69.	Layla Abdullah Mohsen Hawari	44,701	10	447,010	0.01%
70.	Maha Abdullah Mohsen Hawari	44,701	10	447,010	0.01%
71.	Ali Abdullah Saleh Buqshan	42,705	10	427,050	0.01%
72.	Hanan Mohammed Ali Aloush	40,672	10	406,720	0.01%
73.	Salwa Abdullah Mohammed Ali Yamani	40,672	10	406,720	0.01%
74.	Sarah Abdullah Mohammed Ali Yamani	40,672	10	406,720	0.01%
75.	Mohammed Yahya Moussa Zubromawi	28,995	10	289,950	0.01%
76.	Abdulrahman Mohammed Mustafa Abdulrahman	1,624	10	16,240	0.0003%
Total		**551,539,779**	**-**	**5,515,397,790**	**100%**

Source: The Company

e- Share Capital Increase (2017G)

On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and seventy-five million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate properties in the KAAR Project in Makkah, which was paid in cash from the value of the real estate properties within the project's boundaries; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on their preemptive rights. The following table sets out the Company's ownership structure after the capital increase:

Table (4.9): The Company's Ownership Structure as of 15/08/1438H (corresponding to 11/05/2017G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI	193,400,000	10	1,934,000,000	21.80%
2.	Public Pension Agency	152,580,070	10	1,525,800,700	17.20%
3.	PIF	106,806,049	10	1,068,060,490	12.04%
4.	Ministry of Finance	65,873,807	10	658,738,070	7.42%
5.	Real Estate Development Company	53,218,303	10	532,183,030	6.00%
6.	General Authority for Awqaf	45,774,021	10	457,740,210	5.16%
7.	Dallah Albaraka Holding Company	40,000,000	10	400,000,000	4.51%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
8.	Mabahij Al Arabia for Real Estate Development Limited	38,779,421	10	387,794,210	4.37%
9.	Ahmed Ibrahim Hassan Al-Musbahi	25,145,017	10	251,450,170	2.83%
10.	Abdullah Saleh Abdullah Kamel	21,300,358	10	213,003,580	2.40%
11.	Mohammed Abdullah Abdulrahman bin Adwan	16,483,762	10	164,837,620	1.86%
12.	Mohammed Saleh Hamza Serafi	13,000,000	10	130,000,000	1.47%
13.	Mansour Mohammed Mahmoud Fustuq	12,500,000	10	125,000,000	1.41%
14.	Saudi Real Estate Company (Al Akaria)	10,000,000	10	100,000,000	1.13%
15.	Al Mawajed International for Real Estate Development Co. Ltd	9,993,197	10	99,931,970	1.13%
16.	Hamad Abdulaziz Hamad Al-Wanees	9,896,109	10	98,961,090	1.12%
17.	Trading Company for Marketing Services and Agencies Ltd	7,219,265	10	72,192,650	0.81%
18.	Nesma Real Estate Co. Ltd.	5,000,000	10	50,000,000	0.56%
19.	Abdulrahman Ali Abdulrahman AlJeraisi	4,000,000	10	40,000,000	0.45%
20.	Mohammed Abo Baker Omar Bahaziq	3,825,053	10	38,250,530	0.43%
21.	Al Abdullatif Holding Group	3,814,502	10	38,145,020	0.43%
22.	Al-Sabiq Investment Co.	3,814,502	10	38,145,020	0.43%
23.	Rashid Abdullah Al-Suwaiket AlHajri	3,220,641	10	32,206,410	0.36%
24.	Methaq Investment Holding	2,524,691	10	25,246,910	0.28%
25.	ADEX Holding Group Company for Trading and Investment	2,500,000	10	25,000,000	0.28%
26.	Jameel Abdulrahman Mohammed Al-Qunaibit	2,110,003	10	21,100,030	0.24%
27.	Al-Jawharah Mohammed Ali Al-Qaeed	2,000,000	10	20,000,000	0.23%
28.	Yaseen Abdulaziz Mohammed Kaaki	1,872,784	10	18,727,840	0.21%
29.	Hessa Abdullah Abdulrahman Adwan	1,800,000	10	18,000,000	0.20%
30.	Mohammed Omar Ahmad AlSubaie Badahdah	1,281,836	10	12,818,360	0.14%
31.	Faisal Abdulaziz Mohammed Kaaki	1,232,419	10	12,324,190	0.14%
32.	Hajar Abdullah Abdulrahman Adwan	1,200,000	10	12,000,000	0.14%
33.	Abdulrahman Abdullah Othman Al-Hussaini	1,186,296	10	11,862,960	0.13%
34.	Aknaf AlBayt Co.	1,093,419	10	10,934,190	0.12%
35.	Mansour Abdulaziz Mohammed Kaaki	1,072,784	10	10,727,840	0.12%
36.	Zain Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.12%
37.	Naela Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.12%
38.	Nasser Abdullah Mohammed AlHussain	1,034,425	10	10,344,250	0.12%
39.	Nama Altharwat for Investment	1,000,000	10	10,000,000	0.11%
40.	Abdulelah Ahmed Salem Mahfouz	895,413	10	8,954,130	0.10%
41.	Nadia Abdulaziz Mohammed Kaaki	867,024	10	8,670,240	0.10%
42.	Faisal Mohammed Abdullah Adwan	861,570	10	8,615,700	0.10%
43.	Rabia Hamad Ali Al-Mubarak	800,000	10	8,000,000	0.09%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
44.	Dalal Abdullah Abdulrahman Adwan	800,000	10	8,000,000	0.09%
45.	Turki Abdullah Abdulaziz Al-Dukheel	762,900	10	7,629,000	0.09%
46.	Abdulaziz Ahmed Idrees Fallatah	610,088	10	6,100,880	0.07%
47.	Noura Abdullah Abdulrahman Al-Adwan	600,000	10	6,000,000	0.07%
48.	Rabia Abdullah Abdulrahman Adwan	600,000	10	6,000,000	0.07%
49.	Rawdah Abdulaziz Mohammed Kaaki	586,392	10	5,863,920	0.07%
50.	Nawal Abdulaziz Mohammed Kaaki	561,008	10	5,610,080	0.06%
51.	Mohammed Amin Abu Bakr Fallatah	545,992	10	5,459,920	0.06%
52.	Saud Abdulaziz Mohammed Kaaki	542,297	10	5,422,970	0.06%
53.	Khadija Abdulaziz Mohammed Kaaki	536,392	10	5,363,920	0.06%
54.	Mohammed Omar Hussain Halabi	518,196	10	5,181,960	0.06%
55.	Adnan Omar Hussain Halabi	518,196	10	5,181,960	0.06%
56.	Saleh Salem Ahmed Mahfouz	500,000	10	5,000,000	0.06%
57.	Khaled Abdullah Abdullatif Al-Abdullatif	500,000	10	5,000,000	0.06%
58.	Manal Abdulaziz Mohammed Kaaki	471,610	10	4,716,100	0.05%
59.	Sameer Abdulaziz Mohammed Kaaki	410,376	10	4,103,760	0.05%
60.	AlWaleed Ahmed Idrees AlJely	388,433	10	3,884,330	0.04%
61.	Mohammed Hamed Zubromawi	343,568	10	3,435,680	0.04%
62.	Hamza Ahmed Idrees AlJely	319,886	10	3,198,860	0.04%
63.	Marwan Abdulaziz Mohammed Kaaki	310,376	10	3,103,760	0.03%
64.	Hamad Abdullah Mansour AlZamil	300,000	10	3,000,000	0.03%
65.	Saleh Abdulrahman Ali Al-Youssef	278,635	10	2,786,350	0.03%
66.	Mohammed Ahmed Mohammed Hassan	273,213	10	2,732,130	0.03%
67.	Khairiyah Abdulaziz Mohammed Kaaki	238,388	10	2,383,880	0.03%
68.	Alaa Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
69.	Hanadi Abdulaziz Mohammed Kaaki	200,000	10	2,000,000	0.02%
70.	Haitham Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
71.	Fatimah Ahmed Idrees Al-Jely	194,217	10	1,942,170	0.02%
72.	Majedah Ahmed Idrees Al-Jely	194,216	10	1,942,160	0.02%
73.	Mohammed Ahmed Ali Fallatah	158,332	10	1,583,320	0.02%
74.	Abdulmohsen Ahmed Shabib Al-Usaimi	122,512	10	1,225,120	0.01%
75.	Abdulkarim Suleiman Ibrahim Samman	100,000	10	1,000,000	0.01%
76.	Yusra Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
77.	Muna Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
78.	Amani Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
79.	Manal Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
80.	Nabeel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
81.	Ghazi Abdullah Mohsin Hawari	89,398	10	893,980	0.01%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
82.	Adel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
83.	Fahad Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
84.	Abdulaziz Abdullah Mohammed Ali Yamani	81,344	10	813,440	0.01%
85.	Abdullah Mohammed Ali Saeed Yamani	67,786	10	677,860	0.01%
86.	Ali Abdullah Saleh Buqshan	65,159	10	651,590	0.01%
87.	Abdulrahman Ibrahim Suleiman Al-Uday	60,000	10	600,000	0.01%
88.	Maha Abdullah Mohsen Hawari	44,701	10	447,010	0.01%
89.	Layla Abdullah Mohsen Hawari	44,701	10	447,010	0.01%
90.	Salwa Abdullah Saeed Yamani	40,672	10	406,720	0.005%
91.	Hanan Mohammed Ali Aloush	40,672	10	406,720	0.005%
92.	Sarah Abdullah Mohammed Ali Yamani	40,672	10	406,720	0.005%
93.	Asma Omar Hussein Fallatah	38,870	10	388,700	0.004%
94.	Mohammed Abdullah Mohammed AlBulayhi	28,995	10	289,950	0.003%
95.	Hussein Hassan Hussein Fallatah	25,000	10	250,000	0.003%
96.	Ali Mohammed Rasheed Al-Ballaa	24,000	10	240,000	0.003%
97.	Majed Saad Hamoud AlUsaimi	10,000	10	100,000	0.001%
98.	Abdulrahman Mohammed Mustafa Abdulrahman	1,624	10	16,240	0.0002%
Total		**887,306,536**	**-**	**8,873,065,360**	**100%**

Source: The Company

f- Share Capital Increase (2021G)

On 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixtyfive thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirtysix (1,187,306,536) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on their preemptive rights. The following table sets out the Company's ownership structure after the capital increase:

Table (4.10): The Company's Ownership Structure as of 07/09/1442H (corresponding to 19/04/2021G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI*	345,980,070	10	3,459,800,700	29.14%
2.	PIF	282,302,039	10	2,823,020,390	23.78%
3.	Dallah Albaraka Holding Company	103,111,395	10	1,031,113,950	8.68%
4.	Abdullah Saleh Abdullah Kamel	56,298,623	10	562,986,230	4.74%
5.	Real Estate Development Company	53,218,303	10	532,183,030	4.48%
6.	General Authority for Awqaf	45,774,021	10	457,740,210	3.86%
7.	Mabahij Al Arabia for Real Estate Development Limited	38,779,421	10	387,794,210	3.27%
8.	Al Istedamah Holding Company	32,936,904	10	329,369,040	2.77%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
9.	Nabr Real Estate Development Company	32,936,903	10	329,369,030	2.77%
10.	Mohammed Abdullah Abdulrahman bin Adwan	27,483,762	10	274,837,620	2.31%
11.	Ahmed Ibrahim Hassan Al-Musbahi	25,145,017	10	251,450,170	2.12%
12.	Al Mawajed International for Real Estate Development Co. Ltd	13,371,916	10	133,719,160	1.13%
13.	Mohammed Saleh Hamza Saleh Serafi	13,000,000	10	130,000,000	1.09%
14.	Mansour Mohammed Mahmoud Fustuq	12,500,000	10	125,000,000	1.05%
15.	Saudi Real Estate Company (Al Akaria)	10,000,000	10	100,000,000	0.84%
16.	Hamad Abdulaziz Hamad Al-Wanees	9,896,109	10	98,961,090	0.83%
17.	Hanan Hassan Mohammed Anani	9,660,112	10	96,601,120	0.81%
18.	Abdulrahman Ali Abdulrahman Al-Jeraisi	5,352,407	10	53,524,070	0.45%
19.	Al-Jawharah Mohammed Ali Al-Qaeed	4,000,000	10	40,000,000	0.34%
20.	Mohammed Abo Baker Omar Bahaziq	3,825,053	10	38,250,530	0.32%
21.	Al-Sabiq Investment Co.	3,814,502	10	38,145,020	0.32%
22.	Al Abdullatif Holding Group	3,814,502	10	38,145,020	0.32%
23.	Rashid Abdullah Al-Suwaiket Al-Hajri	3,220,641	10	32,206,410	0.27%
24.	Methaq Investment Holding	2,524,691	10	25,246,910	0.21%
25.	Al-Fadl Group	2,500,000	10	25,000,000	0.21%
26.	ADEX Holding Group Company for Trading and Investment	2,500,000	10	25,000,000	0.21%
27.	Nesma Real Estate Co. Ltd.	2,500,000	10	25,000,000	0.21%
28.	Hessa Abdullah Abdulrahman Adwan	2,408,583	10	24,085,830	0.20%
29.	Hajar Abdullah Abdulrahman Adwan	2,200,000	10	22,000,000	0.19%
30.	Jameel Abdulrahman Mohammed Al-Qunaibit	2,110,003	10	21,100,030	0.18%
31.	Abdulrahman Abdullah Othman Al-Hussaini	2,001,796	10	20,017,960	0.17%
32.	Yaseen Abdulaziz Mohammed Kaaki	1,872,784	10	18,727,840	0.16%
33.	Rabia Hamad Ali Al-Mubarak	1,600,000	10	16,000,000	0.13%
34.	Faisal Abdulaziz Mohammed Kaaki	1,232,419	10	12,324,190	0.10%
35.	Noura Abdullah Abdulrahman Al-Adwan	1,200,000	10	12,000,000	0.10%
36.	Abdulelah Salem Ahmed Mahfouz	1,198,154	10	11,981,540	0.10%
37.	Faisal Mohammed Abdullah Adwan	1,152,868	10	11,528,680	0.10%
38.	Dalal Abdullah Abdulrahman Adwan	1,100,000	10	11,000,000	0.09%
39.	Aknaf AlBayt Co.	1,093,419	10	10,934,190	0.09%
40.	Mansour Abdulaziz Mohammed Kaaki	1,072,784	10	10,727,840	0.09%
41.	Zain Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.09%
42.	Naela Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.09%
43.	Nasser Abdullah Mohammed AlHussain	1,034,425	10	10,344,250	0.09%
44.	Turki Abdullah Abdulaziz Al-Dukheel	1,000,000	10	10,000,000	0.08%
45.	Nama Altharwat for Investment	1,000,000	10	10,000,000	0.08%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
46.	Saleh Salem Ahmed Mahfouz	970,124	10	9,701,240	0.08%
47.	Nadiyah Abdulaziz Mohammed Kaaki	867,024	10	8,670,240	0.07%
48.	Rabia Abdullah Abdulrahman Adwan	802,861	10	8,028,610	0.07%
49.	Mohammed Omar Ahmed Al-Subaie Badahdah	785,246	10	7,852,460	0.07%
50.	Khaled Abdullah Abdullatif Al-Abdullatif	700,000	10	7,000,000	0.06%
51.	Abdulaziz Ahmed Idrees Fallatah	610,088	10	6,100,880	0.05%
52.	Rawdah Abdulaziz Mohammed Kaaki	586,392	10	5,863,920	0.05%
53.	Nawal Abdulaziz Mohammed Kaaki	561,008	10	5,610,080	0.05%
54.	Saud Abdulaziz Mohammed Kaaki	542,297	10	5,422,970	0.05%
55.	Mohammed Omar Hussain Halabi	518,196	10	5,181,960	0.04%
56.	Adnan Omar Hussain Halabi	518,196	10	5,181,960	0.04%
57.	Latifa Abu Bakr Hamed Hawsawi	500,000	10	5,000,000	0.04%
58.	Manal Abdulaziz Mohammed Kaaki	471,610	10	4,716,100	0.04%
59.	AlWaleed Ahmed Idrees AlJely	389,000	10	3,890,000	0.03%
60.	Saleh Abdulrahman Ali Al-Youssef	372,635	10	3,726,350	0.03%
61.	Mohammed Hamed Mohammed Zbermawi	324,568	10	3,245,680	0.03%
62.	Hamza Ahmed Idrees AlJely	319,886	10	3,198,860	0.03%
63.	Marwan Abdulaziz Mohammed Kaaki	310,376	10	3,103,760	0.03%
64.	Hamad Abdullah Mansour AlZamil	300,000	10	3,000,000	0.03%
65.	Mohammed Ahmed Mohammed Hasan	273,213	10	2,732,130	0.02%
66.	Ahmed Abdulfattah Abdulkarim Darwish	270,000	10	2,700,000	0.02%
67.	Giving and Development Foundation	267,620	10	2,676,200	0.02%
68.	Sameer Abdulaziz Mohammed Kaaki	260,376	10	2,603,760	0.02%
69.	Khairiyah Abdulaziz Mohammed Kaaki	238,388	10	2,383,880	0.02%
70.	Haitham Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
71.	Hanadi Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
72.	Alaa Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
73.	Majedah Ahmed Idrees Al-Jely	194,217	10	1,942,170	0.02%
74.	Fatimah Ahmed Idrees Al-Jely	194,216	10	1,942,160	0.02%
75.	Abdulkarim Suleiman Ibrahim Samman	180,000	10	1,800,000	0.02%
76.	Nour Ihsan Shukor Abu Ghazalah	162,688	10	1,626,880	0.01%
77.	Amin Ali Abdullah Al-Eisaei	150,000	10	1,500,000	0.01%
78.	Mohammed Ahmed Ali Fallatah	142,166	10	1,421,660	0.01%
79.	Ahmed Mahmoud Ahmed Al-Shugairi	134,098	10	1,340,980	0.01%
80.	Abdulmohsen Ahmed Shabib Al-Usaimi	122,512	10	1,225,120	0.01%
81.	Sadaqah Hamed Sadaqah AbdulMannan	114,941	10	1,149,410	0.01%
82.	Mohammed Ahmed Mahmoud Al-Shugairi	114,941	10	1,149,410	0.01%
83.	Fawaz Ahmed Mahmoud Al-Shugairi	114,941	10	1,149,410	0.01%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
84.	Abdulrahman Ibrahim Suleiman Al-Odhaibi	110,000	10	1,100,000	0.01%
85.	Osama Abdulrazzaq Mohammed Hawsawi	105,000	10	1,050,000	0.01%
86.	Manal Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
87.	Amani Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
88.	Muna Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
89.	Yusra Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
90.	Ghazi Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
91.	Fahad Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
92.	Adel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
93.	Nabeel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
94.	Abdullah Mohammed Ali Saeed Yamani	67,786	10	677,860	0.01%
95.	Ali Abdullah Saleh Buqshan	65,159	10	651,590	0.01%
96.	Ali Mohammed Rasheed AlBallaa	63,435	10	634,350	0.01%
97.	Faten Ahmed Mahmoud Al-Shugairi	57,471	10	574,710	0.005%
98.	Mohammed Ameen Abo Baker Mohammed Fallatah	45,992	10	459,920	0.004%
99.	Layla Abdullah Mohsen Hawari	44,701	10	447,010	0.004%
100.	Maha Abdullah Mohsen Hawari	44,701	10	447,010	0.004%
101.	Hanan Mohammed Ali Aloush	40,672	10	406,720	0.003%
102.	Asma Omar Hussein Fallatah	38,870	10	388,700	0.003%
103.	Majed Saad Hamoud Al-Usaimi	26,431	10	264,310	0.002%
104.	Hussein Hasan Hussein Fallatah	21,500	10	215,000	0.002%
105.	Ahmed Abdulrahman Mahmoud Barnawi	14,801	10	148,010	0.001%
106.	Rahma Abdullah Suleiman Hawsawi	11,360	10	113,600	0.0010%
107.	Abdulrazzaq Hasan Hussein Fallatah	4,166	10	41,660	0.0004%
108.	Saeed Abdulrazzaq Mohammed Hawsawi	2,000	10	20,000	0.0002%
109.	Mishaal Hamad Nasser Al-Abdullah	2,000	10	20,000	0.0002%
110.	Abdulrahman Mohammed Mustafa Abdulrahman	1,624	10	16,240	0.0001%
111.	Abdullah Mohammed Abdo Abdullah Yamani	946	10	9,460	0.0001%
112.	Mohammed Abdullah Mohammed Al-Bulayhi	95	10	950	0.00%
Total		**1,187,306,536**	**-**	**11,873,065,360**	**100%**

*The Public Pension Agency was merged with GOSI pursuant to Council of Ministers' Resolution No. 657, dated 05/11/1442H (corresponding to 15/06/2021G).

Source: The Company

g- Share Capital Increase (2022G)

On 17/09/1443H (corresponding to 18/04/2022G), the Company's share capital was increased from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) nominal Shares with an equal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was met through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new in-kind Shares to new Shareholders who own real estate properties in the KAAR project in Makkah. The following table sets out the Company's ownership structure after the capital increase:

Table (4.11): The Company's Ownership Structure as of 17/09/1443H (corresponding to 18/04/2022G)

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	GOSI	345,980,070	10	3,459,800,700	26.45%
2.	PIF	282,302,039	10	2,823,020,390	21.59%
3.	Dallah Albaraka Holding Company	103,111,395	10	1,031,113,950	7.88%
4.	State Properties General Authority (SPGA)	63,482,946	10	634,829,460	4.85%
5.	General Commission for the Guardianship of Trust Funds for Minors and their Counterparts	56,990,942	10	569,909,420	4.36%
6.	Abdullah Saleh Abdullah Kamel	56,298,623	10	562,986,230	4.30%
7.	Real Estate Development Company	53,218,303	10	532,183,030	4.07%
8.	General Authority for Awqaf	45,774,021	10	457,740,210	3.50%
9.	Mabahij Al Arabia for Real Estate Development Limited	38,779,421	10	387,794,210	2.97%
10.	Al Istedamah Holding Company	32,936,904	10	329,369,040	2.52%
11.	Nabr Real Estate Development Company	32,936,903	10	329,369,030	2.52%
12.	Mohammed Abdullah Abdulrahman bin Adwan	27,483,762	10	274,837,620	2.10%
13.	Ahmed Ibrahim Hasan Al-Musbahi	25,145,017	10	251,450,170	1.92%
14.	Al Mawajed International for Real Estate Development Co. Ltd	13,371,916	10	133,719,160	1.02%
15.	Mohammed Saleh Hamza Saleh Serafi	13,000,000	10	130,000,000	0.99%
16.	Mansour Mohammed Mahmoud Fustuq	12,500,000	10	125,000,000	0.96%
17.	Saudi Real Estate Company (Al Akaria)	10,000,000	10	100,000,000	0.76%
18.	Hamad Abdulaziz Hamad Al-Wanees	9,896,109	10	98,961,090	0.76%
19.	Hanan Hasan Mohammed Anani	9,660,112	10	96,601,120	0.74%
20.	Abdulrahman Ali Abdulrahman Al-Jeraisi	5,352,407	10	53,524,070	0.41%
21.	Al-Jawharah Mohammed Ali Al-Qaeed	4,000,000	10	40,000,000	0.31%
22.	Mohammed Abo Baker Omar Bahaziq	3,825,053	10	38,250,530	0.29%
23.	Al-Sabiq Investment Co.	3,814,502	10	38,145,020	0.29%
24.	Al Abdullatif Holding Group	3,814,502	10	38,145,020	0.29%
25.	Rashid Abdullah Al-Suwaiket AlHajri	3,220,641	10	32,206,410	0.25%
26.	Methaq Investment Holding	2,524,691	10	25,246,910	0.19%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
27.	Nesma Real Estate Co. Ltd.	2,500,000	10	25,000,000	0.19%
28.	ADEX Holding Group Company for Trading and Investment	2,500,000	10	25,000,000	0.19%
29.	Al-Fadl Group	2,500,000	10	25,000,000	0.19%
30.	Hessa Abdullah Abdulrahman Adwan	2,408,583	10	24,085,830	0.18%
31.	Hajar Abdullah Abdulrahman Adwan	2,200,000	10	22,000,000	0.17%
32.	Jameel Abdulrahman Mohammed Al-Qunaibit	2,110,003	10	21,100,030	0.16%
33.	Abdulrahman Abdullah Othman Al-Hussaini	2,006,796	10	20,067,960	0.15%
34.	Yaseen Abdulaziz Mohammed Kaaki	1,872,784	10	18,727,840	0.14%
35.	Rabia Hamad Ali Al-Mubarak	1,600,000	10	16,000,000	0.12%
36.	Faisal Abdulaziz Mohammed Kaaki	1,232,419	10	12,324,190	0.09%
37.	Noura Abdullah Abdulrahman Al-Adwan	1,200,000	10	12,000,000	0.09%
38.	Abdulelah Salem Ahmed Mahfouz	1,198,154	10	11,981,540	0.09%
39.	Faisal Mohammed Abdullah Adwan	1,152,868	10	11,528,680	0.09%
40.	Dalal Abdullah Abdulrahman Adwan	1,100,000	10	11,000,000	0.08%
41.	Aknaf AlBayt Co.	1,093,419	10	10,934,190	0.08%
42.	Mansour Abdulaziz Mohammed Kaaki	1,072,784	10	10,727,840	0.08%
43.	Zain Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.08%
44.	Naela Abdulaziz Mohammed Kaaki	1,036,392	10	10,363,920	0.08%
45.	Nasser Abdullah Mohammed AlHussain	1,034,425	10	10,344,250	0.08%
46.	Turki Abdullah Abdulaziz Al-Dukheel	1,000,000	10	10,000,000	0.08%
47.	Nama Altharwat for Investment	1,000,000	10	10,000,000	0.08%
48.	Saleh Salem Ahmed Mahfouz	970,124	10	9,701,240	0.07%
49.	Nadia Abdulaziz Mohammed Kaaki	867,024	10	8,670,240	0.07%
50.	Rabia Abdullah Abdulrahman Adwan	802,861	10	8,028,610	0.06%
51.	Mohammed Omar Ahmed Al-Subaie Badahdah	785,246	10	7,852,460	0.06%
52.	Khaled Abdullah Abdullatif Al-Abdullatif	700,000	10	7,000,000	0.05%
53.	Abdulaziz Ahmed Idrees Fallatah	610,088	10	6,100,880	0.05%
54.	Rawdah Abdulaziz Mohammed Kaaki	586,392	10	5,863,920	0.04%
55.	Nawal Abdulaziz Mohammed Kaaki	561,008	10	5,610,080	0.04%
56.	Saud Abdulaziz Mohammed Kaaki	542,297	10	5,422,970	0.04%
57.	Mohammed Omar Hussain Halabi	518,196	10	5,181,960	0.04%
58.	Adnan Omar Hussain Halabi	518,196	10	5,181,960	0.04%
59.	Latifa Abu Bakr Hamed Hawsawi	500,000	10	5,000,000	0.04%
60.	Manal Abdulaziz Mohammed Kaaki	471,610	10	4,716,100	0.04%
61.	AlWaleed Ahmed Idrees AlJely	389,000	10	3,890,000	0.03%
62.	Saleh Abdulrahman Ali Al-Youssef	372,635	10	3,726,350	0.03%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
63.	Hamza Ahmed Idrees AlJely	319,886	10	3,198,860	0.02%
64.	Mohammed Hamed Mohammed Zbermawi	313,568	10	3,135,680	0.02%
65.	Marwan Abdulaziz Mohammed Kaaki	310,376	10	3,103,760	0.02%
66.	Hamad Abdullah Mansour Al-Zamil	300,000	10	3,000,000	0.02%
67.	Mohammed Ahmed Mohammed Hasan	273,213	10	2,732,130	0.02%
68.	Ahmed AbdulFattah Abdul-Karim Darwish	270,000	10	2,700,000	0.02%
69.	Giving and Development Foundation	267,620	10	2,676,200	0.02%
70.	Sameer Abdulaziz Mohammed Kaaki	260,376	10	2,603,760	0.02%
71.	Khairiyah Abdulaziz Mohammed Kaaki	238,388	10	2,383,880	0.02%
72.	Haitham Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
73.	Hanadi Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
74.	Alaa Mansour Abdulaziz Kaaki	200,000	10	2,000,000	0.02%
75.	Fatimah Ahmed Idrees Al-Jely	194,217	10	1,942,170	0.01%
76.	Majedah Ahmed Idrees Al-Jely	194,216	10	1,942,160	0.01%
77.	Abdulkarim Suleiman Ibrahim Samman	180,000	10	1,800,000	0.01%
78.	Nour Ihsan Shukor Abu Ghazalah	173,688	10	1,736,880	0.01%
79.	Amin Ali Abdullah AlEisaei	150,000	10	1,500,000	0.01%
80.	Mohammed Ahmed Ali Fallatah	134,166	10	1,341,660	0.01%
81.	Ahmed Mahmoud Ahmed AlShugairi	134,098	10	1,340,980	0.01%
82.	Abdulmohsen Ahmed Shabib Al-Usaimi	122,512	10	1,225,120	0.01%
83.	Sadaqah Hamed Sadaqah Abdul-Mannan	114,941	10	1,149,410	0.01%
84.	Mohammed Ahmed Mahmoud Al-Shugairi	114,941	10	1,149,410	0.01%
85.	Fawaz Ahmed Mahmoud AlShugairi	114,941	10	1,149,410	0.01%
86.	Abdulrahman Ibrahim Suleiman Al-Odhaibi	110,000	10	1,100,000	0.01%
87.	Osama Abdulrazzaq Mohammed Hawsawi	105,000	10	1,050,000	0.01%
88.	Muna Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
89.	Yusra Mohammed Hamed Zembarmawi	100,000	10	1,000,000	0.01%
90.	Manal Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
91.	Amani Mohammed Hamed Zubromawi	100,000	10	1,000,000	0.01%
92.	Ghazi Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
93.	Fahad Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
94.	Adel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
95.	Nabeel Abdullah Mohsin Hawari	89,398	10	893,980	0.01%
96.	Endowment of Uthman bin Affan	80,995	10	809,950	0.01%
97.	Abdullah Mohammed Ali Saeed Yamani	67,786	10	677,860	0.01%
98.	Ali Abdullah Saleh Buqshan	65,159	10	651,590	0.005%

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
99.	Ali Mohammed Rashid Al-Ballaa	63,435	10	634,350	0.005%
100.	Faten Ahmed Mahmoud Al-Shugairi	57,471	10	574,710	0.004%
101.	Mohammed Ameen Abo Baker Mohammed Fallatah	45,992	10	459,920	0.004%
102.	Layla Abdullah Mohsen Hawari	44,701	10	447,010	0.003%
103.	Maha Abdullah Mohsen Hawari	44,701	10	447,010	0.003%
104.	Hanan Mohammed Ali Aloush	40,672	10	406,720	0.003%
105.	Asma Omar Hussein Fallatah	33,870	10	338,700	0.003%
106.	Majed Saad Hamoud Al-Usaimi	26,431	10	264,310	0.002%
107.	Hussein Hasan Hussein Fallatah	18,500	10	185,000	0.001%
108.	Khadija Abdulrahman Mahmoud Barnawi	10,700	10	107,000	0.001%
109.	Rahma Abdullah Suleiman Hawsawi	10,036	10	100,360	0.001%
110.	Qanita Abdulrahman Mohammed Barnawi	7,350	10	73,500	0.001%
111.	Amina Bakr Mohammed Marou	4,320	10	43,200	0.0003%
112.	Abdulrazzaq Hasan Hussein Fallatah	4,166	10	41,660	0.0003%
113.	Hajar Abdullah Suleiman Hawsawi	3,055	10	30,550	0.0002%
114.	Saeed Abdulrazzaq Mohammed Hawsawi	2,000	10	20,000	0.0002%
115.	Mishaal Hamad Nasser AlAbdullah	2,000	10	20,000	0.0002%
116.	Abdulrahman Mohammed Mustafa Abdulrahman	1,624	10	16,240	0.0001%
117.	Abdullah Mohammed Abdo Abdullah Yamani	946	10	9,460	0.0001%
118.	Hanifa Abdulrahman Mahmoud Barnawi	500	10	5,000	0.00004%
119.	Fatima Mohammed Mahmoud Barnawi	500	10	5,000	0.00004%
120.	Khadija Abdullah Suleiman Hawsawi	400	10	4,000	0.00003%
121.	Khadija Mustafa Abdulrahman Takroni	300	10	3,000	0.00002%
122.	Mohammed Abdullah Mohammed Al-Bulayhi	95	10	950	0.00001%
Total		**1,307,861,419**	**-**	**13,078,614,190**	**100%**

Source: The Company

h- Share Capital Increase for the Offering (2024G)

On 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, through the Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares for public subscription.

4.1.4 Overview of the Substantial Shareholders

a- GOSI

The General Organization for Social Insurance (GOSI) is an entity that has its own legal personality and enjoys financial and administrative independence. GOSI is responsible for providing social protection and insurance coverage in the Kingdom of Saudi Arabia. It covers civil and military Government employees, private sector employees, and wage-based workers in the public sector. GOSI is responsible for implementing the Social Insurance Law, along with the branches and implementing regulations thereof, as well as the Civil and Military Pension Laws in the Kingdom in accordance with the provisions of the laws and regulations issued in this regard. GOSI is supervised by a board of directors chaired by the Minister of Finance and its headquarters is located in Riyadh.

Historically, GOSI was established by Royal Decree No. M/22, dated 06/09/1389H (corresponding to 15/11/1969G) and was entrusted with the affairs of private sector employees. The Retirement Pensions Authority was established pursuant to Article 8 of the Pension Law issued by Royal Decree No. 21/1/271, dated 28/01/1378H (corresponding to 14/08/1958G), and was entrusted with the management of pension affairs for civil and military Government employees. The Council of Ministers issued Resolution No. 277, dated 30/12/1423H (corresponding to 03/03/2003G), approving the transfer of the Retirement Pensions Authority to the Public Pension Agency. Council of Ministers' Resolution No. 657, dated 05/11/1442H (corresponding to 15/06/2021G), was issued thereafter, merging the Public Pension Agency into GOSI. Pursuant to this resolution, GOSI assumed the responsibilities, authorities, rights and obligations of the Public Pension Agency and all assets thereof were transferred to it. This merger aimed to unify efforts in order to create an appropriate environment and establish the necessary methods for the optimal implementation of the insurance and pension laws. Further goals of the consolidation included improvement of GOSI's management and development of its resources in line with its nature and the scope of its current and future obligations, leading to positive impacts on its clients.

b- PIF

The Public Investment Fund (PIF) was established in 1971G to provide financial support for projects of strategic importance to the national economy. Since incorporation, its scope has expanded to include various areas. In March 2015G, the Council of Ministers issued a resolution to transfer supervision of PIF to the Council of Economic and Development Affairs. As part of this process, a new PIF board was appointed, chaired by HRH Crown Prince Mohammed bin Salman Al Saud. The PIF Board has taken several steps to clearly define PIF's vision and strategic objectives in line with Saudi Vision 2030, with the aim of contributing to the Kingdom's vision through the establishment of a sustainable and diversified economy.

PIF is developing a portfolio of high-quality domestic, regional and international investments diversified across sectors, geographies and asset classes. Through cooperation with top-tier global strategic partners and renowned investment managers, PIF acts as Saudi Arabia's main investment arm to deliver a strategy focused on achieving attractive financial returns and long-term value for the Kingdom.

PIF endeavors to be a global investment powerhouse and the world's most impactful investment fund, enabling the creation of new sectors and opportunities that will shape the future global economy, while driving the Kingdom's economic transformation. PIF's mission is to actively invest over the long term to maximize sustainable returns, be the investment partner of choice for global opportunities, and enable the economic development and diversification of the Saudi economy.

c- Dallah Albaraka Holding Company

Dallah Albaraka Holding is a Saudi closed joint-stock company established on 15/08/1404H (corresponding to 16/05/1984G) as a limited liability company in Jeddah under Commercial Registration No. 4030043573. Thereafter, it was transformed into a closed joint-stock company on 28/01/1437H (corresponding to 11/11/2015G). Dallah Albaraka Holding Company operates in a diversified services sector. The following table sets out the ownership structure of Dallah Albaraka Holding as of the date of this Prospectus:

Table (4.12): Ownership Structure of Dallah Albaraka Holding as of the Date of this Prospectus

#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Saden Holding Company	29,013,900	10	290,139,000	33.334%
2.	Abdullah Saleh Abdullah Kamel	9,231,400	10	92,314,000	10.606%
3.	Muhiyuddin Saleh Abdullah Kamel	9,231,400	10	92,314,000	10.606%
4.	Nadheer Saleh Abdullah Kamel	5,824,600	10	58,246,000	6.692%
5.	Hadeel Saleh Abdullah Kamel	5,824,600	10	58,246,000	6.692%
6.	Aseel Saleh Abdullah Kamel	5,824,600	10	58,246,000	6.692%
7.	Sadeer Saleh Abdullah Kamel	4,615,700	10	46,157,000	5.303%
8.	Haneen Saleh Abdullah Kamel	4,615,700	10	46,157,000	5.303%
9.	Ghadeer Saleh Abdullah Kamel	4,615,700	10	46,157,000	5.303%
10.	Aseel Saleh Abdullah Kamel	4,615,700	10	46,157,000	5.303%
11.	Maida Muhiyuddin Mohammed Omar Nadhir	3,626,700	10	36,267,000	4.167%
Total		**87,040,000**	**-**	**870,400,000**	**100%**

Source: The Company

Saden Holding Company is a Saudi limited liability company registered under Commercial Registration No. 4030382126, dated 18/10/1441H (corresponding to 10/06/2020G). The following table sets out the ownership structure of Saden Holding Company as of the date of this Prospectus:

Table (4.13): Ownership Structure of Saden Holding Company as of the Date of this Prospectus

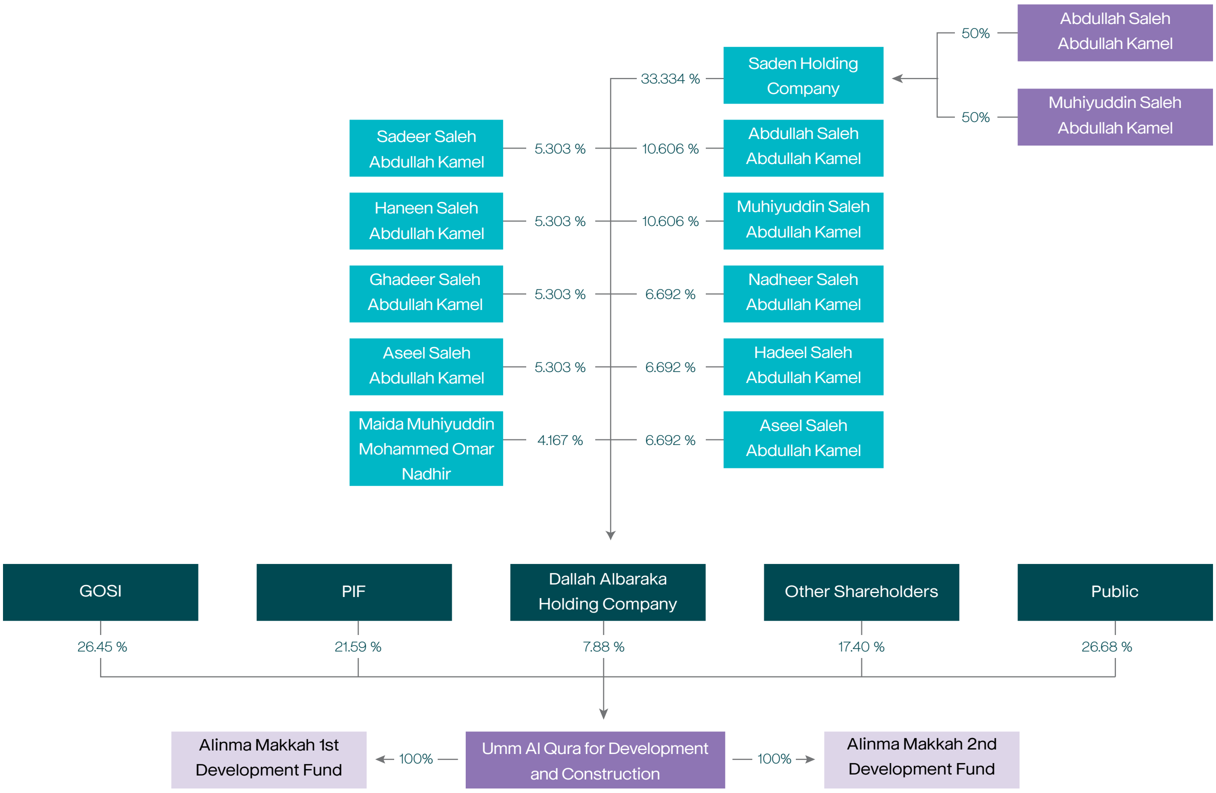
#	Shareholder	Number of Shares	Nominal Value per Share (SAR)	Total Nominal Value (SAR)	Ownership (%)
1.	Abdullah Saleh Abdullah Kamel	250	1,000	250,000	50%
2.	Muhiyuddin Saleh Abdullah Kamel	250	1,000	250,000	50%
Total		**500**	**-**	**500,000**	**100%**

Source: The Company

4.1.5 Ownership Structure of the Company

The following figure sets out the ownership structure of the Company Pre-Offering:

Figure (2): The Company's Pre-Offering Ownership Structure



Source: The Company

a- Alinma Makkah Development Fund I and Alinma Makkah Development Fund II

The Company has entered into agreements for the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company. Pursuant to these agreements, Alinma Investment Company, acting as the fund manager, shall establish Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. The purpose of the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II is to acquire thirty-six (36) land plots in Makkah for each fund. Such land plots form part of Masar Destination and are owned by the Company. The funds will develop the superstructure of some of these land plots, operate them, and subsequently sell them, all in accordance with the terms of the Makkah Fund Land Plot Sale Agreements entered into between the Company and Alinma Investment Company. The Company owns all units in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (for further information regarding the Establishment Agreement for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company, please refer to Section 12.3.7(m) "**Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements**" of this Prospectus). As of the date of this Prospectus, several land plot title deeds have been transferred to be under the names of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (for further information regarding the real estate owned by the Company, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, please refer to Section 12.5.2 "**Real Estate Owned by the Company**" of this Prospectus).

4.2 The Company's Vision and Prospects

4.2.1 Vision

To make state-of-the art urban destinations that serve places and communities creating unparalleled experiences.

4.2.2 Mission

To contribute to elevating the quality of life in the Kingdom of Saudi Arabia by making urban destinations according to the highest international standards.

4.2.3 Values

- Integrity
- Flexibility
- Excellence
- Forward Thinking

4.2.4 Strengths and Competitive Advantages

a- Masar Destination is located in Makkah, One of the Most Attractive Destinations, throughout the Year, with Sustained Demand as the Foremost Religious Destination of the Islamic World

Makkah is the permanent holy destination for more than two billion Muslims worldwide, and its economy is largely dependent on Islamic religious tourism along with Hajj and Umrah pilgrimages. Makkah is expected to witness continuous expansion and development as a result of the expected significant growth in the number of Hajj and Umrah pilgrims in the coming years. To this end, the Kingdom's Vision 2030 targets 30 million Umrah pilgrims in 2030G and seeks to develop the tourism sector and transform the Kingdom into a global tourist destination, as well as enhance the visitor experience. Hajj and Umrah seasons are among the key elements of the tourism sector in the Kingdom, with the total number of visitors to Makkah expected to reach more than 42 million by 2030G, representing a significant increase of 2.6x compared to the actual figures recorded in 2019G.

Accordingly, several mega projects and independent development projects are reshaping Makkah, including the development of key infrastructure and the revamping of transportation and connections to and from Makkah as part of the goals of Saudi Vision 2030. These projects aim to enhance the overall visitor experience and provide unique offerings to visitors. In addition, a draft real estate ownership law comprising articles dedicated to non-Saudis' ownership of and investment in real estate properties was circulated on 01/12/1442H (corresponding to 11/07/2021G) through a consultation platform, which, if implemented, could contribute to transforming Makkah into a global investment hub. Some of the infrastructure projects include:

- The Third Expansion of the Holy Mosque of Makkah, which is expected to accommodate 2.2 million Hajj pilgrims.
- The Air Connectivity Program, which aims at increasing point-to-point connectivity in order to enhance airport capacity to serve 330 million passengers by 2030G.
- Developing and expanding King Abdulaziz International Airport in Jeddah, with capacity expected to reach 114 million passengers by 2030G.

By investing in new and innovative projects, the public and private sectors are contributing to the city's constant growth and transformation. The growth in visitor numbers is expected to increase demand for real estate sectors including residential, hospitality, retail and food and beverages, and will also open up a number of activities inside and outside the central area adjacent to the Holy Mosque of Makkah and the Prophet's Mosque.

The number of Hajj and Umrah pilgrims visiting Makkah ranged from 15.5 million to 16.4 million between 2018G and 2019G. The number of visitors declined following the outbreak of the COVID19, with the Kingdom taking measures to combat the pandemic, including the imposition of restrictions on Hajj visas. As the global situation improved and travel restrictions gradually lifted, the number of Hajj and Umrah pilgrims increased to 28.7 million in 2023G, compared to 3.6 million in 2021G. During 2022G and 2023G, the numbers of Hajj and Umrah pilgrims witnessed a remarkable recovery, exceeding pre-pandemic levels. As the global situation improved and travel restrictions were gradually eased, more people were able to travel internationally, contributing to an increase in the number of Hajj and Umrah pilgrims arriving in Makkah since 2022G.

In the hospitality sector, the growth in the number of Hajj and Umrah pilgrims is expected to support demand for hotels and serviced apartments in the long term. The total number of keys is expected to reach 103.6 thousand by 2030G, compared to 75.1 thousand in 2024G, with a high occupancy rate, especially for high-quality services and offerings. The residential sector is currently suffering from a shortage in supply, with such shortage expected to increase as a result of heightened demand by 2030G, due to the increasing population and the implementation of infrastructure projects.

In the retail sector, the growth in the number of visitors, the rapid expansion of infrastructure and urbanization and the demand for key elements to improve quality of life are expected to increase demand for retail outlets, with current offerings and services lacking entertainment options, as the focus has historically been on providing capacity for visitors at the expense of unique experience services.

Masar Destination's unique location in the heart of the religious capital of the Islamic world leverages the endless sustainable demand, supported by the scarcity of available land around the Holy Mosque. Masar Destination's investment real estate offerings combine community and the provision of a distinctive experience on the one hand, and destination and hospitality on the other hand, to create lasting added value for visitors, investors and developers by providing an environment that supports the attraction of investment to meet the needs of Makkah and its visitors.

b- A Main Point of Entry to the Holy Capital with a Distinctive Location Offering Comprehensive Mobility, Ease of Movement and Multiple Means of Transportation

Masar Destination is uniquely located in Makkah in a pivotal location extending over more than 3.5 kilometers from the intersection of the Third Ring Road with Umm Al Qura Road up to the borders of the Jabal Omar Project with a pedestrian walkway leading to the Holy Mosque. It is divided into two hundred and five (205) investment land plots, comprising one of the largest real estate properties portfolios in terms of value in the Kingdom, with a value in excess of SAR 40 billion.

The project is designed to be an entrance to Makkah through an unparalleled transportation infrastructure and various means of transportation including two main roads, a pedestrian walkway that extends over the length of the project, four (4) pedestrian bridges, four (4) service tunnels, eleven (11) pedestrian underpasses, two main bus stations, eleven (11) bus drop-off and pick-up points, two metro stations, four (4) main parking lots for visitors, not including the parking lots designated for investment land plots, which will accommodate more than five thousand, five hundred (5,500) vehicles, and direct access to the Haramain High Speed Railway Station. These means will relieve pressure on the Holy Mosque area and facilitate the movement of pilgrims and visitors of the Holy Mosque traveling to and leaving Makkah, whose number is expected to reach approximately 90 thousand visitors per hour at peak times in Masar Destination.

With its outstanding mobility and connectivity features, Masar Destination extends from the Third Ring Road to approximately five hundred and fifty (550) meters from the Holy Mosque and can be directly accessed via Prince Mohammed bin Salman bin Abdulaziz (Jeddah-Makkah) Highway. The site is a strategic hub in Makkah and a focal transportation point within the region and is expected to attract a large number of visitors and residents, particularly those traveling to and from the Holy Mosque, resulting in a vibrant community.

c- An Integrated Destination Offering Unique Experiences and an Unparalleled Range of Services Supported by the Latest Infrastructure

Masar Destination covers an area of 1.25 million square meters and will replace more than three thousand, six hundred (3,600) real estate units in six (6) different unassigned properties. It comprises a wide range of offerings and services including serviced apartments, hotels, residential units, retail and entertainment spaces, among others.

The unique features of the site provide a wide range of services that combine experience and hospitality and blend international and Islamic cultures. Hospitality services also feature a range of premium local and international branded hotels, including three, four and five-star hotels, serviced apartments, residential units, retail, entertainment and food and beverage spaces of grades "A" and "A-", including shopping centers and retail stores along the pedestrian walkway. The project also includes residential units ranging from one to four bedrooms, office spaces and healthcare facilities, which are complemented by additional supplementary services.

Upon completion of project development, Masar Destination is expected to comprise more than 50,000 units with a total estimated development value of approximately SAR 100 billion.

d- Distinctive Business Model and Development Strategy

The Company's business model and the Masar Destination project plan were developed to keep pace with the dynamics of the holy city of Makkah and avoid the problems faced by previous megaprojects, as well as to capitalize on Makkah's unique qualities and maintain a prudent debt ratio and suitable capital structure. The project is among the few projects that provide solutions designed to meet Makkah's future needs, including meeting the infrastructure requirements for comprehensive mobility, addressing the shortage of residential units and hotel rooms, and developing Makkah's unassigned properties. The Company also adopts a safe development strategy and diversified revenue streams, contributing to preserving cash and liquidity. To this end, the Company shall develop part of the land plots itself while the remaining land plots shall be sold, leased or developed through joint venture agreements, with the development and construction costs being financed by the partners' contribution to the share capital of the joint venture project and the Company providing an in-kind contribution through ownership of relevant land plots (for further information regarding the Company's strategy, please refer to Section 4.2.5 "**Strategy and Prospects**" of this Prospectus).

As of November 2024G, the completion rate of the key infrastructure works was 99.77%, with such works expected to be completed during H1 of 2025G. With the approaching completion of the key infrastructure works, the current development strategy as of the date of this Prospectus is based on four (4) main pillars as follows:

- Land plots that the Company will develop and retain (directly or through joint ventures), which represent approximately 28% of the total number of investment land plots.
- Land plots that the Company will develop and sell (directly or through joint ventures), which represent approximately 4% of the total number of investment land plots.
- Land plots that the Company will lease, which represent approximately 14% of the total number of investment land plots.
- Land plots that the Company will sell, which represent approximately 54% of the total number of investment land plots.

In 2022G, the Company also began developing the superstructure of some of the land plots planned for self-development, which is expected to continue for a period of four (4) years, ending in 2026G. It is also expected that the entirety of Masar Destination will be developed over a period of seventeen (17) years, ending in 2039G (for further information regarding the Company's development plan, please refer to Section 4.3.4 "**Development Plan**" of this Prospectus).

e- Management Team with Distinguished Experience in Various Operational and Financial Fields, Supported by Prominent Shareholders from the Public and Private Sectors

As of the date of this Prospectus, the number of the Company's employees was in excess of 100, with a Saudization rate of more than 60%. The Company relies on a combination of in-house competencies, partnerships with third parties with strong reputation and capabilities, a robust governance framework and close cooperation with key stakeholders to implement the project.

The management team consists of professionals with extensive experience in the Kingdom of almost one hundred (100) years of accumulated know-how in real estate development and project management. The previous experience of the management team has also enabled it to develop a distinct understanding of the dynamics of the Makkah's market. The Company's management enjoys the trust of the largest developers in the Kingdom who have invested in Masar Destination, such as Hamat Group, Fakeeh Hospital Company and Zamil Real Estate Development Company.

Internal competencies are complemented by a wide network of partnerships with developers, operators, contractors and other parties participating in the Masar platform as well as stakeholders, allowing the Company to develop all internal capabilities and competencies across all aspects of the project and better supervise the development.

Since the Company's inception in 2012G, it has enjoyed strong support from its prominent Shareholders, demonstrating the keenness of stakeholders for the project's success through the increase of the Company's share capital to approximately SAR 13 billion as of the date of this Prospectus. The share capital has been steadily increased through several rounds, more than 70% of which was through cash contributions, including a significant contribution of approximately SAR 1.8 billion by the PIF in 2021G.

f- Achievement of Milestones through a Disciplined Implementation Approach

Since the Company's inception pursuant to a High Order in 2012G, it has achieved numerous milestones. As of the date of this Prospectus, agreements have been concluded for sixty-one (61) land plots out of a total of two hundred and five (205) investment land plots. This agreement includes self-development packages that are expected to be completed in 2026G, in addition to sales and lease agreements with prominent partners, such as Hamat Group, Aldyar Alarabiya Real Estate Development and Zamil Real Estate Development. The Company has also made significant progress and is close to completing the infrastructure development works, which is one of the stages most susceptible to implementation risks. The title deeds for the project have also been issued in the name of the Company.

Some of the Company's achievements include:

- Acquisition of all real estate properties within the site.
- Obtaining approval of the master plan and securing development rights.
- Completion of demolition works and 99% of the main infrastructure contractor works.
- Issuance of title deeds for all land plots on the project site.
- Commencement of revenue generation through the sale of three (3) land plots in 2022G (which are land plots for which the superstructure has not been developed and that will be developed by the purchasing investor), and five (5) land plots in 2023G, and nine (9) land plots as of 16/07/1446H (corresponding to 16/01/2025G), noting that no land plots were sold in 2021G.
- Execution of sale, lease or joint venture agreements for forty-four (44) land plots, excluding the two land plots used in the compensation agreement with the General Authority for Awqaf, and excluding seven (7) land plots reserved for Aldyar Alarabiya. The aforementioned land plots include hotel, residential, retail, healthcare and multi-use land plots. As of 11/05/1446H (corresponding to 13/11/2024G), such agreements include the sale of seventeen (17) land plots, the lease of twenty-six (26) land plots and a joint investment with respect to one (1) land plot as of 16/07/1446H (corresponding to 16/01/2025G).

- Execution of agreements for eight (8) land plots to be self-developed and obtaining financing for the development thereof. Seven (7) of these land plots (which are under the management of Alinma Funds) are classified for development and retention through the development of hotels and operation thereof by international operators. The remaining land plot is currently classified for sale and development until the relevant procedures are completed, through which the Company intends to develop a serviced apartments building and then sell the serviced apartments as units. It is expected that the works will be completed in 2026G.
- Six (6) land plots have been identified for various agreements consisting of sale, partnerships and lease agreements, which are still under discussion. Of the aforementioned land plots, two (2) land plots are to be sold and four (4) land plots are earmarked for contribution in joint ventures. Out of the six (6) land plots under discussion, five (5) land plots are designated for hospitality purposes (hotels and serviced apartments) and one (1) land plots for residential use.
- Execution of complementary deals related to water and sewage supply and electricity delivery, in addition to the mobile infrastructure network (5G).

g- Strong Financial Position and Prudent Debt Ratio

Through its distinguished development strategy and prudent management of operations, the Company has obtained the necessary financing and sufficient liquidity to complete the development of a large part of the infrastructure works and finish the construction of the self-development real estate properties within the first phase of the project. The Company also has a strong share capital of more than SAR 13.0 billion as of the date of this Prospectus, which was raised through several rounds, in addition to long-term bank facilities exceeding SAR 14 billion, of which approximately SAR 9.8 billion have been utilized as of 30 June 2024G. The recent capital increase of SAR 3.0 billion in 2021G (with significant contribution from the PIF) contributed to strengthening the Company's financial position.

As of 30 June 2024G, the Company has a strong cash position of SAR 914.8 million and total assets of SAR 24.55 billion, in addition to an adequate debt-to-equity ratio. The Company's financial position is expected to be further strengthened through the IPO.

As of 30 June 2024G, a significant portion of the project's capital expenditures, representing the cost of land purchases and infrastructure works, have been paid.

The Company's self-financing and low-risk business model, supported by a strong financial position, contribute to reducing the debt-to-asset ratio and allow for ease of access to financing, which enables the Company to apply a flexible business model that can be adapted during changing market conditions.

4.2.5 Strategy and Prospects

a- Implementing a Development Plan for the Project That Is Consistent with the Future Needs of Makkah and Addressing Key Challenges

Masar Destination was specifically designed by the Company to keep pace with Makkah dynamics. It is also one of the few projects that provide solutions designed to meet the future needs of Makkah, including:

- Meeting the infrastructure needs for comprehensive mobility to ensure ease of movement to and from the Holy Mosque and Makkah through multiple means of transportation and without overlap between pedestrians and vehicles.
- Addressing the shortage of residential units and hotel rooms through high-quality residential and hospitality offerings and through partnerships with the finest global hospitality service providers.
- Developing Makkah's unassigned properties as per an integrated master plan.
- Developing a real estate plan that combines community, destination and hospitality to provide a unique experience for residents and visitors in Makkah based on integrating culture, entertainment and community offerings.
- Cooperating with top experts across all fields to ensure an exceptional experience for Hajj and Umrah pilgrims and residents.

b- Establishing an Investment Platform Based on a Safe Development Strategy, a Self-Financing Model and Diversified Revenue Sources

The Company aims to mitigate the implementation risks associated with large projects by adopting a safe development strategy and diversifying revenue sources.

The Company will self-develop a portion of the land plots, while the remaining land plots will be sold, leased or developed through joint venture agreements, with the development and construction costs being financed by the contribution of partners to the capital of the joint venture, and the Company contributing in kind through ownership of the relevant land plot.

This strategy contributes to reducing the Company's capital requirements, preserving cash and liquidity, and paving the way for faster development of Masar Destination within the framework of an investment platform model.

In general, according to the current development plan, the Company is expected to retain a percentage of the land plots of Masar Destination through self-development, leasing or by partnering with experienced developers, which allows it to ensure the quality of development and compliance with the development plan and quality standards. It is also expected that approximately half of the land plots will be sold over the next ten years and early cash flows will be obtained within the Company's development phase, which will contribute to strengthening its financial position and liquidity. As such, the Company will provide investors with an unparalleled range of offerings, including a range of real estate properties of different grades, values and distances from the Holy Mosque, in addition to various investment options such as the option of leasing, direct acquisition or joint ventures.

The expected sources of income for the project include the following:

- Sale of land plots.
- Leasing of land plots.
- Operating income from managing developed real estate properties.
- Sale of developed real estate properties.
- Income distributions from joint ventures.
- Other revenue.

The Company seeks to activate Masar Destination and accelerate the development of the master plan through a combination of disciplined implementation, a strong partnership network of reputable developers, operators and contractors and close cooperation with key stakeholders. As of the date of this Prospectus, the Company has entered into agreements with a number of prominent developers, such as Hamat Group, Aldyar Alarabiya Real Estate Development and Fakeeh Hospital Company, in addition to international companies such as Kempinski Hotels, Hotels by Hilton and Taj Hotels.

c- Creating Added Value through Integration of Project Components, including Destination, Hospitality and Community

Masar Destination was designed by the Company to create an unparalleled experience, maximize the synergy between the various development elements, optimize added value from the various components, and capitalize on the principle of comprehensive mobility facilitated by the site's diverse transportation and transport means. The Haramain High Speed Railway Station, the western shopping center managed by Hamat Group, the central mosque and the luxury hotels on the eastern side of the site are considered focal points of attraction in the journey of visitors to the Holy Mosque and are connected via the pedestrian walkway extending throughout the site.

Overall, the project currently comprises two hundred and five (205) investment land plots that include a wide range of different offerings, including the following approximate figures as per the current plan:

- Serviced apartments represent 31.6% of the gross floor area, consisting of approximately 18 thousand keys and a total floor area of 1.8 million square meters that will be distributed across the project.
- Hotels represent 31.1% of the gross floor area, consisting of approximately 23 thousand keys and a total floor area of 1.8 million square meters.

- Residential units represent 29.3% of the gross floor area, consisting of 9,000 units to be developed and sold.
- Retail elements constitute 5.7% of the gross floor area, consisting of 330,000 square meters (216,000 square meters of leasable area). This includes a shopping center on the western side of the project, which is being developed by Hamat Holding Company, in addition to two shopping centers on the eastern side. Outlets, stores and stalls will also be distributed along the pedestrian walkway.
- Masar Destination also includes various other elements such as a hospital, a large mosque at the center of the site, office spaces and other complementary services.

In addition, the majority of real estate properties plans in the vicinity of the Holy Mosque were designed to accommodate the largest possible number of Hajj and Umrah pilgrims without focusing on the provision of additional services related to entertainment, transportation, experience and culture. However, through the components of Masar Destination which comprise modern offerings that transcend hospitality services, the Company intends to offer comprehensive integrated services with the aim of providing a unique experience for visitors and residents of Masar Destination.

d- Maintaining a Strong Financial Position through Prudent Management

The Company seeks to maintain a strong financial position by leveraging the investment platform model and relying on the resources and capabilities of its partnership network with reputable developers, operators and external contractors, as well as reducing its financing requirements and capital costs.

The Company has obtained sufficient financing facilities to complete the infrastructure works and self-development projects, which include four (4) buildings and two shopping centers that comprise hotels, retail elements and serviced apartments (Package A), in addition to three (3) buildings (Package B). The Company has also sought to maintain cash reserves and financial liquidity, ensuring the possibility of arranging additional financing when needed, by maintaining an adequate debt to fair value of assets ratio. The following table sets out the number of development packages and the details of each package:

Table (4.14): Development Packages for Masar Destination

Package	Details	Expected Use of the Package	Completion Rate (for Packages under Implementation) (as of September 2024G)
Package A	Features two (2) 5-star hotels, one (1) four-star hotel and a serviced apartment building, in addition to two shopping centers. It is currently in the implementation phase, and work is expected to be completed by 2026G.	Five (5) land plots for development and retention, and one (1) land plot for development and sale.	7.59%
Package B	Features one (1) hotel divided into three (3) 3-star hotel towers. It is currently in the implementation phase, and work is expected to be completed by 2026G.	Two (2) land plots for development and retention.	9.18%
Package C	Features three (3) non-investment land plots designated for mosques. The necessary regulatory procedures are currently underway for the development of such land plots through an independent legal and financial structure.	Religious facilities not intended for investment.	N/A
Package D	Features twenty (20) land plots leased to Hamat Company to develop a shopping mall. The shopping mall is expected to be completed by 2027G.	Twenty (20) land plots for lease designated for a mall.	N/A
Package E	Contains one (1) land plot, the development of which is currently being negotiated with an investor.	Development and retention through joint ventures.	N/A
Package F	Contains two (2) land plots. One (1) land plot has been sold to an investor for development and a joint investment venture was concluded for the development of the second land plot.	Sale of the one (1) land plot, and development and retention of the second land plot.	Nil due to the recent execution of the relevant agreements which were concluded in Q3 of 2024G

Source: The Company

As of the date of this Prospectus, the Company has identified a number of land plots under discussion with a number of potential investors and developers and it expects to sell a number of land plots and use the proceeds to finance any additional capital requirements.

The Company also strives to adhere to best governance practices through a strong governance framework that supports cooperation with various stakeholders including contractors, Shareholders, developers, service providers and Governmental Entities.

4.3 Overview of the Company's Business

The Company was established pursuant to High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), and is responsible for developing the Masar Destination project and overseeing all technical, planning, administrative and operational aspects thereof. Masar Destination is one of the largest redevelopment projects in the region, located in the western part of Makkah and extending over 3.6 thousand meters from the intersection of the Third Ring Road and Umm Al Qura Road up to Jabal Omar. It consists of two hundred and five (205) land plots with various uses, which the Company seeks to redevelop and transform into an integrated city with the aim of raising the quality of life and to be a global multi-use destination to serve the community and residents of Makkah, in addition to Hajj and Umrah pilgrims.

4.3.1 Summary of Material Events

The following table sets out a summary timeline of key events since the incorporation of the Company:

Table (4.15): Material Events

Date	Event
2012G	Incorporation of the Company with a share capital of SAR 916.2 million based on a Ministerial Resolution pursuant to High Order MB/6285, dated 05/05/1426H (corresponding to 12/06/2005G).
2012G	Approval of the master plan for the Masar Destination project by Makkah Province Development Authority.
2012G	Increase of the Company's share capital to SAR 3.8 billion and the entry of new Shareholders from the public sector (GOSI, the Public Pension Agency and PIF).
2013G	Increase of the Company's share capital to SAR 4.6 billion and the entry of new Shareholders from the public sector (the Ministry of Islamic Affairs, Endowments, Dawah and Guidance (whose name was changed to General Authority for Awqaf (GAA)), as well as companies and individuals.
2015G	Increase of the Company's share capital to SAR 5.5 billion.
2015G	Completion of demolition works in the project area and signing of the infrastructure project contract.
2017G	Increase of the Company's share capital to SAR 8.9 billion.
2019G	Establishment of two investment funds with Alinma Investment Company to finance SAR 6.5 billion for development works (for further information regarding the funds, please refer to Section 12.3.8(c) "**Terms and Conditions of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II**" of this Prospectus).
2021G	Issuance of a High Order stipulating the issuance of four comprehensive title deeds for the entire Masar Destination project in favor of the Company.
2021G	Increase of the Company's share capital to SAR 11.9 billion.
2022G	Increase of the Company's share capital to SAR 13.1 billion and conclusion of sales, lease and other transactions with investors.
2023G	Achievement of profitability.

Source: The Company

4.3.2 Overview of Masar Destination

Masar Destination is located in the western part of Makkah forming an urban destination for the main entrance to the Holy Capital from the western side. It is deemed as a model project due to its adoption of the concept of comprehensive mobility by creating a development and investment environment outside the area surrounding the Holy Mosque of Makkah, along with fostering the necessary environment to improve lifestyle from a social perspective. The primary goal behind the establishment of Masar Destination is to serve the residents and visitors of Makkah, including Hajj and Umrah pilgrims, as well as facilitate their access to the Holy Mosque and improve their experience, in line with the directives of the Kingdom's leadership to increase the number of pilgrims to 30 million Umrah pilgrims by 2030G. On the economic front, Masar Destination will provide an integrated development structure that helps to diversify economic activity and offers distinctive investment opportunities in the hospitality and commercial sectors, as it provides an attractive investment environment for international hotels and restaurants as well as operators of specialized Hajj and Umrah services.

a- Location

Masar Destination extends from the borders of the Third Ring Road at the entrance to Prince Mohammed bin Salman bin Abdulaziz Road in the west, passing through the central area of Makkah to the borders with Jabal Omar in the east. Masar Destination is three thousand, six hundred and fifty meters (3,650m) long and three hundred and twenty meters (320m) wide, and intersects with (the First, Second and Third) Ring Roads, as well as the main roads (Abdullah Areef Street and Al Mansur Street). The total area of Masar Destination is approximately 1.25 million square meters, in addition to the one hundred and forty-one thousand square meter (141,000 m^2) area occupied by King Abdullah Mosque.

b- Plan

The Masar Destination plan is based on a main two-way road, 80 meters wide, which allows for the seamless movement of vehicles. The two sides of the road will be separated by an urban cluster traversed by a 60-meter-wide pedestrian walkway that will seamlessly connect pilgrims to the vicinity of the Holy Mosque from the western entrance of Makkah without hindering traffic flow. The pedestrian walkway heads towards the Kaaba as a natural extension of the vicinity of the Holy Mosque. As of the date of this Prospectus, the total area of Masar Destination is planned at approximately 1.25 million square meters, extending over two hundred and five (205) land plots with a total area of six hundred and forty thousand, nine hundred and eleven square meters (640,911 m^2) (excluding roads, open areas and service land plots). The remaining percentages of the area of the Masar Destination development project will be utilized as follows: 12.73% for open areas, 2.43% for public services, 29.50% for roads and 4.0% for other uses. The urban cluster in Masar Destination includes facilities and groups of buildings along the pedestrian walkway, which extend along the length of and are spread throughout Masar Destination, such as international hotels, residential buildings, shopping centers and outlets, plazas and open areas, Government services, medical and health centers, and cultural, recreational and social facilities. King Abdullah Mosque is located at the heart of Masar Destination and was designed to be a distinctive architectural landmark.

c- Infrastructure

The infrastructure of Masar Destination includes underground tunnels for infrastructure services such as electricity, communications, water, a central cooling system, a central waste collection system, wastewater and rainwater drainage. These underground tunnels extend throughout Masar Destination and contribute to providing fully equipped land plots for development by the Company or investors. The infrastructure works of Masar Destination also consist of the erection of bridges linking Prince Mohammed bin Salman bin Abdulaziz Road to Masar Destination, tunnels, two metro stations to be connected to the Makkah metro network, and parking lots, in addition to the pedestrian walkway and underpasses.

d- Capacity

Masar Destination reduces traffic congestion in the area of the Holy Mosque by providing parking lots and various means of transportation to facilitate the mobility of pilgrims and visitors arriving and leaving Makkah, with footfall reaching approximately 90 thousand visitors per hour to Masar Destination. Masar Destination will also accommodate visitors arriving via the Haramain train at its last stop, where they will find many transportation options, including the bus network, with the Masar Destination plan including two metro stations connecting it to the Holy Mosque and the rest of Makkah, and a shuttle route with two shuttle stations in addition to eleven (11) other stops. Masar Destination also features four (4) main parking lots for visitors, excluding the parking lots designated for investment land plots. These parking lots accommodate over five thousand, five hundred (5,500) parking spaces prepared and distributed throughout Masar Destination to receive arriving cars.

4.3.3 Key Components of Masar Destination

As of the date of this Prospectus, according to the Masar Destination master plan, Masar Destination will contain a number of key components, including residential apartments, serviced apartments, hotels, shopping malls, healthcare centers and offices. This master plan may be subject to future changes depending on the factors and circumstances surrounding the project development. The following table sets out the percentage of these assets to the total investment land plot area within the project:

Table (4.16): Masar Destination Assets as a Percentage of the Total Investment Land Plot Area of Six Hundred and Forty Thousand, Nine Hundred and Eleven Square Meters (640,911 m²)

#	Component	Expected Percentage of Total Investment Land Plot Area	Number of Land Plots	Total Land Plot Area (m²)
1.	Serviced Apartments	28.8%	59	184,838
2.	Hotels	26.3%	54	168,452
3.	Residential Units	29.6%	66	189,397
4.	Shopping Centers	13.3%	22	84,994
5.	Healthcare Centers	2.1%	4	13,230
Total		**100%**	**205**	**640,911**

* The percentages in this table have been rounded.

Source: The Company

A description of each expected key component of Masar Destination is as follows:

a- Residential

The Masar Destination master plan includes residential facilities of two different classes to fill Makkah's housing shortage in line with the Kingdom's Vision 2030, which aims at increasing home ownership among Saudi citizens. The two classes of residential apartments consist of Class A apartments and Class A- apartments. The residential facility classes vary according to location and quality in terms of design, facilities and available services. Class A residential units are located in the first and second zones (with the first zone being closest to the Holy Mosque) and are designed to provide luxurious living spaces ranging from studios to one (1), two (2), three (3) or four (4) bedroom apartments. This class aims at attracting residents and investors looking for a premium living experience within a mixed-use development targeting high-income residents and investors from Makkah and other cities within the Kingdom, as well as GCC nationals seeking a premium residential product within a mixed-use project in Makkah. Class A- residential units are located in the second and third zones and are medium- to high-quality units with efficient designs, services and facilities, including elevators, food and beverage outlets, and communal areas, in the form of one, two, three or four bedroom apartments. This class targets residents from Makkah and various cities within the Kingdom, as well as GCC residents and investors seeking a unique residential product within a mixed-use development. Class A- residential units offer competitive pricing suited to the purchasing power of various target markets, while maintaining high standards through exceptional ongoing property management and facilities. Due to their proximity to the Holy Mosque, small units may be used as investment assets, with potential for rental during the Hajj and Umrah seasons.

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According to the Masar Destination master plan, sixty-six (66) land plots have been allocated for residential uses, comprising nine thousand, two hundred and twenty-two (9,222) units with a total area of approximately one hundred and eighty-nine thousand, three hundred and ninety-seven square meters (189,397 m²), which represents 29.6% of the total investment land plot area. The following table sets out the details of the residential apartments being developed within Masar Destination:

Table (4.17): Details of Residential Apartments being Developed within Masar Destination

#	Residential Apartment Class	Number of Land Plots	Total Land Plot Area (m²)	Number of Units/Keys
1.	Class A	28	80,186	3,779
2.	Class A-	38	109,211	5,443
Total		**66**	**189,397**	**9,222**

Source: The Company

b- Hospitality

The master plan for Masar Destination includes a number of hotels with varying ratings (three, four and five stars). The following table sets out the details of the hotels being developed within Masar Destination:

Table (4.18): Details of Hotels being Developed within Masar Destination

#	Hotel Rating	Number of Land Plots	Total Land Plot Area (m²)	Number of Units/Keys
1.	5-Star Hotels	16	58,232	6,880
2.	4-Star Hotels	20	53,845	7,697
3.	3-Star Hotels	18	56,375	8,665
Total		**54**	**168,452**	**23,242**

Source: The Company

The following table sets out the details of the hotels to be developed by the Company for retention (and for which agreements have been executed):

Table (4.19): Details of Hotels to be Developed and Retained by the Company

#	Hotel Rating	Number of Land Plots	Total Land Plot Area (m²)	Number of Units/Keys
1.	5-Star	2	6,260	741
2.	4-Star	1	2,639	392
3.	3-Star	2	7,872	1,560
Total		**5**	**16,771**	**2,693**

Source: The Company

The following table sets out the details of the hotels to be developed through joint ventures for retention (and for which agreements have been executed):

Table (4.20): Details of Hotels to be Developed and Retained through Joint Ventures

#	Hotel Rating	Number of Land Plots	Total Land Plot Area (m²)	Number of Units/Keys
1.	4-Star	1	4,587	1,100
Total		**1**	**4,587**	**1,100**

Source: The Company

Additionally, the Masar Destination master plan includes serviced apartments of two different classes, aiming to advance the quality of the hospitality sector in Makkah. The following table sets out the details of the serviced apartments being developed within Masar Destination:

Table (4.21): Details of Serviced Apartments Being Developed within Masar Destination

#	Serviced Apartment Class	Number of Land Plots	Total Land Plot Area (m²)	Number of Units/Keys
1.	Class A	40	126,769	11,315
2.	Class A-	19	58,070	6,666
Total		**59**	**184,839**	**17,981**

Source: The Company

Based on the aforementioned and according to the Masar Destination master plan, fifty-nine (59) land plots have been allocated for serviced apartments, comprising seventeen thousand, nine hundred and eighty-one (17,981) units with a total area of approximately one hundred and eighty-four thousand, eight hundred and thirty-eight square meters (184,838 m²), which represents 28.8% of the total investment land plot area. Furthermore, fifty-four (54) land plots have been allocated for hotels, comprising twenty-three thousand, two hundred and forty-two (23,242) units with a total area of approximately one hundred and sixty-eight thousand, four hundred and fifty-two square meters (168,452 m²), which represents 26.3% of the total investment land plot area.

c- Commercial

The Masar Destination master plan includes a number of shopping malls and outlets aimed at attracting global brands and providing a diverse range of shopping, restaurants and traditional market options to enhance product selection and quality. In addition, Masar Destination seeks to provide office spaces for lease. According to the Masar Destination master plan, twenty-two (22) land plots have been allocated for commercial uses with a gross floor area of 85 thousand square meters, representing 13.3% of the total investment land plot area. The office spaces will be built on the land plots on which the serviced apartments are to be constructed. The following table sets out the details of the commercial components being developed within Masar Destination:

Table (4.22): Details of Commercial Components Being Developed within Masar Destination

#	Shopping Center Class	Number of Land Plots	Total Land Plot Area (m²)	Total Leasable Area *(m²)
1.	Shopping Centers	22	84,994	216,241

* Total leasable area includes units located on the pedestrian walkway (commercial units and stalls), as well as commercial spaces within investment land plots excluding the retail land plots mentioned above.

* The leasable area allocated for stalls and commercial units consists of 38,625 square meters. 76% of the area of the aforementioned stalls and commercial units is planned to be temporary for a period of 10 years.

Source: The Company

The following table sets out the details of the commercial components being developed by the Company for retention:

Table (4.23): Details of Commercial Components to Be Developed and Retained by the Company

#	Commercial Center Class	Number of Land Plots	Total Land Plot Area (m²)	Number of Lease Space Units	Total Leasable Area (m²)
1.	Malls	2	13,787	-	12,753

Source: The Company

d- Healthcare

The Masar Destination master plan includes a number of hospitals and clinics with the aim of serving the residents and visitors of Makkah and providing them with healthcare options. As per the Masar Destination master plan, four (4) land plots have been allocated for healthcare uses with a gross floor area of thirteen thousand, three hundred and twenty square meters (13,320 m^2), representing 2.1% of the total investment land plot area.

4.3.4 Development Plan

As of November 2024G, the completion rate of the key infrastructure works was 99.77%. Completion is expected to take place during H1 of 2025G. With the approaching completion of the key infrastructure works, the current development strategy as of the date of this Prospectus is based on four (4) main pillars as follows:

- Land plots that the Company will develop and retain (directly or through joint ventures), which represent approximately 28% of the total number of investment land plots.
- Land plots that the Company will develop and sell (directly or through joint ventures), which represent approximately 4% of the total number of investment land plots.
- Land plots that the Company will lease, which represent approximately 14% of the total number of investment land plots.
- Land plots that the Company will sell, which represent approximately 54% of the total number of investment land plots.

After completion of the design phase, the Company commenced infrastructure works in Masar Destination, the key components of which are expected to be completed during H1 of 2025G. With the approaching completion of the key infrastructure works, the Company commenced development of the superstructure of certain land plots planned for self-development in 2022G and is expected to continue developing the same for a period of four (4) years ending in 2026G. It should be noted that as of the date of this Prospectus, eighteen (18) land plots have been sold (including two land plots under the settlement agreement with the General Authority for Awqaf (GAA) (for further information, please refer to Section 12.8.3.1 "**Settlement Agreement with the General Authority for Awqaf (GAA)**" of this Prospectus)), representing 16.2% of the total number of land plots allocated for sale, and twenty-five (25) land plots have been leased, representing 89.3% of the total number of land plots allocated for lease. It is expected that the entirety of Masar Destination will be developed over a period of seventeen (17) years, ending in 2039G. The following table sets out the expected Masar Destination development plan for the period from 2023G to 2027G. This plan may be subject to future changes depending on the factors and circumstances surrounding the project development:

Table (4.24): Masar Destination Development Plan (2022G-2027G) as of the Date of this Prospectus

Year	Work/Project Highlights	Land Plots Developed by the Company Based on Agreements Concluded by the Company	Land Plots Sold or to Be Sold Based on Agreements Concluded by the Company	Land Plots Leased or to Be Leased Based on Agreements Concluded by the Company	Joint Venture Contracts
2022G	• Commencement of construction of the Company's headquarters within the project • Marketing Masar Destination	8 land plots consisting of 4 hotels, 1 residential land plot and 2 commercial land plots	3 residential land plots	24 land plots consisting of 3 land plots for healthcare centers, 1 land plot for serviced apartments and 20 land plots designated for commercial use	N/A
2023G	Sorting of most of the investment land plot deeds	N/A	5 land plots consisting of 2 hotel land plots and 3 residential land plots (the aforementioned land plots do not include the land plots used in the compensation agreement with General Authority for Awqaf)	1 land plot allocated for serviced apartments	N/A

Year	Work/Project Highlights	Land Plots Developed by the Company Based on Agreements Concluded by the Company	Land Plots Sold or to Be Sold Based on Agreements Concluded by the Company	Land Plots Leased or to Be Leased Based on Agreements Concluded by the Company	Joint Venture Contracts
2024G	-	N/A	13 land plots consisting of 4 hotels, 6 residential land plots and 3 serviced apartments	1 land plot allocated for serviced apartments	8 land plots consisting of 5 hotels and 3 land plots allocated for serviced apartments
2025G	Completion of main contractor infrastructure works	N/A	10 land plots consisting of 2 hotels, 6 residential land plots and 2 land plots allocated for serviced apartments	1 land plot allocated for serviced apartments	7 land plots consisting of 2 hotels and 5 land plots allocated for furnished apartments
2026G	Completion of Group A and Group B	N/A	10 land plots consisting of 3 hotel land plots, 2 residential land plots and 5 land plots allocated for serviced apartments	1 land plot allocated for healthcare uses	5 land plots consisting of 2 land plots allocated for serviced apartments and 3 hotel land plots
2027G	Completion of the shopping mall	N/A	14 land plots consisting of 2 hotels, 7 residential land plots and 5 land plots designated for furnished apartments	N/A	6 land plots consisting of 1 hotel, 2 land plots designated for serviced apartments and 3 residential land plots

Source: The Company

Beyond 2027G, the Company expects to continue the development plan which includes the sale of approximately fifty-four (54) land plots, self-development of approximately six (6) land plots, and joint development of approximately twenty-six (26) land plots. Given the flexibility in investment strategies while maintaining the total outputs of the number of land plots allocated to each strategy, and also due to the subjection thereof to future expectations and assumptions based on market conditions, some of which are beyond the control of the Company, as well as the fact that no agreements have been signed for such periods, it is difficult to predict the execution date for each land plot and determine its development strategy (sale, lease, self-development or joint venture). Accordingly, the development plan is a guiding plan for the development of Masar Destination and commitment to its implementation cannot be guaranteed.

The following table sets out the details of the project development plan for land plots being developed by the Company pursuant to agreements concluded by the Company between 2022G and 2027G as of the date of this Prospectus.

Table (4.25): Project Development Plan for Land Plots Developed by the Company Pursuant to Agreements Concluded by the Company as of the Date of this Prospectus

Year	Land Plots Developed by the Company Based on Agreements Concluded by the Company	Project Details	Completion Rate as of September 2024G	Completion Date	Main Contractor
2022G	8 land plots	4 hotels, 1 serviced apartment building and 2 shopping malls	Development Package A: • Serviced apartment building: 10.03% • 5-star hotel building (Hilton): 4.06% • 5-star hotel building (Kempinski): 2.48% • 5-star hotel building (Taj): 6.80% • Northern mall: 3.23% • Southern mall: 0.16% • Overall completion rate for Package A (which includes other complementary components besides project buildings): 7.54%* Development Package B: • Building 1 (Hilton Garden Inn): 7.10% • Building 2 (Hilton Garden Inn): 8.73% • Building 3 (Hilton Garden Inn): 5.35% • Overall completion rate for Package B (which includes other complementary components besides project buildings): 8.97%*	2026G	Baytur
2023G – 2027G	N/A	N/A	N/A	N/A	N/A

Source: The Company

* There is a delay in the implementation of Development Packages A and B as compared to the original contract for these projects due to reasons beyond the control of the Company. However, according to the updated schedule, the implementation works are expected to be completed during 2026G. For further information, please refer to Section 2.1.9 "**Risks Related to the Company's Ability to Implement its Strategy on Time or at All**" of this Prospectus.

The following table sets out the details of the project development plan for land plots leased or to be leased pursuant to agreements concluded by the Company between 2022G and 2027G as of the date of this Prospectus.

Table (4.26): Project Development Plan for Land Plots Leased or to Be Leased Pursuant to Agreements Concluded by the Company as of the Date of this Prospectus

Year	Land Plots Leased or to Be Leased Based on Agreements Concluded by the Company	Project Details	Completion Rate	Completion Date	Main Contractor
2022G	24 land plots	20 land plots for the construction of an enclosed shopping mall	The project is still awaiting permits	2027G	Unspecified
		3 land plots allocated for a hospital	The project is still awaiting permits	2027G	AHC
		1 land plot for serviced apartments	The project is still in the design phase	2027G	Unspecified
2023G	1 land plot allocated for serviced apartments	1 land plot for hotel use	The project is still in the design phase	2027G	Unspecified
2024G	1 land plot allocated for serviced apartments	Unspecified	Unspecified	Unspecified	Unspecified

Year	Land Plots Leased or to Be Leased Based on Agreements Concluded by the Company	Project Details	Completion Rate	Completion Date	Main Contractor
2025G	1 land plot allocated for serviced apartments	Unspecified	Unspecified	Unspecified	Unspecified
2026G	1 land plot allocated for healthcare uses	Unspecified	Unspecified	Unspecified	Unspecified
2027G	N/A	N/A	N/A	N/A	N/A

Source: The Company

The following table sets out the details of the joint venture development plan based on the agreements concluded by the Company as of the date of this Prospectus.

Table (4.27): Details of the Joint Venture Development Plan Based on the Agreements Concluded by the Company as of the Date of this Prospectus

Year	Land Plots Developed Through Joint Ventures	Project Details	Completion Rate as of September 2024G	Expected Completion Date	Main Contractor
2024G	1 land plot	1 land plot for hotel use	N/A due to the recent execution of the agreement	2028G	Unspecified due to the recent execution of the agreement

Source: The Company

4.3.5 Financing

The financing plan relies on various financing sources, which include equity financing through the use of the Company's share capital and recycling thereof through sales activities, in addition to bank credit facilities, debt instruments and land plot sale proceeds, as follows:

a- Share Capital and Equity

As of the date of this Prospectus, the Company's share capital is SAR 13.1 billion. The Company's share capital has increased several times since its incorporation. Capital increases have been met through cash and in-kind contributions in exchange for real estate properties within the project's boundaries. The proceeds of capital increases were used to acquire land plots within the project, pay design expenses, secure working capital and cover a portion of the cost of developing the project infrastructure.

b- Bank Credit Facilities and Debt Instruments

The Company has entered into several financing agreements and obtained total long-term facilities of SAR 8,200 million. Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have concluded two financing agreements with Alinma Bank, whereby they obtained a financing limit therefrom in a total amount of SAR 6,500 million. As of 30 June 2024G, SAR 9.8 billion has been utilized (for further details, please refer to Section 12.3.10 "**Financing Agreements**" of this Prospectus). The following table sets out details of the outstanding liabilities in accordance with the long-term loans obtained by the Company in the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (4.28): Outstanding Liabilities in Accordance with the Long-Term Loans Obtained by the Company in the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Six-Month Period Ended 30 June 2024G:

Long-Term Loan	31 December 2021G (SAR)	31 December 2022G (SAR)	31 December 2023G (SAR)	30 June 2024G (SAR)
Liabilities under *Musharaka* Followed by *Ijarah* Agreements	6,232,076,041	6,452,258,088	6,972,752,380	7,351,436,408
Liabilities under *Tawarruq* Agreements	682,772,280	682,772,280	1,699,999,900	2,476,163,458
Structuring and Arrangement Fees	(55,247,957)	(45,824,843)	(38,816,319)	(34,258,754)
Total	**6,859,600,364**	**7,089,205,525**	**8,633,935,961**	**9,793,341,112**
Loans – Current Portion	**N/A**	**N/A**	**N/A**	**150,053,514**
Loans – Non-Current Portion	**6,859,600,364**	**7,089,205,525**	**8,633,935,961**	**9,643,287,598**

Source: The Company

c- Proceeds from Land Plot Sales

The financing plan adopted by the Company, in addition to capital financing and bank loans, is based on self-financing, with the Company intending to use the proceeds from the sale of land plots to cover any additional financing needs and repay loan liabilities. The Company intends to sell 54% of the total investment land plots of the Masar Destination plan.

4.3.6 Health, Safety and Environment

The Company adopted its environmental, social and governance (ESG) framework in 2022G, which defines the Company's approach to environmental and social matters to keep pace with the aspirations of the Kingdom and investors. The Company's approach in this regard focuses on three (3) pillars, as follows:

- **Creating a Positive Impact:** This pillar encompasses the Company's environmental objectives, initiatives and procedures, in addition to those related to health and safety. This pillar enables the Company to have a positive impact both internally in the communities it serves, while mitigating the negative effects of its operations and services and ensuring compliance with the laws and regulations to which it is subject. This includes, for example, procedures governing waste management, energy efficiency, emission reduction and security and safety management.
- **Participation:** This pillar encompasses social objectives and governs the corporate social responsibility (CSR) procedures and initiatives undertaken by the Company, as well as community engagement and philanthropic activities, etc. Through these efforts, the Company seeks to provide support to its employees and the community to achieve positive social outcomes. This includes, for instance, employee health and community engagement to support social and human capital development and corporate culture initiatives by advancing diversity and inclusion.
- **Integrity:** This pillar encompasses the governance and oversight of the implementation of the ESG framework to support the Company's procedures and mechanisms in applying its environmental and social principles with integrity across all its operations and activities. This includes, for example, internal control and follow-up mechanisms and external reporting.

4.4 Business Continuity

The Board Members declare that there has been no suspension or interruption in the Company's business that could have or has had a significant impact on the financial position of the Company during the previous twelve (12) months.

4.5 Employees

4.5.1 The Company

The following table sets out a detailed breakdown of the Company's employees by main activity category and Saudization rate:

Table (4.29): Employees of the Company as of 31 December 2021G, 2022G and 2023G and the Six-Month Period Ended 30 June 2024G

#	Department	FY 2021G			FY 2022G			FY 2023G			Six-Month Period Ended 30 June 2024G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
1.	Executive Management	1	0	1	1	0	1	1	0	1	1	0	1
2.	Development Department	20	11	31	19	14	33	19	16	35	21	16	37
3.	Legal Affairs	2	2	4	3	2	5	3	1	4	4	1	5
4.	Investment Department	1	2	3	3	2	5	4	2	6	4	2	6
5.	Procurement Department	1	2	3	2	3	5	3	3	6	3	4	7
6.	Information Technology	2	2	4	2	3	5	4	3	7	4	4	8
7.	Human Resources and Administrative Affairs	5	15	20	7	15	22	6	15	21	7	15	22
8.	Internal Audit	1	2	3	1	2	3	1	2	3	1	2	3
9.	Finance Department	3	4	7	3	4	7	5	5	10	5	5	10
10.	Risk Department	1	1	2	2	1	3	1	1	2	1	0	1
11.	Property Department	8	6	14	8	6	14	8	6	14	8	6	14
12.	Destination Management Department	7	0	7	9	0	9	8	2	10	10	2	12
Total		**52**	**47**	**99**	**60**	**52**	**112**	**63**	**56**	**119**	**69**	**57**	**126**

Source: The Company

4.5.2 Saudization Requirements and "Nitaqat" Program

The following table sets out the Company's level of compliance with the Saudization requirements according to its classification in the "Nitaqat" program as of 22/03/1446H (corresponding to 25/09/2024G):

Table (4.30): Classification of the Company within the "Nitaqat" Program as of 22/03/1446H (corresponding to 25/09/2024G)

Activity Type	Saudization Percentage	Classification
Business Services	62.63%	High Green

Source: The Company

4.6 Working Capital

As of the date of this Prospectus, the Company's current liabilities exceed its current assets. Current liabilities mainly include dues to project contractors for completed and unbilled development works. However, as of the date of this Prospectus, there are long- and short-term revolving credit facilities available to the Company, which allow any liabilities to be met through the facilities available to the Company. Considering that the IPO will be carried out through a share capital increase, the Company intends to use the Offering Proceeds to finance costs related to the project and for general corporate purposes. The Company believes that its balance and expected cash flows are sufficient to cover its expected cash needs for working capital and capital expenditures for at least twelve (12) months from the date of publication of this Prospectus.

5. Organizational Structure of the Company

5.1 Ownership Structure of the Company

The following table sets out the ownership structure of the Company Pre- and Post-Offering:

Table (5.1): Ownership Structure of the Company Pre- and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percent-age	Number of Shares	Total Nominal Value (SAR)	Percent-age
Direct Substantial Shareholders							
1.	GOSI	345,980,070	3,459,800,700	26.45%	345,980,070	3,459,800,700	24.05%
2.	PIF	282,302,039	2,823,020,390	21.59%	282,302,039	2,823,020,390	19.62%
3.	Dallah Albaraka Holding Company	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%
Other Shareholders*							
4.	Abdullah Saleh Abdullah Kamel(1)	56,298,623	562,986,230	4.30%	56,298,623	562,986,230	3.91%
5.	Real Estate Development Company(2)	53,218,303	532,183,030	4.07%	53,218,303	532,183,030	3.70%
6.	Dallah Trans Arabia(3)	43,000,000	430,000,000	3.29%	43,000,000	430,000,000	2.99%
7.	Mabahij Al Arabia for Real Estate Development Limited(4)	38,779,421	387,794,210	2.97%	38,779,421	387,794,210	2.70%
8.	Al Mawajed International for Real Estate Development Co. Ltd(5)	13,371,916	133,719,160	1.02%	13,371,916	133,719,160	0.93%
9.	Muhiyuddin Saleh Abdullah Kamel(6)	12,194,339	121,943,390	0.93%	12,194,339	121,943,390	0.85%
10.	Abdullah Mohammed Abdo Abdullah Yamani(7)	10,202,742	102,027,420	0.78%	10,202,742	102,027,420	0.71%
11.	Dallah Albaraka Investment Holding Co.(8)	400,000	4,000,000	0.03%	400,000	4,000,000	0.028%
12.	Yasser Abdulaziz Mohammed Abu Ateek(9)	104,000	1,040,000	0.01%	104,000	1,040,000	0.007%
Public							
13.	Current Shareholders categorized as the "Public" (one hundred and forty-two (142) Shareholders)	348,898,571	3,488,985,710	26.68%	348,898,571	3,488,985,710	24.25%
14.	Public Shareholders through the Offering	N/A	N/A	N/A	130,786,142	1,307,861,420	9.09%
Total		**1,307,861,419**	**13,078,614,190**	**100%**	**1,438,647,561**	**14,386,475,610**	**100%**

Source: The Company

* The "Other Shareholders" category includes any of the Company's Shareholders who are not Direct Substantial Shareholders or Company Shareholders categorized as the "Public" according to the Glossary of Terms used in the CMA regulations.

(1) Abdullah Saleh Abdullah Kamel is categorized under "Other Shareholders" as he is: (1) a Company Board Director, (2) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (3) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(2) Real Estate Development Company is categorized under "Other Shareholders" as it acts in concert with Mabahij Al Arabia for Real Estate Development Limited.

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(3) Dallah Trans Arabia is categorized under “Other Shareholders” as it is: (1) controlled by Dallah Albaraka Holding Company, and (2) acting in concert with Abdullah Saleh Abdullah Kamel, Dallah Albaraka Holding Company, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(4) Mabahij Al Arabia for Real Estate Development Limited is categorized under “Other Shareholders” as it acts in concert with Real Estate Development Company.

(5) Al Mawajed International for Real Estate Development Co. Ltd is categorized under “Other Shareholders” as it is: (1) controlled by Sinad Holding (where Dallah Albaraka Holding Company owns 53.189% of Sinad Holding), and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(6) Muhiyuddin Saleh Abdullah Kamel is categorized under “Other Shareholders” as he is: (1) a Board Director and Senior Executive at the Company’s Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Abdullah Mohammed Abdo Abdullah Yamani.

(7) Abdullah Mohammed Abdo Abdullah Yamani is categorized under “Other Shareholders” as he is: (1) a Board Director and Senior Executive at the Company’s Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Muhiyuddin Saleh Abdullah Kamel.

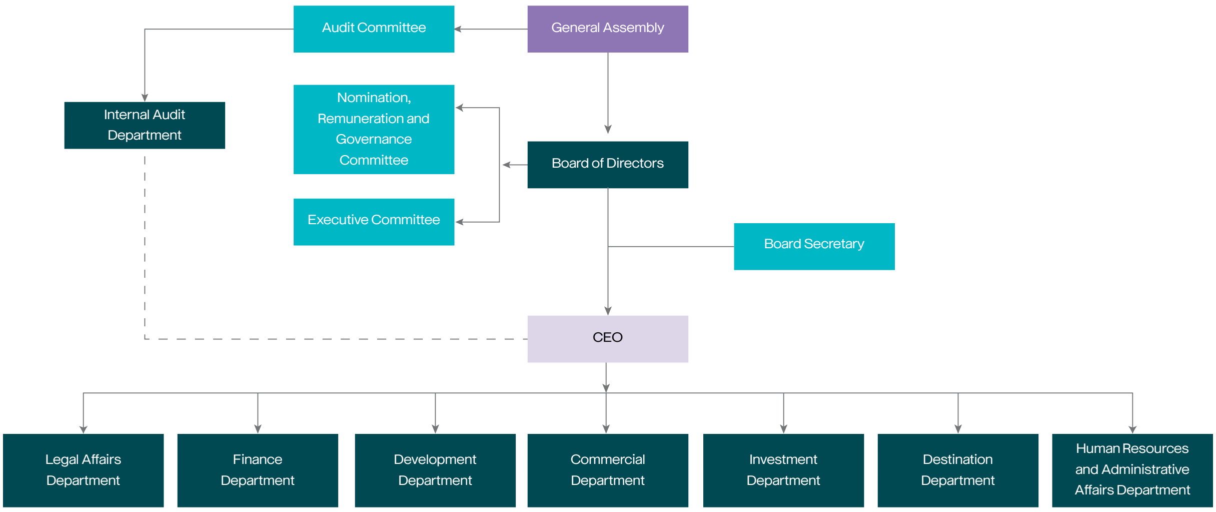
(8) Dallah Albaraka Investment Holding Co. is categorized under “Other Shareholders” as it is acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Al Mawajed International for Real Estate Development Co. Ltd, Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(9) Yasser Abdulaziz Mohammed Abu Ateek is categorized under “Other Shareholders” as he is a Senior Executive at the Company.

5.2 Administrative Structure

The following figure sets out the administrative structure of the Company, including the Board of Directors, supervisory committees, and the functions of Executive Management:

Figure (3): Administrative Structure of the Company



Source: The Company

5.3 Board of Directors

5.3.1 Formation of the Board

The Company is managed by a Board of Directors consisting of nine (9) members elected by the Ordinary General Assembly of Shareholders. At least three (3) of the Board Members must be independent members. The duties and responsibilities of the Board of Directors are determined by the Company’s Bylaws and the Company’s Internal Governance Manual. The tenure of the Board Members, including the Chairman, is a maximum of three (3) years per term. Board Members may be re-elected unless the Company’s Bylaws provide otherwise. The current three (3) year term of the Board of Directors commenced on 13/12/1444H (corresponding to 01/07/2023G).

The following table sets out the Board Members as of the date of this Prospectus:

Table (5.2): The Company's Board of Directors

No.	Name	Position	Nationality	Age	Status	Direct Ownership (%)**		Indirect Ownership (%)***		Date of Appointment*
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1.	Abdullah Saleh Abdullah Kamel	Chairman	Saudi	57 years	Non-executive	4.30%	3.91%	2.47%	2.25%	26/11/1444H (corresponding to 15/06/2023G)
2.	Abdulrahman Mohammed Abdullah Al-Rashid	Vice Chairman	Saudi	64 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
3.	Abdullah Saleh Hammad Al-Balawi	Board Member	Saudi	33 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
4.	Jehad Abdulrahman Suleiman Al-Kadi	Board Member	Saudi	44 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
5.	Abdulaziz Abdulrahman Abdulaziz Al-Khunain	Board Member	Saudi	60 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
6.	Abdulaziz Mutaib Abdullah AlRasheed	Board Member	Saudi	56 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
7.	Zuhair Fouad Amin Hamzah	Board Member	Saudi	64 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
8.	Ahmed Abdulmohsen Ahmed Al-Rumaih	Board Member	Saudi	38 years	Independent	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)
9.	Haitham Mohammed Abdulrahman Al-Fayez	Board Member	Saudi	46 years	Non-executive	N/A	N/A	N/A	N/A	26/11/1444H (corresponding to 15/06/2023G)

* The dates listed in this table are the dates of appointment of the Board Members to the current term of the Board pursuant to the Ordinary General Assembly resolution dated 26/11/1444H (corresponding to 15/06/2023G). It should be noted that the term of the Board commenced on 13/12/1444H (corresponding to 01/07/2023G) for a period of three (3) years. The respective biographies of the Board Members state the dates of their appointment to the Board or to any other position (for further information, please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus).

** The direct ownership is a result of Abdullah Saleh Abdullah Kamel directly owning fifty-six million, two hundred and ninety-eight thousand, six hundred and twenty-three (56,298,623) shares, representing 4.30% of the Company's share capital.

*** The indirect ownership of Abdullah Saleh Abdullah Kamel is a result of his indirect ownership in the Issuer's share capital as follows: (i) twenty-eight million, one hundred and nineteen thousand, five hundred and eight point fifty three (28,119,508.53) shares through Dallah Albaraka Holding Company, representing 2.15% of the Issuer's share capital; (ii) four million, one hundred and nineteen thousand, four hundred shares (4,119,400) through the ownership of Dallah Trans Arabia, representing 0.31% of the Issuer's share capital; (iii) one hundred and nine thousand and eighty-four shares (109,084) through the ownership of Dallah Albaraka Investment Holding Co., representing 0.01% of the Issuer's share capital; and (iv) fifteen parts of a share (0.15) in Al Mawajed International for Real Estate Development Co. Ltd through his ownership in Sinad Holding, which owns 100% of the shares of Al Mawajed International for Real Estate Development Co. Ltd, representing 0.000% of the Issuer's share capital. He also owns, through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani, 11.46% of the Issuer's share capital[1].

[1] The ownership percentage of Abdullah Saleh Abdullah Kamel in the Issuer's share capital through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani represents the remaining percentage of the total ownership of Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co. and Al Mawajed International for Real Estate Development Co. Ltd in the Issuer's share capital. Such percentage was calculated independently of the indirect ownership of Abdullah Saleh Abdullah Kamel in the Issuer's share capital, the details of which are stated at the beginning of this marginal note to avoid double counting the same among the total number of shares owned by him.

**** The percentages in this table have been rounded.

Source: The Company

The Board Secretary, Bader Ayman Fadel, was appointed on 15/12/1444H (corresponding to 03/07/2023G) (for a summary of his biography, please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

5.3.2 Responsibilities of the Board of Directors

The Board represents all Shareholders and shall carry out its duties of care and loyalty in managing the Company's affairs as well as undertake all actions to protect the general interests of the Company, develop it, and maximize its value. The Board is responsible for the Company's business even in the event it delegates some of its powers to committees, entities or individuals. In any case, the Board may not issue a general or indefinite delegation.

Without prejudice to the powers conferred on the General Assembly pursuant to the Companies' Law and the Company's Bylaws, the Board shall be vested with the broadest powers to manage the Company and direct its business in order to achieve its objectives. The duties and responsibilities of the Board include the following:

1- Developing the plans, policies, strategies and main objectives of the Company, supervising their implementation, reviewing them periodically and ensuring the availability of the necessary human and financial resources required to achieve them, including:

   - setting, reviewing and directing the Company's overall strategy, key business plans and risk management policies and procedures;
   - determining the optimal capital structure for the Company, along with its strategies and financial objectives and approving all types of estimated budgets;
   - overseeing the Company's key capital expenditures and the acquisition and disposal of assets;
   - setting performance objectives and monitoring the implementation thereof, as well as of the Company's overall performance; and
   - periodically reviewing and approving the organizational and functional structures of the Company.

2- Establishing systems and controls for internal control and general supervision thereover, including:

   - developing a written policy to address potential and actual conflicts of interest for Board Members, Executive Management and Shareholders, including misuse of the Company's assets and facilities and misconduct resulting from transactions with Related Parties;
   - ensuring the integrity of the financial and accounting systems, including systems relating to the preparation of financial reports;
   - ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may face, creating a Company-wide environment with awareness of risk management culture and disclosing such risks transparently to the Company's stakeholders and Related Parties; and
   - conducting an annual review of the effectiveness of the Company's internal control procedures.

3- Preparing clear, defined policies, standards and procedures for Board membership and implementation of the same upon approval by the General Assembly.

4- Developing a written policy that regulates partnerships with stakeholders in accordance with the provisions of the CGRs.

5- Setting policies and procedures that ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to Shareholders and stakeholders, as well as ensuring the compliance of the Executive Management therewith.

6- Overseeing the management of the Company's finances, cash flows and financial and credit partnerships with third parties.

7- Providing recommendations to the Extraordinary General Assembly on what it deems appropriate regarding the following:

- increasing or decreasing the share capital of the Company; and
- dissolution of the Company before the end of its term specified in the Company's Bylaws or deciding the continuity of the Company.

8- Providing recommendations to the Ordinary General Assembly on what it deems appropriate regarding the following:

- using the Company's contractual reserve if it has been formed by the Extraordinary General Assembly and has not been allocated for a specific purpose;
- forming additional reserves or financial allocations for the Company; and
- the method of distribution of the Company's net profits.

9- Preparing and approving the Company's interim and annual financial statements prior to their presentation to the Ordinary General Assembly.

10- Preparing and approving the Board report.

11- Ensuring the accuracy and integrity of the data and information which must be disclosed.

12- Establishing effective communication channels that allow Shareholders to continuously and periodically review the various aspects of the Company's activities and any material developments.

13- Forming specialized Board committees pursuant to resolutions that specify the members of such committees, as well as evaluating the performance and activities of these committees and their members.

14- Specifying the types of remuneration to be granted to Company employees, including fixed remuneration, performance-related bonuses and share-based remuneration, without prejudice to the Regulatory Controls for Unlisted Joint-Stock Companies.

15- Setting the values and standards that govern work at the Company.

16- Senior Executives and employees shall undertake and manage Company activities under the direction and supervision of the Board of Directors to enhance long-term value for the Company and its Shareholders.

17- The Board of Directors shall perform its duties responsibly, in good faith and with due diligence. Resolutions of the Board of Directors shall be based on sufficient and comprehensive information from the Executive Management or any reliable source.

18- The Board of Directors shall determine and approve the remuneration of the CEO and all employees, and shall approve and monitor the remuneration, incentive and share-based remuneration plans.

19- The Board of Directors shall evaluate the adequacy of the Company's Code of Business Conduct and Ethics to promote compliance with the laws and regulations applicable to the Company.

5.3.3 Chairman

The duties and responsibilities of the Chairman include the following:

1- The Chairman is responsible for leading the Board and facilitating constructive contributions from all Board Members so that the Board can operate effectively as an integrated unit in carrying out its responsibilities.

2- Among the key responsibilities of the Chairman is to ensure that Board meetings are convened effectively and efficiently, through:

a- effectively managing the proceedings and deliberations of Board meetings and ensuring that clearly defined resolutions/conclusions are reached with respect to all Board Members, and that such resolutions/conclusions are properly documented in the minutes of the Board meetings;

b- holding meetings with non-executive Board Members, without the presence of executive Board Members, to establish the principle of independent decision-making; and

c- representing the Company before third parties in accordance with the Company's Bylaws.

3- The Chairman shall serve as the main link between the Executive Management and the Board of Directors. For the relationship between the Chairman and the CEO to be effective, it must be built on cooperation, trust and mutual respect.
4- The Chairman shall also be required to chair annual General Assembly meetings and shall play a key role in the Company's relationship with investment institutions, in addition to providing channels for effective communication with Shareholders.
5- Notifying the Ordinary General Assembly, when it is convened, of the business and contracts in which any Board Member or committee member has any direct or indirect interest, provided that such notification is accompanied by a special report from the Company's external Auditor.
6- Informing the Ordinary General Assembly, when it is convened, of competing activities undertaken by any Board Member.

5.3.4 Board Secretary

The duties and responsibilities of the Board Secretary include the following:

1- With respect to supporting the Board of Directors:

a- Organizing Board meetings by way of handling organizational and administrative matters, such as:

- preparing a calendar for Board meetings;
- assisting the Chairman in preparing meeting agendas;
- developing presentations on material and procedural issues under discussion;
- sending notices of meetings to all Board Members;
- collecting written opinions from Board Members who are absent from meetings;
- submitting written opinions to the Chairman;
- maintaining a regular record of attendance at Board meetings; and
- maintaining reports submitted to the Board of Directors and reports approved by the Board.

In addition, the Board Secretary shall ensure that Board Members adhere to the procedures approved by the Board and shall work with the Chairman to prepare draft meeting minutes.

b- Enabling the Board's access to information:

The Board Secretary plays a vital role in assisting Board Members to obtain the information they require to make the necessary decisions. As such, the Board Secretary shall enable Board Members to obtain full and timely access to the following:

- minutes of Board meetings;
- meeting minutes and reports prepared by the External Auditor; and
- documents/papers related to financial statements.

c- Providing legal assistance to Board Members regarding governance issues:

The Board Secretary shall assist the Board Members in interpreting corporate governance laws and regulations. The Board Secretary shall not provide legal advice that falls outside of their competency. The Board Secretary shall also ensure that the Chairman is informed of any violations of governance procedures whenever and wherever they become aware thereof.

2- With respect to the development of corporate governance policies and procedures:

The Board Secretary shall assist the Company and its Board of Directors in developing Company's governance regulations. In particular, they shall play an important role in developing corporate governance policies and practices, verifying compliance therewith, reviewing them periodically, updating them as needed, informing the Board of Directors of any violations thereof and laying the foundations for a clear and explicit reform plan in these areas to improve corporate governance policies and practices.

3- With respect to the protection of Shareholder rights:

a- Organizing annual General Assembly meetings: The Board Secretary has an important role in organizing the annual General Assembly meetings, and their duties are as follows:

- notifying shareholders of the dates of the annual General Assembly meetings;
- documenting Shareholder attendance;
- answering procedural questions during Assembly meetings, and resolving disputes related to the preparation and conduct of Assembly meetings;
- facilitating Shareholders' access to the report on the results of Assembly meetings;
- ensuring that minutes on voting results and General Assembly meetings are kept;
- ensuring compliance with the registration procedures for attendance at General Assembly meetings; and
- distributing materials (documents) to attendees before and during General Assembly meetings.

b- Assisting in enforcing Shareholder rights:

- ensuring that the Company records all duly submitted Shareholder petitions; and
- channeling all duly submitted Shareholder inquiries to the appropriate governing bodies and departments of the Company.

4- With respect to compliance with the disclosure and transparency policy:

The Board Secretary plays an important role in helping the Board of Directors and the CEO of the Company to fulfill their respective obligations regarding the disclosure of material information on a timely basis to the Company's Shareholders, by:

- ensuring that the Company operates in accordance with the procedures for maintenance and disclosure of information pursuant to the Company's Bylaws and the Companies' Law; and
- facilitating unrestricted access for all Shareholders to information in accordance with the Companies' Law and the Company's Bylaws.

5.3.5 Employment and Service Contracts with Board Members

As of the date of this Prospectus, the Company has not entered into any employment or service contracts with the Board Members.

5.3.6 Summary Biographies of the Board Members and Board Secretary

The following is a summary of the biographies of the Board Members and the Board Secretary:

Table (5.3): Summary Biography of Abdullah Saleh Abdullah Kamel

Name	Abdullah Saleh Abdullah Kamel
Age	57 years
Nationality	Saudi
Position	Chairman
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Honorary Doctorate of Business Administration and Development, American Institute of Applied Sciences in Switzerland (AUS), 2023G.

Current Positions	• Chairman, Dallah Albaraka Holding Company, a Saudi closed joint-stock company operating in the field of managing subsidiaries, from 2021G to date. • Chairman, Dallah Albaraka Investment Holding Co., a Saudi closed joint-stock company operating in the field of investment, from 2021G to date. • Chairman, Dallah Real Estate, a Saudi closed joint-stock company operating in the field of real estate, from 2021G to date. • Chairman, Almasaha Alhurra Investment Company, a Saudi closed joint-stock company operating in the field of investment in entertainment, from 2021G to date. • Chairman of the Company's Board of Directors, from 2020G to date.
Significant Previous Professional Experience	• Chairman, Sinad Holding Company, a Saudi listed joint-stock company operating in the field of industry, retail, trade and agriculture, from 2019G to 2021G. • Vice Chairman, Emaar The Economic City (EEC), a Saudi listed joint-stock company operating in the field of real estate development, from 2017G to 2020G. • Chairman, Amlak International for Real Estate Finance, a Saudi listed joint-stock company operating in the field of real estate finance, from 2015G to 2018G. • Board Member, Bank AlJazira, a Saudi listed joint-stock company operating in the field of providing banking and financial services, from 2012G to 2015G.

Source: The Company

Table (5.4): Summary Biography of Abdulrahman Mohammed Abdullah Al-Rashid

Name	Abdulrahman Mohammed Abdullah Al-Rashid
Age	64 years
Nationality	Saudi
Position	Vice Chairman
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 1984G.
Current Positions	• Vice Chairman of the Company's Board of Directors, from 2017G to date. • Chairman of the Company's Executive Committee, from 2017G to date. • Chairman, Integrated Cable and Fiber Optic Company, a Saudi closed joint-stock company operating in the field of manufacturing cables and fiber optics, from 2024G to date. • Chairman, Tharawat Tuwaiq Capital, a Saudi closed joint-stock company operating in the field of finance and insurance activities, from 2023G to date. • Chairman of the Executive Committee, Tharawat Tuwaiq Capital, a Saudi closed joint-stock company operating in the field of finance and insurance activities, from 2023G to date. • Chairman, Tadawul Real Estate Company, a Saudi limited liability company operating in the field of real estate, from 2017G to date. • Chairman of the Executive Committee, Tadawul Real Estate Company, a Saudi limited liability company operating in the field of real estate, from 2017G to date. • Chairman, AlAhli REIT Fund (1), a Saudi real estate fund operating in the real estate sector, from 2017G to date.
Significant Previous Professional Experience	• Chairman, Alinma Investment Company, a Saudi closed joint-stock company operating in the field of investment products and services, from 2017G to 2023G. • Chairman of the Executive Committee, Alinma Investment Company, a Saudi closed joint-stock company operating in the field of investment products and services, from 2017G to 2023G. • Vice Chairman, CMA, a Saudi Government body operating in the field of regulating and developing the Exchange, from 2009G to 2016G. • Director General, CMA, a Saudi Government body operating in the field of regulating and developing the Exchange, from 2004G to 2009G. • Director of the Share Control Department, SAMA, a Saudi Government body operating in the field of Saudi currency and supervising capital institutions, from 1996G to 2004G. • Head of the Transfer and Notice Department, SAMA, a Saudi Government body operating in the field of Saudi currency and supervising capital institutions, from 1987G to 1996G. • Administrative Assistant at the Share Control Department, SAMA, a Saudi Government body operating in the field of Saudi currency and supervising capital institutions, from 1984G to 1987G.

Source: The Company

Table (5.5): Summary Biography of Abdullah Saleh Hammad Al-Balawi

Name	Abdullah Saleh Hammad Al-Balawi
Age	33 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Master's degree in Business Administration, London Business School, United Arab Emirates, 2022G. • Bachelor's degree in Accounting, Portland State University, USA, 2013G.
Current Positions	• Board Member of the Company, from 2023G to date. • Member of the Company's Executive Committee, from 2023G to date. • Board Member, Jabal Al Shifa Development Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2023G to date. • Member of the Nomination Committee, Jabal Al Shifa Development Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2023G to date. • Chairman of the Executive Committee, Jabal Al Shifa Development Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2023G to date. • Board Member, Saudi Downtown Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2021G to date. • Member of the Audit Committee, Saudi Downtown Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2021G to date. • Board Member, Rua Al Madinah Holding Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2020G to date. • Member of the Executive Committee, Rua Al Madinah Holding Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2020G to date.
Significant Previous Professional Experience	• Senior Vice President - Local Real Estate Investments Division, PIF, a Saudi sovereign fund operating in the field of investing in companies and projects, from 2021G to 2022G. • Vice President - Local Real Estate Investments Division, PIF, a Saudi sovereign fund operating in the field of investing in companies and projects, from 2020G to 2021G. • Senior Associate - Local Real Estate Investments Division, PIF, a Saudi sovereign fund operating in the field of investing in companies and projects, from 2019G to 2020G.

Source: The Company

Table (5.6): Summary Biography of Jehad Abdulrahman Suleiman Al-Kadi

Name	Jehad Abdulrahman Suleiman Al-Kadi
Age	44 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)

Academic Qualifications	• Executive Program in Logistics Leadership, Massachusetts Institute of Technology, USA, 2022G. • Executive Program in Board Membership, IMD Management Institute, Switzerland, 2021G. • Executive Program in Digital Transformation for Boards of Directors, IMD Management Institute, Switzerland, 2021G. • Executive Program in Finance and Financing for Boards of Directors, IMD Management Institute, Switzerland, 2021G. • Executive Program in Risk Management for Boards of Directors, IMD Management Institute, Switzerland, 2021G. • Executive Program in Real Estate Investment Leadership and Development, Harvard Business School, USA, 2019G. • Executive Program in Effective Leadership, IR Business School, Spain, 2019G. • Master's degree in Business Administration, Hult International Business School, London, UK, 2015G. • Executive Program in Strategy Development, London Business School, UK, 2012G. • Bachelor's degree in Economics, King Saud University, Kingdom of Saudi Arabia, 2003G.
Current Positions	• Board Member of the Company, from 2023G to date. • Member of the Company's Nomination and Remuneration Committee, from 2023G to date. • Chairman, Sadu Capital, a Saudi limited liability company operating in the field of investment and asset management, from 2023G to date. • Board Member, Ruba Al Abniya Real Estate Development Company, a Saudi limited liability company operating in the field of real estate development, from 2022G to date. • Board Member, Tanal Real Estate Development and Investment Company, a Saudi limited liability company operating in the field of real estate development, from 2022G to date. • Chairman, Jones Lang LaSalle (JLL), a Saudi limited liability company operating in the field of real estate consultancy, from 2021G to date.
Significant Previous Professional Experience	• Member of the Investment Committee, Dur Hospitality, a Saudi listed joint-stock company operating in the field of real estate development and hospitality, from 2019G to 2023G. • Board Member, Saudi Egyptian Investment Company (SEIC), a Saudi closed joint-stock company operating in the field of diversified investments, from 2021G to 2022G. • Board Member, ASMA Capital Partners, a Bahraini closed joint-stock company operating in the field of real estate investment, from 2020G to 2021G. • Board Member, Saudi Hospitality Company, a Saudi closed joint-stock company operating in the field of hospitality, from 2020G to 2021G. • Board Member, Islamic Infrastructure Development Fund, a Bahraini closed joint-stock company operating in the field of real estate investments, from 2020G to 2021G.

Source: The Company

Table (5.7): Summary Biography of Abdulaziz Abdulrahman Abdulaziz Al-Khunain

Name	Abdulaziz Abdulrahman Abdulaziz Al-Khunain
Age	60 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Bachelor's degree in Journalism, Imam Mohammed Ibn Saud Islamic University, Kingdom of Saudi Arabia, 1968G.

Current Positions	• Board Member of the Company, from 2020G to date. • Member of the Company's Nomination and Remuneration Committee, from 2020G to date. • Advisor to HRH the Deputy Governor of the Makkah Region, a Saudi Government body operating in the field of the affairs of the Makkah region, from 2019G to date. • Board Member, Eastern Cement Company, a Saudi listed joint-stock company operating in the field of cement, from 2018G to date. • Member of the Audit Committee, Eastern Cement Company, a Saudi listed joint-stock company operating in the field of cement, from 2018G to date. • Member of the Executive Committee, Jeddah Development and Urban Regeneration Company, a Saudi joint-stock company operating in the field of urban development, from 2020G to date. • Member of the Nomination Committee, Jeddah Development and Urban Regeneration Company, a Saudi joint-stock company operating in the field of urban development, from 2020G to date.
Significant Previous Professional Experience	• Advisor to HRH the Governor of Al-Jawf Region, a Saudi Government body operating in the field of the affairs of Al-Jawf region, from 2018G to 2019G. • Board Member, Public Pension Agency (currently merged with GOSI), a Saudi Government institution operating in the field of implementing civil and military pension systems, from 2016G to 2019G. • Chairman of the Nomination Committee, Public Pension Agency (currently merged with GOSI), a Saudi Government institution operating in the field of implementing civil and military pension systems, from 2016G to 2019G. • Undersecretary for Executive Affairs, Ministry of Civil Service, a Saudi government ministry operating in the field of civil service, from 2013G to 2018G. • Board Member, Raidah Investment Company, a Saudi closed joint-stock company operating in the field of investment, from 2016G to 2018G. • Chairman of the Governance and Nomination Committee, Raidah Investment Company, a Saudi closed joint-stock company operating in the field of investment, from 2016G to 2018G. • Member of the Audit and Risk Committee, Raidah Investment Company, a Saudi closed joint-stock company operating in the field of investment, from 2016G to 2018G. • Member of the Scientific Planning Committee, Princess Nourah Bint Abdulrahman University, a Saudi university operating in the field of higher education, from 2015G to 2018G. • Member of the Qualification Classification Committee, Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2016G to 2018G. • Member of the Career Transition Committee, Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2016G to 2018G. • Supervisor of Procedure Engineering and Business Analysis, Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2014G to 2018G. • Member of the Allowance Committee, Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2016G to 2018G. • Member of the Committee for Harmonization between Education Outcomes and the Labor Market, Ministry of Economy and Planning, a Saudi Government ministry operating in the field of economy and planning, in 2017G. • Supervisor of the implementation of the Human Resources Transformation Project at the Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2015G to 2016G. • Member of the Steering Committee, King Salman Program for Human Resource Development, a Saudi Government program operating in the field of human resource development, from 2015G to 2016G. • Deputy Project Manager for the Human Resources Management Concepts Transformation Initiative at the Ministry of Civil Service, a Saudi Government ministry operating in the field of civil service, from 2015G to 2016G.

Source: The Company

Table (5.8): Summary Biography of Abdulaziz Mutaib Abdullah Al-Rasheed

Name	Abdulaziz Mutaib Abdullah Al-Rasheed
Age	56 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Bachelor's degree in Economics, Imam Mohammed Ibn Saud Islamic University, Kingdom of Saudi Arabia, 1995G.
Current Positions	• Board Member of the Company, from 2023G to date. • Member of the Company's Nomination and Remuneration Committee, from 2023G to date. • Board Member, Ebdaat, a Saudi limited liability company operating in the field of executing projects for King Abdulaziz and His Companions Foundation for Giftedness and Creativity (Mawhiba), from 2023G to date. • Board Member, Awqaf Investment Company, a Saudi closed joint-stock company operating in the field of financial and real estate investment, from 2024G to date.
Significant Previous Professional Experience	• Assistant Minister for Macro-Fiscal Policies and International Relations, Ministry of Finance, a Saudi Government agency that oversees and protects state property, from 2018G to 2022G. • Deputy Minister for Economic Affairs, Ministry of Economy and Planning, a Saudi Government agency operating in the field of developing national development priorities, from 2017G to 2018G. • Director-General of the CEO's Office, Saudi Food and Drug Authority (SFDA), a Saudi Government agency operating in the field of overseeing drugs and food, from 2014G to 2016G.

Source: The Company

Table (5.9): Summary Biography of Zuhair Fouad Hamzah

Name	Zuhair Fouad Amin Hamzah
Age	64 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Master's degree in Public Administration (Urban Design), Harvard University, USA, 1989G. • Bachelor's degree in City and Regional Planning, University of Louisiana, USA, 1982G.
Current Positions	• Board Member of the Company, from 2023G to date. • Member of the Company's Executive Committee, from 2023G to date. • Board Member, Red Sea Markets Company, a Saudi limited liability company operating in the field of real estate, from 2021G to date. • Board Member, Ufuq Al-Qadisiyah Company, a Saudi limited liability company operating in the field of real estate, from 2021G to date. • Member of the Executive Committee, Red Sea Markets Company, a Saudi limited liability company operating in the field of real estate, from 2021G to date.

Significant Previous Professional Experience	• Board Member, SEDCO Development Company, a Saudi limited liability company operating in the field of real estate development, from 2016G to 2022G. • CEO, SEDCO Development Company, a Saudi limited liability company operating in the field of real estate development, from 2016G to 2022G. • Head of Real Estate, SEDCO Holding Company, a Saudi limited liability company operating in the field of responsible and sustainable investments, from 2019G to 2022G. • Board Member, Raysan Arabia, a Saudi closed joint-stock company operating in the field of real estate development for unassigned properties, from 2010G to 2019G. • Chairman of the Executive Committee, Raysan Arabia, a Saudi closed joint-stock company operating in the field of real estate development for unassigned properties, from 2010G to 2019G. • Board Member, Tamlik Company for Development, a Saudi closed joint-stock company operating in the field of real estate development, from 2004G to 2015G. • CEO, Tamlik Company for Development, a Saudi closed joint-stock company operating in the field of real estate development, from 2004G to 2015G. • CEO, Dallah Real Estate, a Saudi limited liability company operating in real estate development and investment, from 1993G to 2004G. • Board Member of several regional real estate development companies in Lebanon, Egypt, Tunisia and Morocco, from 1998G to 2005G.

Source: The Company

Table (5.10): Summary Biography of Ahmed Abdulmohsen Ahmed Al-Rumaih

Name	Ahmed Abdulmohsen Ahmed Al-Rumaih
Age	38 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)
Academic Qualifications	• Master's degree in Financial Management, Bangor University, UK, from 2010G. • Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007G.
Current Positions	• Board Member of the Company, from 2023G to date. • Member of the Company's Executive Committee, from 2023G to date. • Assistant Chief of Investment and Fund Development, General Commission for the Guardianship of Trust Funds for Minors and Their Counterparts, a Saudi Government agency operating in the field of supervising the funds of minors, from 2023G to date. • Chairman of the Audit Committee, Energy Care Holding, a Saudi closed joint-stock company operating in the field of information technology, from 2018G to date. • Board Member, Energy Care Holding, a Saudi closed joint-stock company operating in the field of information technology, from 2017G to date.
Significant Previous Professional Experience	• Director-General of the General Department of Investment, General Commission for the Guardianship of Trust Funds for Minors and Their Counterparts, a Saudi Government agency operating in the field of supervising the funds of minors, from 2021G to 2023G. • Head of the Investment Advisory Department, Alinma Investment Company, a Saudi closed joint-stock company operating in the field of investments, from 2019G to 2021G. • Director of Alternative Investment Funds, Alinma Investment Company, a Saudi closed joint-stock company operating in the field of investment, from 2017G to 2019G.

Source: The Company

Table (5.11): Summary Biography of Haitham Mohammed Abdulrahman Al-Fayez

Name	Haitham Mohammed Abdulrahman Al-Fayez
Age	46 years
Nationality	Saudi
Position	Board Member
Date of Appointment	26/11/1444H (corresponding to 15/06/2023G)

Academic Qualifications	• Master's degree in Business Administration, Imperial College London, UK, 2004G. • Bachelor's degree in Information Systems, King Fahd University of Petroleum and Minerals (KFUPM), Kingdom of Saudi Arabia, 2000G.
Current Positions	• Member of the Endowment Committee, Ehsan Platform, operated by the Saudi Data & AI Authority (SDAIA), a Saudi Government agency operating in the field of charity, from 2024G to date. • Board Member, ADES Holding Company, a Saudi listed joint-stock company operating in the field of offshore drilling, from 2024G to date. • Member of the Resource Development Committee, Education and Training Evaluation Commission (ETEC), a Saudi Government agency operating in the field of education, from 2023G to date. • Member of the Remuneration and Nomination Committee, Riyadh Infrastructure Project Center (RIPC), a Saudi Government agency operating in the field of infrastructure development, from 2023G to date. • Member of the Investment Committee, Special Integrated Logistics Zone (SILZ), a one-person closed joint-stock company operating in the field of operation and management of logistics zones, from 2023G to date. • Member of the Executive Committee, Riyadh Holding Company, a Saudi limited liability company operating in the field of real estate development, from 2023G to date. • Board Member, Associations Support Fund, a Saudi charitable fund operating in the field of philanthropy, from 2022G to date. • Board Member, Bank Albilad, a Saudi listed joint-stock company operating in the field of banking services, from 2022G to date. • Member of the Risk Committee, Bank Albilad, a Saudi listed joint-stock company operating in the field of banking services, from 2022G to date. • Member of the Nomination and Remuneration Committee, Bank Albilad, a Saudi listed joint-stock company operating in the field of banking services, from 2022G to date. • Board Member of the Company, from 2020G to date. • Board Member, Kidana Development Company, a Saudi listed joint-stock company operating in the field of developing, renovating and protecting the Holy Sites, from 2020G to date. • Member of the Nomination and Remuneration Committee, Kidana Development Company, a Saudi listed joint-stock company operating in the field of developing, renovating and protecting the Holy Sites, from 2020G to date. • Member of the Board of Trustees, Charitable Foundation for Orphans Care - Ekhaa, a Saudi non-profit organization operating in the field of caring for orphans, from 2020G to date. • Member of the Investment Committee, Charitable Foundation for Orphans Care - Ekhaa, a Saudi non-profit organization operating in the field of caring for orphans, from 2020G to date. • CEO, Awqaf Investment Company, a Saudi closed joint-stock company operating in the field of financial and real estate investment, from 2018G to date. • Managing Director, Awqaf Investment Company, a Saudi closed joint-stock company operating in the field of financial and real estate investment, from 2018G to date. • Member of the Investment Committee, Awqaf Investment Company, a Saudi closed joint-stock company operating in the field of financial and real estate investment, from 2018G to date.
Significant Previous Professional Experience	• CEO of Local Investments, Kingdom Holding Company, a joint-stock company operating in the field of investment and finance, from 2015G to 2017G. • Head of Direct Investments, Saudi Aramco, a Saudi listed joint-stock company operating in the fields of oil, natural gas and petrochemicals, from 2013G to 2015G. • Head of Fund Investments, Jadwa Investment, a Saudi joint-stock company operating in the field of investment management and consultancy, from 2008G to 2013G. • Economic Analyst for Developing Countries, United Nations Development Programme (UNDP) in Switzerland, an international organization that supports change and provides countries with access to knowledge, expertise and resources to help people build better lives, from 2006G to 2008G. • Senior Credit Officer, Saudi Industrial Development Fund (SIDF), a Government financial institution operating in the field of achieving the Kingdom's industrial development goals, policies and programs directed at supporting the private sector, from 2002G to 2006G.

Source: The Company

Table (5.12): Summary Biography of Bader Ayman Fadel

Name	Bader Ayman Fadel
Age	35 years
Nationality	Saudi
Position	Board Secretary
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Academic Qualifications	• Master's degree in Law, University of St. Thomas, USA, 2014G. • Bachelor's degree in Law, King Abdulaziz University, Kingdom of Saudi Arabia, 2010G.
Current Positions	• Board Secretary of the Company, from 2023G to date. • Senior Governance Advisor at the Company, from 2023G to date.
Significant Previous Professional Experience	• Legal Advisor and Assistant to the Board of Directors, Binladin International Holding Group, a joint-stock company operating in the field of contracting and real estate development, from 2022G to 2023G. • Board Member, Zamazemah Co., a joint-stock company operating in the field of providing pilgrims with water, from 2019G to 2021G. • Senior Legal Advisor and Secretary of the Board and Board Committees, Methaq Investment Holding, a Saudi limited liability company operating in the field of real estate and investment, from 2015G to 2019G. • Lecturer, University of Jeddah, a Saudi university operating in the field of education, from 2015G to 2019G.

Source: The Company

5.4 Board Committees

The Company's Board of Directors has established several committees based on the Company's needs, circumstances and conditions to enable it to perform its tasks effectively, in addition to fulfilling the relevant legal requirements. These committees include the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee.

The following is a summary of the structure, responsibilities and members of each committee:

5.4.1 Audit Committee

a- Formation of the Audit Committee

The Audit Committee consists of four (4) members who were appointed pursuant to the Board resolution dated 15/12/1444H (corresponding to 03/07/2023G), for a term of three (3) years commencing on 13/12/1444H (corresponding to 01/07/2023G). The following table sets out the names of the members of the Audit Committee:

Table (5.13): Members of the Audit Committee

#	Name	Position	Status
1.	Husam Faisal Omar Bawared	Chairman of the Audit Committee	Non-Board Member
2.	Abdulaziz Sulaiman Abdulaziz Al-Sayari	Member of the Audit Committee	Non-Board Member
3.	Khaled Mahmoud Abdul-Qader Abu Namous	Member of the Audit Committee	Non-Board Member
4.	Zuhair Fouad Amin Hamzah*	Member of the Audit Committee	Independent

* Audit Committee member Zuhair Fouad Hamzah was appointed pursuant to the Board resolution dated 26/03/1445H (corresponding to 11/10/2023G).

Source: The Company

b- Responsibilities of the Audit Committee

The responsibilities and duties of the Audit Committee include the following:

Financial Reporting

1- Examining the interim quarterly and annual financial statements of the Company before presenting them to the Board, as well as providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.

2- Providing a technical opinion, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable and contain information that allows Shareholders and investors to assess the Company's financial position, performance, business model and strategy.

3- Analyzing any important or unfamiliar matters contained in the financial reports.

4- Examining the accounting estimates in respect of significant matters that are contained in the financial reports.

5- Accurately investigating any issues raised by the Company's CFO, any person assuming the CFO's duties, the Company's compliance officer or the Auditor.

6- Considering the accounting policies adopted by the Company and providing an opinion and recommendations to the Board thereon.

Internal Control Systems

1- Monitoring the Company's business.

2- Verifying the effectiveness and adequacy of the Company's internal control measures.

3- Examining draft policies and terms of reference and expressing an opinion thereon in the context of its oversight role prior to their approval by the Board.

4- Reviewing the Executive Management reports related to the internal control system and its components and presenting an opinion thereon to the Board.

5- Examining any matters referred to it by the Board and making recommendations thereon to the Board in the context of the Committee's oversight role.

Internal Audit

1- Reviewing and approving the appointment and replacement of the director of the internal audit department, evaluating the department's performance on an annual basis and proposing the remuneration of the internal audit director.

2- Supervising the plans and activities of the internal audit department and verifying their effectiveness in line with regulations, laws and professional norms in this regard.

3- Examining the internal audit reports and monitoring the implementation of corrective measures in respect of the remarks made in such reports.

4- Ensuring the independence of the internal audit department and enabling it to perform its work effectively.

5- Monitoring and supervising the performance and activities of the Company's director of internal audit to ensure the availability of the necessary resources and their effectiveness in performing the duties and tasks assigned thereto.

Auditor

1- Providing recommendations to the Board of Directors regarding the nomination and dismissal of auditors, determining their fees and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2- Verifying the independence and objectivity of the Auditor and the effectiveness of the auditing activities, taking into account the relevant rules and standards.
3- Reviewing the Auditor's action plan and work, ensuring that the Auditor has not exceeded or fallen short of their duties and that they have not undertaken any tasks outside the scope of the audit work, as well as providing its opinions in this regard.
4- Examining the Auditor's report and notes on the financial statements and following up on the actions taken regarding the same.

Compliance

1- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary measures in connection therewith.
2- Ensuring the Company's compliance with the relevant laws, regulations, policies and directives.
3- Reviewing Related Party contracts and transactions concluded by the Company and potential conflicts of interest, if any, as well as providing its recommendations to the Board in connection therewith.
4- Reviewing and monitoring Management's assessment of the risks to which the Company is exposed, as well as the risk management strategy and the related controls.
5- Reporting any issues to the Board that it deems necessary to take action on and providing recommendations as to the steps that should be taken.

c- Summary Biographies of the Members of the Audit Committee

The following is a summary of the biographies of the members of the Audit Committee:

Table (5.14): Summary Biography of Husam Faisal Omar Bawared

Name	Husam Faisal Omar Bawared
Age	42 years
Nationality	Saudi
Position	Chairman of the Audit Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Academic Qualifications	• Bachelor's degree in Accounting, King Abdulaziz University, Kingdom of Saudi Arabia, 2003G.
Current Positions	• Member of the Company's Audit Committee, from 2023G to date. • General Manager, Husam Bawared Certified Public Accountants, a Saudi professional firm operating in the field of accounting consultancy, from 2018G to date. • Member of the Audit Committee, Farouk and Maamoun Mohammed Said Tamer Industries Holding Co., a Saudi limited liability company operating in the field of industry, from 2021G to date. • Member of the Audit Committee, Arch Capital, a Saudi closed joint-stock company operating in the field of financial investments, from 2021G to date. • Member of the Audit Committee, Saudi Bio-acids Company, a Saudi closed joint-stock company operating in the field of industry, from 2019G to date.
Significant Previous Professional Experience	• From Assistant Audit Manager to Partner, Ernst & Young & Co. (Certified Public Accountants), a Saudi professional limited liability company operating in the field of accounting and consulting, from 2003G to 2017G.

Source: The Company

Table (5.15): Summary Biography of Abdulaziz Sulaiman Abdulaziz Al-Sayari

Name	Abdulaziz Sulaiman Abdulaziz Al-Sayari
Age	39 years
Nationality	Saudi
Position	Member of the Audit Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Academic Qualifications	• Bachelor's degree in Administrative Sciences, King Saud University, Kingdom of Saudi Arabia, 2007G.
Current Positions	• Member of the Company's Audit Committee, from 2023G to date. • Director General of Financial Affairs, State Properties General Authority (SPGA), a Saudi Government agency operating in the field of state real estate management, from 2019G to date.
Significant Previous Professional Experience	• CFO, Tatweer for Educational Technologies (TETCO), a one-person company operating in the field of development of education technologies, from 2017G to 2019G. • Account Manager, Boeing Saudi Arabia, a foreign company operating in the field of aircraft manufacturing, from 2012G to 2015G. • Assistant Finance Officer, National Guard Hospital in Al Ahsa, a Government agency operating in the field of health services, from 2011G to 2012G.

Source: The Company

Table (5.16): Summary Biography of Khaled Mahmoud Abdul-Qader Abu Namous

Name	Khaled Mahmoud Abdul-Qader Abu Namous
Age	58 years
Nationality	Jordanian
Position	Member of the Audit Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Academic Qualifications	• Master's degree in Business Administration (Professional Accounting), Canisius College, USA, 1991G. • Master's degree in Business Administration, Canisius College, USA, 1990G. • Bachelor's degree in Business Administration, University of Jordan, Jordan, 1988G.
Current Positions	• Member of the Company's Audit Committee, from 2023G to date. • Executive Vice President of Finance and Treasury, Dallah Albaraka Holding Company, a Saudi closed joint-stock company operating in the field of investment, from 2021G to date.
Significant Previous Professional Experience	• Executive Vice President of Finance and Administration, Umm Al Qura For Development and Construction, a Saudi closed joint-stock company operating in the field of real estate development, from 2011G to 2021G. • General Manager, MultiChoice Middle East, a branch of a foreign company in Jebel Ali Free Zone (Jafza) operating in the field of management of satellite TV subscription services, from 1996G to 2011G. • CFO, MultiChoice Africa, a South African public joint-stock company operating in the field of production of satellite programs, subscription management and distribution in African countries, from 2000G to 2002G.

Source: The Company

Table (5.17): Summary Biography of Zuhair Fouad Amin Hamzah

Name	Zuhair Fouad Amin Hamzah
Position	Member of the Audit Committee
Date of Appointment	26/03/1445H (corresponding to 11/10/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

5.4.2 Nomination and Remuneration Committee

a- Formation of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three (3) members who were appointed pursuant to the Board resolution dated 15/12/1444H (corresponding to 03/07/2023G), for a term of three (3) years commencing on 13/12/1444H (corresponding to 01/07/2023G). The following table sets out the names of the members of the Nomination and Remuneration Committee:

Table (5.18): Members of the Nomination and Remuneration Committee

#	Name	Position	Status
1.	Abdulaziz Abdulrahman Abdulaziz Al-Khunain	Chairman of the Nomination and Remuneration Committee	Independent
2.	Abdulaziz Mutaib Abdullah Al-Rasheed	Member of the Nomination and Remuneration Committee	Non-executive
3.	Jehad Abdulrahman Suleiman Al-Kadi	Member of the Nomination and Remuneration Committee	Non-executive

Source: The Company

b- Responsibilities of the Nomination and Remuneration Committee

The duties and responsibilities of the Nomination and Remuneration Committee include:

1- Proposing clear policies and criteria for membership of the Board, its Committees and Executive Management.

2- Providing recommendations to the Board on the nomination and renomination of Board Members, members of Committees and Executive Management in accordance with the Company's approved policies and standards.

3- Preparing a description of the skills, qualifications and experience required for membership of the Board, Board Committees and Executive Management positions.

4- Determining the time that Board Members should devote to Board responsibilities.

5- Conducting an annual review of the skills and expertise required for membership of the Board, its Committees and for Executive Management positions.

6- Conducting a periodic review of the structure of the Board, its Committees and Executive Management, and making recommendations regarding any changes that may be necessary to such structures.

7- Verifying the independence of independent Board Members on an annual basis and ensuring that there is no conflict of interest if a Board Member serves on the board of another company.

8- Developing job descriptions for executive Board Members, independent Board Members and Senior Executives.

9- Recommending performance evaluation criteria for the Board, Board Members, Board Committees and Executive Management; assisting the Board in evaluating the performance of the Board, Board Committees and Executive Management in terms of strengths and weaknesses; and developing and implementing plans to identify and enhance the competencies of Board Members by recommending the necessary actions.

10- Ensuring there is an effective onboarding and orientation process for new Board Members.

11- Developing a clear policy for the remuneration of the Board Members, members of Board committees and Executive Management, and presenting such policy to the Board for review and approval, provided that such policy follows performance-related standards, as well as disclosing and ensuring the implementation thereof. The remuneration policy shall:

   a- be consistent with the Company's strategy and objectives;

   b- attract, retain and incentivize Board Members, members of Board Committees and Executive Management to achieve success for the Company and enhance Shareholder value in the long term;

   c- determine remuneration based on job level, duties, responsibilities, educational qualifications, practical experience, skills and performance level;

d- be consistent with the magnitude, nature and level of risk faced by the Company;

e- consider other corporate practices in determining remuneration, while avoiding unjustified increases in remuneration and compensation that might result therefrom; and

f- organize the granting of shares in the Company to Board Members and Executive Management, whether in the form of new shares issued by the Company or shares purchased by the Company.

12- Clarifying the relationship between the remunerations granted and the applicable remuneration policy, indicating any material deviation from such policy.

13- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving its objectives.

14- Recommending to the Board of Directors the remuneration of Board Members, Board Committee members and Senior Executives in accordance with the approved policy.

15- Ensuring the Company's compliance with the corporate governance rules.

16- Reviewing and updating the governance rules in accordance with regulatory requirements and best practices.

17- Reviewing and developing a code of business conduct that represents the Company's values and other internal policies and procedures in order to meet the Company's needs and align with best practices.

18- Keeping the Board Members informed of developments in corporate governance and best practices or delegating the same to the Audit Committee or any other committee or department.

19- Following up on any issues related to the application of governance and providing the Board—at least annually—with the reports it prepares and the recommendations it reaches.

c- Summary Biographies of the Members of the Nomination and Remuneration Committee

The following is a summary of the biographies of the members of the Nomination and Remuneration Committee:

Table (5.19): Summary Biography of Abdulaziz Abdulrahman Abdulaziz Al-Khunain

Name	Abdulaziz Abdulrahman Abdulaziz Al-Khunain
Position	Chairman of the Nomination and Remuneration Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.20): Summary Biography of Abdulaziz Mutaib Abdullah Al-Rasheed

Name	Abdulaziz Mutaib Abdullah Al-Rasheed
Position	Member of the Nomination and Remuneration Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.21): Summary Biography of Jehad Abdulrahman Suleiman Al-Kadi

Name	Jehad Abdulrahman Suleiman Al-Kadi
Position	Member of the Nomination and Remuneration Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

5.4.3 Executive Committee

a- Formation of the Executive Committee

The Executive Committee consists of four (4) members who were appointed pursuant to the Board resolution dated 15/12/1444H (corresponding to 03/07/2023G). The following table sets out the names of the members of the Executive Committee:

Table (5.22): Members of the Executive Committee

#	Name	Position	Status
1.	Abdulrahman Mohammed Abdullah Al-Rashid	Chairman of the Executive Committee	Independent
2.	Zuhair Fouad Amin Hamzah	Member of the Executive Committee	Independent
3.	Abdullah Saleh Hammad Al-Balawi	Member of the Executive Committee	Non-executive
4.	Ahmed Abdulmohsen Ahmed Al-Rumaih	Member of the Executive Committee	Non-executive

Source: The Company

b- Responsibilities of the Executive Committee

The duties and responsibilities of the Executive Committee include, but are not limited to, the following:

1- Assisting the Board in performing activities and tasks according to the powers delegated to it by the Board of Directors in order to facilitate the Company's operations.
2- Assisting the Board in developing the Company's main strategic objectives and investment strategies.
3- Assisting the Board in periodically reviewing the Company's performance strategy in order to determine whether or not the Company has achieved its short-term and long-term objectives.
4- Reviewing investment decisions, in line with the Company's approved strategies.
5- Forming or restructuring any joint venture or partnership, including any associated expenses.
6- Reviewing the technical, financial and regulatory capabilities of business partners/developers involved in the Company's projects.
7- Providing appropriate recommendations to the Board regarding the Company's management of corporate social responsibility related to employees, society and the environment.
8- Monitoring compliance with the Company's policies with respect to corporate social responsibility.
9- Identifying, in cooperation with the Executive Management, the significant/principal social and environmental risks and assessing the proper management of such risks.
10- Ensuring that the Company maintains dialog and communication with all relevant stakeholders regarding the Company's social responsibility matters.
11- Performing other activities as assigned to it from time to time by the Board.
12- The following are excluded from the powers of the Executive Committee:

- approval of the annual budget;
- approval of the annual periodic financial reports; and
- approval of the Company's strategic business plans.

c- Summary Biographies of the Members of the Executive Committee

The following is a summary of the biographies of the members of the Executive Committee:

Table (5.23): Summary Biography of Abdulrahman Mohammed Abdullah Al-Rashid

Name	Abdulrahman Mohammed Abdullah Al-Rashid
Position	Chairman of the Executive Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.24): Summary Biography of Zuhair Fouad Amin Hamzah

Name	Zuhair Fouad Amin Hamzah
Position	Member of the Executive Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.25): Summary Biography of Abdullah Saleh Hammad Al-Balawi

Name	Abdullah Saleh Hammad Al-Balawi
Position	Member of the Executive Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

Table (5.26): Summary Biography of Ahmed Abdulmohsen Ahmed Al-Rumaih

Name	Ahmed Abdulmohsen Ahmed Al-Rumaih
Position	Member of the Executive Committee
Date of Appointment	15/12/1444H (corresponding to 03/07/2023G)
Biography	Please refer to Section 5.3.6 "**Summary Biographies of the Board Members and Board Secretary**" of this Prospectus.

Source: The Company

5.5 Executive Management

The Company's Executive Management consists of a team that has the necessary expertise and skills to manage the Company under the direction of the Board. The CEO conducts the Company's day-to-day business in accordance with the directives and policies set by the Board to ensure that the Company's objectives set by the Board are achieved.

5.5.1 Executive Management Departments

a- Finance and IT Department

The tasks and responsibilities of the Finance and IT Department include:

In relation to finance:

1- Financial planning and analysis, including budget development in coordination with the Company's various departments and periodically monitoring actual performance in comparison to projected performance;

2- Accounts management and documentation of operations for the preparation and issuance of financial reports, including the Company's interim and annual statements.

3- Cash management and related investment and financing decisions;

4- Management of Zakat and tax affairs; and

5- Provision of support and participation in strategic decision-making for the Company.

In relation to IT:

1- Monitoring and supporting the Company's information technology infrastructure (including communications, design and maintenance of the internet system and network, site monitoring systems and website), as well as continuously updating the same; and

2- Managing networks, applications, data, security and technical support.

b- Development Department

The tasks and responsibilities of the Development Department include:

With respect to urban planning and studies:

1- Developing plans and following up on studies to achieve synergy between the Company's objectives and strategy and the project elements in a way that serves the interests of the project stakeholders, including visitors, investors and residents;

2- Monitoring the procedures for preparation of the master plan and obtaining approval therefor from the relevant Governmental Entities; and

3- Following up on the completion of technical and engineering designs directly related to the master plan and monitoring compliance with international technical standards.

With respect to development and architectural and engineering design:

1- Ensuring the realization of the technical (architectural and engineering) aspects of the Company's investment vision for the project buildings;

2- Preparing and participating in the preparation of studies, programs, initial costs and feasibility studies for the Company's projects; and

3- Monitoring and coordinating the acquisition of approvals for designs from the relevant authorities.

With respect to project implementation:

1- Implementing and managing the Company's construction projects from inception through to completion of implementation;

2- Supervising the implementation of the project throughout its various stages in accordance with the conditions, specifications and shop drawings;

3- Defining the scope of work for new projects and the best contracting strategy for their implementation, before following up on and monitoring the implementation of projects to ensure that the scope of work of the project is fully implemented; and

4- Following up on and monitoring the implementation of projects in accordance with the agreed timeframes and taking the necessary measures in the event of a project delay, as well as reviewing the corrective plans submitted by contractors.

With respect to information and communication technology:

1- Working on developing and equipping the infrastructure for Masar Destination's internal and external communication systems and upgrading the same with the latest global technologies;

2- Managing and developing the necessary technical systems and applications, as well as applying the latest and best smart solutions to manage Masar Destination, in line with the concept of modern smart cities;

3- Ensuring that the technical and financial aspects of the Company's investment vision are achieved for all components of the project; and

4- Monitoring and coordinating with Related Parties to connect Masar Destination to external cellular and fiber-optic communication networks.

With respect to safety, security, occupational and environmental health:

1- Ensuring that all aspects of the safety program are applied at the operational level and that it is managed effectively;

2- Ensuring that all field operations personnel are aware of and effectively apply the policies and procedures set forth in the safety program; and

3- Ensuring that the workplace is safe and compliant with occupational, safety, health and administration (OSHA) standards and Government regulations.

c- Commercial Department

The tasks and responsibilities of the Commercial Department include:

1- Providing contractual recommendations and consultations to stakeholders;

2- Coordinating, following up on and supervising procurement, tenders and management of awarded contracts; and

3- Preparing the annual procurement plan.

d- Investment Department

The tasks and responsibilities of the Investment Department include:

With respect to business development:

1- Monitoring the market situation, particularly in Makkah, and examining supply and demand trends;

2- Maintaining the Company's customer base, including individual and corporate clients;

3- Striving to offer investment products that meet the market need and generate the profits expected from investors; and

4- Establishing partnerships and alliances with key investors and developers in all sectors that serve the Company's business.

With respect to investment:

1- Developing investment structures that are in line with the prevailing requirements in the market while taking into account preservation of the Company's interests and expected returns;

2- Accurately following up on the Company's business plan, development plans, financial and business expectations and contributing to their implementation and commitment thereto; and

3- Managing the Company's asset portfolio and ensuring the optimal utilization of such assets.

With respect to the Company's strategy:

1- Cooperating with internal stakeholders to develop and implement the Company's strategy; and
2- Establishing partnerships and areas of cooperation with all stakeholders to achieve the Company's strategic goals and projects.

e- Destination Department

The tasks and responsibilities of the Destination Department include:

1- Marketing Masar Destination by building the brand, developing strategies and plans for the brand and introducing the target audience to Masar Destination, along with all other marketing activities;
2- Organizing cultural and entertainment events for the purpose of attracting visitors, including prior coordination with the relevant parties;
3- The Destination Department is also concerned with all matters related to internal and external corporate communication and establishing the image of Masar Destination through various media channels;
4- Designing and managing the visitor's experience within Masar Destination facilities, as well as ensuring visitor's satisfaction by maintaining the quality of the services provided; and
5- Studying and analyzing visitor's behavior and adopting appropriate services based on such studies.

f- Risk Department

The tasks and responsibilities of the Risk Department include:

1- Monitoring and reviewing all measures taken to mitigate and manage risks, as well as finding alternative solutions in the event of their failure;
2- Informing stakeholders and relevant decision makers regarding risks within the risk appetite framework of the Company;
3- Ensuring the Company's compliance with all regulatory requirements; and
4- Reviewing and developing procedures that ensure compliance within the Company.

g- Human Resources and Administrative Affairs Department

The tasks and responsibilities of the Human Resources and Administrative Affairs Department include:

With respect to human resources:

1- Implementing the Saudi Labor Law and the approved human resources policy; and
2- Setting strategic objectives that align with the Company's vision, namely, to raise the quality of services provided to employees, create a safe and attractive work environment for talent and improve the skill level of employees in line with the Company's needs.

With respect to administrative affairs:

1- Providing all administrative services, as well as transportation, delivery and periodic maintenance;
2- Equipping internal spaces, including equipping the Company's facilities with auxiliary supplies such as tissues, fresheners, detergents, decorative plants, spare bulbs, etc.;
3- Maintaining the Company's business vehicles and contracting with suppliers; and
4- Maintaining cleanliness within the Company along with all associated duties and tasks, as well as maintaining security for the Company and its branches.

h- Legal Affairs Department

The tasks and responsibilities of the Legal Affairs Department include:

With respect to the Claims Division:

1- Representing the Company before all courts and judicial committees, preparing and submitting legal memoranda and attending court hearings, along with all associated tasks;

2- Providing legal support, attending meetings and offering legal assistance to all stakeholders in the Company; and

3- Preparing periodic reports on each case, submitting recommendations and presenting the Company's position thereon, and submitting the same to the competent authorities to decide thereon.

With respect to the Real Estate Properties and Commercial Affairs Division and the Construction and Development Division:

1- Preparing, drafting and reviewing all contracts, agreements and memoranda of understanding and drafting the necessary amendments to the contracts entered into by the Company in line with its policies and the relevant laws and regulations;

2- Providing legal recommendations and consultations to stakeholders;

3- Providing legal support, attending meetings and offering legal assistance to all stakeholders in the Company;

4- Coordinating, following up and supervising the law firms that the Company engages and managing their contracts; and

5- Preparing the annual plan, procedures, guides, forms and all other governance-related matters of the Division.

With respect to the Governance Division:

1- Coordinating and preparing meetings of the Company's Board and its Committees;

2- Coordinating and preparing for Ordinary and Extraordinary General Assemblies of Shareholders;

3- Reviewing the Company's Bylaws periodically and updating them as needed in order to comply with the laws and regulations issued by the competent authorities, as well as obtaining the necessary approvals;

4- Reviewing the Company's governance framework periodically and updating the same as needed in order to comply with the laws and regulations issued by the competent authorities and obtaining the necessary approvals;

5- Preparing and periodically reviewing the delegation of authority matrix and updating the same as necessary in order to comply with the laws and regulations issued by the competent authorities, as well as obtaining the necessary approvals;

6- Obtaining or making the necessary amendments to the main or sub-commercial registers of the Company in accordance with any amendments approved by the Board and/or the General Assembly;

7- Preparing the Board's annual report;

8- Preparing a statement of the remuneration and allowances of Board Members and Board Committee members on a quarterly and annual basis;

9- Preparing a dedicated register for all resolutions of the Board and its Committees and sharing the same with the relevant departments in order to follow up on the completion of the tasks assigned by the Board and its Committees to the Executive Management;

10- Preparing the resolutions of the Board and its Committees by passing resolutions as needed and obtaining the necessary approvals for the same, as well as maintaining such resolutions in a dedicated resolution register within the Company in accordance with the regulations of the competent authorities and the Company's Bylaws;

11- Responding to inquiries from Board Members and Board Committee members and enabling the Board to obtain the necessary information;

12- Responding to inquiries from Shareholders and fulfilling the requirements as stipulated by the laws and regulations of the competent authorities and the Company's Bylaws; and

13- Providing legal assistance to Board Members on governance matters and obtaining legal advice from legal experts or the competent authorities as needed.

i- Internal Audit Department

The tasks and responsibilities of the Internal Audit Department include:

1- Providing an annual assessment of the adequacy and effectiveness of the Company's business and accounting operations in monitoring its key activities;

2- Preparing reports on inadequate infrastructure, weak controls and the existence of significant gaps between the adopted procedures and operations, all of which lead to increased organizational risk;

3- Preparing reports on significant matters related to the control processes of the Company's activities, including possible improvements, and providing information on such issues until a decision is reached thereon;

4- Providing periodic information on the status and results of the annual audit plan and the adequacy of the resources of the Internal Audit Department;

5- Coordinating with and supervising other permanent control and follow-up functions and external auditors; and

6- Providing assistance, if required, in investigating suspected fraudulent activities within the Company, and reporting the findings to the Executive Management and the Audit Committee.

5.5.2 Members of the Executive Management

The following table sets out the details of the members of the Company's Executive Management:

Table (5.27): Executive Management of the Company

#	Name	Position	Nationality	Age	Date of Employment with the Company	Shareholding Pre-Offering**	Shareholding Percentage Pre-Offering*	Shareholding Post-Offering**	Shareholding Percentage Post-Offering*
1.	Yasser Abdulaziz Mohammed Abu Ateek	CEO	Saudi	53 years	02/01/1441H (corresponding to 01/09/2019G)	104,000	0.01%	104,000	0.01%
2.	Saeed Othman Ahmed Al-Ghamdi	CFO	Saudi	36 years	14/07/1443H (corresponding to 15/02/2022G)	N/A	N/A	N/A	N/A
3.	Abdulmuhsin Bakr AlBakr	Chief Development Officer	Saudi	43 years	14/05/1440H (corresponding to 20/01/2019G)	N/A	N/A	N/A	N/A
4.	Ahmed Abdelkader Elmallah	Chief Commercial Officer	Egyptian	44 years	27/05/1444H (corresponding to 21/12/2022G)	N/A	N/A	N/A	N/A
5.	Tariq Abdulaziz Mohammed Sharaf	Chief Investment Officer	Saudi	47 years	05/10/1442H (corresponding to 17/05/2021G)	N/A	N/A	N/A	N/A
6.	Al-Shaimaa Mohammed Mashat	Chief Destination Officer	Saudi	42 years	17/03/1442H (corresponding to 03/11/2020G)	N/A	N/A	N/A	N/A

#	Name	Position	Nationality	Age	Date of Employment with the Company	Shareholding Pre-Offering**	Shareholding Percentage Pre-Offering*	Shareholding Post-Offering**	Shareholding Percentage Post-Offering*
7.	Bayan Talib Farhan	Acting Director of Human Resources and Administrative Affairs	Saudi	35 years	30/01/1441H (corresponding to 29/09/2019G)	N/A	N/A	N/A	N/A
8.	Jawdat Maeen AlSawafiri	Director of Internal Audit	Palestinian with Egyptian ID	38 years	02/06/1439H (corresponding to 18/02/2018G)	N/A	N/A	N/A	N/A
9.	Abdulaziz Sami Shebah	Director of Legal Affairs	Saudi	32 years	11/06/1445H (corresponding to 24/12/2023G)	N/A	N/A	N/A	N/A

*The percentages have been rounded.

**The ownership of Yasser Abdulaziz Mohammed Abu Ateek is a result of his direct ownership of one hundred and four thousand (104,000) of the Company's shares.

Source: The Company

5.5.3 Employment Contracts with the CEO and CFO

The following table sets out a summary of the employment and service contracts concluded between the Company and the CEO and CFO:

Table (5.28): Summary of Employment and Service Contracts with the CEO and CFO

Name	Position	Date of Contract	Term of Contract
Yasser Abdulaziz Mohammed Abu Ateek	CEO	02/01/1441H (corresponding to 01/09/2019G)	Four (4) years, automatically renewable after the end of the first term.
Saeed Othman AlGhamdi	CFO	14/07/1443H (corresponding to 15/02/2022G)	One (1) calendar year, renewable upon prior written notice by either party to the other party of its desire to renew at least 60 days before the expiry of the original or renewed term.

Source: The Company

5.5.4 Summary Biographies of the Members of the Executive Management

The following is a summary of the biographies of the members of the Executive Management:

Table (5.29): Summary Biography of Yasser Abdulaziz Mohammed Abu Ateek

Name	Yasser Abdulaziz Mohammed Abu Ateek
Age	53 years
Nationality	Saudi
Position	CEO
Date of Appointment	02/01/1441H (corresponding to 01/09/2019G)
Academic Qualifications	• Accelerated Development Program (ADP), London Business School, UK, 2007G. • Management Certificate Program, University of San Diego, USA, 1997G. • Bachelor's degree in Business Administration, King Abdulaziz University, Kingdom of Saudi Arabia, 1994G.

Current Positions	• CEO of the Company, from 2019G to date. • Member of the Executive Committee, King Abdullah Financial District (KAFD), a Saudi one-person closed joint-stock company operating in the field of real estate development and management, from 2020G to date. • Member of the Real Estate Committee, Makkah Chamber of Commerce, a Saudi non-profit institution operating in the field of economic development, from 2020G to date. • Member of the Urban Development Committee, Jeddah Chamber of Commerce, a Saudi non-profit institution operating in the field of urban development, from 2020G to date. • Board Member, Al-Balad Al-Ameen, a Saudi closed joint-stock company operating as an investment arm of the Municipality of Makkah, from 2024G to date.
Significant Previous Professional Experience	• Chairman, Raysan Arabia, a Saudi closed joint-stock company operating in the field of real estate development, from 2021G to 2022G. • Board Member, Dar Al Tamleek, a Saudi joint-stock company operating in the field of real estate finance, from 2019G to 2022G. • Member of the Financial Supervision Committee, Housing Committee—one of the programs of Vision 2030, a Saudi non-profit committee operating in the field of housing, from 2018G to 2020G. • Board Member of the Company, from 2017G to 2020G. • Member of the Executive Committee of Finance Companies, SAMA, a Saudi Government entity operating in the field of Saudi currency and supervision of financial institutions, from 2016G to 2019G. • Board Member, Advanced Petrochemical Company, a Saudi listed joint-stock company operating in the field of petrochemicals, from 2013G to 2019G. • CEO, Dar Al Tamleek, a Saudi joint-stock company operating in the field of real estate finance, from 2008G to 2019G. • Board Member, Swicorp, a Saudi closed joint-stock company operating in the field of financial services, from 2016G to 2018G. • Board Member, Jabal Omar Company, a Saudi listed joint-stock company operating in the field of real estate development, in 2016G.

Source: The Company

Table (5.30): Summary Biography of Saeed Othman Ahmed Al-Ghamdi

Name	Saeed Othman Ahmed Al-Ghamdi
Age	36 years
Nationality	Saudi
Position	CFO
Date of Appointment	14/07/1443H (corresponding to 15/02/2022G)
Academic Qualifications	• Master's degree in Accountancy, the George Washington University, USA, 2017G. • Bachelor's degree in Accounting for management, Aston University, UK, 2010G. • Certified Public Accountant (CPA), American Institute of Certified Public Accountants (AICPA), USA, 2018G. • Fellowship, SOCPA, Kingdom of Saudi Arabia, 2021G. • Certified Management Accountant (CMA), Institute of Management Accountants, USA, 2021G. • Executive Leadership Program Certificate, Harvard University, USA, 2021G.
Current Positions	• CFO of the Company, from 2022G to date.
Significant Previous Professional Experience	• Board Member, Vela International Marine Limited, a Saudi limited liability company operating in the field of oil transportation, from 2021G to 2022G. • CFO, Saudi Aramco Asia Company, a Saudi joint-stock company operating in the field of support services, from 2021G to 2022G. • Head of Tax Compliance Division, Aramco, a Saudi listed joint-stock company operating in the fields of oil, natural gas and petrochemicals, from 2020G to 2021G. • Officer in the IPO's – Financial Readiness and Compliance team, Aramco, a Saudi listed joint-stock company operating in the fields of oil, natural gas and petrochemicals, from 2019G to 2020G. • Officer in the Financial Reporting Department, Aramco, a Saudi listed joint-stock company operating in the fields of oil, natural gas and petrochemicals, from 2012G to 2019G. • Officer in the Planning and Budgeting Group, Aramco, a Saudi listed joint-stock company operating in the fields of oil, natural gas and petrochemicals, from 2010G to 2012G.

Source: The Company

Table (5.31): Summary Biography of Abdulmuhsin Bakr Mohammed Al-Bakr

Name	Abdulmuhsin Bakr Mohammed Al-Bakr
Age	43 years
Nationality	Saudi
Position	Chief Development Officer
Date of Appointment	14/05/1440H (corresponding to 20/01/2019G)
Academic Qualifications	• Bachelor's degree in Mechanical Engineering, King Saud University, Kingdom of Saudi Arabia, 2004G. • Leadership Development Program, Esade Business School, Spain, from 2016G to 2018G.
Current Positions	• Chief Development Officer at the Company, from 2019G to date.
Significant Previous Professional Experience	• General Manager of Administrative Affairs & Facilities, Etihad Etisalat (Mobily), a Saudi listed joint-stock company operating in the field of communications, from 2014G to 2019G. • Project Director, Raidah Investment Company, a Saudi closed joint-stock company operating in the field of real estate development, from 2006G to 2014G. • Engineer in the Air Defense Engineering Department, Ministry of Defense, a Saudi Government ministry operating in the field of defense, from 2004G to 2006G. • Board Member of the Company, from 2012G to 2014G. • Member of the Company's Executive Committee, from 2012G to 2014G.

Source: The Company

Table (5.32): Summary Biography of Ahmed Abdelkader Elmallah

Name	Ahmed Abdelkader Elmallah
Age	44 years
Nationality	Egyptian
Position	Chief Commercial Officer
Date of Appointment	27/05/1444H (corresponding to 21/12/2022G)
Academic Qualifications	• Master's degree in Construction Law and Arbitration, Robert Gordon University, Scotland, 2016G. • Master's degree in Business Administration, Arab Academy for Science and Technology, Arab Republic of Egypt, 2011G. • Bachelor's degree in Civil Engineering, Alexandria University, Arab Republic of Egypt, 2002G.
Current Positions	• Chief Commercial Officer of the Company, from 2022G to date.
Significant Previous Professional Experience	• Regional Director of Commercial and Projects Control, NEOM, a Saudi closed joint-stock company operating in the field of real estate project management and development, from 2021G to 2022G. • Director of Contracts and Commercial, Jabal Omar Development Company, a Saudi listed joint-stock company operating in the field of real estate development, from 2017G to 2020G. • Senior Contracts Engineer, Jabal Omar Development Company, a Saudi listed joint-stock company operating in the field of real estate development, from 2016G to 2017G. • Contract Manager, Hill International Middle East Limited, a mixed limited liability company operating in the field of program, project and construction management services, from 2014G to 2016G. • Contract Manager and Deputy Program Director, Bechtel Corporation, (Civil and Infra Global Business Unit) a mixed limited liability company operating in the field of engineering, procurement, construction and project management, from 2012G to 2014G. • Senior Contract Administrator and Field Civil Engineer, Bechtel Corporation (Power Global Business Unit), operating in the field of engineering, procurement, construction and project management, from 2003G to 2011G.

Source: The Company

Table (5.33): Summary Biography of Tariq Abdulaziz Mohammed Sharaf

Name	Tariq Abdulaziz Mohammed Sharaf
Age	47 years
Nationality	Saudi
Position	Chief Investment Officer
Date of Appointment	05/10/1442H (corresponding to 17/05/2021G)
Academic Qualifications	• Bachelor's degree in Computer Science, King Abdulaziz University, Kingdom of Saudi Arabia, 2000G.
Current Positions	• Chief Investment Officer of the Company, from 2021G to date. • Board Member, Alinma Makkah Real Estate Fund, an investment fund operating in the field of investments, from 2022G to date.
Significant Previous Professional Experience	• Chief Investment Officer, Adeem Capital, a Saudi closed joint-stock company operating in the field of financial services, from 2015G to 2021G. • Head of the Real Estate, Alkhabeer Capital, a Saudi closed joint-stock company operating in the field of financial services, from 2014G to 2015G. • Business Development Manager, Adeem Capital, a Saudi closed joint-stock company operating in the field of financial services, from 2011G to 2014G.

Source: The Company

Table (5.34): Summary Biography of Al-Shaimaa Mohammed Mashat

Name	Al-Shaimaa Mohammed Mashat
Age	42 years
Nationality	Saudi
Position	Chief Destination Management Officer
Date of Appointment	17/03/1442H (corresponding to 03/11/2020G)
Academic Qualifications	• Bachelor's degree in Advertising Management, American University, United Kingdom, 2008G. • Diploma in Digital Art and Design, University of California, USA.
Current Positions	• Chief Destination Management Officer at the Company, since 2020G. • Board Member, Makkah Chamber of Commerce, a non-profit institution operating in the field of business and societal development, from 2022G to date.
Significant Previous Professional Experience	• Regional Marketing and Content Manager, Saudi Tourism Authority (STA), a Saudi Government agency operating in the field of tourism, in 2020G. • Director of Branding and Marketing, G20 Saudi Secretariat, a Saudi Government agency responsible for G20 Summit affairs, from 2019G to 2020G. • Senior Marketing and Communications Advisor, Jeddah Season Office, a Saudi Government agency operating in the field of entertainment in Jeddah, in 2019G. • Managing Director, Rubix Labs, a Saudi closed joint-stock company operating in the field of digital and advertising agencies, from 2015G to 2019G. • Associate Creative Director, Target/Leo Burnett KSA, a Saudi closed joint-stock company operating in the field of advertising agencies, from 2013G to 2015G. • Associate Creative Director, TBWA/Fullstop, a Saudi closed joint-stock company operating in the field of advertising agencies, from 2011G to 2013G. • Associate Creative Director, 3Points Advertising, a Saudi closed joint-stock company operating in the field of advertising agencies, from 2008G to 2011G.

Source: The Company

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Table (5.35): Summary Biography of Bayan Talib Farhan

Name	Bayan Talib Farhan
Age	35 years
Nationality	Saudi
Position	Acting Managing of Human Resources and Administrative Affairs
Date of Appointment	30/01/1441H (corresponding to 29/09/2019G)
Academic Qualifications	• Master's degree in Human Resources, University of Business and Technology, Kingdom of Saudi Arabia, 2023G. • Bachelor's degree in Business Administration, Arab Open University, Kingdom of Saudi Arabia, 2017G. • Diploma in Ultrasound, Capitals Institute for Health Sciences, Kingdom of Saudi Arabia, 2012G.
Current Positions	• Acting Managing of Human Resources and Administrative Affairs at the Company, since 2024G.
Significant Prior Professional Experience	• Assistant Managing of Human Resources at the Company, during 2024G. • Human Resources Supervisor at the Company, from 2019G to 2024G. • Human Resources Coordinator, Arabian Entertainment Co. Ltd, a Saudi limited liability company operating in the field of food and entertainment, from 2014G to 2018G. • Marketing and Social Media Officer, Sawerly Company, a Saudi limited liability company operating in the field of providing photography services, from 2012G to 2014G.

Source: The Company

Table (5.36): Summary Biography of Jawdat Maeen Al-Sawafiri

Name	Jawdat Maeen Al-Sawafiri
Age	38 years
Nationality	Palestinian with Egyptian ID
Position	Internal Audit Head
Date of Appointment	02/06/1439H (corresponding to 18/02/2018G)
Academic Qualifications	• Bachelor's degree in Business Administration, King Abdulaziz, Kingdom of Saudi Arabia, 2007G. • Certified Internal Auditor, Institute of Certified Internal Auditors, USA, 2021G. • Certified Manager in Operational Risk Management, Global Academy of Finance and Management, USA, 2019G.
Current Positions	• Internal Audit Head at the Company, from 2018G to date.
Significant Previous Professional Experience	• Director of Internal Audit, Saudi Enaya Cooperative Insurance Company, a Saudi listed joint-stock company operating in the field of cooperative insurance and healthcare services, from 2015G to 2018G. • Risk Management Auditor, PricewaterhouseCoopers (PwC), a Saudi professional limited liability company operating in the field of financial auditing, tax consulting, business transactions and advisory services, from 2009G to 2015G. • Risk Advisor, Ernst & Young & Co. (Public Accountants), a Saudi professional limited liability company operating in the field of accounting and consulting, 2008G to 2009G.

Source: The Company

Table (5.37): Summary Biography of Abdulaziz Sami Shebah

Name	Abdulaziz Sami Shebah
Age	32 years
Nationality	Saudi
Position	Head of Legal Affairs Department
Date of Appointment	11/06/1445H (corresponding to 24/12/2023G)
Academic Qualifications	• Bachelor's degree in Law, King Abdulaziz University, Kingdom of Saudi Arabia, 2013G.
Current Positions	• Head of the Company's Legal Affairs Department, from 2023G to date.
Significant Previous Professional Experience	• Legal Senior Manager, Al Balad Development Company, a company owned by the Saudi Public Investment Fund (PIF) operating in the development of heritage real estate in Jeddah, from 2022G to 2023G. • Legal Manager for Real Estate and Corporate Affairs, Umm Al Qura For Development and Construction, a closed Saudi joint-stock company operating in the field of real estate development, from the end of 2021G to 2022G. • Contract Manager and Legal Counsel, Saudi Radwa, a Saudi limited liability company operating in the food industry, in 2021G. • Legal Advisor, Royal Commission for Jubail and Yanbu (RCJY), a Saudi Government agency operating in the field of management of the Jubail, Yanbu, Ras al-Khair and Jazan industrial cities, from 2014G to 2021G.

Source: The Company

5.6 Cases of Bankruptcy and Insolvency involving the Board Members and Executive Management

As of the date of this Prospectus, there are no cases of bankruptcy involving the Board Members, Executive Management or the Board Secretary. There have been no cases of insolvency during the previous five (5) years involving any company in which any of the Board Members, Executive Management members or the Board Secretary held an administrative or supervisory position.

5.7 Direct and Indirect Interests of the Board Members and Executive Management

Except as disclosed in this section, Section 5.3 "**Board of Directors**", Section 5.5.2 "**Members of the Executive Management**" and Section 12.4 "**Material Agreements with Related Parties**" of this Prospectus, neither the Board Members nor the Executive Management, Board Secretary or any of their relatives have any direct or indirect interest in the shares or debt instruments of the Company or any interest in any other matter which may affect the Company's business.

Except as disclosed in this section and Section 12.4 "**Material Agreements with Related Parties**" of this Prospectus, neither the Board Members nor the Executive Management, Board Secretary or any of their relatives have any interest in any existing or proposed contract or arrangement in connection with the business of the Company as of the date of this Prospectus.

The following table sets out the direct and indirect ownership percentages of the Board Members and Executive Management members in the Company Pre- and Post-Offering. Except as disclosed below, none of the Board Members or Executive Management members have any direct or indirect shareholding in the Company as of the date of this Prospectus.

Table (5.38): Direct and Indirect Ownership Percentages of the Board Members and Executive Management in the Company Pre- and Post-Offering

#	Name	Position	Direct Ownership (%)		Indirect Ownership (%)*	
			Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1.	Abdullah Saleh Abdullah Kamel	Chairman	4.30%	3.91%	2.47%	2.25%
2.	Yasser Abdulaziz Mohammed Abu Ateek	CEO	0.01%	0.01%	N/A	N/A

* The indirect ownership of Abdullah Saleh Abdullah Kamel is a result of his indirect ownership in the Issuer's share capital as follows: (i) twenty-eight million, one hundred and nineteen thousand, five hundred and eight point fifty three (28,119,508.53) shares through Dallah Albaraka Holding Company, representing 2.15% of the Issuer's share capital; (ii) four million, one hundred and nineteen thousand, four hundred (4,119,400) shares through the ownership of Dallah Trans Arabia, representing 0.31% of the Issuer's share capital; (iii) one hundred and nine thousand and eighty-four (109,084) shares through the ownership of Dallah Albaraka Investment Holding Co., representing 0.01% of the Issuer's share capital; and (iv) fifteen parts of a share (0.15) in Al Mawajed International for Real Estate Development Co. Ltd through his ownership in Sinad Holding, which owns 100% of the shares of Al Mawajed International for Real Estate Development Co. Ltd, representing 0.000% of the Issuer's share capital. He also owns, through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani, 11.46% of the Issuer's share capital[(1)].

[(1)] The ownership percentage of Abdullah Saleh Abdullah Kamel in the Issuer's share capital through acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani represents the remaining percentage of the total ownership of Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co. and Al Mawajed International for Real Estate Development Co. Ltd in the Issuer's share capital. Such percentage was calculated independently of the indirect ownership of Abdullah Saleh Abdullah Kamel in the Issuer's share capital, the details of which are stated at the beginning of this marginal note to avoid double counting the same among the total number of shares owned by him.

** The percentages in this table have been rounded.

Source: The Company

The following table sets out the details of Related Party agreements and transactions in which the Board Members and Executive Management of the Company have an interest (for further information regarding such agreements, please refer to Section 12.4 "**Material Agreements with Related Parties**" of this Prospectus).

Table (5.39): Details of Agreements and Transactions with Related Parties in Which the Board Members and Executive Management of the Company Have an Interest

#	Agreement/Transaction	Transaction Value as of 30 June 2024G (SAR)	Interested Board Member or Executive Management Member	Type of Interest	Cause of Interest
1.	Establishment Agreement for Alinma Makkah Development Fund I between the Company and Alinma Investment Company, dated 17/02/1441H (corresponding to 16/10/2019G)	N/A	Abdulrahman Mohammed AlRashid	Indirect	The Board Member Abdulrahman Mohammed Al-Rashid held the position of Chairman of the Board of Directors of Alinma Investment Company during the signing of this agreement/transaction and, therefore, he has an indirect interest in this agreement.
2.	Establishment Agreement for Alinma Makkah Development Fund II between the Company and Alinma Investment Company, dated 17/02/1441H (corresponding to 16/10/2019G)	N/A	Abdulrahman Mohammed AlRashid	Indirect	The Board Member Abdulrahman Mohammed Al-Rashid held the position of Chairman of the Board of Directors of Alinma Investment Company during the execution of this agreement/ transaction and, therefore, he has an indirect interest in this agreement.

#	Agreement/Transaction	Transaction Value as of 30 June 2024G (SAR)	Interested Board Member or Executive Management Member	Type of Interest	Cause of Interest
3.	Alinma Makkah Development Fund I Land Sale Agreement between the Company and Alinma Investment Company, dated 02/03/1441H (corresponding to 30/10/2019G)	N/A	Abdulrahman Mohammed AlRashid	Indirect	The Board Member Abdulrahman Mohammed Al-Rashid held the position of Chairman of the Board of Directors of Alinma Investment Company during the signing of this agreement/transaction and, therefore, he has an indirect interest in this agreement.
4.	Alinma Makkah Development Fund II Land Sale Agreement between the Company and Alinma Investment Company, dated 02/03/1441H (corresponding to 30/10/2019G)	N/A	Abdulrahman Mohammed Al-Rashid	Indirect	The Board Member Abdulrahman Mohammed Al-Rashid held the position of Chairman of the Board of Directors of Alinma Investment Company during the signing of this agreement/transaction and, therefore, he has an indirect interest in this agreement.
5.	Land Sale Agreement and Services Agreement between the Company and Saleh Abdullah Kamel Humanitarian Foundation (SAKHF), dated 05/05/1445H (corresponding to 19/11/2022G)	N/A	Abdullah Saleh Kamel	Indirect	The Board Member Abdullah Saleh Kamel is the Chairman of SAKHF and therefore has an indirect interest in this agreement.
6.	Dispute Settlement Agreement with Awqaf Investment Company, dated 13/06/1445H (corresponding to 26/12/2023G)	N/A	Abdulaziz Mutaib AlRasheed	Indirect	The Board Member Abdulaziz Mutaib AlRasheed is a Board member of Awqaf Investment Company and therefore has an indirect interest in this agreement.
7.			Haitham Mohammed Al-Fayez	Indirect	The Board Member Haitham Mohammed Al-Fayez is the CEO of Awqaf Investment Company and therefore has an indirect interest in this agreement.
8.	Facilities Service Agreement with Awqaf Investment Company, dated 13/06/1445H (corresponding to 26/12/2023G)	N/A	Abdulaziz Mutaib AlRasheed	Indirect	The Board Member Abdulaziz Mutaib Al-Rasheed is a Board member of Awqaf Investment Company and therefore has an indirect interest in this agreement.
9.			Haitham Mohammed Al-Fayez	Indirect	The Board Member Haitham Mohammed Al-Fayez is the CEO of Awqaf Investment Company and therefore has an indirect interest in this agreement.

Source: The Company

5.8 Remuneration of Board Members and Executive Management

The following table sets out the remuneration and benefits in-kind granted by the Company to the Board Members and the top five (5) Senior Executives who received the highest remuneration and compensation from the Company, including the CEO and CFO, during the previous three financial years and the six-month period ended 30 June 2024G:

Table (5.40): Remuneration of Board Members and Executive Management during the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Six-Month Period Ended 30 June 2024G

(SAR)	FY 2021G	FY 2022G	FY 2023G	Six-Month Period Ended 30 June 2024G
Board Members	4,287,667	4,639,100	4,520,000	3,610,000
Members of Executive Management, including the CEO and CFO	2,396,905	3,371,232	5,986,755	8,101,532

Source: The Company

5.9 Corporate Governance

The Company adopted its Internal Governance Manual pursuant to the Board resolutions dated 04/08/1443H (corresponding to 07/03/2022G), 17/09/1443H (corresponding to 18/04/2022G) and 27/10/1444H (corresponding to 17/05/2023G), in accordance with Article 91 of the CGRs. The Company also adopted the Audit Committee Charter pursuant to the Extraordinary General Assembly resolution dated 26/11/1444H (corresponding to 15/06/2023G), based on the recommendations of the Board, issued on 17/09/1443H (corresponding to 18/04/2022G), on 24/11/1443H (corresponding to 23/06/2022G) and on 27/10/1444H (corresponding to 17/05/2023G), in accordance with Article 51 of the CGRs. Additionally, the Company adopted the Nomination and Remuneration Committee Charter pursuant to the Ordinary General Assembly resolution dated 26/11/1444H (corresponding to 15/06/2023G), based on the recommendations of the Board issued on 04/08/1443H (corresponding to 07/03/2022G), on 17/09/1443H (corresponding to 18/04/2022G) and on 27/10/1444H (corresponding to 17/05/2023G), in accordance with Articles 57 and 61 of the CGRs. The Company's Internal Governance Manual comprises the following policies and regulations:

- The Board Policy;
- The Executive Committee Charter;
- The Audit Committee Charter;
- The Nomination and Remuneration Committee Charter;
- The Shareholders' Rights Policy and Procedures;
- The Code of Business Conduct and Ethics Policy;
- The Compliance and Disclosure Policy;
- The Conflicts of Interest Policy;
- The Stakeholder Partnerships and Complaints Policy;
- The Remuneration Policy; and
- The Confidentiality Policy.

As such, the Company's Internal Governance Manual includes provisions relating to the following:

- Shareholders' rights;
- The rights of General Assemblies;
- The Board of Directors, its formation, competencies and work procedures;
- Executive Management, its competencies and responsibilities;
- The Company's Committees, their membership and meetings.

The Company is compliant with the mandatory governance requirements applicable to joint-stock companies listed on the Exchange in accordance with the CGRs, except for the following provisions, which it does not currently adhere to due to the fact that its shares are not yet listed on the Exchange:

- Article 8(a) which provides that, upon calling for the General Assembly, the Company shall announce on the website of the Exchange information regarding the nominees for membership of the Board.
- Article 8(c) which provides that voting in the General Assembly shall be restricted to the Board nominees whose information has been announced in accordance with Article 8(a).
- Article 13(d) regarding publication of the invitation to the General Assembly on the websites of the Exchange and the Company.
- Article 14(c) which provides that information related to the items of the General Assembly agenda shall be made available on the websites of the Exchange and the Company.
- Article 15(e) which provides that the Company shall announce to the public and notify the CMA and the Exchange of the results of General Assembly meetings immediately upon their conclusion.
- Article 17(d) which provides that the Company shall notify the CMA of the Board Members' names, membership descriptions and any changes made to their memberships.
- Article 19(b) which provides that the Company shall notify the CMA of and the Exchange of the termination of a Board Member's membership along with the reasons therefor.
- Article 68 which provides that the Company shall publish the nomination announcement on the websites of the Company and the Exchange to invite candidates wishing to be nominated for Board membership.
- Articles 89, 90, 91(b), 92 and 93 related to disclosure policies and procedures.

5.10 Conflicts of Interest

Neither the Company's Bylaws nor any of its internal regulations or policies grant any powers which enable a Board Member to vote on a contract or offer in which they have a material direct or indirect interest. This is in accordance Article 71 of the Companies' Law, which stipulates that a Board Member may not have any direct or indirect interest in the transactions and contracts of the Company except with the authorization of the Ordinary General Assembly.

Pursuant to the aforementioned article, Board Members must notify the Board of any personal interests they have in the transactions and contracts of the Company. The Board Chairman shall inform the General Assembly, when it convenes, of the transactions and/or contracts in which any Board Member has a personal interest, provided that such disclosure shall be accompanied by a special report from the Auditor. Such disclosure shall be recorded in the Board meeting minutes. Interested Board Members may not participate in voting on any resolution put to vote in this regard. Based on the above, the Board Members declare the following:

- They will comply with Article 27 of the Companies' Law and Articles 42, 43 and 44 of the CGRs.
- They will refrain from voting at General Assembly meetings on Related Party contracts in which they have a direct or indirect interest.
- They will not participate in any business that competes with the Company's business, and all Related Party transactions in the future will be conducted on an arm's length basis in accordance with Article 72 of the Companies' Law.

Furthermore, pursuant to Article 27 of the Companies' Law, Company Board Members may not engage in any business that competes with the Company or with any of its activities without the authorization of the General Assembly. Pursuant to Article 45 of the Corporate Governance Regulations, engaging in an activity that competes with the Company or with any of its activities includes the following: (1) the Board Members establishing a company or sole proprietorship, or owning a controlling percentage of shares or stakes in a company or any other entity engaged in activities similar to that of the Company or its Group; (2) accepting membership on the board of a company or entity that competes with the Company or its Group, or managing the affairs of a competing sole proprietorship or any competing company, regardless of its form, except for the Company's affiliates; and (3) the Board Member acting as a covert or overt commercial agent of another company or entity that competes with the Company or its Group.

The Board Member Haitham Mohammed Al-Fayez competes with the Company through his membership on the Board of Directors of Kidana Development Company, which competes with the Company in one of its activities and is considered a business competitive with the Company. The Board Member Haitham Mohammed Al-Fayez also competes with the Company by being CEO of Awqaf Investment Company, which competes with the Company in one of its activities and is considered a business competitive with the Company. Furthermore, the Board Member Abdulaziz Mutaib Al-Rasheed competes with the Company through his membership on the Board of Directors of Awqaf Investment Company, which competes with the Company in one of its activities and is considered a business competitive with the Company. The General Assembly authorized the engagement of Haitham Mohammed Al Fayez and Abdulaziz Mutaib Al-Rasheed in these competing businesses on 19/11/1442H (corresponding to 29/06/2021G), on 17/09/1443H (corresponding to 18/04/2022G) and on 05/12/1445H (corresponding to 11/06/2024G).

5.11 Employees' Shares

Except as disclosed in Section 5.7 "**Direct and Indirect Interests of the Board Members and Executive Management**" of this Prospectus, none of the Company's Senior Executives owns shares in the Company. The Company does not have any employee share schemes in place prior to the application for the registration and offer of securities subject to this Prospectus, nor are there any other arrangements that involve employees in the Company's share capital (for further information regarding the Company's employees and compliance with Saudization, please refer to Section 4.5 "**Employees**" of this Prospectus).

5.12 Employee Cash Incentive Plan

On 26/03/1445H (corresponding to 11/10/2023G), the Company's Board approved the adoption of a long-term employee incentive plan aimed at retaining the Company's Senior Executives and key employees as identified by the Nomination and Remuneration Committee, as well as motivating them to support the Company's long-term strategic objectives. The long-term employee incentives plan will run for a period of three (3) years commencing on 19/06/1445H (corresponding to 01/01/2024G). The Company's Board will revise the plan at the end of this period to align it with the Company's future strategic objectives. Cash bonuses vest according to a defined plan and are linked to the achievement of performance requirements approved by the Board of Directors. A projected allocation of SAR 20,000,000 has been earmarked for this program in 2024G, subject to adjustment based on performance metrics.

6. Management's Discussion and Analysis of Financial Condition and Results of Operations

6.1 Introduction

The following management discussion analysis of Umm Al Qura for Development and Construction Company ("the "issuer" or the "Group"") presents an analytical review of its operational performance and consolidated financial position during the years ended 31 December 2021G, 31 December 2022G and 31 December 2023G. This section is based on the audited consolidated financial statements for the financial years ended 2021G, 2022G and 2023G. These consolidated financial statements and the accompanying disclosures have been prepared by the Group and audited by KPMG Professional Consulting for the financial years ended 31 December 2021G, 31 December 2022G and 31 December 2023G in accordance with International Financial Reporting Standards ("IFRS") applied in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Certified Public Accountants ("SOCPA") for the years ended 31 December 2021G, 31 December 2022G and 31 December 2023G while the unaudited interim consolidated financial statements for the six-month period ended 30 June 2024G have been prepared by the Group and were reviewed by KPMG Professional Consulting in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Neither KPMG Professional Consulting nor any of their subsidiaries, employees, or relatives thereof own any shares or interests of any kind in the Group that may affect their independence, as at the date of the Independent Auditor's report on the financial statements. KPMG Professional Consulting has given and, as of the date of this Prospectus, has not withdrawn their written consent to the reference in the Prospectus to their role as the auditor of the Group for the financial years ended 31 December 2021G, 2022G, and 2023G and the six-month period ended 30 June 2024G.

The aforementioned financial statements are an integral part of this Prospectus which should be read in conjunction with these statements and their disclosures. These financial statements can be reviewed in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

All amounts in this section have been rounded to the nearest million riyals unless otherwise stated, and numbers and percentages are rounded to the nearest decimal. As such, the sum of the numbers may differ from those stated in the tables. Accordingly, all annual percentages, indicators and expenses are based on rounded figures.

The financial information for the financial year ended 31 December 2021G was derived from the financial information for the comparative year presented in the Group's audited financial statements for the financial year ended 31 December 2022G. The financial information for the two financial years ended 31 December 2022G and 2023G was derived from the Group's audited financial statements for the financial year ended 31 December 2023G.

This section might include hypothetical statements related to the Company's future forecasts, based on the management's plans and prospects with regard to the Group's growth, results of operations, and financial position as well as related risks and uncertainties. The Group's actual results could differ materially from those anticipated as a result of numerous factors, risks, and future events, including those discussed in this section of the Prospectus or elsewhere, particularly Section 2 "**Risk Factors**" of this Prospectus.

6.2 Key Factors Affecting the Group's Operations

The business and performance of the Group is dependent on the dynamics of the real estate sector, however there are certain principal factors and risks that may affect the Group's operating results. The factors listed below are based on the information currently available to Management and may not represent all the factors and/or events that are relevant to an understanding of the Group's current or future results of operations. The following summarize some of these factors and their impact on the Group's operations:

6.2.1 Sources of Revenue

i- Sales and Lease of Land plots

According to the master plan of the Masar Project, the Company aims to sell approximately around 54% of the total 205 plots of land and aims to lease/develop/JV invest the remainder. The Group's performance is highly affected by the market value of its land plots and its ability to sell and lease land plots. High demand for land plots may serve the Group positively and may in turn increase in land plots prices and lease rates. Inversely, and given the high reliance on sale of land plots and lease proceeds, lack in demand for the sale of land plots or land lease may have adverse effects on the expected performance of the Group and cash flows.

ii- Operating Income

Some of the land plots are intended to be developed and held by the Group with the expectation of generating operating income (for asset types such as hospitality and commercial). Operating income is heavily reliant on occupancy rates and any change in occupancy rates (either negative or positive) will impact the performance of the Group. The occupancy rate is a key performance indicator that measures the utilization of hotels and malls and reflects the demand for accommodation/shopping in a given period of time. The occupancy rate is also important for hotels and malls because it directly affects revenue generation and profitability. High occupancy rates indicate strong demand and efficient asset utilization, while low occupancy rates indicate poor performance and revenue challenges. Any negative change in occupancy rates will negatively affect the operating income and expected performance of the Group.

iii- Sale Proceeds from Sales of Units

Some land plots are intended to be developed with the intention of selling units and generating sales proceeds. A part of the demand for apartment units in Makkah, specifically in the vicinity of AlHaram, stems from the need of second homes. Second homes, in general, are residential units that are used by their owners for less than 30 days a year, often on weekends or as a vacation destination rather than a primary residence. High demand for second homes in Makkah may serve the Group positively and may in turn lead to an increase in prices per sqm. Inversely, the lack of demand for second homes in Makkah may have adverse effects on the expected performance of the Group and cash flows.

6.2.2 Development Strategy

i- Self-Development

Some of the land plots are intended to be fully developed by the Group. Such development will require sufficient amounts of funding to finance the required capital expenditures. Any increase in price of raw material, building material prices or other construction costs will adversely affect the expected performance of the Group. Additionally, any delays in construction could result in cost overruns and may affect the performance of the Group. Lastly, any challenges in securing adequate funding could also affect the timely delivery of the projects.

ii- Joint Ventures Development

Some of the land plots are planned to be developed by partnering with JV partners including and not limited to developers, contractors, mall operators, and hotel operators. Under the JV development strategy, the Capital expenditures to develop the superstructure of the properties are expected to be deployed by the partner and not the Group. Developing properties alongside best-in-class partners would alleviate the funding requirements for the Group in addition to potentially insuring timely delivery of such projects. However, reliance on strategic partners to develop the land plots also poses potential risks, that could also adversely affect the performance of the Group.

6.2.3 Overall Demographics

Real estate demand is influenced by a number of social and demographic factors such as population growth rate, per capita income, average family size, age distribution, and the percentage of youth in society. Changes in these variables can either increase or decrease demand for real estate. Population growth rate affects the number of potential consumers, while per capita income determines purchasing power. Average family size impacts the need for different types of properties, and age distribution and the proportion of youth affect housing preferences. Adapting to these financial factors is crucial for companies to remain profitable in the real estate market.

6.2.4 Geographical Concentration

The Group currently operates only in Makkah with a large land bank comprised of 1.25 million sqms as a total site area, including 205 land plots comprised of 641 thousand sqms. The Group's various expected revenue streams including sale prices per sqm, lease prices per sqm, occupancy rates and overall demand are highly dependent on Makkah market dynamics including demand for Hajj and Umrah seasons.

6.2.5 Economic Factors

GDP growth rates tend to affect the real estate sector. Robust economic growth translates into increased business activities, job creation, and higher disposable income, all of which stimulate demand for residential, commercial, and industrial properties.

Inflation is another important economic factor that affects the real estate market. When inflation is high, the cost of construction materials, labor, and other inputs rises, leading to increased property development and maintenance expenses. Inflationary pressure can impact property prices and rental rates, potentially influencing demand levels and investment decisions.

Interest rates also play a significant role in the real estate market. When interest rates are low, borrowing costs decrease, making it more affordable for individuals and businesses to secure mortgages and loans for property purchases. Higher interest rates typically affect demand for real estate, as they could discourage investment and homeownership. Conversely, lower interest rates can encourage borrowing, leading to an increase in demand for properties.

The oil industry and its related economic factors also exert a significant influence on the real estate market in Saudi Arabia. As the largest oil exporter globally, fluctuations in oil prices can impact the country's economy and subsequently affect the real estate sector. Oil price volatility can influence government spending, investment patterns, and overall market sentiment, thereby influencing demand and pricing in the real estate market.

Changes in exchange rates if building materials are imported from abroad, may affect the cash flow for the implementation of the project.

6.2.6 Real Estate Initiatives

Government policies and regulations are crucial factors that shape the real estate market in Saudi Arabia. Government's initiatives have been developed to promote and revitalize the work of the real estate sector including, but not limited to the Ejar Program and the Wafi Program and other Vision 2030 initiatives. Those initiatives seek to diversify the economy and attract foreign investment. Policies promoting foreign investment, easing market entry barriers, and providing incentives can drive demand for real estate, particularly in sectors such as hospitality, tourism, and commercial developments.

6.2.7 Changes in External Regulatory Environment

Regulatory changes that occur to the Group may constitute constraints that limit the expansion and development of the Group, the effect may be directly related to the Group's land sales or Projects. Potential changes could include increasing real estate transaction tax, requiring certain licenses to be obtained by real estate developers, or requirements for high Saudization rates. Therefore, any change that may occur in the regulatory environment may fundamentally affect the Group's financial position and prospects.

6.2.8 Capital and Availability of Financing

The Group engages in projects which require a substantial amount of capital and other long-term expenditures. The capital commitments associated with the development of Projects may exceed the Group's cash inflows over the period of the projects. In the past, these expenditures and investments have been financed through a variety of means, including internally generated cash and external borrowings.

The Group's ability to arrange external financing and the cost of such financing is dependent on numerous factors, including its future financial condition, general economic and capital market conditions, interest rates, credit availability from banks or other lenders or investors, lender and investor confidence in the Group's business and the markets in which it operates, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. The Group makes no guarantee that it will always be able to arrange or provide any external financing on commercially reasonable terms at all.

6.3 Directors' Declarations on the Financial Statements

i- The Directors declare that the financial information presented in this section is extracted without material change and is presented consistent with the consolidated audited financial statements for the financial years ended 31 December 2021G, 2022G, and 2023G, and the accompanying notes, which were prepared by the Group in accordance with the International Financial Reporting Standards ("IFRS"). The above-mentioned statements have been prepared by the Group in accordance with ("IFRS") that are endorsed in the Kingdom and audited by the Group's Auditor, KPMG Professional Consulting. In addition, the unaudited interim consolidated financial statements for the six-month period ended 30 June 2024G which have been prepared by the Group were also reviewed by KPMG Professional Consulting in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

ii- Taking into account what was mentioned in Section 2 "**Risk Factors**"; the Directors also declare that the Group has sufficient working capital for the next twelve months following the date of this Prospectus.

iii- The Directors declare that there has been no material adverse change in the Group's financial or business position in the three financial years immediately preceding the date of the application for registration and offer of the securities that are the subject of this Prospectus up to the date of approval of this Prospectus, except as described in Section 2 "**Risk Factors**" of this Prospectus.

iv- The Directors declare that all material facts related to the Group and its financial performance have been disclosed in this Prospectus and that there are no other information, documents, or facts the omission of which would make any statement herein misleading.

v- The Directors declare that the Group does not have any properties, including contractual financial securities or other assets, the value of which are subject to fluctuations or are difficult to ascertain, which significantly affects the evaluation of the financial position, except for what was in this Prospectus.

vi- The Directors confirm that the Group did not provide any commissions, discounts, brokerage fees or any other non-cash compensation in connection with the issuance or offering of any securities within the three years immediately preceding the date of the application for admission and offering of the securities subject to this Prospectus was submitted.

vii- The Directors declare that the Group does not have any loans or other liabilities, whether covered by a personal guarantee or non-personal guarantee or covered by a mortgage, including bank account overdrafts, nor guaranteed liabilities, liabilities under acceptance, acceptance credits, or any hire purchase commitments, except as disclosed in Section 12 "**Legal Information**", Section 2 "**Risk Factors**", and Section 6 "**Management Discussion and Analysis of Financial Conditions and Results of Operations**" of this Prospectus.

viii- The Directors declare that there is no contemplated material change to the nature of the Group's business.

ix- The Directors declare that the Group's operations have not been discontinued in such a way as to affect or have significantly affected the financial position in the last twelve months.

x- The Directors declare that none of the Group's shares is under option as at the date of this Prospectus.

xi- The Directors declare that the Group has provided comprehensive details in this section of any contingencies and has calculated and recognized a provision for the liabilities set out in the Management's Discussion and Analysis of Financial Position and Results of Operations.

xii- The Directors declare that the properties of the Group are not subject to any mortgages, rights, or encumbrances, except as disclosed in Section 12 "**Legal Information**" and Section 6 "**Management Discussion and Analysis of Financial Conditions and Results of Operations**" of this Prospectus.

xiii- The Directors declare that the Group does not hold existing or approved but unissued debt instruments, term loans, or secured or unsecured mortgages, except as disclosed in Section 12 "**Legal Information**" of this Prospectus.

xiv- Except as disclosed in this Prospectus, neither the Directors nor any of their relatives have any shares or interest of any kind in the issuer.

xv- The Directors declare that there has been no restructuring in the Group and no material changes have been made to the accounting policies of the issuer in the three financial years directly preceding the date of the application for the registration and offer of securities subject to this Prospectus.

xvi- The Directors acknowledge that the Group have not made any capital adjustments within the three years immediately preceding the date of this Prospectus, except as disclosed in Section 12 "**Legal Information**" and Section 6 "**Management Discussion and Analysis of Financial Conditions and Results of Operations**" of this Prospectus.

xvii- The Directors acknowledge that the Group is not aware of information about any governmental, economic, financial, monetary, or political policies, or any other factors that have affected or could materially affect (directly or indirectly) the Group's operations except the information disclosed in Section 2 "**Risk Factors**" of this Prospectus.

6.4 Significant Accounting, Judgements, Estimates and Assumptions

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a significant adjustment to the carrying amount of the asset or liability affected in the future periods.

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

The key judgements, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are as stated below:

Judgements

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 in business for the foreseeable future. Furthermore, the 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 a going concern basis.

Classification of Investment Properties

The Group determines whether a property qualifies as an investment property in accordance with IAS 40 "Investment Property". In making this judgement, the Group considers whether the property generates cash flows largely independent of other assets held by the Group.

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.

Consolidation of Subsidiaries

The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement in the relevant activities of the investee entities to determine whether it controls the investee.

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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters 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 occur. Information about the assumptions and estimation uncertainties is included in the following areas:

Employee Benefits

The cost of the defined benefit plan and the present value of the obligation 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 employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Useful lives, Residual value and Method of Depreciation for Property and Equipment

The Group determines the estimated useful lives of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the asset or physical wear and tear. The Group believes that residual may not result in significant change to depreciation charge and carrying amount of the assets. Accordingly, the residual value is assumed to be zero. The management also believes that the straight-line depreciation reflects the pattern of consumption of economic benefits.

The Management reviews the useful lives, residual value and method of depreciation annually for any significant changes from previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss.

Provision for Expected Credit Losses (ECL) of Trade Receivables

The Group has selected a simplified approach for all lease trade receivables. The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historically observed default rates. The Group calibrates the matrix to adjust the historically credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be a representative of customers' actual default in the future.

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 observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Material Accounting Policies

The Group has consistently applied the following material accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023G. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its investment funds as at 31 December 2023G. 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 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, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result 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 investees;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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 of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of the subsidiary, without the loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary entity, it derecognizes the related assets (including goodwill if existed), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

The financial statements of subsidiaries are prepared for the same reporting period using the same accounting framework as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Current Versus Non-Current Classification

Assets

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized 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.

Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- 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.

Expenses

Selling and marketing, general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and marketing expenses are those arising from the Group's efforts underlying the sales and marketing functions. All expenses, excluding financial charges, are classified as general and administrative expenses. Allocations of provisions for common expenses between cost of revenue, selling and marketing, and general and administrative expenses, when required, are made on a consistent basis.

Zakat

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Group and Zakat related to the Group's ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

Value Added Tax and Real Estate Transaction Tax

During the year 2020G, the Zakat, Tax and Customs Authority ("ZATCA") announced that pursuant to the Royal Decree No. (A/84) dated 1 October 2020G, the disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be Value Added Tax ("VAT") exempt and subject to a 5% Real Estate Transaction Tax (RETT). RETT is applicable on the transactions that took place on or after 4 October 2020G. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020G.

Other than disposal of real estate transactions covered under RETT law, the Group is subject to VAT for the supply of other goods and services in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases that are not claimable under Real Estate Transaction Tax (RETT) law ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. However, Input VAT related to exempt supplies is added to the cost of purchases whereas Input VAT related to mixed supplies is claimed using the Proportional Default Rate Formula.

Foreign Currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. All differences arising on settlement or translation of monetary items are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items that are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Property and Equipment

Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost also includes the borrowing costs for long-term construction projects if the recognition criteria are met.

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

The cost of replacing a major 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. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

An item of property and equipment is derecognized upon sale or when no future economic benefits are expected from its use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognized.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its sale at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognized in the prior years are recorded when there is an indication that the impairment losses recognized for the property and equipment no longer exist or have reduced.

Depreciation

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Freehold land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

The estimated useful lives of assets is as follow:

Categories	Useful life in years
Furniture & Equipment	3 – 4
Vehicles	4
Computers	3 – 5
Leasehold Improvements	5 or the contract term, whichever is less

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital Work-in-Progress

Capital work-in-progress are carried at cost less any recognized impairment loss. When the capital works are ready for intended use, the capital work in progress are transferred to the appropriate property and equipment category.

Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - The Group has the right to operate the asset; or
  - The Group designed the asset in a way that predetermines how and for what purpose it will be used.

The 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.

Right-of-Use Assets:

The Group recognizes a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of use assets is determined on the same basis as those of property and equipment. The recognized right-of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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.

Lease Liabilities:

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including 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.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group enters into leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in accordance with the terms of the leases over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefits are derived from the leased assets.

Lease incentives or any escalation in the lease rental are recognized as an integral part of the total lease receivable and accounted for on a straight-line basis over the term of the lease. Contingent rents are recognized as revenue in the period in which they are earned.

Short-Term Leases and Leases of Low-Value Assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Incremental Borrowing Rate

The Group cannot immediately determine the interest rate that is included in the lease contracts; therefore, the Group uses the incremental borrowing rate in measuring its lease liabilities. The incremental borrowing rate is the rate of interest that the Group should pay in order to borrow the amounts necessary to obtain an asset of similar value to the right of use asset in a similar economic environment for a similar period and with a similar security. Thus, the incremental borrowing rate reflects the “amount to be paid by the Group” which requires an estimate when observable rates are not available or when adjustment is needed in line with the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable data (ex. interest rates in the market) available and necessary to make certain estimates of the entity.

Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the construction of an asset, other than development properties, are capitalized using capitalization rate up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. In case of specific borrowings, all such costs, directly attributable to the acquisition or construction of an asset, other than development properties, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occurred.

Investment Property

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use as investment properties. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties are depreciated on a straight line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period of derecognition.

Expenses incurred for replacing a component of investment properties items, which are accounted for separately are capitalized, and the carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when incurred.

Transfers are made from investment property to development property only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The recoverable amount is the higher of investment property’s fair value less cost to sell and the value in use.

Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the investment property no longer exist or have reduced.

Fair Value Measurement

The Group discloses the fair value of the non-financial assets such as investment properties as part of its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The 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 best economic 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which the expenditure is incurred.

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

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with definite lives is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the expense category that is consistent with the function of the intangible assets.

The assessment of indefinite useful life is reviewed annually to determine whether the useful life continues to be supportable. If not, the change in the useful life from indefinite to definite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the asset is disposed.

Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows into the Group that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit ("CGU") level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Initial Recognition - Financial Assets and Financial Liabilities

Financial assets

A Group shall recognize a financial asset or a financial liability in its Statement of Financial Position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Initial Measurement

At initial recognition, except for the trade receivables which do not contain a significant financing component, the Group measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value of the respective financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, if any.

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price as per IFRS 15.

Classification and Subsequent Measurement

The Group classifies its financial assets into the following measurement categories:

a- Those to be measured subsequently at fair value (either through Consolidated Statement of Other Comprehensive Income, or through the Consolidated Statement of Profit or Loss); and

b- Those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The category most relevant to the Group is financial assets measured at amortized cost.

Financial Assets Measured at Amortized Cost

a- A financial asset shall be measured at amortized cost if both of the following conditions are met:

b- the financial asset is held within a business model which objective is to hold financial assets in order to collect contractual cash flows; and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method, less impairment (if any). Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included in finance income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment losses are recognized in Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Reclassifications

When and only when, a Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

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 Group's Consolidated Statement of Financial Position) when the rights to receive cash flows from the asset have expired.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and a loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as economic conditions that correlate with defaults.

IFRS 9 requires the Group to follow an expected credit loss model for the impairment of financial assets. It is no longer necessary for a credit event to have occurred for the recognition of credit losses. Instead, the Group uses the expected credit loss model, always to account for expected credit losses and changes therein at each reporting date. Expected credit losses ("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.

Expected credit losses shall be measured and provisioned either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for the amounts that result from default events that are possible within the next 12-months (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of Profit or Loss and Other Comprehensive Income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group considers a financial asset to be in default when the debtor is unlikely to repay the outstanding balance to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

Financial Liabilities

Initial Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and as loans and borrowings and payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of long term loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payable, lease liabilities, accruals and term loans.

Classification and Subsequent Measurement

A Group shall classify all financial liabilities as subsequently measured at amortized cost, except for:

- a- Financial liabilities at fair value through the Statement of Profit or Loss
- b- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- c- Financial guarantee contracts.
- d- Commitments to provide a loan at a below-market commission rate.

All of the Group's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method, if applicable. Gains and losses are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the liabilities are derecognized through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included as finance costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive 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 the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Provisions

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 Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and 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 in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 Benefit Plans

The Group maintains an unfunded defined benefit plan for employees' terminal / end of service benefits in accordance with the Saudi Arabian Labor Law.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations ("DBO") is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in the Consolidated Statement of Other Comprehensive Income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

For the liability relating to employees' terminal benefits, the actuarial valuation process takes into account the provisions of the Saudi Arabian Labor Law as well as the Group's policy.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognized in the Consolidated Statement of Profit or Loss and Other Comprehensive Income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from Contracts with Customers for Sale of Properties

The Group recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identifying the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2. Identifying the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determining the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocating the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.

Step 5. Recognizing revenue when (or as) the entity satisfies a performance obligation:

If the consideration promised in a contract includes a variable amount, the Group shall estimate the amount of consideration to which the Group will be entitled to in exchange for transferring the promised goods or services to a customer.

The promised consideration can vary if the Group's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. The variability relating to the consideration promised by a customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the amount of variable consideration by using the most likely amount in accordance with the terms of the contract.

The Group recognizes revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligations. The Group considers the below mentioned indicators to assess the transfer of control of the promised asset:

- The Group has a present right to payment for the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

For performance obligations, where one of the above conditions are not met, revenue is recognized within the time at which the performance obligation is satisfied.

Cost of Revenue

Cost of revenue includes the cost of land, development and other service-related costs. The cost of revenue is proportionate to sold units and is based on the cost incurred to date to the estimated total costs for each project. The costs of revenues in respect of hospitality business, services and rental income is based on the cost of providing the services.

6.5 Summary of Consolidated Financial Information and Key Performance Indicators ("KPIs")

The selected consolidated financial information and key performance indicators ("KPIs") of the Group set out below should be read together with the audited financial information for the financial years ended 31 December 2021G, 31 December 2022G and 31 December 2023G and the six-month periods ended 30 June 2023G and 2024G including, in each case, the notes thereto in the Financial Statements and the Auditor's Report thereon of this Prospectus.

6.5.1 Summary of Consolidated Financial Information of the Group

Table (6.1): Summary of the Consolidated Financial Information of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (2021G-2022G)	Variance (2022G-2023G)	Variance (H1 2023G-H1 2024G)
Statement of Comprehensive Income								
Revenue	-	429.4	988.1	647.1	760.7	n.a	130.1%	17.6%
Cost of Sales	-	(248.8)	(688.9)	(492.3)	(434.5)	n.a	176.9%	(11.7%)
Gross Profit	**-**	**180.6**	**299.3**	**154.9**	**326.3**	**n.a**	**65.7%**	**110.7%**
General and Administrative Expenses	(138.5)	(159.7)	(218.5)	(60.4)	(84.1)	15.3%	36.8%	39.2%
Selling and Marketing Expenses	(15.8)	(45.0)	(60.4)	(40.5)	(21.8)	184.8%	34.2%	(46.2%)
Other Operating Income	12.9	30.6	408.3	3.9	22.0	137.2%	1,234.3%	464.1%
Allowance for Expected Credit Losses	-	(0.8)	(2.3)	(1.7)	(3.3)	n.a	187.5%	94.1%
Operating (Loss) / Profit	**(141.4)**	**5.7**	**426.4**	**56.1**	**239.1**	**n.a**	**7,380.7%**	**326.2%**
Financial Charges	(13.9)	(20.2)	(34.2)	(13.4)	(19.3)	45.3%	69.3%	44.0%
Financial Income	-	-	-	14.0	7.8	n.a	n.a	(44.3%)
(loss) / Profit before zakat	**(155.3)**	**(14.5)**	**392.1**	**56.7**	**227.6**	**(90.7%)**	**n.a**	**301.4%**
Zakat	(10.6)	(7.6)	(75.1)	(8.7)	(35.4)	(28.3%)	888.2%	306.9%
(loss) / Profit for the Year / Period	**(165.9)**	**(22.1)**	**317.0**	**47.9**	**192.2**	**(86.7%)**	**n.a**	**301.3%**
Other Comprehensive Income								
Item that will not be reclassified subsequently to profit or loss:								
Re-measurement of employee benefits	1.4	2.2	1.7	-	-	57.1%	(22.7%)	n.a
Total comprehensive income/ (loss) for the Year / Period	**(164.5)**	**(19.9)**	**318.7**	**47.9**	**192.2**	**(87.9%)**	**(1,701.5%)**	**301.3%**
Weighted Average Number of Ordinary Shares	1,012.3	1,250.7	1,307.9	1,307.9	1,307.9	23.6%	4.6%	-
(loss) / earnings per share for the Year/ Period	(0.16)	(0.02)	0.24	0.04	0.15	(87.5%)	n.a	275.0%

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	30 June 2024G (Unaudited)	Variance (2021G-2022G)	Variance (2022G-2023G)	Variance (31 December 2023G-H1 2024G)
Summary of the Statement of Financial Position							
Total Non-Current Assets	18,222.8	21,121.7	21,723.5	22,520.3	15.9%	2.8%	3.7%
Total Current Assets	2,875.4	1,523.7	1,489.4	2,033.9	(47.0%)	(2.3%)	36.6%
Total Assets	**21,098.2**	**22,645.4**	**23,212.9**	**24,554.2**	**7.3%**	**2.5%**	**5.8%**
Total Non-Current Liabilities	7,124.2	7,244.6	8,794.0	9,797.1	1.7%	21.4%	11.4%
Total Current Liabilities	3,005.5	3,246.6	1,946.1	2,092.0	8.0%	(40.1%)	7.5%
Total Liabilities	**10,129.7**	**10,491.2**	**10,740.1**	**11,889.2**	**3.6%**	**2.4%**	**10.7%**
Total Equity	**10,968.5**	**12,154.2**	**12,472.8**	**12,665.0**	**10.8%**	**2.6%**	**1.5%**
Total Liabilities and Equity	**21,098.2**	**22,645.4**	**23,212.9**	**24,554.2**	**7.3%**	**2.5%**	**5.8%**

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (2021G-2022G)	Variance (2022G-2023G)	Variance (H1 2023G-H1 2024G)
Summary of the Statement of Cash-Flows								
Net cash Generated from / (Used in) Operating Activities	183.9	(582.3)	(501.5)	(260.4)	(188.9)	(416.6%)	(13.9%)	(27.5%)
Net Cash (Used in) / Generated from Investing Activities	(999.3)	(1,094.1)	(977.2)	(433.4)	(336.7)	9.5%	(10.7%)	(22.3%)
Net cash Generated from / (Used in) Financing Activities	3,516.8	(171.2)	1,095.0	444.5	901.9	(104.9%)	n.a	102.9%
Cash and Cash Equivalents at Beginning of Year/ Period	68.4	2,769.9	922.3	922.3	538.5	3,949.6%	(66.7%)	(41.6%)
Cash and Cash Equivalents at End of Year/ Period	**2,769.9**	**922.3**	**538.5**	**672.9**	**914.8**	**(66.7%)**	**(41.6%)**	**35.9%**
KPIs								
Current Ratio	1.0	0.5	0.8	1.0				
Total Assets to Total Liabilities	208.3%	215.9%	216.1%	206.5%				
Total Number of Investment Land Plots	205	205	205	205				
Debt to Equity	63.4%	58.3%	69.2%	77.3%				

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G and the unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Umm Al Qura for Development and Construction Company is a Saudi closed joint-stock company established in 2012G by a high order to undertake the development of real-estate assets in the King Abdul Aziz Road in Makkah and to purchase land plots to develop, manage, invest, sell and lease real-estate assets. The development is undertaken under the brand name of MASAR.

MASAR destination project (The "MASAR destination" or "Project") is a large redevelopment project in the region located on Makkah's western side.

The Group is registered in the Kingdom of Saudi Arabia under the Commercial Registration ("CR") No. 4031225409 dated Rabi' Al-Thani 28, 1433H (corresponding to March 21, 2012G). Ministerial decree No. 163/S was issued announcing the establishment of the company on Rabi' Al-Thani 27, 1433H (corresponding to March 20, 2012G).

The Group is engaged in real estate activities represented in purchasing, selling and dividing of land plots and real estate, off plan activities, management and leasing of owned or leased (non-residential) properties, in addition to construction in the field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

The MASAR Destination Project includes numerous packages of which several packages are currently under development: These packages are part of the overall development strategy of the project (some of which are self-developed by the Group)

- Package A has various real estate components such as residential apartments, hotels, and commercial properties;
- Packages B, D, E and F comprise hospitality real estate ("Hotels"), and commercial properties; and
- Package C comprises the construction of mosques.

The Group has contracted various service providers to assist the Group with the development of MASAR destination including:

Service Provider #1 is the project management and supervision consultant in charge of managing and supervising the studies, designs and infrastructure works work on MASAR destination.

Service Provider #2 is the main contractor in charge of the design and execution of the infrastructure of MASAR destination.

Service Provider #3 is in charge of design consultancy services for MASAR destination. These design consultancy services include the design of buildings for Package A and the design and development of the Bus Rapid Transit ("BRT") station located below the two retail malls and boulevard.

a- Result of Operations of the Group Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following tables set out the Group's Consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial years ended 31 December 2021G, 2022G and 2023G:

Table (6.2): Audited Consolidated Income Statement for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Statement of Comprehensive Income					
Revenue	-	429.4	988.1	n.a	130.1%
Cost of Sales	-	(248.8)	(688.9)	n.a	176.9%
Gross Profit	**-**	**180.6**	**299.3**	**n.a**	**65.7%**
General and Administrative Expenses	(138.5)	(159.7)	(218.5)	15.3%	36.8%
Selling and Marketing Expenses	(15.8)	(45.0)	(60.4)	184.8%	34.2%

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Other Operating Income	12.9	30.6	408.3	137.2%	1,234.3%
Allowance for Expected Credit Losses	-	(0.8)	(2.3)	n.a	187.5%
Operating (Loss) / Profit	**(141.4)**	**5.7**	**426.4**	**n.a**	**7,380.7%**
Financial Charges	(13.9)	(20.2)	(34.2)	45.3%	69.3%
(loss) / Profit before zakat	**(155.3)**	**(14.5)**	**392.1**	**(90.7%)**	**n.a**
Zakat	(10.6)	(7.6)	(75.1)	(28.3%)	888.2%
(loss) / Profit for the Year	**(165.9)**	**(22.1)**	**317.0**	**(86.7%)**	**n.a**
Other Comprehensive Income					
Item that will not be reclassified subsequently to profit or loss:					
Re-measurement of employee benefits	1.4	2.2	1.7	57.1%	(22.7%)
Total comprehensive income/ (loss) for the Year	**(164.5)**	**(19.9)**	**318.7**	**(87.9%)**	**n.a**
Weighted Average Number of Ordinary Shares	1,012.3	1,250.7	1,307.9	23.6%	4.6%
(loss) / earnings per share for the Year	(0.16)	(0.02)	0.24	(87.5%)	n.a

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Revenue

The Group successfully completed the sale of three land plots (two of the land plots are located in Zone 3 and one is located in Zone 1 of Masar destination) to two customers (i.e. Customer #1 and Customer #2), yielding a total value of SAR 429.4 million during 2022G and sold five land plots (four of the lands are located in Zone 1 and one is located in Zone 3) to three new customers (i.e. Customer #3, Customer #4 and Customer #5), yielding a total value of SAR 988.1 million during 2023G as acquiring and selling land plots is part of the Company's strategy and core operations.

Cost of Sales

Cost of revenues amounted to SAR 248.8 million in the financial year ended 31 December 2022G and increased to SAR 688.9 million in the financial year ended 31 December 2023G. Cost of sales represented the cost of the three sold plots of land during 2022G and five sold plots of land during 2023G located in different strategic zones. The cost of sales included the cost of the acquisition of the land plots, the cost of developing the land plots' infrastructure, and other costs.

These costs were distributed according to the market value of each plot from the overall market value for the project lands.

Gross Profits and Margins

Gross margin represents the margin achieved on the sale of land plots.

The gross margins decreased from 42.1% in the financial year ended 31 December 2022G to 30.3% in the financial year ended 31 December 2023G due to the increase in discount factor from 4.0% to 5.3% where the Group uses this discount factor for computing the present value of the sold lands given that the majority of these lands are sold on credit.

General and Administrative Expenses

Management and structuring fees for fund investments accounted for 27.7%, salaries and wages accounted for 35.5% related to Jeddah and Makkah's office employees, and consulting fees accounted for 15.5% of the total general and administrative expenses on average between the financial years ended 31 December 2021G and 2023G. In addition, the general and administrative expenses included depreciation related to property and equipment, right-of-use assets, and other expenses.

General and administrative ("G&A expenses") increased from SAR 138.5 million in the financial year ended 31 December 2021G to SAR 159.7 million in the financial year ended 31 December 2022G due to an increase across several components of G&A mainly in salaries and wages primarily influenced by the growth in the average headcount by 11 employees and annual increments. Additionally, consultancy fees increased by SAR 7.3 million, and IT expenses increased by SAR 1.4 million.

G&A expenses increased from SAR 159.7million in the financial year ended 31 December 2022G to SAR 218.5 million in the financial year ended 31 December 2023G due to an increase across several components of G&A mainly provisions against future claims and/or litigations amounting to SAR 60.4 million to face any potential litigations and future claims . Furthermore, consultancy fees increased by SAR 33.3 million primarily influenced by the increase in technical consultancy by SAR 17.2 million and IPO expenses by 14.1 million and professional consulting expenses by SAR 2.2 million. Additionally, salaries and wages increased by SAR 12.7 million primarily explained by the growth in the average headcount by eight employees and annual increments. All these increases were partially offset by a decrease in management and structuring fees for fund investments of SAR 49.9 million on account of capitalization of nearly 87.0% of these fees as they pertain to construction works on Packages A & B.

Selling and Marketing Expenses

Selling and marketing ("S&M") expenses consisted of marketing expenses, advertising, sponsorship and depreciation expenses.

S&M expenses increased from SAR 15.8 million in the financial year ended 31 December 2021G to SAR 45.0 million in the financial year ended 31 December 2022G mainly due to the increase in advertising and promotion expenses by SAR 27.3 million driven by the ongoing advertising and promotion campaigns.

S&M expenses increased from SAR 45.0 million in the financial year ended 31 December 2022G to SAR 60.4 million in the financial year ended 31 December 2023G due to the increase in advertising and promotion expenses by SAR 9.8 million and marketing campaigns by SAR 5.5 million mainly driven by the overall increase in advertising campaigns mainly related to TV advertisements on two TV channels in line with the Group's strategy to expand the brand awareness and to promote the project.

Other Operating Income

Other operating income mainly include (i) recognized interest income based on discounted cash flows from the sale of land plots on deferred payments, and (ii) temporary income from leasing select properties for short-term periods of time (i.e. 1-3 years) which is not repeated thereafter.

The income from short-term deposits represented profits from money market investments (i.e. Shariah-compliant income from short-term deposits) at two local banks and had a return rate based on the market rates, while the income from rent represented rent related to property income in relation to a non-recurring rental of a land plot to a contractor in Makkah to store the tools and equipment of the project.

Other operating income increased from SAR 12.9 million in the financial year ended 31 December 2021G to SAR 30.6 million in the financial year ended 31 December 2022G primarily driven by the increase in income from deposits by SAR 17.0 million resulting from the Group's initiatives to take advantage of the increase in profit rates on deposits which reached 5% on Murabaha less than three months in 2022G.

Other operating income increased from SAR 30.6 million in the financial year ended 31 December 2022G to SAR 408.3 million in the financial year ended 31 December 2023G primarily driven by the increase in the income from land settlements amounting to SAR 355.6 million, where the Group settled a liability totaling SAR 1.3 billion related to land compensation, partially through cash settlements. This transaction yielded a gain of SAR 355.6 million during the year.

The other operating income of SAR 355.6 million arose when the Group settled a liability of SAR 1.3 billion with an original land owner. It was agreed that the Group would pay SAR 1.1 billion through non-cash considerations (i.e., land) and SAR 136.3 million in cash where SAR 34.0 million were already paid and SAR 102.3 million will be paid in installments. The SAR 1.1 billion represented the lands' agreed fair value, while the two lands' book value in the Group's accounts is SAR 669.3 million. Additionally, it was agreed that the Group would incur an extra SAR 100.0 million to prepare the land for use in accordance with the agreement.

In addition to the above, the increase in other operating income was driven by the increase in (i) Interest income from the sale of a plot worth SAR 20.3 million, which pertains to the income recognized during the year according to the discounted cash flow model of land plots sales in 2022G and 2023G, i.e., it represents the accrued revenue from the difference between the present value and the selling price for all the land plots sold over the two-year period, and (ii) property rental income of SAR 6.4 million pertaining to (a) the rental of Information and Communication Technology ("ICT") Devices to a telecommunication company, and (b) rental of a building within the construction area to a contractor for the completion of concrete works.

Financial Charges

Financial charges included the cost of financing and loan commissions. These are primarily related to the long-term and short-term loans obtained by the Group to finance the general and administrative expenses.

Financial charges increased from SAR 13.9 million in the financial year ended 31 December 2021G to SAR 20.2 million in the financial year ended 31 December 2022G primarily driven by the increase in SIBOR rates during 2022G from 0.6% to 1.5%.

Financial charges increased further from SAR 20.2 million in the financial year ended 31 December 2022G to SAR 34.2 million in the financial year ended 31 December 2023G primarily due to the further increase in SIBOR rates and due to the additional drawdown of SAR 1.5 billion from two local banks.

Zakat

Zakat expenses decreased from SAR 10.6 million (after other adjustment of SAR 17.6 million) in the financial year ended 31 December 2021G to SAR 7.6 million (after other adjustment of SAR 14.6 million) in the financial year ended 31 December 2022G driven by the decrease in the Zakat base from SAR 1,1 billion in the financial year ended 31 December 2021G to SAR 860.5 million in the financial year ended 31 December 2022G. The decrease resulted from the decrease in the book value of non-current assets by SAR 2.8 billion and liabilities against lands by SAR 663.1 million which was partially offset by the increase in Shareholders' equity by SAR 2.1 billion and provisions and payables by SAR 840.5 million.

Zakat expenses increased from SAR 7.6 million in the financial year ended 31 December 2022G to SAR 75.1 million in the financial year ended 31 December 2023G driven by the increase in the Zakat base from SAR 860.5 million in the financial year ended 31 December 2022G to SAR 1.8 billion in the financial year ended 31 December 2023G. The increase was primarily due to the increase in the adjusted net profit from a loss of SAR 10.4 million in the financial year ended 31 December 2022G to an adjusted net profit of SAR 457.9 million in the financial year ended 31 December 2023G and Zakat expenses for prior years of SAR 30.3 million.

Net (Loss) / Profit for the Year

The Group incurred losses during the years 2021G and 2022G due to the fact that the Group started generating revenues for the first time during 2022G. In addition, expenses were higher than the gross profits during 2022G, which led the Group to incur net losses during the respective periods.

The loss for the year decreased from a loss of SAR 165.9 million in the financial year ended 31 December 2021G to a loss of 22.1 million in the financial year ended 31 December 2022G due to generating gross profits of SAR 180.6 million resulting from the sale of three plots of land during 2022G offset by its associated costs and the increase in other operating income by SAR 17.0 million in the financial year ended 31 December 2022G primarily driven by the increase in the income from short-term deposits. This was offset by the increase in operating expenses by SAR 51.2 million in the financial year ended 31 December 2022G.

In the financial year ended 31 December 2023G, the Group realized a profit of SAR 317.0 million, compared to a loss of SAR 22.1 million in the financial year ended 31 December 2022G due to generating gross profits of SAR 299.3 million resulting from the sale of five plots of land during 2023G offset by its associated costs and the increase in other operating income by SAR 377.7 million in the financial year ended 31 December 2023G primarily driven by the (i) income from land settlements amounting to SAR 355.6 million, where the Group settled a liability totaling SAR 1.3 billion related to land compensation, partially through cash settlements, (ii) interest income from the sale of a plot worth SAR 20.3 million, which pertains to the income recognized during the year according to the discounted cash flow model of land sales in 2022G and 2023G, i.e., it represents the accrued revenue from the difference between the revenue recorded and the total value of sales contracts for all plots of land sold over the two-year period, and (iii) property rental income of SAR 6.4 million pertaining to (a) the rental of ICT Devices to a telecommunication company, and (b) rental of a building within the construction area to a contractor for the completion of concrete works.

Revenue

During 2022G, the Company successfully completed the sale of three plots of land to two customers (i.e. Customer #1 and Customer #2), yielding a total value of SAR 429.4 million. These lands were originally acquired at an initial cost of SAR 248.8 million which included the cost of the acquisition of the lands, the cost of developing the lands' infrastructure, and other costs and were strategically located in different zones.

The sale transaction involved (i) Customer #1, who acquired two plots of land for a total of SAR 148.0 million and (ii) Customer #2 who purchased a land for a sum of SAR 281.4 million.

During 2023G, the Group sold five plots of land to three new customers (i.e. Customer #3, Customer #4 and Customer #5), yielding a total value of SAR 988.1 million. These plots of land were originally acquired at an initial cost of SAR 688.9 million which included the cost of the acquisition of the land plots, and their development costs and other costs.

The sale transaction during 2023G involved (i) Customer #3, who acquired three land plots for a total of SAR 647.1 million and (ii) Customer #4 and Customer #5 who purchased two land plots for a sum +of SAR 341.0 million.

Cost of Sales

Cost of sales during 2022G and 2023G represented the cost of three and five sold plots of land located in different strategic zones, respectively. The cost of sales included the cost of the acquisition of the land plots, the cost of developing the land plots' infrastructure, construction costs, and other costs. These costs were distributed according to the market value of each plot from the overall market value for the project lands.

During 2022G, the two plots of land that were sold to Customer #1 had an initial cost of SAR 52.0 million and SAR 41.9 million while the land sold for Customer #2 had an initial cost of SAR 154.9 million.

During 2023G, the three plots of land that were sold to Customer #3 had an initial cost amounting to SAR 492.3 million while the two land plots sold to Customer #4 and Customer #5 had an initial cost of SAR 196.6 million.

Gross Profits

Gross margin represents the margin achieved on the sale of land plots.

During 2022G, the Group achieved an overall 42.1% gross margin from the sale of the three lands.

However, the gross margins decreased from 42.1% in the financial year ended 31 December 2022G to 30.0% in the financial year ended 31 December 2023G due to the increase in discount factor from 4.0% (20 year US treasury yield: 3.38% + country risk-premium: 0.69%) to 5.3% (20 year US treasury yield: 4.1% + Country risk-premium: 1.2%) where the Group uses this discount factor for computing the present value of the sold land plots given that the majority of these lands are sold on credit.

General and Administrative Expenses

Table (6.3): General and Administrative Expenses Breakdown for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Salaries and Employee Related Costs*	49.4	60.1	72.8	21.7%	21.1%
Litigation and Claims	-	-	60.4	n.a	100.0%
Consultancy Fees	13.0	20.3	53.6	56.2%	164.0%
Investments Funds' Management and Structuring Fees	58.2	58.9	9.1	1.2%	(84.6%)
Remunerations and Meeting Attendance Allowances	4.3	4.8	5.4	11.6%	12.5%
Property and Equipment Depreciation	4.5	3.7	4.1	(17.8%)	10.8%
IT Related Expenses	2.4	3.8	2.6	58.3%	(31.6%)
Right of Use Assets Depreciation	1.5	1.9	2.2	26.7%	15.8%
Amortization of Intangible Assets	0.2	0.8	1.9	300.0%	137.5%
Others*	4.9	5.3	6.4	8.2%	20.8%
Total general and administrative expenses	**138.5**	**159.7**	**218.5**	**15.3%**	**36.8%**
As a percentage of general and administrative expenses					
Salaries and Employee Related Costs	35.7%	37.6%	33.3%		
Litigation and Claims	-	-	27.6%		
Consultancy Fees	9.4%	12.7%	24.5%		
Investments Funds' Management and Structuring Fees	42.0%	36.9%	4.2%		
Remunerations and Meeting Attendance Allowances	3.1%	3.0%	2.5%		
Property and Equipment Depreciation	3.2%	2.3%	1.9%		
IT Expenses	1.7%	2.4%	1.2%		
Right of use Assets Depreciation	1.1%	1.2%	1.0%		
Amortization of Intangible Assets	0.1%	0.5%	0.9%		
Others	3.5%	3.3%	2.9%		
Total General and Administrative Expenses	**100.0%**	**100.0%**	**100.0%**		
Average Employee Headcount	101	112	120		
Average Cost per Average Employee	0.5	0.5	0.6		

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

* During 2023G, the Group reclassified 2022G figures related to (i) 'interest costs on benefit obligations' of SAR 0.5 million within 'salaries and employee related costs' and (ii) 'interest on leases' of SAR 0.5 million within 'others' from G&A to 'finance charges.

Salaries and Employee Related Costs

Salaries and employee related costs mainly included basic salaries, housing and transportation allowances, bonuses, end of service benefits and others.

Salaries and employee related costs increased from SAR 49.4 million in the financial year ended 31 December 2021G to SAR 60.1 million in the financial year ended 31 December 2022G as a result of (i) The increase in bonuses by SAR 5.4 million due to the fact that the Group achieved its first revenues from the sale of plots of land, (ii) the increase in average headcount, and (iii) the increase in basic salaries by SAR 5.3 million in respect to the increase in annual increments and the increase in average headcount by 11 employees in relation to the various departments.

Salaries and employee related costs further increased from SAR 60.1 million in the financial year ended 31 December 2022G to SAR 72.8 million in the financial year ended 31 December 2023G as a result of the following:

- SAR 6.8 million amid the Board of Directors' approval for the distribution of bonus, mainly attributed to the achievement of predefined KPIs in 2023G, specifically attaining a bottom-line profit for the year;
- SAR 6.7 million increase in basic salaries, reflecting annual increments of 5.0% and an increase in headcount from 112 to 120 employees;
- An increase in expenses directly linked to the increase in headcount, such as SAR 0.5 million of governmental expenses, SAR 0.8 million for medical insurance, and SAR 0.3 million for training expenses; and
- A decrease in vacation expenses of SAR 2.7 million during the year, due to correction of employees' leave balances.

Litigation and Claims

Litigation and claims increased from nil in the financial year ended 31 December 2022G to SAR 60.4 million in the financial year ended 31 December 2023G, as a result of booking a general provision for any future cases or claims against to the Company.

The provision booked is a general provision for any potential litigation and future claims.

Consultancy Fees

Consultancy fees are comprised of expenses related to studies commissioned by the Group, legal consultancy fees, technical consultancy fees, audit expenses, labor regulations fees and Zakat consultancy fees.

Consultancy fees increased from SAR 13.0 million in the financial year ended 31 December 2021G to SAR 20.3 million in the financial year ended 31 December 2022G due to the increase in;

- Legal expenses by SAR 3.0 million from a Management Consultant by SAR 1.0 million for the update of policies and procedures for the engineering and development departments and a real-estate consultant by SAR 1.9 million in relation to real estate appraisal expenses.
- Labor regulations fees by SAR 2.3 million in relation to corporate governance, financial reporting internal control and enterprise risk management and compliance consultations and;
- Zakat consultancy by SAR 1.8 million in relation to consultancy services for obtaining the ZATCA approval to consolidate the Zakat of the Group with the investment funds.

Consultancy fees increased from SAR 20.3 million in the financial year ended 31 December 2022G to SAR 53.6 million in the financial year ended 31 December 2023G due to the increase in:

- Technical consultancy of SAR 17.2 million. Primarily associated with fees of SAR 15.0 million related to the write-off of Package D design costs, as the land plots of this package have been leased to a construction company on a long-term basis. Additionally, there was an increase of SAR 1.4 million due to a revision of the Employee End of Service Benefit (EOSB) calculation;
- IPO fees of SAR 14.0 million, covering payments to lawyers and advisors for various services related to the planned IPO for the Group;
- Studies expenses of SAR 4.4 million: This was mainly due to SAR 2.9 million in fees related to facility management fees and an increase in fees paid to a financial consultant of SAR 1.1 million for IPO services, business plan development, and accounting consultations;
- Professional consulting expenses increased by SAR 2.2 million, which included payments to various consultancy firms for diverse services related to legal, land valuations, HR policy updates and others. This was partially offset by;
- A decrease in labor policies and regulations, legal and zakat consultancy expenses by SAR 1.9 million, SAR 0.6 million, and SAR 2.0 million, respectively. The decline in these expenses is attributed to the reduced business requirements.

Investment Funds' Management and Structuring Fees

Investments funds' management and structuring fees are related to management fees for the two established investment funds ("Fund A" & "Fund B"). These funds were created in the financial year ended 31 December 2020G to finance the development of the infrastructure and superstructure works for Packages A and B of MASAR destination.

The Group entered into an agreement with Alinma Investment Group ("Fund Manager") for the creation of Funds A and B. The financing charges are paid annually, and the financing is secured by the title deeds of the real estate which are pledged to the bank.

Investment funds' management fees increased from SAR 58.2 million in the financial year ended 31 December 2021G to SAR 58.9 million in the financial year ended 31 December 2022G due to incurring miscellaneous administrative fees for the fund in relation to external auditors, fund's BoD, valuation of the fund and others.

Investment funds' management fees decreased from SAR 58.9 million in the financial year ended 31 December 2022G to SAR 9.1 million in the financial year ended 31 December 2023G. This reduction was due to the capitalization of 87% of the management fees into the project's cost currently in progress within the funds, as it is associated with the construction of Packages A and B. Meanwhile, the remaining 13% was accounted for as management expenses related to administrative tasks commencing at the start of 2023G.

Property and Equipment Depreciation

Property and equipment ("PPE") depreciation is mainly related to the depreciation of leasehold improvements, furniture and fixtures, computers and motor vehicles.

PPE depreciation decreased from SAR 4.5 million in the financial year ended 31 December 2021G to SAR 3.7 million in the financial year ended 31 December 2022G due to minimal additions during the year and the impact of fully depreciated assets.

PPE depreciation increased from SAR 3.7 million in the financial year ended 31 December 2022G to SAR 4.1 million in the financial year ended 31 December 2023G due to additions of SAR 3.8 million during the year excluding the additions related to the CWIP.

Remunerations and Meeting Attendance Allowances

Remunerations and meeting attendance allowances represented the attendance allowance and bonuses for meetings. The Board and related committees held four meetings annually and the committee members received a bonus every quarter, in addition to the annual board remuneration.

Remunerations and meeting attendance allowances increased from SAR 4.3 million in the financial year ended 31 December 2021G to SAR 4.8 million in the financial year ended 31 December 2022G due to allowances returning back to its normal levels after the ease of the restrictions. Prior to 2022G, there was a shift from physical to virtual meetings due to the impact of the Covid-19.

Remunerations and meeting attendance allowances increased from SAR 4.8 million in the financial year ended 31 December 2022G to SAR 5.4 million in the financial year ended 31 December 2023G primarily driven by the higher number of meetings attended by BoD members.

IT Expenses

IT expenses represented expenses related to the purchase of IT supplies, spare parts, Enterprise Resource Planning (ERP) licenses and other program licenses as well as technical support fees for the ERP.

IT expenses increased from SAR 2.4 million in the financial year ended 31 December 2021G to SAR 3.8 million in the financial year ended 31 December 2022G due to the increase in IT supplies purchased for the new leased offices.

IT expenses decreased from SAR 3.8 million in the financial year ended 31 December 2022G to SAR 2.6 million in the financial year ended 31 December 2023G due to reduced usage of IT spare parts.

Right-of-Use Assets Depreciation

Right-of-use assets depreciation is comprised of depreciation relating to offices rental in Jeddah.

Right-of-use assets depreciation increased from SAR 1.5 million in the financial year ended 31 December 2021G to SAR 1.9 million in the financial year ended 31 December 2022G due to entering a new lease agreement for office spaces in Makkah Province during 2022G.

Right-of-use assets depreciation increased from SAR 1.9 million in the financial year ended 31 December 2022G to SAR 2.2 million in the financial year ended 31 December 2023G due to additional workspace rented in Jeddah.

Amortization of Intangible Assets

Amortization of intangible assets expenses are related to the amortization of software licenses that are an integral part of computer hardware.

Amortization expense increased from SAR 0.2 million in the financial year ended 31 December 2021G to SAR 0.8 million in the financial year ended 31 December 2022G driven by additions of SAR 7.6 million made during the year in relation to the Oracle software upgrades and license for e-signatures services. In addition, since the additions were made in the second half of the year, the Group witnessed a partial impact of amortization expense.

Amortization expense increased further from SAR 0.8 million in the financial year ended 31 December 2022G to SAR 1.9 million in the financial year ended 31 December 2023G driven by (i) Additions of SAR 5.8 million made during the year in relation the development of the Group's website and (ii) Full year amortization impact of the additions made in 2022G.

Others

Others mainly include rent, hired labor expenses, transportation expenses and other miscellaneous expenses.

Others increased from SAR 4.9 million in the financial year ended 31 December 2021G to SAR 5.3 million in the financial year ended 31 December 2022G as a result of an increase in travel expenses by SAR 1.0 million in the financial year ended 31 December 2022G due to the ease of restrictions from Covid-19 and the increase in average headcount. This was partially offset by the reclassification of SAR 0.5 million in relation to interest on leases to finance charges.

Others further increased from SAR 5.3 million in the financial year ended 31 December 2022G to SAR 6.4 million in the financial year ended 31 December 2023G mainly as a result of an increase in (i) withholding tax by SAR 0.5 million, due to an increase in various consultation services from outside KSA, (ii) subscriptions by SAR 0.4 million due to the increase in expenses related to governmental subscriptions and other program subscriptions such as, Zoom, and (iii) maintenance expenses by SAR 0.4 million in relation to the maintenance of the head office in Jeddah. This was partially offset by the decrease in office supplies, printing and photocopying expenses by SAR 0.3 million.

Selling and Marketing Expenses

Table (6.4): Selling and Marketing Expenses Breakdown for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Advertising and Promotion Expenses	1.4	28.7	38.4	1,950.0%	33.8%
Marketing Campaigns Expenses	13.6	16.3	21.8	19.9%	33.7%
Depreciation of Property and Equipment	0.8	-	0.1	(100.0%)	n.a.
Total Selling and Marketing Expenses	**15.8**	**45.0**	**60.4**	**184.8%**	**34.2%**

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
As a Percentage of Selling and Marketing Expenses					
Advertising and Promotion Expenses	8.9%	63.8%	63.6%		
Marketing Campaigns Expenses	86.1%	36.2%	36.1%		
Depreciation of Property and Equipment	5.1%	0.0%	0.2%		
Total Selling and Marketing Expenses	**100.0%**	**100.0%**	**100.0%**		

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Advertising and Promotion Expenses

The advertising and promotion expenses mainly represented advertising, website design, TV advertisement and others.

Advertising and promotion expenses increased from SAR 1.4 million in the financial year ended 31 December 2021G to SAR 28.7 million in the financial year ended 31 December 2022G due to the increase in expenses related to:

- An advertising agency of SAR 9.2 million in relation to the advertising services performed for the project as this agent is currently the Group's public relation and communication agency;
- One of the Group's suppliers ("Service Provider #4") of SAR 5.6 million related to sponsorship fees for organizing the Future Investment Initiative ("FII") and;
- Another supplier of SAR 1.9 million related to event management organizing services.

Advertising and promotion expenses increased from SAR 28.7 million in the financial year ended 31 December 2022G to SAR 38.4 million in the financial year ended 31 December 2023G primarily driven by (i) SAR 4.4 million increase in expenses related to the design and construction of the Group's booth at the Cityscape event, (ii) SAR 3.5 million increase related to exhibition space booking at Cityscape, (iii) SAR 3.2 million increase related to TV campaigns for the Project and an advertising campaign on Al-Haramain train, and (iv) SAR 2.9 million increase related to the production of a Ramadan campaign film. These increases were partially offset by a SAR 5.7 million decrease in fees attributed to a reduction in advertising and public relations activities conducted by the Group's public relation and communication agent.

Marketing Campaigns

Marketing campaigns mainly represented public relations agency expenses, marketing and social media campaigns launched for MASAR destination's brand awareness and advertising as well as consultancy fees in relation to marketing.

Marketing expenses increased from SAR 13.6 million in the financial year ended 31 December 2021G to SAR 16.3 million 2022G primarily driven by the increase in (i) fees to an external consultant of SAR 4.4 million related to brand trackers, (ii) fees of SAR 4.2 million from an advertising agent related to an advertising campaign for Ramadan on various TV channels, (iii) fees of SAR 3.6 million related to printings of banners and flags. This was partially offset by the decrease in fees of SAR 2.4 million related to the website development expenses and the decrease in fees from the independent communications consultant of SAR 6.3 million related to the marketing strategy plan, public relations services and digital media procurement.

Marketing expenses increased from SAR 16.3 million in the financial year ended 31 December 2022G to SAR 21.8 million 2023G primarily driven by (i) SAR 12.1 million increase in expenses related to campaigns on TV channels, aimed at reinforcing investment in the Masar brand during the current year, particularly in preparation for opening parts of the Project, and (ii) SAR 3.7 million increase related to the installation of billboards at the Project's site. This increase was partially offset by a total reduction of SAR 8.7 million in other expenses, attributable to the reduced business with other marketing suppliers.

Depreciation of Property, Plant and Equipment

Depreciation included expenses related to the deprecation of a model asset which relates to the master plan of MASAR destination.

Depreciation decreased from SAR 0.8 million in the financial year ended 31 December 2021G to nil in the financial year ended 31 December 2022G and then increased to SAR 0.1 million in the financial year ended 31 December 2023G.

Financial Charges

Table (6.5): Financial Charges Breakdown for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Financial Charges From Loans	13.6	19.3	33.1	41.9%	71.5%
Loan Commissions	0.3	-	-	(100.0%)	n.a.
Interest Costs on Benefit Obligations*	-	0.5	0.7	n.a.	40.0%
Interest Lease Expense *	-	0.5	0.4	n.a.	(20.0%)
Total financial charges	**13.9**	**20.2**	**34.2**	**45.3%**	**69.3%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

* During 2023G, the Group reclassified 2022G figures related to (i) 'interest costs on benefit obligations' of SAR 0.5 million and (ii) 'interest on leases' of SAR 0.5 million from G&A to 'finance charges.

Financial charges are primarily related to the long-term and short-term loans obtained by the Group to finance the general and administrative expenses and interest costs on benefit obligations and lease liabilities.

Financial charges increased from SAR 13.9 million in the financial year ended 31 December 2021G to SAR 20.2 million in the financial year ended 31 December 2022G mainly due to the increase in SIBOR rates during 2022G.

Financial charges increased from SAR 20.2 million in the financial year ended 31 December 2022G to SAR 34.2 million in the financial year ended 31 December 2023G primarily due to the further increase in SIBOR rates and due to the additional drawdown of SAR 1.5 billion from two local banks.

Other Operating Income

Table (6.6): Other Operating Income for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Income from Lands Settlement	-	-	355.6	n.a.	n.a.
Income from Short-Term Deposits	9.1	26.1	21.8	186.8%	(16.5%)
Interest Income from Sale of Plot	-	-	20.3	n.a.	n.a.
Income from Properties Rent	3.0	2.1	8.5	(30.0%)	304.8%
Others	0.7	2.4	2.1	242.9%	(12.5%)
Total other income	**12.9**	**30.6**	**408.3**	**137.2%**	**1,234.3%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Income from Land Settlement

Other operating income of SAR 355.6 million arose when the Group settled a liability of SAR 1.3 billion with an original land owner. It was agreed that the Group would pay SAR 1.1 billion through non-cash considerations (i.e., two land plots) and SAR 136.3 million in cash. The SAR 1.1 billion represents the two land plots' agreed fair value, while the two land plots' book value in the Group's accounts is SAR 669.3 million. Additionally, it was agreed that the Group would incur an extra SAR 100.0 million to prepare the land for use in accordance with the agreement.

Income from Short-Term Deposits

Income from short-term deposits (Shariah-compliant) represented income from short-term deposits at local banks. These deposits have a rate of return based on market rates.

Income from short-term deposits increased from SAR 9.1 million in the financial year ended 31 December 2021G to SAR 26.1 million in the financial year ended 31 December 2022G due to the increase in deposits and profit rates on deposits.

Income from short-term deposits decreased from SAR 26.1 million in the financial year ended 31 December 2022G to SAR 21.8 million in the financial year ended 31 December 2023G due a decrease in the overall levels of cash and cash equivalents during the year resulting from the use of cash for administrative expenses.

Income from Sale of Plot

Interest income from the sale of a plot included the income recognized during the year, derived from the discounted cash flow model of land sales in 2022G and 2023G. This represents the accrued income attributable to the variance between the revenue recorded and the total value of sales contracts over the two-years period.

Income from Properties Rent

Income from properties rent is related to a non-recurring property income related to a piece of land owned by the Group which is rented to a contractor for storing the tools and equipment for MASAR destination. The Group started renting the land in May 2020G. In addition, this line item includes the rent in relation to ICT devices.

Income from properties rent decreased from SAR 3.0 million in the financial year ended 31 December 2021G to SAR 2.1 million in the financial year ended 31 December 2022G due to the fact that the lessee left the land during 2022G.

Income from properties rent increased from SAR 2.1 million in the financial year ended 31 December 2022G to SAR 8.5 million in the financial year ended 31 December 2023G due to the (i) rental of ICT Devices to a telecommunication company, and (b) rental of a building within the construction area to a contractor for the completion of concrete works.

Other Incomes

Others include income from funds compliant with Sharia laws which is managed by Alinma Investment Company, gains from the sale of property, plant and equipment and other miscellaneous income.

Others increased from SAR 0.7 million in the financial year ended 31 December 2021G to SAR 2.4 million in the financial year ended 31 December 2022G due to generating an income of SAR 2.0 million in relation to the sale of scraps and demolition waste.

Others decreased from SAR 2.4 million in the financial year ended 31 December 2022G to SAR 2.1 million in the financial year ended 31 December 2023G which relates to a temporary land rental for concrete suppliers.

Allowance for Expected Credit Losses

Allowance for expected credit losses represented the allowance for the Group's trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Allowance for expected credit losses increased from nil in the financial year ended 31 December 2021G to SAR 0.8 million in the financial year ended 31 December 2022G due to the increase in the trade receivable balances during the same period as the Group recorded revenues for the first time in 2022G.

Allowance for expected credit losses increased from SAR 0.8 million in the financial year ended 31 December 2022G to SAR 2.3 million in the financial year ended 31 December 2023G in line with the increase in trade receivable balances.

Zakat Expenses

Zakat expenses decreased from SAR 10.6 million (after other adjustment of SAR 17.6 million) in the financial year ended 31 December 2021G to SAR 7.6 million (after other adjustment of SAR 14.6 million) in the financial year ended 31 December 2022G driven by the decrease in the Zakat base from SAR 1.1 billion in the financial year ended 31 December 2021G to SAR 860.5 million in the financial year ended 31 December 2022G. The decrease resulted from the decline in the book value of non-current assets by SAR 2.8 billion and liabilities against lands by SAR 663.1 million which was partially offset by the increase in Shareholders' equity by SAR 2.1 billion and provisions and payables by SAR 840.5 million.

Zakat expenses increased from SAR 7.6 million (after other adjustment of SAR 14.6 million) in the financial year ended 31 December 2022G to SAR 75.1 million in the financial year ended 31 December 2023G driven by the increase in the Zakat base from SAR 860.5 million in the financial year ended 31 December 2022G to SAR 1.8 billion in the financial year ended 31 December 2023G. The increase was primarily due to the increase in the adjusted net profit from a loss of SAR 10.4 million in the financial year ended 31 December 2022G to an adjusted net profit of SAR 457.9 million in the financial year ended 31 December 2023G and Zakat expenses for prior years of SAR 30.3 million.

For further information on the movement of the 'Zakat', refer to the analysis performed under 'Table 6.34: Zakat Provision as at 31 December 2021G, 31 December 2022G, and 31 December 2023G for the Group' within this Prospectus.

Net Loss / Profit for the Year

The loss for the year decreased from a loss of SAR 165.9 million in the financial year ended 31 December 2021G to a loss of 22.1 million in the financial year ended 31 December 2022G due to (i) generating gross profits of SAR 180.6 million resulting from the sale of three plots of land during 2022G offset by its associated costs and (ii) the increase in other operating income by SAR 17.8 million in the financial year ended 31 December 2022G primarily driven by the increase in the income from Shariah-compliant income short-term deposits. This was offset by the increase in operating expenses by SAR 51.2 million in the financial year ended 31 December 2022G.

In the financial year ended 31 December 2023G, the Group realized a profit of SAR 317.0 million, compared to a loss of SAR 22.1 million in the financial year ended 31 December 2022G due to generating gross profits of SAR 299.3 million resulting from the sale of five plots of lands during 2023G offset by its associated costs and the increase in other operating income by SAR 377.7 million in the financial year ended 31 December 2023G primarily driven by the income from land settlements amounting to SAR 355.6 million, where the Group settled a liability totaling SAR 1.3 billion related to land compensation, partially through cash settlements. This transaction yielded a gain of SAR 355.6 million during the year, (ii) interest income from the sale of a plot worth SAR 20.3 million, which pertains to the income recognized during the year according to the discounted cash flow model of land sales in 2022G and 2023G, i.e., it represents the accrued revenue from the difference between the present value and the selling price for all land plots sold over the two-year period, and (iii) the increase in property rental income by SAR 6.4 million pertaining to (a) the rental of Information and Communication Technology ("ICT") Devices to a telecommunication company, and (b) rental of a building within the construction area to a contractor for the completion of concrete works.

b- Statement of Financial Position of the Group

Table (6.7): Statement of Financial Position as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Investment Properties	18,201.7	20,619.9	20,692.8	13.3%	0.4%
Property and Equipment, Net	8.8	363.3	395.2	4028.4%	8.8%
Trade Receivables - Non Current	-	120.1	614.4	n.a	411.6%
Right-to-Use Assets - net	12.2	11.5	9.9	(5.7%)	(13.9%)
Intangible Assets	0.0	6.9	10.8	n.a	56.5%
Investment in Associate	-	-	0.5	n.a	n.a
Total Non-Current Assets	**18,222.8**	**21,121.7**	**21,723.5**	**15.9%**	**2.8%**
Trade Receivables	-	266.3	414.8	n.a	55.8%
Investment at Fair Value through Profit or Loss	-	11.5	7.4	n.a	(35.7%)
Assets Held for Sale	-	94.8	212.2	n.a	123.8%
Advances and Other Receivables	105.5	228.8	316.5	116.9%	38.3%
Cash and Cash Equivalents	2,769.9	922.3	538.5	(66.7%)	(41.6%)
Total Current Assets	**2,875.4**	**1,523.7**	**1,489.4**	**(47.0%)**	**(2.3%)**
Total Assets	**21,098.2**	**22,645.4**	**23,212.9**	**7.3%**	**2.5%**
Share Capital	11,873.1	13,078.6	13,078.6	10.2%	0.0%
Accumulated Losses	(904.6)	(924.5)	(605.8)	2.2%	(34.5%)
Total Equity	**10,968.5**	**12,154.2**	**12,472.8**	**10.8%**	**2.6%**
Long Term Loans	6,859.6	7,089.2	8,633.9	3.3%	21.8%
Lease Liabilities	11.6	10.5	8.3	(9.5%)	(21.0%)
Employee Benefits	14.6	16.1	18.3	10.3%	13.7%
Retention Payable	238.4	128.8	133.5	(46.0%)	3.6%
Total Non-Current Liabilities	**7,124.2**	**7,244.6**	**8,794.0**	**1.7%**	**21.4%**
Short Term Loans	95.0	-	-	(100.0%)	n.a
Lease Liabilities	1.4	1.9	2.6	35.7%	36.8%
Accounts Payable – Compensation of Land Plots	2,434.8	1,771.7	460.6	(27.2%)	(74.0%)
Accounts Payable	17.0	137.5	75.1	708.8%	(45.4%)
Accrued Expenses and Other Payables	441.1	1,322.4	1,327.2	199.8%	0.4%
Zakat Provision	16.1	13.1	80.6	(18.6%)	515.3%
Total Current Liabilities	**3,005.5**	**3,246.6**	**1,946.1**	**8.0%**	**(40.1%)**
Total Liabilities	**10,129.7**	**10,491.2**	**10,740.1**	**3.6%**	**2.4%**
Total Liabilities and Equity	**21,098.2**	**22,645.4**	**23,212.9**	**7.3%**	**2.5%**
Current Ratio	1.0	0.5	0.8		
Total Assets to Total Liabilities	208.3%	215.9%	216.1%		
Debt to Equity	63.4%	58.3%	69.2%		

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Non-Current Assets

Table (6.8): Non-Current Assets as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Investment Properties	18,201.7	20,619.9	20,692.8	13.3%	0.4%
Property and Equipment, Net	8.8	363.3	395.2	4028.4%	8.8%
Trade Receivables - Non Current	-	120.1	614.4	n.a	411.6%
Right-to-Use Assets - Net	12.2	11.5	9.9	(5.7%)	(13.9%)
Intangible Assets	0.0	6.9	10.8	n.a	56.5%
Investment in Associate	-	-	0.5	n.a	n.a
Total Non-Current Assets	**18,222.8**	**21,121.7**	**21,723.5**	**15.9%**	**2.8%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Non-current assets included investment properties which primarily consist of (i) Project land plots and (ii) Capital work in progress. Non-current assets also included trade receivables, investments, property and equipment, and other assets.

Investment Properties

Table (6.9): Investment Properties as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Project Land					
As at 1 January	9,956.1	9,970.4	10,217.8	0.1%	2.5%
Additions during the Year	14.3	588.0	17.0	4,011.9%	(97.1%)
Disposals during the Year	-	(114.4)	(598.2)	n.a	422.9%
Transferred to Property and Equipment	-	(178.6)	-	n.a	(100.0%)
Transferred to Assets Held for Sale	-	(47.6)	(56.2)	n.a	18.1%
Balance as at 31 December	**9,970.4**	**10,217.8**	**9,580.3**	**2.5%**	**(6.2%)**
Capital Work in Progress					
As at 1 January	6,886.9	8,231.2	10,402.2	19.5%	26.4%
Additions during the Year	1,344.4	2,507.9	1,395.8	86.5%	(44.3%)
Disposals during the Year	-	(113.0)	(624.3)	n.a	452.5%
Transferred to Property and Equipment	-	(176.8)	-	n.a	(100.0%)
Transferred to Assets Held for Sale	-	(47.2)	(61.2)	n.a	29.7%
Balance as at 31 December	**8,231.2**	**10,402.2**	**11,112.4**	**26.4%**	**6.8%**
Total	**18,201.7**	**20,619.9**	**20,692.8**	**13.3%**	**0.4%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Investment properties include (1) project land plots and (2) capital work in progress which represent the executed works and works in progress related to infrastructure and superstructure works. The recorded value of the infrastructure works of SAR 24.0 billion included value of the compensation of expropriated properties, the main infrastructure works performed by Service Provider #2, other additional infrastructure works, the financial charges and others. The infrastructure reached a completion rate of 90.1% as a result of the completion of works amounting to SAR 21.6 billion as at 31 December 2023G. Moreover, the completion rate related to the superstructure work reached 18.8% due to the Group completing works amounting to SAR 993.9 million out of SAR 5.3 billion which included the expected financial charges until the completion of the Project as at 31 December 2023G.

Project Land Plots

Project Land Plots are primarily comprised of 3,631 properties with a site area of 1.25 million sqms, expropriated from various owners (public and private institutions and individuals) in favor to the Group.

By the directives in the high order number 6258/M issued in 2005G, the Group was given the right to acquire the 3,631 properties. In 2021G, another high order was issued to give the Group legal ownership over the whole Project area. Also, to comply with the high order, the Group had issued four master title deeds which are to be further allocated into 205 investment land plots as per the MASAR master plan. The Group undertook the task of subdividing the four master title deeds into individual title deeds for each of the 205 land plots. The Group had already issued 151 individual title deeds out of the 205 as of 31 December 2023G.

As of the date of this Prospectus, all two hundred twenty-two (222) project land plots title deeds have been issued, of which two hundred and five (205) are investment plots and seventeen (17) land plots are additional for general services per the MASAR master plan.

The completion status of project land plots is contingent upon the conclusion of administrative procedures for title deed transfers, which are conducted by the relevant governmental authorities.

These properties are recognized in the financial statements at cost. The Project land plots book value was based on the valuation done by the Ministerial Committee for Informal Settlements Development Project in Makkah region under the Makkah Region Development Authority in 2010G to compensate the 3,631 properties. As at 31 December 2023G, the book value of the project land plots amounted to SAR 9.6 billion.

While the project properties are recognized at cost, the Group undertakes an annual appraisal of the investment land plots which are included within 'investment properties' by an independent real estate appraiser.

The number of properties under the 'investment properties' decreased by 11 properties due to (i) The three sold land plots in June 2022G, (ii) The transfer of six lands to property and equipment, and (iii) The reclassification of two lands as held for sale which led to the decrease in market value of the properties investment from SAR 40.1 billion as at 31 December 2021G to SAR 39.5 billion as at 31 December 2022G.

The number of properties under the 'investment properties' decreased by 11 properties due to (i) the five sold land plots in 2023G, (ii) Transfer of four land plots as held for sale, and (ii) swapped two lands in a settlement agreement with an original land owner which led to the decrease in market value of the properties investment from SAR 39.5 billion as at 31 December 2022G to SAR 38.2 billion as at 31 December 2023G.

The cost of Project land plots increased from SAR 9,970.4 million as at 31 December 2021G to SAR 10,217.8 million as at 31 December 2022G, due to additions of SAR 588.0 million mainly representing a compensation amount of SAR 563.0 million following the court's decision where they ruled in favor of the counterparty. However, this increase was partially offset by the sale of three plots of land amounting to SAR 114.4 million, the transfer of six plots of land to property and equipment for administrative purposes amounting to SAR 178.6 million, and the transfer of two land plots to held for sale with a value to SAR 47.6 million, which the Group intends to sell in 2023G.

The cost of project land plots decreased from SAR 10,217.8 million as of 31 December 2022G to SAR 9,580.5 million as of 31 December 2023G due to the sale of five land plots worth SAR 598.2 million, and the transfer of six land plots valued at SAR 56.2million to assets held for sale. This was partially offset by an increase in the total project land plots value due to an additional compensation for expropriated properties from their owners in favor of the Group of SAR 17.0 million following a ruling by Makkah's general court.

Capital Work in Progress

Capital work in progress also known as the 'Project development costs' mainly consisted of (i) Main infrastructure contract, (ii) projects under construction, and (iii) capitalized borrowing costs and (iv) others.

Capital work in progress amounted to SAR 11.1 billion as at 31 December 2023G of which SAR 10.1 billion related to infrastructure cost and SAR 993.9 million related to superstructure works for Packages A and B which are performed by one of the Group's contractors and financed by the investment funds.

The Group aims to complete parts of the main infrastructure works related to land infrastructure for the three zones as presented in the master plan by the end of 2024G and has estimated the remaining contractual costs of the Project amounted to SAR 6.9 billion as at 31 December 2023G until the completion of the planned work. The SAR 6.9 billion represented the superstructure commitments of SAR 4.3 billion which includes expected financial charges and the infrastructure works of SAR 2.7 billion.

Capital works in progress increased from SAR 8.2 billion as at 31 December 2021G to SAR 10.4 billion as at 31 December 2022G (including superstructure works of SAR 423.5 million). This increase was primarily due to (a) an increase in infrastructure works carried out by Service Provider #2 by SAR 1.7 billion, in line with the progress of the planned work, consequently, the completion rate related to the major infrastructure increased to 87.6%, (b) an increase in projects under construction of SAR 651.9 million, mainly due to the near completion of the rock cutting works, bringing the completion rate related to the rock cutting works to 97.9%. This was partially offset by a decrease in advance payments of SAR 113.6 million, as these payments were deducted directly from invoices paid to Service Provider #2.

Capital work in progress increased from SAR 10.4 billion as at 31 December 2022G to SAR 11.1 billion as at 31 December 2023G (including superstructure works of SAR 993.9 million) as a result of the increase in (1) projects under construction by SAR 711.7 million mainly related to the increase in (a) Alinma Fund of SAR 353.9 million, (b) loans from a local bank and the cost of long-term financing of SAR 156.2 million, and (c) a balance related to one of the Group's service providers by SAR 57.3 million related to the building designs for Package A, and (2) infrastructure works of SAR 491.1 million, which was in line with the increase in the completion rate related to the main infrastructure work to 90.1%.

Presented below is the table for the capital work in progress as at 31 December 2021G, 31 December 2022G, and 31 December 2023G:

Table (6.10): Capital work in progress as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Infrastructure Contract Related to Service Provider #2	5,024.2	6,702.6	7,194.5	33.4%	7.3%
Projects under Construction	1,477.7	2,129.7	2,841.3	44.1%	33.4%
Cost of Long-Term Financing	1,214.4	1,361.3	1,548.6	12.1%	13.8%
Advance Payments for Construction Contracts	235.7	122.1	51.1	(48.2%)	(58.1%)
Alinma Fund	279.2	423.5	514.4	51.7%	21.5%
Disposals/Reclassifications	-	(337.0)	(1,037.6)	n.a	207.9%
Total Capital Work in Progress	**8,231.2**	**10,402.2**	**11,112.40**	**26.4%**	**6.8%**
As a Percentage of the Total Capital Work in Progress					
Infrastructure Contract Related to Service Provider #2	61.0%	64.4%	64.7%		
Projects under Construction	18.0%	20.5%	25.6%		
Cost of Long-Term Financing	14.8%	13.1%	13.9%		

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Advance Payments for Construction Contracts	2.9%	1.2%	0.5%		
Alinma Fund	3.4%	4.1%	4.6%		
Disposals/Reclassifications	-	(3.2%)	(9.3%)		
Total Capital Work in Progress	**100.0%**	**100.0%**	**100.0%**		

Source: Group's information

Infrastructure Contract

The overall infrastructure contract work costs are primarily related to the demolition of properties located in the Project area and Project land levelling works including the construction of various infrastructure works such as, car parks, metro network tunnels, metro stations, main buses, pedestrian walkways, and service areas related to the Project lands.

The infrastructure contract within the capital work in progress of SAR 5.0 billion as at 31 December 2021G, SAR 6.7 billion as at 31 December 2022G and 7.2 billion was accounted for against the work related to Service Provider #2 which was the main contractor for the infrastructure works and was contracted since June 2015G to carry out the infrastructure works for MASAR destination. These costs included the demolition works in addition to design works, executing civil and electrical procurement and represented 61.0%, 64.4% and 64.7% of the capital work in progress total as at 31 December 2021G, 2022G and 2023G, respectively.

In 2015G, the total contract value of Service Provider #2 was SAR 6.7 billion. A variation order was issued and agreed subsequently to reach SAR 7.4 billion (including contingencies).

Furthermore, Service Provider #2 incurred several delays due to their late appointment of a design consultant which led to (i) delays in kicking off the work, (ii) delay in appointing a specialist consultant, and (iii) noncompliance with the submitted program in terms of deploying the required manpower. These delays resulted in a revised completion date for the works.

Infrastructure contract works costs increased from SAR 5,024.2 million as at 31 December 2021G to SAR 6,702.6 million as at 31 December 2022G and further to SAR 7,194.5 million as at 31 December 2023G due to the increase in infrastructure works performed by Service Provider #2 between 2021G and 2023G. These additional infrastructure works were mainly due to achieving various milestones of the Project.

Infrastructure contract works costs included fines and violations that were charged to Service Provider #2 of, SAR 11.2 million as at 31 December 2021G, SAR 10.4 million as at 31 December 2022G, and SAR 9.6 million as at 31 December 2023G which primarily pertain to Service Provider #2.

Projects under Construction

Projects under construction included the demolition and rock excavation works, in addition to the engineering consultancy and Project building designs works. These works mainly included rock cutting works, water station works, management and supervision contract and establishment costs which represented pre-operating costs related to Project studies and demolition.

Service Provider #1's primary responsibility included managing and supervising the work of each of the contractors engaged in MASAR destination and providing a monthly report summarizing the work completed during the month. In addition, Service Provider #1 reviews the Project invoices submitted by the other contractors and consultants.

The total value of the contract with Service Provider #1 was originally SAR 132.0 million of which the Group utilized SAR 94.6 million until the contract expiration in April 2019G. This agreement was renewed with Service Provider #1 at an additional amount of SAR 106.9 million of which the Group utilized SAR 103.6 million as at December 2021G. The contract was amended to SAR 283.4 million as at 31 December 2022G based on a revised assessment. The planned completion date is the end of 2024G.

Projects under construction increased from SAR 1,477.7 million as at 31 December 2021G to SAR 2,129.7 million as at 31 December 2022G and further to SAR 2,841.3 million at 31 December 2023G in line with the continued progress of Project work.

Cost of Financing

Cost of financing is primarily related to the capitalised interest costs on long term and short term loans obtained from two local banks to finance the MASAR destination'.

The Group capitalizes the financing costs related to funds obtained to finance the acquisition of properties while financing costs on funds utilized for other use are expensed in the income statement.

Cost of financing increased from SAR 1,214.4 million as at 31 December 2021G to SAR 1,361.3 million as at 31 December 2022G due to the increase in the level of drawdowns from a local bank during 2022G.

Cost of financing increased from SAR 1,361.3 million as at 31 December 2022G to SAR 1,548.6 million as at 31 December 2023G due to the increase in the level of drawdowns from the two local banks during 2023G.

Advance Payments for Infrastructure Work

Advance payments for infrastructure works are related to advances paid by the Group to Service Provider #2 under contractual arrangements and represent 10% of the monthly payment certificate at each year's end. These advances are deducted through each payment certificate received from the Service provider.

Advance payments for infrastructure works decreased from SAR 235.7 million as at 31 December 2021G to SAR 122.1 million as at 31 December 2022G and further to SAR 51.1 million as at 31 December 2023G in line with the increase in the works performed and the Interim Payment Certificates ("IPC") issued by Service Provider #2 in each respective period.

Alinma Fund

Alinma fund costs pertain to the amounts paid by the funds for the superstructure works related to Packages A and B.

Alinma fund costs increased from SAR 279.2 million as at 31 December 2021G and further to SAR 423.5 million as at 31 December 2022G and further to SAR 514.4 million as at 31 December 2023G in line with the increase in the works performed for the superstructure works related to Packages A and B.

Disposals/Reclassifications

As at 31 December 2022G, the disposals/reclassifications included amounts related to (i) SAR 113.0 million representing land plots sold off during 2022G, (ii) SAR 176.8 million representing land plots of transferred to property and equipment by the Group for administrative purposes, and (iii) SAR 47.2 million representing land plots reclassified as held for sale as the Group intends to sell them in 2023G.

Disposals/reclassifications increased from SAR 337.0 million as at 31 December 2022G to SAR 1,037.6 million as at 31 December 2023G. The disposals/reclassifications as at 31 December 2023G related to (i) SAR 746.5 million representing land plots sold off during 2023G, (ii) SAR 176.8 million representing land plots of transferred to property and equipment by the Group for administrative purposes, and (iii) SAR 114.3 million representing land plots reclassified as held for sale as the Group intends to sell them in the near future.

Property, Plant and Equipment

Table (6.11): Property, Plant and Equipment NBV as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	Additions	Depreciation	Reclassification	31 December 2022G	Additions	Depreciation	Net disposals	31 December 2023G
Lands	-	-	-	172.1	172.1	0.1	-	-	172.1
Leasehold Improvements	6.5	0.4	(2.2)	-	4.6	-	(2.2)	-	2.4
Furniture and Fixtures	1.7	2.0	(1.1)	-	2.6	3.3	(1.6)	-	4.3
Computers	0.6	0.4	(0.4)	-	0.7	0.4	(0.4)	-	0.6
Motor Vehicles	0.0	-	-	-	0.0	-	-	-	0.0
Capital Work in Progress	-	-	-	183.4	183.4	39.5	-	(7.1)	215.8
Net Book Value	**8.8**	**2.8**	**(3.7)**	**355.4**	**363.3**	**43.2**	**(4.2)**	**(7.1)**	**395.2**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The net book value of property and equipment increased from SAR 8.8 million as at 31 December 2021G to SAR 363.3 million as at 31 December 2022G primarily due to the (i) reclassification of SAR 355.4 million from investment properties to property and equipment, (ii) the additions of SAR 2.8 million mainly related to furniture and fixtures of SAR 2.0 million, leasehold improvement of SAR 0.4 million, and computers of SAR 0.4 million. This was partially offset by the depreciation amounting to SAR 3.7 million.

The net book value of property and equipment increased from SAR 363.3 million as at 31 December 2022G to SAR 395.2 million as at 31 December 2023G primarily due to the (i) the additions of SAR 43.2 million mainly related to CWIP of SAR 39.5 million, and furniture and fixtures of SAR 3.3 million. This was partially offset by disposals and depreciation amounting to SAR 7.1 million and SAR 4.2 million, respectively.

The Group plans to acquire property and equipment with a total value of SAR 11.8 million in respect of computers of SAR 1.2 million and other equipment to manage the Masar destination project of SAR 10.6 million in the future.

Lands

Lands increased from nil as at 31 December 2021G to SAR 172.1 million as at 31 December 2022G due to transfer of six plots of land from investment properties for administrative purposes.

Lands remained relatively stable between 31 December 2022G and 31 December 2023G.

Capital Work in Progress

Capital work in progress increased from nil as at 31 December 2021G to SAR 183.4 million as at 31 December 2022G following the transfer of six plots of land and works in progress from investment properties to property and equipment for administrative purposes.

Capital works in progress increased from SAR 183.4 million as at 31 December 2022G to SAR 215.8 million as at 31 December 2023G due to the additions of SAR 39.5 million in relation to the new management and experience center, and the Group's headquarters. This also included the administrative structure within the project site.

Leasehold Improvements

Leasehold improvements mainly include decorations and improvements works related to the Group's offices.

Leasehold improvements decreased from SAR 6.5 million as at 31 December 2021G to SAR 4.6 million as at 31 December 2022G due to annual depreciation charges of SAR 2.2 million in 2022G. This was offset by additions of SAR 0.4 million related to office improvements during the year.

Leasehold improvements decreased from SAR 4.6 million as at 31 December 2022G to SAR 2.4 million as at 31 December 2023G due to annual depreciation charges of SAR 2.2 million in 2023G.

Furniture and Fixtures

Furniture and fixtures are related to office furniture and other furniture and fixtures for the Group offices in Makkah and Jeddah.

Furniture and fixtures increased from SAR 1.7 million as at 31 December 2021G to SAR 2.6 million as at 31 December 2022G due to the additions of SAR 2.0 million mainly related to a Fortinet Firewall Software, advertisement board, chairs and office equipment purchased for the Group's offices in Jeddah. This was offset by annual depreciation charges of SAR 1.1 million in 2022G.

Furniture and fixtures increased from SAR 2.6 million as at 31 December 2022G to SAR 4.3 million as at 31 December 2023G due to annual depreciation of SAR 1.6 million. This was partially offset by additions of SAR 3.3 million in 2023G.

Computers

Computers increased from SAR 0.6 million as at 31 December 2021G to SAR 0.7 million as at 31 December 2022G due to the additions of SAR 0.4 million resulting from the purchases of IT equipment such as laptops, PCs and others during 2022G. This was offset by annual depreciation charges of SAR 0.4 million.

Computers decreased from SAR 0.7 million as at 31 December 2022G to SAR 0.6 million as at 31 December 2023G due to annual depreciation charges of SAR 0.4 million which was offset by additions of SAR 0.4 million.

Motor Vehicles

Motor vehicles remained relatively stable between 31 December 2021G and 31 December 2023G

The table below presents the useful lives of each asset category:

Table (6.12): Useful lives of property, plant and equipment by asset category:

	Years
Furniture and Fixtures	3-4 years
Motor Vehicles	4 years
Computers	3-5 years
Leasehold Improvements	5 years or contract period, whichever is lower

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G

Trade Receivables

Table (6.13): Trade Receivables as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Trade Receivables	-	387.2	1,032.4	n.a.	166.6%
Less: Allowance for Expected Credit Losses	-	(0.8)	(3.2)	n.a.	300.0%
Total Trade Receivable	**-**	**386.3**	**1,029.2**	**n.a.**	**166.4%**
Current Portion	-	266.3	414.8	n.a.	55.8%
Non- Current Portion	-	120.1	614.4	n.a.	411.6%

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Table (6.14): Movement of Allowance for Expected Credit Losses as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Balance at the Beginning of the Year	-	-	0.8	n.a.	n.a.
Charge for the Year	-	0.8	2.3	n.a.	187.5%
Balance at the End of the Year	**-**	**0.8**	**3.2**	**n.a.**	**300.0%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

As at 31 December 2022G, the trade receivables were presented at present value, discounted at a rate of 4.0% which represented the 20-year USD treasury bonds return of 3.38% plus the country risk premium of 0.59%, and were related to the sale of three plots of land during 2022G, as two land plots were sold on credit to one party for SAR 148.0 million which will be collected within four years, with the final payment due in 2027G, and one land plot was sold separately on credit for SAR 281.4 million to another party. This was offset by the collection of SAR 42.2 million during 2022G in relation to the second land plot sale and the remaining outstanding balance is expected to be fully collected by the end of 2024G.

As at 31 December 2023G, trade receivables were presented at present value, discounted at a rate of 5.3% which represented the 20-year USD treasury bonds return of 4.1% plus the country risk premium of 1.2%.

Trade receivables increased from SAR 386.3 million as at 31 December 2022G to SAR 1,029.2 million as at 31 December 2023G due to the additions of SAR 767.4 million (which included a balance of SAR 23.1 million in relation to the additional amounts arising from the interest income) in relation to the sale of four land plots on deferred payments. This was partially offset by the collections of SAR 124.5 million during 2023G in relation to the four land plots sold. Out of the five land plots sold during 2023G, three of them will be collected over four years, with the final payment due in 2027G, while the remaining outstanding balance for the other land plot is expected to be collected by the end of 2024G.

Right-of-Use Assets

Table (6.15): Right-of-Use Assets NBV as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Cost					
Balance as at 1 January	9.1	15.6	16.8	71.4%	7.7%
Additions for the Year	-	1.2	0.6	n.a	(50.0%)
Remeasurement	6.5	-	-	(100.0%)	n.a
Balance as at 31 December	**15.6**	**16.8**	**17.3**	**7.7%**	**3.0%**
Accumulated Depreciation					
Balance as at 1 January	(1.8)	(3.4)	(5.3)	88.9%	55.9%
Charge for the Year	(1.5)	(1.9)	(2.2)	26.7%	15.8%
Balance as at 31 December	**(3.4)**	**(5.3)**	**(7.5)**	**55.9%**	**41.5%**
Total Right-of-Use Assets	**12.2**	**11.5**	**9.9**	**(5.7%)**	**(13.9%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Right-of-use assets comprise leased office spaces in Jeddah.

Right-of-use assets decreased from SAR 12.2 million as at 31 December 2021G to SAR 11.5 million as at 31 December 2022G due to the annual depreciation of SAR 1.9 million. This was offset by additions of SAR 1.2 million during 2021G related to the addition of a new office lease in Makkah Province during 2022G.

Right-of-use assets decreased from SAR 11.5 million as at 31 December 2022G to SAR 9.9 million as at 31 December 2023G due to the annual depreciation charges of SAR 2.2 million. This was partially offset by additional work space rented in Jeddah amounting to SAR 0.6 million.

Intangible Assets

Table (6.16): Intangible Assets as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Cost					
Balance as at 1 January	6.4	5.4	13.0	(15.6%)	140.7%
Additions for the Year	0.1	7.6	5.8	7500.0%	(23.7%)
Disposals	(1.1)	-	-	(100.0%)	n.a
Balance as at 31 December	**5.4**	**13.0**	**18.8**	**140.7%**	**44.6%**
Accumulated Amortization					
Balance as at 1 January	(6.3)	(5.4)	(6.1)	(14.3%)	13.0%
Amortization	(0.2)	(0.8)	(1.9)	300.0%	137.5%
Disposals	1.1	-	-	(100.0%)	n.a
Balance as at 31 December	**(5.4)**	**(6.1)**	**(8.1)**	**13.0%**	**32.8%**
Total Intangible Assets	**0.0**	**6.9**	**10.8**	**n.a**	**56.5%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Intangible assets comprise software licenses that are an integral part of the hardware and are amortized over their useful lives of five years.

Intangible assets increased from SAR 43 thousand as at 31 December 2021G to SAR 6.9 million as at 31 December 2022G due to the additions of SAR 7.6 million mainly related to Oracle Software Upgrades of SAR 6.4 million and license for e-signatures services of SAR 0.5 million. This was offset by annual amortization charges of SAR 0.8 million in 2022G.

Intangible assets increased from SAR 6.9 million as at 31 December 2022G to SAR 10.8 million as at 31 December 2023G due to the additions of SAR 5.8 million pertaining to the development of the Group's website partially offset by amortization charges of SAR 1.9 million during the year.

Investment in an Associate

Investment in an associate represents a 50/50 Joint Venture ("JV") formed with Kaden Saudi Arabia for managing the Boulevard's retail sector for MASAR destination.

Current Assets

Table (6.17): Current Assets as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Trade Receivables	-	266.3	414.8	n.a	55.8%
Investment at Fair Value through Profit or Loss	-	11.5	7.4	n.a	(35.7%)
Assets Held for Sale	-	94.8	212.2	n.a	123.8%
Advances and Other Receivables	105.5	228.8	316.5	116.9%	38.3%
Cash and Cash Equivalents	2,769.9	922.3	538.5	(66.7%)	(41.6%)
Total Current Assets	**2,875.4**	**1,523.7**	**1,489.4**	**(47.0%)**	**(2.3%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Current assets include trade receivables, and investment held at fair value through profit or loss, assets held for sale, advances and other receivables and cash and cash equivalents.

Trade Receivables – Current Portion

The current portion of trade receivables represented the current portion of the receivables of the land plots sold which are scheduled to be collected in the next twelve months. The other portion of the trade receivables is related to the remaining receivable balance.

The current portion of trade receivables increased from nil as at 31 December 2021G to SAR 266.3 million as at 31 December 2022G, and further to SAR 414.8 million as at 31 December 2023G as a result of the sale of three land plots during 2022G and the sale of five land plots during 2023G.

Investment Held at Fair Value through Profit or Loss

Table (6.18): Investment held at Fair Value through Profit or Loss Breakdown as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Investments at the Beginning of the Year	1.0	-	11.5	(100.0%)	n.a
Additions during the Year	555.4	13.0	-	(97.7%)	(100.0%)
Disposals during the Year	(557.2)	(1.6)	(4.5)	(99.7%)	181.3%
Gain from Investments at Fair Value through Profit or Loss	0.7	0.1	0.3	(85.7%)	200.0%
Total Investment Held at Fair Value through Profit or Loss	**-**	**11.5**	**7.4**	**n.a**	**(35.7%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Investment held at fair value through profit or loss represents an investment in units of the Alinma Liquidity Fund, a fund managed by the Alinma Investment Group in 2019G. The main purpose of the investment was to invest in Shariah-compliant Murabaha contracts. These investments were made for a period of less than 12 months. Any additions or disposals are subject to cash and liquidity needs.

During 2021G, the Group added SAR 555.4 million worth of investments which were eventually disposed of during the same year yielding a gain of SAR 0.7 million to the Group. In addition, during 2022G, the Group added SAR 13.0 million, which was partially offset by the disposal of SAR 1.6 million resulting in a gain of SAR 0.1 million during the same year.

Investment held at fair value through profit or loss decreased from SAR 11.5 million as at 31 December 2022G to SAR 7.4 million as at 31 December 2023G due disposals of SAR 4.5 million. This was partially offset by total gains of SAR 347 thousands where SAR 306 thousands were realized.

Assets Held for Sale

Assets held for sale represented lands classified by the Group as held for sale as the Group plans to sell these land plots in the near future.

As at 31 December 2022G, the Group has transferred two plots of land from the investment properties as it intends to sell the land plots during 2023G, in line with their agreement with a third party to purchase two land plots from the Group every year for the next years until 2026G.

Assets held for sale increased from SAR 94.8 million as at 31 December 2022G to SAR 212.2 million as at 31 December 2023G due to the reclassification of six land plots from investment properties to assets held for sale in line with the Group's plans to sell them in the near future.

Advances and Other Receivables

Table (6.19): Advances and Other Receivables Breakdown as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2022G	Variance (2021G-2022G)	Variance (2022G-2023G)
Advances to Suppliers	16.8	59.2	183.0	252.4%	209.1%
Value Added Tax	83.3	164.7	126.6	97.7%	(23.1%)
Fees and Licenses	2.4	2.8	4.6	16.7%	64.3%
Others	3.0	2.2	2.3	(26.7%)	4.5%
Total Advances and Other Receivables	**105.5**	**228.8**	**316.5**	**116.9%**	**38.3%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Advances and other receivables are comprised of value added tax, advances to supplier, fees and licensees and others.

Advances to Suppliers

Advances to suppliers mainly include prepayments and advance payments.

Advances to suppliers increased from SAR 16.8 million as at 31 December 2021G to SAR 59.2 million at 31 December 2022G mainly due to an increase in advance payments to one of the Group's contractors by SAR 18.8 million in relation to networking works and another contractor by SAR 7.5 million in relation to construction of the management experience center and headquarter of the Group. Additionally, prepaid legal and financial IPO consultant expenses increased by SAR 8.4 million in 2022G driven by the anticipation of the IPO.

Advances to suppliers further increased from SAR 59.2 million as at 31 December 2022G to SAR 183.0 million at 31 December 2023G due to increase in (i) an advance payment for the design and construction of an electricity station in the Project by SAR 76.6 million, (ii) an advance payment for the construction of underground electrical cables for the Project by SAR 14.7 million and (iii) customer loans by SAR 40.0 million related to loans and advances provided by the Group to one of its subcontractors on behalf of the investment funds to initiate the superstructure field work. This was partially offset by the decrease in prepaid IPO expenses by SAR 8.4 million during the same year.

Value Added Tax

Value added tax ("VAT") represents the VAT receivables from the Zakat, Tax, and Customs Authority ("ZATCA"). The Group has a VAT receivable in relation to the transfer of lands to the funds.

VAT receivables increased from SAR 83.3 million as at 31 December 2021G to SAR 164.7 million as at 31 December 2022G due to the correction of VAT rates on some old invoices related to 2021G from 5.0% to 15.0% in 2022G which led to the increase in the VAT receivable balance.

VAT receivables decreased from SAR 164.7 million as at 31 December 2022G to SAR 126.6 million as at 31 December 2023G driven by the collections from ZATCA.

Fees and Licenses

Fees and licenses represent the insurance and technical support payments covering a period of one year and such expenses are amortized on a monthly basis.

Fees and licensing increased from SAR 2.4 million as at 31 December 2021G to SAR 2.8 million at 31 December 2022G mainly due to the increase in prepaid health insurance expenses during the year.

Fees and licensing increased from SAR 2.8 million as at 31 December 2022G to SAR 4.6 million at 31 December 2023G primarily due to the timing of payments tailored to the business needs.

Others

Others include investment deposit, refund insurance and prepaid housing allowance.

Others decreased from SAR 3.0 million as at 31 December 2021G to SAR 2.2 million as at 31 December 2022G due to the repayment of investment deposits by SAR 0.8 million in 2022G.

Others remained broadly stable between 2022G and 2023G.

Cash and Cash Equivalents

Table (6.20): Cash and Cash Equivalents as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Cash in Banks	367.9	232.8	94.2	(36.7%)	(59.5%)
Short Term Bank Deposits	2,402.0	689.5	444.3	(71.3%)	(35.6%)
Total Cash and Cash Equivalents	**2,769.9**	**922.3**	**538.5**	**(66.7%)**	**(41.6%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

As shown in the table above, cash and cash equivalents comprised cash at banks and short-term bank deposits.

Cash at Banks

Table (6.21): Cash at banks as at 31 December 2021G, 2022G and 2023G of the Group:

SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Restricted Cash in Banks	346.2	162.2	18.3	(53.1%)	(88.7%)
Unrestricted Cash in Banks	21.7	70.6	75.9	225.3%	7.5%
Cash at Banks	**367.9**	**232.8**	**94.2**	**(36.7%)**	**(59.5%)**

Source: Group's information

Cash at banks includes cash held at various local banks to settle the Group's day-to-day expenses and the infrastructure works of the Project.

Between 2021G and 2023G, a portion of the cash at banks was restricted (i.e. the cash was deposited in these bank accounts as a guarantee only and could be disbursed), and according to the Musharaka then Ijara agreement with a local bank, the Group opened restricted accounts to deposit any capital increase, future public offerings, and revenues. The balances of these accounts are not pledged. However, in substance, the cash is not restricted by the bank as the Group submits request letters as a legal formality to utilize the cash. In addition to what was explained previously, the bank requires that any funds from the IPO proceeds and revenue proceeds to be deposited in the bank's accounts as a guarantee, and they can be disbursed by the Group by submitting disbursement letters from the usual accounts.

As the Group has not been generating any revenues before June 2022G, the Group submitted a request to the bank and obtained approval to transfer the restricted cash to its current account to partly finance the infrastructure development work for the whole Project.

In addition to the above, there is no restriction on using the proceeds for the Company's operational/capital purposes, according to the letter signed by the bank on September 17, 2024G.

The cash at bank decreased from SAR 367.9 million as at 31 December 2021G to SAR 232.8 million at 31 December 2022G primarily due to the settlement of Project costs and expenses and financing the day to day operational expenses.

The cash at bank further decreased from SAR 232.8 million at 31 December 2022G to SAR 94.2 million at 31 December 2023G primarily due to the decrease in cash in banks by SAR 138.6 million as these amounts were utilized to settle project-related costs.

For further details on the movement in cash and cash equivalents refer to section 6.5.1 (D) "**Cash Flow Statement of the Group**".

Short Term Bank Deposits

Short-term bank deposits placed in local banks are compliant with Islamic Sharia. These deposits have a rate of return based on market rates.

Short-term bank deposits decreased from SAR 2,402.0 million as at 31 December 2021G to SAR 689.5 million as at 31 December 2022G attributed to the utilization of matured deposits of SAR 1.7 billion to settle Project costs and expenses.

Short-term bank deposits decreased from SAR 689.5 million as at 31 December 2022G to SAR 444.3 million as at 31 December 2023G, as these deposits matured and a portion of it was used to settle operating expenses.

Non-Current Liabilities

Table (6.22): Non-Current Liabilities as at 31 December 2021G, 2022G and 2032G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Long Term Loans	6,859.6	7,089.2	8,633.9	3.3%	21.8%
Lease Liabilities	11.6	10.5	8.3	(9.5%)	(21.0%)
Employee Benefits	14.6	16.1	18.3	10.3%	13.7%
Retention Payable	238.4	128.8	133.5	(46.0%)	3.6%
Total Non-Current Liabilities	**7,124.2**	**7,244.6**	**8,794.0**	**1.7%**	**21.4%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Non-current liabilities include long-term loans obtained from two local banks, retentions payables, employee benefits and lease liabilities.

Long-Term Loans

Table (6.23): Long-Term Loans as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Liabilities under Musharaka Then Ijara Agreements	6,232.1	6,452.3	6,972.8	3.5%	8.1%
Liabilities under Tawarruq Agreement	682.8	682.8	1,700.0	0.0%	149.0%
Structuring and arrangements fees	(55.2)	(45.8)	(38.8)	(17.0%)	(15.3%)
Total Long Term Loans	**6,859.6**	**7,089.2**	**8,633.9**	**3.3%**	**21.8%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Liabilities under Musharaka Then Ijara Agreements

Liabilities under Musharaka then Ijara agreements ("Ijarah (term loan) agreements") consisted of long-term loans obtained from Alinma Bank.

During 2012G, the Group entered into a financing agreement with Alinma Bank which was renewed in 2019G for the purpose of financing the compensation of land plots and real estate in the MASAR destination and the costs of developing the infrastructure of the Project land plots and to finance the payment of costs and general expenses of the Project.

The agreements consisted of multiple facilities with a total authorized limit of SAR 4.5 billion (including long-term facilities of SAR 2.6 billion + SAR 1.5 billion and short-term facility of SAR 400 million) and SAR 4.1 million was utilized and the repayment of the principal of the loan - according to the agreement until then - is expected to be repaid on 2026G as a one lump sum payment while the financing charges are paid annually.

It is worth mentioning that the Company provided guarantees under the facility agreement with Alinma Bank, which include, among other things, (a) a mortgage of the Company's properties representing the project lands, which (1) gives a coverage percentage specified in the agreement and (2) is within the scope of investment land plots (which include land plots that are sellable and not general) and (b) a promissory note in the amount of four billion and four hundred million (SAR 4,400,000,000) signed by the Company.

Additionally, The Group entered into a new financing agreement with an authorized limit of SAR 6.5 billion with Alinma Bank in 2020G for the purpose of the development of investment properties. The agreement is secured by pledging some of the Group's properties. Also, according to the facility agreements entered with Alinma Bank, both Alinma Development Company Limited I and Alinma Development Company Limited II provided a promissory note in the amount of SAR 3,250 million and a promissory note covering the maximum expected profits to Alinma Bank for the first twelve (12) months from the date of the agreements. Also, both Alinma Development Company Limited I and Alinma Development Company Limited II provided a mortgage to Alinma Bank on their bank accounts as mentioned in the relevant agreements for an amount not exceeding SAR 3,250 million for Alinma Development Company Limited I and Alinma Development Company Limited II.

This agreement is related to the Alinma Funds and its principal aim was to complete the funding for the project and the superstructure, which includes seven towers and two malls within Packages A & B of MASAR destination. The outstanding balance which amounted to SAR 2.9 billion as at 31 December 2023G related to the Alinma Bank is expected to be repaid in one lump sum by 2033G while the financing charges are paid annually.

The Group pledged 852 properties with a market value of approximately SAR 14.3 billion in relation to all loans and borrowings obtained from the above mentioned facilities.

The total liabilities under Musharaka then Ijara agreements increased from SAR 6,232.1 million as at December 2021G to SAR 6,452.3 million as at 31 December 2022G and further to SAR 6,972.8 million as at December 2023G in relation to additional withdrawals of SAR 220.2 million during 2022G and SAR 520.2 million during 2023G to finance the Project development costs.

Liabilities under Tawarruq Agreement

Liabilities under Tawarruq agreement consisted of a long-term Islamic loan obtained from Al Jazira bank in 2019G with the aim of financing the infrastructure development works in MASAR destination.

Between 2021G and 2022G, the agreement had an authorized limit of SAR 1.7 billion. During 2023G, the authorized limit increased to SAR 2.9 billion based on a new agreement with the bank for the purpose of financing the infrastructure development works on the Project land plots and/or financing of the compensation of expropriated properties in favor of the Group. The facilities were obtained in 2019G and the outstanding balance will be paid during 2028G until 2031G. It is worth noting that, according to the agreement entered into with Al Jazira Bank, the Company provided a promissory note of SAR 3,190 million and pledged some of the Company's land plots to cover the facilities provided by Al Jazira Bank.

Liabilities under Tawarruq Agreement remained stable between 2021G and 2022G as no additional amounts were withdrawn during the year.

Liabilities under Tawarruq agreement increased from SAR 682.8 million as at 31 December 2022G to SAR 1,700.0 million as at 31 December 2023G due to the renewal and increase of the facility limit to SAR 2.9 billion which led to an additional withdrawal of SAR 1.0 billion during 2023G and the outstanding balance is expected to be repaid after 36 months from the date of the first withdrawal.

Structuring and Arrangements Fees

Structuring and arrangements fees were calculated on each withdrawal by the Group. These fees were capitalized during the loan tenor as the funds were used for the development of MASAR destination.

Structuring and arrangements fees declined from SAR 55.2 million as of 31 December 2021G to SAR 45.8 million as of 31 December 2022G, and further to SAR 38.8 million as of 31 December 2023G, as a result of the annual amortization of the balance year over year.

The below table summarizes the breakdown for long term loans by bank, future repayment schedule and key terms.

Table (6.24): Long Term Loans Breakdown by Bank as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SAR000	Currency	Authorized amount	Date of with-drawal	Date of final re-payment	Outstanding Amount as at			Variance (2021G-2022G)	Variance (2022G-2023G)
					31 December 2021G	31 December 2022G	31 December 2023G		
Alinma Bank for Investment Funds	SAR	6,500.0	2020G	2033G	2,132.1	2,352.3	2,872.8	10.3%	22.1%
Alinma Bank for the Company*	SAR	4,500.0	2012G - 2017G	2026G	4,100.0	4,100.0	4,100.0	0.0%	0.0%
Al Jazira Bank for the Company	SAR	2,900.0	2021G - 2027G	2031G	682.8	682.8	1,700.0	0.0%	149.0%
Structuring and Arrangements Fees	SAR				(55.2)	(45.8)	(38.8)	(17.0%)	(15.3%)
Total		**13,900**			**6,859.6**	**7,089.2**	**8,633.9**	**3.3%**	**21.8%**

Source: Group's information

* The authorized amount related to Alinma Bank included SAR 400.0 million related to short-term facilities that remained unutilized at the end of the period.

Table (6.25): Long-Term Loan Repayment Schedule by Bank and Financial Institutions of the Group:

SARm	Alinma Bank for Investment Funds	Alinma Bank for the Company	Al Jazira Bank for the Company
2025G	-	-	-
2026G	-	(4,100)	-
2027G	-	-	-
2028G	-	-	(725.0)
2029G	-	-	(725.0)
2030G	-	-	(725.0)
2031G	-	-	(725.0)
2033G	(6,500.0)	-	-
Total limit*	**(6,500.0)**	**(4,100.0)**	**(2,900)**

Source: Group's information

* The table above was prepared based on the assumption that the full limit will be utilized by the repayment date.

Table (6.26): Terms of Long-Term Loans of the Group:

SARm	Alinma Bank for Investment Funds	Alinma Bank for the Company	Al Jazira Bank for the Company
Facility Amount	6,500.0	4,100.0	2,900
Currency	SAR	SAR	SAR
Date Obtained	2020G	2012G-2017G	2019G-2027G
Maturity	2027G, optionally renewable for 3 times, each time for two years, which extends the maturity period until 2033G.	2026G	2028G-2031G
Payment Terms	One instalment in 2023G	One instalment in 2026G	Four equal annual payments
Guarantee/Security	Properties' titles	Properties' titles	Properties' titles

Source: Group's information

Lease Liabilities

Table (6.27): Lease Liabilities as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Balance as at 1 January	7.3	13.0	12.4	78.1%	(4.6%)
Additions for the Year	-	1.2	0.6	n.a	(50.0%)
Remeasurement	7.0	-	-	(100.0%)	n.a
Interest Expense	0.5	0.5	0.4	0.0%	(20.0%)
Paid during the Year	(1.9)	(2.3)	(2.6)	21.1%	13.0%
Balance as at 31 December	**13.0**	**12.4**	**10.8**	**(4.6%)**	**(12.9%)**
Non-Current Portion	11.6	10.5	8.3		
Current Portion	1.4	1.9	2.6		

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Subsequent to the implementation of IFRS 16 in 2019G in KSA, all companies were required to recognize assets and liabilities for all leases with a term greater than 12 months.

The Group entered into a lease agreement in relation to office spaces for a period of five years starting from 1 January 2020G to 31 December 2024G.

Lease liabilities decreased from SAR 13.0 million as at 31 December 2021G to SAR 12.4 million as at 31 December 2022G driven by annual lease payments of SAR 2.3 million. This was partially offset by additions of SAR 1.2 million in relation to the new leased office agreement in Makkah Province and the additional interest expenses of SAR 0.5 million.

Lease liabilities further decreased from SAR 12.4 million as at 31 December 2022G to SAR 10.8 million as at 31 December 2023G as a result of the annual lease payments of SAR 2.6 million which was partially offset by the addition of SAR 0.6 million in relation to additional office spaces leased during 2023G.service provider

Employee Benefits

Table (6.28): Employee Benefits as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Balance as at 1 January	14.5	14.6	16.1	0.7%	10.3%
Current Service Cost	3.1	3.3	3.5	6.5%	6.1%
Interest Cost on Defined Benefit Obligation	0.4	0.5	0.7	25.0%	40.0%
Actuarial Gains from Changes	(1.4)	(2.2)	(1.7)	57.1%	(22.7%)
Benefit Paid	(2.0)	(0.1)	(0.3)	(95.0%)	200.0%
Balance as at 31 December	**14.6**	**16.1**	**18.3**	**10.3%**	**13.7%**
Number of Employees	98	113	119		
Average Age of Employees (Years)	40.96	41.34	41.25		
Average Years of Past Service	6.26	6.33	6.68		
Average Entry Age of Employees (Years)	34.68	35.01	34.57		

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The Group operates an unfunded employees' end of service benefits plan in accordance with the Saudi Labor Law. The Group's net obligation in relation to the defined benefits program is calculated by estimating the amount of future benefits earned by the employee in the current period and previous periods and discounting the amount. The defined obligations benefits are annually calculated by a qualified actuarial expert using the projected credit unit method.

The cost of the defined benefit plans and the present value of the obligation was determined using an independent actuarial valuation performed by the Group's consultant.

The provision for end of service benefits increased from SAR 14.6 million as at 31 December 2021G to SAR 16.1 million as at 31 December 2022G was primarily due to the increase in the employees' years of services and number of employees during the year which led to an increase of SAR 3.3 million. This was offset by actuarial gains of SAR 2.2 million.

The provision for end of service benefits further increased from SAR 16.1 million as at 31 December 2022G to SAR 18.3 million as at 31 December 2023G primarily due to the increase in the number of employees and salary increments during the year which led to an addition of current service cost of SAR 3.5 million. This was offset by the actuarial gains of SAR 1.7 million.

Retentions Payable (Non-Current)

Retentions payable represents amounts retained contractually from each payment from some of the main contractors and service providers of the Project as a guarantee for the quality of the project works undertaken by the contractors.

Retentions payable in relation to Service Provider #2 represented over 95% of the total balance between 2021G and 2023G.

The Group entered into an agreement with Service Provider #2 for the infrastructure works of the Project in June 2015G which included a clause related to retentions which were to be calculated based on 5.0% of each payment certificate on a monthly basis. The retentions are contractually expected to remain with the Group until six months subsequent to the completion of the respective infrastructure works.

Retention payables decreased from SAR 238.4 million as at 31 December 2021G to SAR 128.8 million as at 31 December 2022G due to the release of a portion of the retention payables related to Service Provider #2 in line with progress and improved completion rates for the infrastructure works carried out.

Retention payables increased from SAR 128.8 million as at 31 December 2022G to SAR 133.5 million as at 31 December 2023G in line with the increase in the work completed during the year.

Current Liabilities

Table (6.29): Current Liabilities as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Short Term Loans	95.0	-	-	(100.0%)	n.a
Lease Liabilities	1.4	1.9	2.6	35.7%	36.8%
Accounts Payable – Compensation of Land Plots	2,434.8	1,771.7	460.6	(27.2%)	(74.0%)
Accounts Payable	17.0	137.5	75.1	708.8%	(45.4%)
Accrued Expenses and Other Payables	441.1	1,322.4	1,327.2	199.8%	0.4%
Zakat Provision	16.1	13.1	80.6	(18.6%)	515.3%
Total Current Liabilities	**3,005.5**	**3,246.6**	**1,946.1**	**8.0%**	**(40.1%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Current liabilities include short term loan with one local bank, accounts payable – compensation of land plots ("obligations of land plots"), accounts payable from various capex contractors and operating suppliers ("Opex payable"), accrued expenses and other payables, lease liabilities and Zakat provision.

Short Term Loans

Table (6.30): Short Term Loans as at 31 December 2021G, 2022G and 2023G of the Group:

SARm	Authorized Amount	Outstanding amount as at			Variance (2021G-2022G)	Variance (2022G-2023G)
		31 December 2021G	31 December 2022G	31 December 2023G		
Local Bank	300.0	95.0	-	-	(100.0%)	n.a
Total Short Term Loans		**95.0**	**-**	**-**	**(100.0%)**	**n.a**

Source: Group's information

The Group obtained a short term loan solely from one local bank in 2012G. As part of Alinma Bank Loan Agreements, the Group had a single short term facility agreement for an authorized limit of SAR 300.0 million and the loan was obtained to finance the operating expenses and the acquisition of additional properties for MASAR destination.

Short term loans decreased from SAR 95.0 million as at 31 December 2021G to nil as of 31 December 2022G due to the repayment of the outstanding amount in full.

Accounts Payable – Compensation of Land Plots

Table (6.31): Obligations of Land Plots as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
The General Authority for Awqaf ("Al-Awqaf")	694.6	1,258.4	-	81.2%	(100.0%)
Others	547.2	513.3	460.6	(6.2%)	(10.3%)
Obligations of Land Plots under Process	**1,241.8**	**1,771.7**	**460.6**	**42.7%**	**(74.0%)**
Public Institutions	1,193.0	-	-	(100.0%)	n.a
Obligations of Land Plots to be Capitalized	**1,193.0**	**-**	**-**	**(100.0%)**	**n.a**
Total Accounts Payable for Compensation of land Plots	**2,434.8**	**1,771.7**	**460.6**	**(27.2%)**	**(74.0%)**
Total Number of Lands Properties Process	1,321	141	127		
Total Number of Investment Land Plots	205	205	205		

Source: Group's information

Accounts payable for compensation of land plotss includes obligations of land plotss under process and obligations of land plotss to be capitalized.

The number of land plots decreased from 1,321 land plots as at 31 December 2021G to 141 land plots as at 31 December 2022G due to the fact that the Group converted the amounts related to 1,154 land plots into in-kind shares as part of its capital structure and due to the transfer of the ownership of additional 26 properties.

Subsequently, the number of land plots decreased to 127 reaching a balance of SAR 460.6 million as at 31 December 2023G as a result of the transfer of 14 properties.

Obligations of Land Plots under process

Obligations of land plots under process represent the properties with deeds which have been expropriated in favor of the Group. These deeds are pending the attendance of the beneficiaries.

The obligations of land plots under process are divided into two categories with the largest category being land plots owned by Al-Awqaf followed by others which included land plots owned by other public institutions, individuals and private institutions.

Al-Awqaf represented 55.9%, 71.0% and 0.0% of the total obligation of land plots under process as at 31 December 2021G, 2022G and 2023G.

Obligations of land plots under process increased from SAR 1,241.8 million at 31 December 2021G to SAR 1,771.7 million as at 31 December 2022G mainly as a result of a dispute with a counterparty resulting in an additional obligation of SAR 582.0 million to be paid to one of the public institutions.

Obligations of land plots under process decreased from SAR 1,771.7 million as at 31 December 2022G to SAR 460.6 million as at December 2023G following the amicable resolution of the dispute with Al-Awqaf . The settlement was achieved through a combination of land transfer valued at SAR 1.1 billion and cash payments totaling SAR 136.3 million, of which SAR 34.0 million has been paid, with the remaining SAR 102.3 million to be settled in installments. Furthermore, the Group has allocated an additional SAR 100.0 million for land preparation in alignment with the terms of the agreement. This provision has been accounted for under accrued expenses and other payables within the land sale costs.

Obligations of Lands to Be Capitalized

Obligations of land plots to be capitalized represented land plots and properties without a title deed or/and unidentified owners bearing legal issues.

Obligations of land plots to be capitalized decreased from SAR 1,193.0 million as at 31 December 2021G to nil as at 31 December 2022G as the Group converted the amounts into in-kind shares allocated to the State Properties General Authority of SAR 620.2 million, the General Commission for The Guardianship of Trust Funds for Minors and their Counterparts of SAR 572.0 million, and the Endowment of Othman Bin Affan of SAR 0.8 million as part of its capital structure.

Accounts Payable

Table (6.32): Accounts Payable as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Service Provider #1	6.8	3.3	2.8	(51.5%)	(15.2%)
Service Provider #2	2.6	105.3	55.4	3950.0%	(47.4%)
Service Provider #3	2.3	2.3	-	0.0%	(100.0%)
Others	3.3	21.5	15.1	551.5%	(29.8%)
Payables to Project Service Providers	**15.1**	**132.4**	**73.3**	**776.8%**	**(44.6%)**
Others	**2.0**	**5.1**	**1.9**	**155.0%**	**(62.7%)**
Total Accounts Payable	**17.0**	**137.5**	**75.1**	**708.8%**	**(45.4%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G and Group's information

Accounts payable amounted to SAR 75.1 million as at 31 December 2023G and primarily included amounts payable to contractors for infrastructure and superstructure work done on MASAR destination (97.6% of total payables as at 31 December 2023G). The remaining 2.5% is related to amounts paid to other vendors.

Service Provider #1

The service provider's balance decreased from SAR 6.8 million as at 31 December 2021G to SAR 3.3 million as at 31 December 2022G and further to SAR 2.8 million as at 31 December 2023G due to the settlement of amounts due in 2022G and 2023G.

Service Provider #2

The service provider's balance increased from SAR 2.6 million as at 31 December 2021G to SAR 105.3 million as at 31 December 2022G mainly attributable to VAT differences arising from the Group utilizing a VAT rate of 5% (compared to the current rate of 15%) as permitted by the ZATCA. However, Service Provider #2 invoiced the Group with the full VAT amount, covering the 10% difference.

After consulting with ZATCA, the Group agreed to pay Service Provider #2 the outstanding amount, which will be considered as a receivable towards ZATCA and will be offset against the VAT payable.

The service provider's balance decreased from SAR 105.3 million as at 31 December 2022G to SAR 55.4 million as at 31 December 2023G as a result of settlements of a portion of the payables balance on account of the increase in completion rates for infrastructure works.

Service Provider #3

The service provider's outstanding balance remained stable at SAR 2.3 million as at 31 December 2021G, 31 December 2022G. This was due to a disputed balance with the service provider which resulted from an increase in raw material costs post Covid-19. This led to exceeding the allocated budget, which resulted in a claim for an additional payment of SAR 2.3 million which is recorded in the aged payables.

At 31 December 2023G, the balance decreased to nil as the dispute has been resolved during 2023G and it was agreed by both parties that the Group will settle the remaining portion.

The dispute has been resolved amicably during the first half of 2023G and it was agreed that the Group will settle SAR 7.5 million out of the total claim of SAR 26.7 million.

Others

Other service providers' balances increased from SAR 3.3 million as at 31 December 2021G to SAR 21.5 million as at 31 December 2022G mainly due to the increase in one service provider's balance by SAR 18.1 million due to the work progress in relation to the pneumatic solid waste collection system of the MASAR destination.

Other service providers' balances decreased from SAR 21.5 million as at 31 December 2022G to SAR 15.1 million as at 31 December 2023G mainly due to the payments of amounts to the forementioned contractor by SAR 18.1 million during the year as a result of the work progress. This was partially offset by the increase in various contractors driven by the increase in rock cutting, ICT and wireless networking works in addition to the infrastructure and superstructure works.

Accrued Expenses and Other Payables

Table (6.33): Accrued Expenses and Other Payables as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Unbilled Completed Development Works	208.2	909.0	470.6	336.6%	(48.2%)
Litigation and Claims	-	-	60.4	n.a	n.a
Accrued Financial Costs	156.4	212.5	350.2	35.9%	64.8%
Management Fee Payable to Manager of Investment Funds	58.0	29.0	29.0	(50.0%)	0.0%
Costs against Sold Land Plots	-	21.5	252.1	n.a	1072.6%
Accrued Employees' Expenses and Bonuses	11.1	17.1	23.8	54.1%	39.2%
Remunerations and Meeting Attendance Allowances	2.7	2.8	2.8	3.7%	0.0%
Retention – Current Portion	2.6	127.2	132.7	4792.3%	4.3%
Others	2.2	3.4	5.6	54.5%	64.7%
Total Accrued Expenses and Other Payables	**441.1**	**1,322.4**	**1,327.2**	**199.8%**	**0.4%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Accrued expenses and other payables include unbilled contractual development works related to the main infrastructure contractor (i.e. Service Provider #2), litigation and claims, accrued financial costs, the accrued management fees for fund A and B, the accrued bonuses and expenses, the board of directors and related committees' incentives and allowances, the current portion of retention and others.

Unbilled Completed Development Works

Unbilled completed development works mainly represented the un-billed work estimated by Service Provider #1 (i.e. project management and supervision consultant) in relation to the infrastructure works performed by Service Provider #2. These amounts are recognized by the Group on the basis of the Service Provider #1 project management report. This covers an estimated amount for the work completed by Service Provider #2 and yet no invoices were issued for the work done.

As at 31 December 2021G, 2022G, and 2023G, the unbilled development works balances stood at SAR 208.2 million, SAR 909.0 million, and SAR 470.6 million, respectively, pertaining to multiple contractors and service providers. Notably, Service Provider #2 accounted for the majority share of the unbilled development works balance, comprising 96.7%, 69.7%, and 73.3% in each respective year.

Unbilled completed development works increased from SAR 208.2 million as at 31 December 2021G to SAR 909.0 million at 31 December 2022G mainly due to progressed work related to Service provider #2 in the fourth quarter of 2022G which has not yet been invoiced of SAR 432.5 million and the increase in progressed work related to another contractor in relation to the water stations work of SAR 214.3 million.

Unbilled completed development works decreased from SAR 909.0 million as of 31 December 2022G to SAR 470.0 million as of 31 December 2023G. This decrease was primarily due to the acceptance of Service Provider #2's unbilled works during the period following their submitted invoices totaling SAR 288.8 million, coupled with invoices from the contractor in charge of the water stations works amounting to SAR 214.3 million. This reduction was partially offset by the land liability related to "The General Authority for Awqaf" of SAR 102.2 million, related to the unpaid cash amount for the dispute with the same landowner scheduled to be paid in installments.

Litigation and Claims

Litigation and claims amounting to SAR 60.4 million represented a reserve against potential future claims and/or litigations.

Accrued Financial Costs

Accrued financial costs are related to the financial costs for financing facilities agreements. The accrued financial costs were in relation to loans obtained from local banks for the purpose of financing.

Accrued financial costs increased from SAR 156.4 million as at 31 December 2021G to SAR 212.5 million as at 31 December 2022G due to the increase in financial costs for the Musharaka then Ijara Agreements due to additional utilized financing from Alinma Fund.

Accrued financial costs further increased from SAR 212.5 million as at 31 December 2022G to SAR 350.2 million as at 31 December 2023G driven by the additional utilized financing of SAR 1.5 billion from two local banks during 2023G.

Management Fee Payable to Manager of Investment Funds

Management fee payable to manager of investment funds relate to the annual management fees for Alinma Fund A and Fund B, launched in 2020G to finance the project development costs.

Management fee payable to manager of investment funds decreased from SAR 58.0 million as at 31 December 2021G due to SAR 29.0 million as at 31 December 2022G as a result of payments in March 2022G and remained stable at SAR 29.0 million thereafter as it purely represented the unpaid management fees of SAR 29.0 million in 2022G and 2023G as per the agreement.

Costs against Sold Land

Costs against sold land represented the remaining accrued costs in relation to the sold plots of land in 2022G and 2023G.

Land sale costs increased from SAR 21.5 million as at 31 December 2022G to SAR 252.1 million as at 31 December 2023G as a result of additional accrued costs of SAR 230.6 million (including an amount of SAR 100.0 million for additional costs according to the settlement agreement with one of the landowners) in relation to the plots of land sold. In addition, these accrued costs related to the plots of land sold consisted of the costs related to the infrastructure works and related costs.

Employees Accrued Bonuses and Expenses

Employees accrued bonuses and expenses included vacation provision, bonus provision, end of service provision and accrued salaries.

Employees accrued bonuses and expenses increased from SAR 11.1 million as at 31 December 2021G to SAR 17.1 million as at 31 December 2022G primarily attributed to the increase in bonus provision by SAR 4.5 million driven by the bonus provided by the Group given the achievement of their first revenue and increase in vacation provision by SAR 1.7 million due to a higher average headcount during the year.

Employee accrued bonuses and expenses increased from SAR 17.1 million as at 31 December 2022G to SAR 23.2 million as at 31 December 2023G mainly driven by the additional accrued employees' expenses and bonuses.

Board of Directors ("BoD") Incentives and Allowances

BoD incentives and allowances accruals were in relation to attendance allowances and bonuses for BoD meetings which remained unpaid at year end.

BoD incentives and allowance accruals remained relatively stable between 31 December 2021G and 31 December 2023G.

Retention Payables – Current Portion

Retention payables represented the retentions against invoices issued by contractors and service providers against work done.

Retention payables increased from SAR 2.6 million as at 31 December 2021G to SAR 127.2 million as at 31 December 2022G and further increased to SAR 132.7 million as at 31 December 2023G mainly due to the increase in retention payable to Service Provider #2 and other contractors in relation to the progress in work done for the Project during the year.

Others

Other accruals included rent deposits, property lease insurance, social security and others.

Others increased from SAR 2.2 million as at 31 December 2021G to SAR 3.4 million as at 31 December 2022G due to the increase in land development liability by SAR 2.3 million in 2022G which was attributed to the cost of the development Package A&B.

Others further increased from SAR 3.4 million as at 31 December 2022G to SAR 5.6 million as at 31 December 2023G due to the additional increase in land development liability by SAR 1.7 million as a result of the development Packages A&B.

Zakat Provision

Table (6.34): Zakat Provision as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Balance as at 1 January	13.2	16.1	13.1	22.0%	(18.6%)
Additions for the Year	10.6	7.6	75.1	(28.3%)	888.2%
Payments during the Year	(7.7)	(10.6)	(7.6)	37.7%	(28.3%)
Balance as at 31 December	**16.1**	**13.1**	**80.6**	**(18.6%)**	**515.3%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Group and Zakat related to the Group's ownership in the Saudi Arabian subsidiaries is charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

The Group submitted its zakat returns for the years ended 31 December 2014G to 2016G and obtained a Zakat certificate for the year ended 31 December, 2016G. The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the years 2014G to 2016G which claimed additional Zakat dues with a total amount of SAR 5.5 million. The Group objected to the Zakat assessment, after settling the Zakat due on the undisputed items, which was rejected by ZATCA. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"). The Group withdrew its case from the ZATCA to apply the Ministerial Resolution No. (13597) for the mentioned years. The aforementioned request was accepted by the ZATCA, and the authority issued a Zakat assessment of SAR 4.6 million for the year 2014G. The Company objected the assessment, and the objection was partially accepted. ZATCA accepted the Company's point of view partially, by which, the Zakat liability due reduced to become SAR 1.6 million. The Company accepted ZATCA's treatment; therefore, the dispute is considered over and the Zakat status for the years from 2014G to 2016G is considered to be finalized.

The Group submitted its Zakat return for the year ended 31 December 2017G and obtained a Zakat certificate for 2017G, the Zakat and Tax Authority has not yet issued the final Zakat assessment for the year.

The Group submitted its Zakat return for the year ended 31 December 2018G and obtained a Zakat certificate for the year 2018G, ZATCA issued the Zakat assessment for the year and demanded additional Zakat of SAR 31.9 million. The Group filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued the revised Zakat assessment for the year 2018G, which the Zakat dues were reduced to SAR 31.0 million. the Group escalated its objection to the GSZTCC, which accepted some of the Group's items objections. The Group appealed the General Secretariat's decision to the Zakat, Tax and Customs Appeals and Dispute Resolution Committee for the items not accepted, The Appeals Committee rejected the Group's appeal. The Appeals Committee's decision considered final and the additional Zakat is due.

The Group submitted its Zakat returns based on its audited financial statements for the year ended 31 December 2019G and obtained a Zakat certificate for the mentioned years. The ZATCA has not yet issued the Zakat assessment for those years. The Group succeeded in obtaining the approval of the Zakat, Tax and Customs Authority to submit consolidated zakat declarations for the Company and its two affiliated funds (Alinma Makkah Development 1st Fund for Development and Alinma Makkah 2nd Fund for Development), which are 100% owned by it, for the years ended 2020G to 2022G. The Group submitted its consolidated Zakat declarations based on the audited consolidated financial statements for the years ended 2020G to 2022G and obtained a Zakat certificate. The ZATCA has not issued zakat assessments for those years to date.

Zakat provision decreased from SAR 16.1 million as at 31 December 2021G to SAR 13.1 million as at 31 December 2022G due to a payment of SAR 10.6 million made to the ZATCA. This was offset by an additional provision of SAR 7.6 million during the year.

Zakat provision increased from SAR 13.1 million as at 31 December 2022G to SAR 80.6 million as at 31 December 2023G mainly due to additional provision of SAR 75.1 million during the year. This was offset by payments of SAR 7.6 million during the year.

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Related Parties' Information

Table (6.35): Related Parties' Transactions and Balances as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	Relationship	Nature of the transaction	31 December 2021G	31 December 2022G	31 December 2023G	31 December 2021G	31 December 2022G	31 December 2023G
			Transactions			Total Balances as per the Audited Financial Statements		
Alinma Investment Company	Fund Manager	Management fees	58.0	58.0	58.0	58.0	29.0	29.0
Alinma Bank	Company Fund Manager	Loans	72.8	207.9	528.6	2,144.4	2,308.7	2,837.4
		Accrued interest	64.0	116.0	192.1		82.2	147.3
The General Authority for Awqaf	Shareholder	Settlement of payables	-	-	1,261.3	-	-	102.2
The Saleh Abdullah Kamel	Common Shareholder	Sale	-	-	85.1	-	-	68.1
BoD and Affiliate Committees	BoD members and affiliate committees	Remuneration and meeting attendance fees	4.3	4.8	5.4	2.7	2.8	2.8

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The Group entered into related party transactions with Alinma Investment Company and Alinma Bank. These are considered related parties as Umm Al Qura for Development and Construction Company owns 100% of Funds A and B.

Other related party transactions and balances consisted of the Board of Directors, the General Authority for Awqaf and others.

Alinma Investment Company

Alinma Investment Company is the Fund Manager of Funds A and B.

Transactions with Alinma Investment Company included management fees as well as a one-time structuring fee paid at the onset of the agreement with the Company.

The total value of transactions remained relatively stable between 31 December 2021G, 31 December 2022G and 31 December 2023G and represented the management fee for each respective year.

The balance decreased from SAR 58.0 million as at 31 December 2021G to SAR 29.0 million as at 31 December 2022G and remained stable at SAR 29.0 million as at 31 December 2023G, given that the balance as at 31 December 2021G represented the fees for the first and second half of the year while the balances as at 31 December 2022G and 2023G represented the balances related to the second half of the year only.

Alinma Bank

Alinma Bank is the parent company of the Fund Manager, Alinma Investment Company.

The Company obtained Sharia-compliant loans of SAR 72.8 million, SAR 207.9 million and SAR 528.6 million from the Bank in 2021G, 2022G and 2023G, respectively, resulting in an increase in the outstanding borrowing balances to SAR 2,144.4 million, SAR 2,308.7 million, and SAR 2,837.4 million in 2021G, 2022G and 2023G, respectively.

In addition, the Company had transactions related to accrued interest of SAR 116.0 million and of SAR 192.1 million in 2022G and 2023G, respectively.

The General Authority for Awqaf

Transactions with the General Authority for Awqaf increased from nil as at 31 December 2022G to SAR 1.3 billion as at 31 December 2023G as a result of a settlement through a combination of land plots transfer valued at SAR 1.1 billion and cash payments totaling SAR 136.3 million, of which SAR 34.0 million has been paid, with the remaining SAR 102.3 million to be settled in installments. Furthermore, the Group has allocated an additional SAR 100.0 million for land plots preparation in alignment with the terms of the agreement. This provision has been accounted for under accrued expenses and other payables within the land sale costs.

The balance related to the General Authority for Awqaf increased from nil as at 31 December 2022G to SAR 102.2 million as a result of the above.

For further details, refer to Table 6.31 'Accounts Payable – Compensation of Land Plots - Obligations of lands as at 31 December 2021G, 2022G and 2023G of the Group.

The Saleh Abdullah Kamel Humanitarian Foundation

The balance and transactions represented the sale of a land plot to Saleh Abdullah Kamel Humanitarian Foundation ("SAKHF") during 2023G.

Transactions with SAKHF increased from nil as at 31 December 2022G to SAR 85.1 million as at 31 December 2023G as a result of the sale of a land of SAR 85.1 million.

SAKHF's balance increased from nil as at 31 December 2022G to SAR 68.1 million as at 31 December 2023G as a result of the above-mentioned sale of SAR 85.1 million, partially offset by a collection of SAR 17.0 million during 2023G.

BoD and Other Boards

BoD and other boards transactions represent the attendance allowances and bonuses for meetings incurred on an annual basis by the Company.

The Board holds four meetings each year and the value of the transactions in each year includes the members bonus for each meeting, in addition to the annual board remuneration.

Remunerations and meeting attendance allowances increased from SAR 4.3 million in the financial year ended 31 December 2021G to SAR 4.8 million in the financial year ended 31 December 2022G due to allowances returning back to its normal levels after the ease of the restrictions. Prior to 2022G, there was a shift from physical to virtual meetings due to the impact of the Covid-19.

Remunerations and meeting attendance allowances increased from SAR 4.8 million in the financial year ended 31 December 2022G to SAR 5.4 million in the financial year ended 31 December 2023G primarily driven by the higher number of meetings attended by BoD members during the year.

Balances related to the members of the Board of Directors and other committees remained stable between SAR 2.7 million and SAR 2.8 million between 2021G and 2023G.

Future Contingencies and Commitments

The total value of the infrastructure works, rock excavation, superstructure works, and consultancy contracts concluded by the Group regarding the Project amounted to SAR 7.9 billion as at 31 December 2021G, SAR 9.7 billion as at 31 December 2022G, and SAR 13.4 billion as at 31 December 2023G.

The remainder of the future obligations amounted to SAR 2.6 billion as at 31 December 2021G, SAR 2.1 billion as at 31 December 2022G, and SAR 5.0 billion as at 31 December 2023G.

c- Total Equity

Table (6.36): Total Equity as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Share Capital	11,873.1	13,078.6	13,078.6	10.2%	0.0%
Accumulated Losses	(904.6)	(924.5)	(605.8)	2.2%	(34.5%)
Total Equity	**10,968.5**	**12,154.2**	**12,472.8**	**10.8%**	**2.6%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Equity included share capital and accumulated losses.

Share Capital

Table (6.37): Share Capital as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Share Capital	11,873.1	13,078.6	13,078.6	10.2%	0.0%
Total Share Capital	**11,873.1**	**13,078.6**	**13,078.6**	**10.2%**	**0.0%**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The share capital increased from SAR 11.9 billion as at 31 December 2021G to SAR 13.1 billion as at 31 December 2022G which consisted of SAR 120.6 million shares with a value of SAR 10 per share through the conversion of a portion of the Group's obligations of land plots to the State Properties General Authority, the General Commission for The Guardianship of Trust Funds for Minors and their Counterparts, and the Endowment of Othman Bin Affan. This agreement allowed for the settlement of the outstanding obligations by means of contribution in-kind.

The Board of Directors issued a resolution to increase the capital from SAR 11.9 billion to SAR 13.1 billion through capitalizing part of the Group's obligations which was approved by the Extraordinary General Assembly on 18 April 2022G and the Group completed the legal procedure, and the amended by-laws was issued on 23 June 2022G.

The share capital remained stable at SAR 13.1 million as at 31 December 2022G and 31 December 2023G.

Accumulated Losses

Table (6.38): Accumulated Losses Movement as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Opening Balance at 1 January	(740.1)	(904.6)	(924.5)	22.2%	2.2%
(Loss) / Profit for the Year	(165.9)	(22.1)	317.0	(86.7%)	(1534.4%)
Other Comprehensive Loss for the Year	1.4	2.2	1.7	57.1%	(22.7%)
Total Accumulated Losses	**(904.6)**	**(924.5)**	**(605.8)**	**2.2%**	**(34.5%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The Group incurred losses during the years 2021G and 2022G due to the fact that the Group started generating revenues for the first time during 2022G. In addition, expenses were higher than the gross profits during 2022G, which led to the Group to incur net losses during the respective periods.

Accumulated losses increased from SAR (904.6) million as at 31 December 2021G to SAR (924.5) million as at 31 December 2022G driven by the loss for the year of SAR (22.1) million. While the loss during the year contributed to the increase in accumulated losses, the loss decreased in 2022G compared to 2021G due to generating gross profits of SAR 180.6 million resulting from the sale of three plots of land during 2022G and was offset by its associated costs and the increase in other operating income by SAR 17.0 million in the financial year ended 31 December 2022G primarily driven by the increase in the income from short-term deposits which was offset by the increase in operating expenses by SAR 51.2 million in the financial year ended 31 December 2022G.This was partially offset by the other comprehensive income for the year of SAR 2.2 million.

Accumulated losses decreased from SAR (924.5) million as at 31 December 2022G to SAR (605.8) million as at 31 December 2023G driven by the profits for the year of SAR 317.0 million due to generating gross profits of SAR 299.3 million resulting from the sale of five plots of land during 2023G and was offset by its associated costs and the increase in other operating income by SAR 377.7 million in the financial year ended 31 December 2023G primarily driven by the (i) Income from land plots settlements amounting to SAR 355.6 million, where the Group settled a liability totaling SAR 1.3 billion related to land plots compensation, partially through cash settlements, (ii) Interest income from the sale of a plot worth SAR 20.3 million, which pertains to the income recognized during the year according to the discounted cash flow model of land sales in 2022G and 2023G, i.e., it represents the accrued revenue from the difference between the present value and the selling price for all land plots sold over the two-year period, and (iii) an increase property rental income by SAR 6.4 million pertaining to (a) the rental of ICT Devices to a telecommunication company, and (b) rental of a building within the construction area to a contractor for the completion of concrete works.

d- Cash Flow Statement of the Group

Table (6.39): Statement of Cash Flows for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Net (Loss) / Profit for the Year before Zakat	**(155.3)**	**(14.5)**	**392.1**	**(90.7%)**	**n.a**
Adjustments to Reconcile Net (Loss) / Profit to Net Cash Provided by:					
Employee Benefits Provision	3.5	3.8	4.2	8.6%	10.5%
Depreciation on Property and Equipment	5.3	3.7	4.2	(30.2%)	13.5%
Depreciation on Right-of-Use of Assets	1.5	1.9	2.2	26.7%	15.8%
Amortization of Intangible Assets	0.2	0.8	1.9	300.0%	137.5%
Financial Charges	13.9	19.3	33.5	38.8%	73.6%
Income from Short-Term Deposits	(2.8)	(26.1)	(21.8)	832.1%	(16.5%)
Allowance for Expected Credit Losses	-	0.8	2.3	n.a	187.5%
Amortization of Loans Arrangement	8.1	-	-	(100.0%)	n.a
Gains from Sale of Property and Equipment	(0.0)	(0.0)	-	107.0%	(100.0%)
Changes in Operating Assets and Liabilities:					
Trade Receivables	-	(387.2)	(645.2)	n.a	66.6%
Advances and Other Receivables	513.0	(121.6)	(87.4)	(123.7%)	(28.1%)
Trade Payables	(96.4)	120.5	(62.4)	(225.0%)	(151.8%)
Accrued Expenses and Other Payables	(97.5)	(197.4)	(139.0)	102.5%	(29.6%)
End of Service Benefits Paid	(2.0)	(0.1)	(0.3)	(95.0%)	200.0%
Finance Income Received	-	24.4	21.6	n.a	(11.5%)
Zakat Paid	(7.7)	(10.6)	(7.6)	37.7%	(28.3%)
Net Cash from / (used in) Operating Activities	**183.9**	**(582.3)**	**(501.5)**	**(416.6%)**	**(13.9%)**

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Additions to Property and Equipment	(1.4)	(2.8)	(43.2)	100.0%	1442.9%
Net Change in Investment Property	(998.0)	(1,614.6)	378.8	61.8%	n.a
Investment at Fair Value through Profit or Loss	1.0	(11.5)	4.1	(1250.0%)	n.a
Additions to Intangible Assets	-	(7.6)	(5.8)	n.a	(23.7%)
Liabilities against Land Plots	(1.1)	542.5	(1,311.2)	n.a	(341.7%)
Proceeds from Sale of Property and Equipment	0.1	0.0	-	(87.2%)	100.0%
Net Cash used in Investing Activities	**(999.3)**	**(1,094.1)**	**(977.2)**	**9.5%**	**(10.7%)**
Proceeds from Share Capital Increase	3,000.0	-	-	(100.0%)	n.a
Net Change in Short-Term Loans	(109.3)	(95.0)	-	(13.1%)	(100.0%)
Payments of Finance Charges from Long-Term Loans	(178.7)	(300.3)	(440.2)	68.0%	46.6%
Payments of Finance Charges from Short-Term Loan and Leases	(8.2)	(3.3)	-	(59.8%)	(100.0%)
Proceeds from Long-Term Loans	814.8	229.6	1,537.7	(71.8%)	569.7%
Payment of Lease Liabilities	(1.9)	(2.3)	(2.6)	21.1%	13.0%
Net cash generated from / (used in) financing activities	**3,516.8**	**(171.2)**	**1,095.0**	**(104.9%)**	**n.a**
Net Change in Cash and Cash Equivalents	2,701.5	(1,847.6)	(383.8)	(168.4%)	(79.2%)
Cash and Cash Equivalents at Beginning of Year	68.4	2,769.9	922.3	3949.6%	(66.7%)
Cash and Cash Equivalents at End of Year	**2,769.9**	**922.3**	**538.5**	**(66.7%)**	**(41.6%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The following table presents the cash flows from operating activities of the Group for the financial years ended 31 December 2021G, 2022G and 2023G.

Net cash generated from / (used in) Operating Activities

Table (6.40): Cash Flows from Operating Activities for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Net (Loss) / Profit for the Year before Zakat	**(155.3)**	**(14.5)**	**392.1**	**(90.7%)**	**n.a**
Adjustments to Reconcile Net (Loss) / Profit to Net Cash Provided by:					
Employee Benefits Provision	3.5	3.8	4.2	8.6%	10.5%
Depreciation on Property and Equipment	5.3	3.7	4.2	(30.2%)	13.5%
Depreciation on Right-of-Use of Assets	1.5	1.9	2.2	26.7%	15.8%
Amortization of Intangible Assets	0.2	0.8	1.9	300.0%	137.5%
Financial Charges	13.9	19.3	33.5	38.8%	73.6%
Income from Short-Term Deposits	(2.8)	(26.1)	(21.8)	832.1%	(16.5%)
Allowance for Expected Credit Losses	-	0.8	2.3	n.a	187.5%
Amortization of Loans Arrangement	8.1	-	-	(100.0%)	n.a
Gains from Sale of Property and Equipment	(0.0)	(0.0)	-	107.0%	(100.0%)

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Changes in Pperating Assets and Liabilities:					
Trade Receivables	-	(387.2)	(645.2)	n.a	66.6%
Advances and Other Receivables	513.0	(121.6)	(87.4)	(123.7%)	(28.1%)
Trade Payables	(96.4)	120.5	(62.4)	(225.0%)	(151.8%)
Accrued Expenses and Other Payables	(97.5)	(197.4)	(139.0)	102.5%	(29.6%)
End of Service Benefits Paid	(2.0)	(0.1)	(0.3)	(95.0%)	200.0%
Finance Income Received	-	24.4	21.6	n.a	(11.5%)
Zakat Paid	(7.7)	(10.6)	(7.6)	37.7%	(28.3%)
Net cash generated from / (used in) Operating Activities	**183.9**	**(582.3)**	**(501.5)**	**(416.6%)**	**(13.9%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The net cash from operating activities decreased from SAR 183.9 million in 2021G to SAR (582.3) million in 2022G mainly due to the higher cash inflows resulted from the collection of VAT receivables in 2021G and the increase trade receivables resulting from the sale of three plots lands in 2022G.

The above was partially offset by the account payable positive cash flow primarily related the increase in Service Provider #2's balance by SAR 102.7 million in 2022G.

Net cash used in operating activities decreased from SAR (582.3) million in 2022G to SAR (501.5) million in 2023G as a result of improved cash from operating activities. However, it remained negative primarily due to the following:

- The increase in trade receivables as a result of the sale of five plots of land on account in 2023G;
- Increase in accrued expenses and other payables resulting from increases in (1) Accrued financial costs, (2) Land sales costs, and (3) Litigation and claims; and
- Decrease in trade payables as a result of settlements to Service Provider #2 by SAR 49.9 million and another contract in charge of the pneumatic solid waste collection system by SAR 18.1 million, owing to the increased completion rates for the works. This was partially offset by:
- Net profit of SAR 392.1 million, mainly resulting from profit earned on land plots settlements recorded within other income.

The following table presents the cash flows from investing activities of the Group for the year ended 31 December 2021G, 2022G and 2023G:

Net cash used in Investing Activities

Table (6.41): Cash Flows from Investing Activities for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Additions to Property and Equipment	(1.4)	(2.8)	(43.2)	100.0%	1442.9%
Net change in Investment Property	(998.0)	(1,614.6)	378.8	61.8%	n.a
Investment at Fair Value through Profit or Loss	1.0	(11.5)	4.1	(1250.0%)	n.a
Additions to Intangible Assets	-	(7.6)	(5.8)	n.a	(23.7%)
Liabilities against Lands	(1.1)	542.5	(1,311.2)	n.a	(341.7%)
Proceeds from Sale of Property and Equipment	0.1	0.0	-	(87.2%)	100.0%
Net cash generated from / (used in) Investing activities	**(999.3)**	**(1,094.1)**	**(977.2)**	**9.5%**	**(10.7%)**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

The negative cash from investing activities increased from SAR (999.3) million in 2021G to SAR (1,094.1) million in 2022G due to the increase in the net change in investment properties by SAR (616.6) million and was offset by the positive impact of net change in the obligations of land Plots which led to an increase of SAR 543.6 million.

The negative cash from investing activities decreased from SAR (1,094.1) million in 2022G to SAR (977.2) million in due to outflow of SAR 1.3 billion related to the settlement with an original landowner (partially settled in-kind). This was partially offset by a SAR 378.8 million pertaining to the increase in project development costs on account of the increased completion rates across the work streams.

The following table presents the cash flows from financing activities of the Group for the year ended 31 December 2021G, 2022G and 2023G.

Net cash generated from / (used in) Financing Activities

Table (6.42): Cash Flows from Financing Activities for the Financial Years Ended 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2021G	31 December 2022G	31 December 2023G	Variance (2021G-2022G)	Variance (2022G-2023G)
Payments to Increase Capital	3,000.0	-	-	(100.0%)	n.a
Net change in Short-Term Loans	(109.3)	(95.0)	-	(13.1%)	(100.0%)
Payments of Finance Charges from Long-Term Loans	(178.7)	(300.3)	(440.2)	68.0%	46.6%
Payments of Finance Charges from Short-Term Loan and Leases	(8.2)	(3.3)	-	(59.8%)	(100.0%)
Proceeds from Long-Term Loans	814.8	229.6	1,537.7	(71.8%)	569.7%
Payment of Lease Liabilities	(1.9)	(2.3)	(2.6)	21.1%	13.0%
Net Cash Generated from / (used in) Financing Activities	**3,516.8**	**(171.2)**	**1,095.0**	**(104.9%)**	**n.a**

Source: Audited consolidated financial statements for the financial years ended 31 December 2022G and 31 December 2023G

Net cash generated from financing activities decreased from SAR 3,516.8 million in 2021G to SAR (171.2) million in 2022G mainly due to the payment of the long term and short-term financial charges and payment of lease liabilities of SAR 303.6 million, and settlement of short term loans amounting to SAR 95.0 million offset by the increase in long term loans withdrawn during the year by SAR 229.6 million. In addition during 2021G, there was an injection of SAR 3.0 billion in the share capital from various shareholders to finance the completion of the infrastructure works.

Net cash generated from financing activities increased from SAR (171.2) million in 2022G to SAR 1,095.0 million in 2023G due to increase in proceeds from long-term loans which can be attributed to the higher utilization of the authorized limit from the two local banks to finance the project development costs. This was partially offset by the payment of financial charges pertaining to these long-term loans.

e- Statement of Profit or Loss and Other Comprehensive Income of the Group

The following tables set out the Group's Consolidated Statements of Profit or Loss and Other Comprehensive Income for the six-month periods ended 30 June 2023G and 2024G:

Table (6.43): Unaudited Consolidated Income Statement for the Six-Month periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Statement of comprehensive income			
Revenue	647.1	760.7	17.6%
Cost of Sales	(492.3)	(434.5)	(11.7%)
Gross Profit	**154.9**	**326.3**	**110.7%**

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
General and Administrative Expenses	(60.4)	(84.1)	39.2%
Selling and Marketing Expenses	(40.5)	(21.8)	(46.2%)
Other Operating Income	3.9	22.0	464.1%
Allowance for Expected Credit Losses	(1.7)	(3.3)	94.1%
Operating Profit	**56.1**	**239.1**	**326.2%**
Financial Charges	(13.4)	(19.3)	44.0%
Financial Income	14.0	7.8	(44.3%)
Profit before Zakat	**56.7**	**227.6**	**301.4%**
Zakat	(8.7)	(35.4)	306.9%
Profit for the Period	**47.9**	**192.2**	**301.3%**
Other Comprehensive Income	-	-	n.a
Total Comprehensive Income for Period	**47.9**	**192.2**	**301.3%**
Weighted Average Number of Ordinary Shares	1,307.9	1,307.9	
Profit per Share for the Period	0.04	0.15	

Source: Unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Revenue

The Group successfully completed the sale of four land plots located in Zone 1 and 3 of Masar destination to Customer #1 and Customer #6, yielding a total value of SAR 756.2 million during the six-month period ended 30 June 2024G. In addition, the revenue during the six-month period ended 30 June 2024G also included rental income from the lease of three land plots located in Zone 3 which amounted to SAR 4.6 million.

Based on the lease agreement, the rent will commence upon the handover of the land plots, and it is anticipated that the lease would generate annual revenues of approximately SAR 12.0m.

Cost of Sales

Cost of sales represented the cost of the four sold plots of land during the six-month period ended 30 June 2024G located in strategic zones. The cost of sales included the cost of the acquisition of the land plots, the cost of developing the land plots' infrastructure, and other costs with an initial cost of SAR 434.5 million.

These costs were distributed according to the market value of each plot from the overall market value for the project land plots.

Gross Profits and Margins

Gross margin represents the margin achieved on the sale and lease of land plots.

During the six-month period ended 30 June 2024G, the Group achieved an overall 42.5% gross margin from the sale of the four land plots.

General and Administrative Expenses

G&A included salaries and wages which are mainly related to Jeddah and Makkah's office employees, management and structuring fees for fund investments, consultancy fees, depreciation related to property, plant and equipment and right-of-use assets and other expenses.

G&A expenses increased from SAR 60.4 million in the six-month period ended 30 June 2023G to SAR 84.1 million in the six-month period ended 30 June 2024G due to the increase in (i) salaries and wages by SAR 15.8 million on the account of the increase in average headcount by 7 employees reaching 126 employees coupled with an increase in salaries as well as an increase in allowances related to the annual bonus mainly from the increase in the number of employees, (ii) consultancy fees by SAR 6.0 million mainly related to various advisors for different work streams such as, facility management operations, Zakat consultation services, and other services, and (iii) the increase in IT related expenses by SAR 1.1 million due to new licenses and system development expenses. These increases were partially offset by a decrease in investment fund management and structuring fees by SAR 0.2 million.

Selling and Marketing Expenses

S&M expenses consisted of marketing expenses, advertising sponsorship expenses and depreciation.

S&M expenses decreased from SAR 40.5 million in the six-month period ended 30 June 2023G to SAR 21.8 million in the six-month period ended 30 June 2024G due to a decrease in marketing expenses of SAR 20.2 million, which was offset by an increase in advertising expenses by SAR 1.6 million.

Due to reduced business needs, marketing expenses decreased from SAR 21.8 million in the six-month period ended 30 June 2023G to SAR 1.6 million in the six-month period ended 30 June 2024G, in line with the activities planned in the budget for the year. Meanwhile, the increase of SAR 1.6 million in advertising expenses from SAR 18.6 million in the six-month period ended 30 June 2023G to SAR 20.2 million in the six-month period ended 30 June 2024G was primarily due to (i) SAR 6.6 million paid to the ongoing advertising and promotion campaigns on TV channels, (ii) SAR 1.6 million paid for the maintenance of the advertising billboard, (iii) SAR 1.0 million for internal communication and (iv) SAR 1.5 million paid for advertisement on a social media platform. This was partially offset by a decrease of SAR 1.7 million to a production company, resulting from reduced business needs.

Other Operating Income

Other operating income mainly include (i) recognized interest income based on discounted cashflows from the sale of land plots on deferred payments, (ii) temporary income from leasing select properties for short-term periods of time (i.e. 1-3 years) which is not repeated thereafter, and (iii) Income from finance lease.

Income from rent represented rent related to property income in relation to a non-recurring two land plots rental located in Zone 2 to a service provider in Makkah to store the tools and equipment of the project.

Other operating income of SAR 22.0 million in the six-month period ended 30 June 2024G primarily related to interest income from sale of land plots of SAR 20.2 million, finance lease income of SAR 1.1 million, property rental income of SAR 0.5 million related to two land plots temporarily rented for storage purposes in Zone 2 and other income of SAR 0.2 million.

Finance Income

Financial income is primarily related to income from short-term deposits.

Finance income decreased from SAR 14.0 million in the six-month period ended 30 June 2023G to SAR 7.8 million in the six-month period ended 30 June 2024G primarily due to utilizing the available cash to finance the Company's CAPEX and operations.

Financial Charges

Financial charges included the cost of financing and loan commissions. These are primarily related to the long-term loans obtained by the Group to finance the general and administrative expenses.

Financial charges increased from SAR 13.4 million in the six-month period ended 30 June 2023G to SAR 19.3 million in the six-month period ended 30 June 2024G primarily due to the increase in the SAIBOR rates compared to the previous period.

Zakat

Zakat expenses in the six-month period ended 30 June 2024G are primarily related to the Zakat expense of SAR 35.4 million calculated based on the Zakat base. The Group recorded a Zakat expense of SAR 8.7 million in the six-month period ended 30 June 2023G due to lower Zakat base compared to the six-month period ended 30 June 2024G.

Profit for the Period

The profit for the period increased from SAR 47.9 million in the six-month period ended 30 June 2023G to SAR 192.2 million in the six-month period ended 30 June 2024G due to (i) the increase in gross profit by SAR 171.4 million resulting from the sale of four plots of land, (ii) the increase in other operating income by SAR 18.1 million primarily related to the increase in interest income resulting from sales transactions by SAR 16.8 million which pertains to the income recognized during the period according to the discounted cash flow model of land plots sales, i.e., it represents the accrued revenue from the difference between the value recorded as revenue and the total value of the sales contracts for all land plots sold, and (iii) the decrease in S&M expenses due to the overall reduced business needs. This was partially offset by the increase in (i) G&A expenses due to the increase in salaries and employee related costs by SAR 15.8 million and consultancy fees by SAR 6.0 million and (ii) Zakat expenses which increased by SAR 26.7 million during the six-month period ended 30 June 2024G.

Revenue

During the six-month period ended 30 June 2024G, the Group successfully completed the sale of four land plots located in Zone 1 and 3 of Masar destination to two customers (i.e. Customer #1 and Customer #6), yielding a total value of SAR 756.2 million. These lands were originally acquired at an initial cost of SAR 434.5 million which included the cost of the acquisition of the land plots, the cost of developing the land plots' infrastructure, and other costs.

Revenue during the six-month period ended 30 June 2024G also included rental income of SAR 4.6 million from the lease of three lands in Zone 3.

Cost of Sales

Cost of sales during the six-month period ended 30 June 2024G represented the cost of four sold plots of land located in Zone 1 and 3. The cost of sales included the cost of the acquisition of the land plots, the cost of developing the land plots' infrastructure, and other costs.

These costs were distributed according to the market value of each land plot from the overall market value for the project land plots.

During the six-month period ended 30 June 2024G, the four plots of land that were sold to Customer #1 and Customer #6 had an initial cost amounting to SAR 434.5 million.

Gross Profit

Gross margin represents the margin achieved on the sale of lands.

During the six-month period ended 30 June 2024G, the Group achieved an overall 42.5% gross margin from the sale of the four land plots.

General and Administrative Expenses

Table (6.44): General and Administrative Expenses Breakdown for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Salaries and Employee Related Costs	37.4	53.2	42.2%
Consultancy Fees	6.7	12.7	89.6%
Investments Funds' Management and Structuring Fees	5.0	4.8	(4.0%)
IT Related Expenses	2.1	3.2	52.4%
Remunerations and Meeting Attendance Allowances	2.6	2.6	-
Property and Equipment Depreciation	2.0	2.7	35.0%
Amortization	0.8	1.3	62.5%
Right of Use Assets Depreciation	1.3	1.1	(15.4%)
Others	2.6	2.5	(3.8%)
Total General and Administrative Expenses	**60.4**	**84.1**	**39.2%**
As a Percentage of General and Administrative Expenses			
Salaries and Employee Related Costs	61.9%	63.3%	
Consultancy Fees	11.1%	15.1%	
Investments Funds' Management and Structuring Fees	8.3%	5.7%	
IT Related Expenses	3.5%	3.8%	
Remunerations and Meeting Attendance Allowances	4.3%	3.1%	
Property and Equipment Depreciation	3.3%	3.2%	
Amortization of Intangible Assets	1.3%	1.5%	
Right of Use Assets Depreciation	2.2%	1.3%	
Others	4.3%	3.0%	
Total General and Administrative Expenses	**100.0%**	**100.0%**	
Average Employee Headcount	119	126	
Average Cost per Employee	0.3	0.4	

Source: Group's information

Salaries and Employee Related Costs

Salaries and employee related costs mainly included basic salaries, bonuses, housing and transportation allowances, end of service benefits and others.

Salaries and employee related costs increased from SAR 37.4 million in the six-month period ended 30 June 2023G to SAR 53.2 million in the six-month period ended 30 June 2024G mainly as a result of the (i) an increase in the average headcount by seven in relation to the various departments, totaling 126 employees in the six-month period ended 30 June 2024G compared to 119 in the six-month period ended 30 June 2023G, (ii) the increase in annual bonuses resulting mainly from the increase in the number of employees.

Consultancy Fees

Consultancy fees are comprised of expenses related to studies commissioned by the Group, legal consultancy fees, technical consultancy fees, audit expenses, labor regulations fees and Zakat consultancy fees.

Consultancy fees increased from SAR 6.7 million in the six-month period ended 30 June 2023G to SAR 12.7 million in the six-month period ended 30 June 2024G due to:

- Increase in facility management operations fees related to project management, which accounted for SAR 3.0 million,
- Increase in advisors' fees in relation to IPO services by SAR 9.2 million; and
- Increase in audit expenses by SAR 1.3m.

Investments Funds' Management and Structuring Fees

Investments funds' management and structuring fees are related to management fees for the two established investment funds ("Fund 1" & "Fund 2"). These Funds were created in the financial year ended 31 December 2020G to finance the development of the infrastructure and superstructure works for Packages A and B.

The Group entered into an agreement with Alinma Investment Company ("Fund Manager") for the creation of Funds 1 and 2. The financing charges are paid annually, and the financing is secured by the title deeds of the real estate which are pledged to the Bank.

Investments funds' management and structuring fees decreased from SAR 5.0 million in the six-month period ended 30 June 2023G to SAR 4.8 million in the six-month period ended 30 June 2024G.

IT Related Expenses

IT expenses represented expenses related to the purchase of IT supplies, spare parts, ERP licenses and other program licenses as well as technical support fees for the ERP.

IT expenses increased from SAR 2.1 million in the six-month period ended 30 June 2023G to SAR 3.2 million in the six-month period ended 30 June 2024G due to new licenses and system development expenses.

Remunerations and Meeting Attendance Allowances

Remunerations and meeting attendance allowances represented the attendance allowance and bonuses for meetings. The Board and related committees held four meetings annually and the committee members received a bonus every quarter, in addition to the annual board remuneration.

Remunerations and meeting attendance allowances remained stable at SAR 2.6 million between the six-month period ended 30 June 2023G and the six-month period ended 30 June 2024G. The BoD allowance expense amounted to SAR 260 thousand out of the total remunerations and meeting attendance allowances expense which amounted to SAR 2.6 million in the six-month period ended 30 June 2024G.

Property and Equipment Depreciation

Property and equipment depreciation is mainly related to the depreciation of leasehold improvements, furniture and fixtures, computers and motor vehicles.

Property and equipment depreciation increased from SAR 2.0 million in the six-month period ended 30 June 2023G to SAR 2.7 million in the six-month period ended 30 June 2024G due to the additions made during the period.

Amortization of Intangible Assets

Amortization of intangible assets expenses are related to the amortization of software licenses that are an integral part of computer hardware.

Amortization expense increased from SAR 0.8 million in the six-month period ended 30 June 2023G to SAR 1.3 million in the six-month period ended 30 June 2024G driven by the full amortization impact of the new additions made during the prior period.

Right-of-Use Assets Depreciation

Right-of-use assets depreciation is comprised of depreciation relating to offices rental in Jeddah.

Right-of-use assets slightly decreased from SAR 1.3 million in the six-month period ended 30 June 2023G to SAR 1.1 million in the six-month period ended 30 June 2024G.

Others

Others mainly include rent, hired labor expenses, transportation expenses and other miscellaneous expenses.

Others remained broadly stable between SAR 2.6 million in the six-month period ended 30 June 2023G and SAR 2.5 million in the six-month period ended 30 June 2024G.

Selling and Marketing Expenses

Table (6.45): Selling and Marketing Expenses Breakdown for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G	30 June 2024G	Variance (H1 2023G-H1 2024G)
Advertising and Promotion Expenses	18.6	20.2	8.6%
Marketing Campaigns Expenses	21.8	1.6	(92.7%)
Total Selling and Marketing Expenses	**40.5**	**21.8**	**(46.2%)**
As a Percentage of Selling and Marketing Expenses			
Advertising and Sponsorship Expenses	45.9%	92.7%	
Marketing Expenses	53.8%	7.3%	
Total Selling and Marketing Expenses	**100.0%**	**100.0%**	

Source: Group's information

Advertising and Promotion Expenses

The advertising and promotion expenses mainly represented advertisings, website design, TV advertisement and others.

Advertising and promotion expenses increased from SAR 18.6 million in the six-month period ended 30 June 2023G to SAR 20.2 million in the six-month period ended 30 June 2024G due to the increase in expenses from:

- An advertising agency of SAR 6.6 million in relation to the advertising services performed for the Project aimed at reinforcing investment in the MASAR destination brand;
- Advertisement on social media platforms of SAR 1.5 million and;
- Expenses for the maintenance of advertising billboards amounting to SAR 1.6 million.
- Expenses for internal communication amounting to SAR 1.0 million.

This was partially offset by a decrease in various service providers by SAR 8.9 million due to reduced business needs.

Marketing Campaigns

Marketing campaigns mainly represented public relations agency expenses, marketing and social media campaigns launched for MASAR destination's brand awareness and advertising as well as consultancy fees in relation to marketing.

Marketing expenses decreased from SAR 21.8 million in the six-month period ended 30 June 2023G to SAR 1.6 million in the six-month period ended 30 June 2024G primarily driven by the conclusion of the Holy month of Ramadan, which is an active season for the Company's marketing campaigns, and reduced business needs in line with the activities planned in the yearly budget.

Other Operating Income

Table (6.46): Other Operating Income for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Interest Income from Sale of Land Plots	3.4	20.2	494.1%
Rental Income	0.3	1.6	433.3%
Others	0.2	0.2	-
Total Other Operating Income	**3.9**	**22.0**	**464.1%**

Source: Group's information

Interest Income from Sale of Land Plots

Interest income from the sale of a plot included the income recognized during the period, derived from the discounted cash flow model of plots of land sales. This represents the accrued income attributable to the variance between the revenue recorded and the total value of sales contracts.

Interest income increased from SAR 3.4 million in the six-month period ended 30 June 2023G to SAR 20.2 million in the six-month period ended 30 June 2024G due to the increase in the accrued income from discounted cash flows from the sale of two land plots compared to seven land plots respectively.

Rental Income

Rental income increased from SAR 0.3 million in the six-month period ended 30 June 2023G to SAR 1.6 million in the six-month period ended 30 June 2024G due to the accrued income from discounted cash flows from rental income of 1.1 million related to ICT Devices to a telecommunication company and the increase in property rental income by SAR 0.3 million related to two land plots temporarily rented for storage purposes.

Others

Other income remained stable at SAR 0.2 million in the six-month period ended 30 June 2024G compared to the six-month period ended 30 June 2023G.

Allowance for Expected Credit Losses

Allowance for expected credit losses represented the allowance for the Group's trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Allowance for expected credit losses increased from SAR 1.7 million in the six-month period ended 30 June 2023G to SAR 3.3 million in the six-month period ended 30 June 2024G due to the increase in the trade receivable balances during the same period as the Group recorded revenues.

Finance Income

Financial income primarily related to the income from short-term deposits (Shariah-compliant).

Finance income decreased from SAR 14.0 million in the six-month period ended 30 June 2023G to SAR 7.8 million in the six-month period ended 30 June 2024G primarily due to the maturity of a portion of the short-term deposits with banks.

Financial Charges

Table (6.47): Financial Charges for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Financial Charges	(13.4)	(19.3)	44.0%
Total Financial Charges	**(13.4)**	**(19.3)**	**44.0%**

Source: Group's information

Financial charges included the cost of financing and loan commissions related to the long-term loans obtained by the Group to finance the general and administrative expenses.

Financial charges increased from SAR 13.4 million in the six-month period ended 30 June 2023G to SAR 19.3 million in the six-month period ended 30 June 2024G primarily due to the increase in the financing cost rate as a result of the increase in the SAIBOR rates compared to the comparative period.

Zakat Expenses

Zakat expenses in the six-month period ended 30 June 2024G are primarily related to the Zakat charges of SAR 35.4 million calculated based on the Zakat base.

Zakat expenses increased from SAR 8.7 million in the six-month period ended 30 June 2023G to SAR 35.4 million in the six-month period ended 30 June 2024G due to the increase in the Zakat base.

For further information on the movement of the 'Zakat', refer to the analysis performed under 'Table 6.74: Zakat provision'.

Profit for the Period

The profit for the period increased from SAR 47.9 million in the six-month period ended 30 June 2023G to SAR 192.2 million in the six-month period ended 30 June 2024G due to (i) the increase in gross profit by SAR 171.4 million resulting from the sale of four plots of lands, (ii) the increase in other operating income by SAR 18.1 million primarily related to the increase in interest income resulting from sales transactions by SAR 16.8 million which pertains to the income recognized during the period according to the discounted cash flow model of land plots sales, i.e., it represents the accrued revenue from the difference between the revenue recorded and the total value of the sales contracts for all land plots sold, and (iii) the decrease in S&M expenses due to the overall reduced business needs. This was partially offset by the increase in (i) G&A expenses due to the increase in salaries and employee related costs by SAR 15.8 million and consultancy fees by SAR 6.0 million and (ii) Zakat expenses by SAR 26.7 million during the six-month period ended 30 June 2024G.

f- Statement of Financial Position of the Group

Table (6.48): Statement of Financial Position as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Investment Properties	20,692.8	20,888.4	0.9%
Property and Equipment	395.2	416.5	5.4%
Trade Receivables – Non-Current Portion	614.4	1,196.7	94.8%
Right-of-Use Assets	9.9	8.8	(11.1%)
Intangible Assets	10.8	9.4	(13.0%)
Investment in Associate	0.5	0.5	-
Total Non-Current Assets	**21,723.5**	**22,520.3**	**3.7%**
Trade Receivables – Current Portion	414.8	578.9	39.6%
Investment at Fair Value through Profit or Loss	7.4	7.6	2.7%
Development Properties	212.2	217.2	2.4%
Advances and Other Receivables	316.5	315.4	(0.3%)
Cash and Cash Equivalents	538.5	914.8	69.9%
Total Current Assets	**1,489.4**	**2,033.9**	**36.6%**
Total Assets	**23,212.9**	**24,554.2**	**5.8%**
Share Capital	13,078.6	13,078.6	-
Accumulated Losses	(605.8)	(413.6)	(31.7%)
Total Equity	**12,472.8**	**12,665.0**	**1.5%**
Long Term Loans	8,633.9	9,643.3	11.7%
Lease Liabilities	8.3	5.9	(28.9%)
Employee Benefits	18.3	19.8	8.2%
Retention Payables	133.5	128.2	(4.0%)
Total Non-Current Liabilities	**8,794.0**	**9,797.1**	**11.4%**
Current Portion of Loans	-	150.1	n.a
Lease Liabilities	2.6	2.6	-
Accounts Payable – Compensation of Lands	460.6	431.4	(6.3%)
Accounts Payable	75.1	19.2	(74.4%)
Accrued Expenses and Other Liabilities	1,327.2	1,453.5	9.5%
Zakat Provision	80.6	35.4	(56.1%)
Total Current Liabilities	**1,946.1**	**2,092.0**	**7.5%**
Total Liabilities	**10,740.1**	**11,889.2**	**10.7%**
Total Liabilities and Equity	**23,212.9**	**24,554.2**	**5.8%**
Current Ratio	0.8	1.0	
Total Assets to Total Liabilities	216.1%	206.5%	
Debt to Equity	69.2%	77.3%	

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Non-Current Assets

Table (6.49): Non-Current Assets as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Investment Properties	20,692.8	20,888.4	0.9%
Property and Equipment	395.2	416.5	5.4%
Trade Receivables – Non-Current Portion	614.4	1,196.7	94.8%
Right-of-Use Assets	9.9	8.8	(11.1%)
Intangible Assets	10.8	9.4	(13.0%)
Investment in Associates	0.5	0.5	-
Total Non-Current Assets	**21,723.5**	**22,520.3**	**3.7%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Non-current assets included investment properties which primarily consist of (i) Project land plots and (ii) Capital work in progress. Non-current assets also included trade receivables, property and equipment, and other assets.

Investment Properties

Table (6.50): Investment Properties as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Project land			
As at 1 January	10,217.8	9,580.3	(6.2%)
Additions during the Year/Period	17.0	6.3	(62.9%)
Disposals during the Year/Period	(598.2)	-	(100.0%)
Transferred to Development Properties	(56.2)	(191.5)	240.7%
Balance as at end of Year/Period	**9,580.3**	**9,395.1**	**(1.9%)**
Capital Work in Progress			
As at 1 January	10,402.2	11,112.4	6.8%
Additions during the Year/Period	1,395.8	589.6	(57.8%)
Disposals during the Year/Period	(624.3)	-	(100.0%)
Transferred to Development Properties	(61.2)	(208.8)	241.2%
Balance as at End of Year/Period	**11,112.4**	**11,493.2**	**3.4%**
Total of Project Land Plots and Capital Work in Progress	**20,692.8**	**20,888.4**	**0.9%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Investment properties include (1) project plots of land and (2) capital work in progress which represent the executed works and works in progress related to infrastructure and superstructure works. The recorded value of the infrastructure works of SAR 24.0 billion included the value of the compensation of expropriated properties, the main infrastructure works performed by Service Provider #2, other additional infrastructure works, the financial charges and others. The infrastructure reached a completion rate of 92.1% as a result of the completion of works amounting to SAR 22.1 billion as at 30 June 2024G. Moreover, the completion rate related to the superstructure work reached 21.7% due to the Group completing works amounting to SAR 1.1 billion out of SAR 5.3 billion included expected financial charges until the completion of the Project as at 30 June 2024G.

Project Land Plots

The project land plots are held for a currently undetermined future use, as the specific distribution of the project land plots has not yet been completed. Therefore, all the project plots are classified as investment properties (except if specified below). The project land plots include land plots mortgaged in favor of a commercial banks against long-term loans.

While the Project properties are recognized at cost, the Group undertakes an annual appraisal of the investment plots which are included within 'investment properties' by an independent real estate appraiser.

As mentioned above, the Group conducts an annual appraisal of the real estate investment by an independent real estate appraiser at each year-end. Therefore, the latest appraisal performed was at 31 December 2023G which represented SAR 38.2 billion which does not include land plots that have been sold and other land plots that are not classified under 'investment properties' as land plots under development.

The cost of project land plots decreased from SAR 9,580.3 million as of 31 December 2023G to SAR 9,395.1 million as of 30 June 2024G due to the transfer of the four land plots in Zones 1 and 3 to development properties, which were thereafter sold. This was partially offset by an additional compensation for expropriated properties in favor of the Group of SAR 6.3 million from property owners following a ruling by Makkah's general court.

Capital Work in Progress

Capital work in progress also known as the 'Project Development Costs' mainly consisted of (i) Main infrastructure contract, (ii) projects under construction, and (iii) capitalized borrowing costs and (iv) others.

The project development costs amounted to SAR 11.5 billion as at 30 June 2024G of which SAR 10.4 billion related to infrastructure cost and SAR 1.1 billion related to superstructure works for Packages A and B which are performed by one of the Group's service providers and financed by the investment funds.

The Group aims to complete parts of the main infrastructure works related to land infrastructure for the three Zones as presented in the master plan by the end of 2024G and has estimated the remaining contractual costs of the Project amounted to SAR 6.3 billion as at 30 June 2024G until the completion of the planned work. The SAR 6.3 billion represented the superstructure commitments of SAR 4.1 billion which included the expected financial charges, and the infrastructure works of SAR 2.2 billion.

Presented below is the table for capital work in progress as at 31 December 2023G and 30 June 2024G:

Table (6.51): Capital Works in Progress as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Infrastructure contract Related to Service Provider #2	7,194.5	7,323.9	1.8%
Projects under Construction	2,841.3	3,092.1	8.8%
Cost of Financing	1,548.6	1,653.1	6.7%
Advance Payments for Construction Contracts	51.1	43.3	(15.3%)
Alinma Fund	514.4	665.5	29.4%
Disposals/Reclassifications	(1,037.6)	(1,284.7)	23.8%
Total Capital Work in Progress	**11,112.4**	**11,493.2**	**3.4%**
As a Percentage of Capital Work in Progress			
Infrastructure Contract Related to Service Provider #2	64.7%	63.7%	
Projects under Construction	25.6%	26.9%	
Cost of Financing	13.9%	14.4%	
Advance Payments for construction contracts	0.5%	0.4%	
Alinma Fund	4.6%	5.8%	
Disposals/Reclassifications	(9.3%)	(11.2%)	
Total Capital Work in Progress	**100.0%**	**100.0%**	

Source: Group's information

Infrastructure Contract Related to Service Provider #2

The main infrastructure contract of SAR 7.2 billion as at 31 December 2023G and of SAR 7.3 billion 30 June 2024G within capital work in progress related to Service Provider #2.

Service Provider #2 incurred several delays due to their late appointment of a design consultant which led to (i) delays in kicking off the work, (ii) delay in appointing a specialist consultant, and (iii) noncompliance with the submitted program in terms of deploying the required manpower. These delays resulted in a revised completion date for the works.

Infrastructure contract works costs increased from SAR 7,194.5 million as at 31 December 2023G to SAR 7,323.9 million as at 30 June 2024G due to the increase in infrastructure works performed by Service Provider #2. This additional infrastructure work was mainly due to achieving various milestones of the Project and reaching a completion rate of the main infrastructure work of 92.1%.

Infrastructure contract works costs included fines and violations related to safety that were charged to Service Provider #2 of SAR 9.6 million as at 31 December 2023G and SAR 9.3 million as at 30 June 2024G which primarily pertain to Service Provider #2.

Projects under Construction

Projects under construction included the demolition and rock excavation works, in addition to the engineering consultancy and Project building designs works. These works mainly included rock cutting works, water station works, management and supervision contract and establishment costs which represented pre-operating costs related to Project studies and demolition.

Projects under construction increased from SAR 2,841.3 million as at 31 December 2023G to SAR 3,092.1 million as at 30 June 2024G in line with the continued progress of Project works mainly related to the underground electric cables works, and the progress on ICT works., Also, the increase was driven by additional long-term loans and charges from Al Jazira Bank.

Cost of Financing

Cost of financing is primarily related to the capitalised interest costs on long term loans obtained from two local banks to finance the MASAR destination. The Group capitalizes the financing costs related to funds obtained to finance the acquisition of properties while financing costs on funds utilized for other use are expensed in the income statement.

Cost of financing increased from SAR 1,548.6 million as at 31 December 2023G to SAR 1,653.1 million as at 30 June 2024G due to the increase in the level of drawdowns from existing authorized limits.

Advance Payments for Infrastructure Work

Advance payments for infrastructure works are related to advances paid by the Group to Service Provider #2 under contractual arrangements and represent 10% of the monthly payment certificate at each year's end. These advances are deducted through each payment certificate received from the Service Provider.

Advance payments for infrastructure works decreased from SAR 51.1 million as at 31 December 2023G to SAR 43.3 million as at 30 June 2024G in line with the increase in work performed and the Interim Payment Certificates ("IPC") issued by Service Provider #2 during the period.

Alinma Fund

Alinma Fund costs pertain to the amounts paid by the funds for the superstructure works related to Packages A and B.

Alinma Fund costs increased from SAR 514.4 million as at 31 December 2023G to SAR 665.5 million as at 30 June 2024G in line with the increase in works performed for the superstructure works related to Packages A and B.

Disposals/Reclassifications

Disposals/reclassifications increased from SAR 1,037.6 million as at 31 December 2023G to SAR 1,284.7 million as at 30 June 2024G. The disposals/reclassifications as at 30 June 2024G are related to (i) SAR 980.3 million representing land plots sold off during the period, (ii) SAR 191.1 million representing land plots transferred to PPE by the Group for administrative purposes, and (iii) SAR 113.3 million representing land plots reclassified as development properties as the Group intends to sell them in the near future.

Property, Plant and Equipment

Table (6.52): Property, Plant and Equipment NBV as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	Additions	Depreciation	Net disposals	30 June 2024G (Unaudited)
Capital Work in Progress	215.8	12.6	-	(1.6)	226.8
Land Plots	172.1	-	-	-	172.1
Computers	0.6	0.4	(0.2)	-	0.8
Furniture and Fixtures	4.3	11.1	(1.0)	-	14.4
Leasehold Improvements	2.4	-	-	-	2.4
Motor Vehicles	0.0	-	-	-	0.0
Net Book Value	**395.2**	**24.1**	**(1.2)**	**(1.6)**	**416.5**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

The net book value of property and equipment increased from SAR 395.2 million as at 31 December 2023G to SAR 416.5 million as at 30 June 2024G primarily due to the additions of SAR 24.2 million of which SAR 11.0 million were related to the upgrade of server room and new IT equipment, and SAR 12.6 million related to the new management and experience center and Group's headquarters. This was partially offset by disposals and depreciation amounting to SAR 2.9 million.

Capital Works in Progress

Capital works in progress increased from SAR 215.8 million as at 31 December 2023G to SAR 226.8 million as at 30 June 2024G due to the additions of SAR 12.6 million in relation to the new management and experience center, and the Group's headquarters. This also included the administrative structure within the project site. This was partially offset by the disposals of SAR 1.6 million during the same period.

Land Plots

Land Plots remained stable at SAR 172.1 million between 31 December 2023G and 30 June 2024G.

Computers

Computers increased from SAR 0.6 million as at 31 December 2023G to SAR 0.8 million as at 30 June 2024G due to the additions of SAR 0.4 million which were offset by depreciation charges of SAR 0.2 million.

Furniture and Fixtures

Furniture and fixtures are related to office furniture and other furniture and fixtures for the Group offices in Makkah and Jeddah.

Furniture and fixtures increased from SAR 4.3 million as at 31 December 2023G to SAR 11.0 million as at 30 June 2024G due to additions related to upgrade of server room and the purchase of furniture related to the new management and experience center and the Group's headquarters. This was partially offset by depreciation charges of 1.0 million during the period.

Leasehold Improvements

Leasehold improvements mainly include decorations and improvement works related to the Group's offices.

Leasehold improvements remained broadly stable at SAR 2.4 million between 31 December 2023G and 30 June 2024G.

Motor Vehicles

Motor vehicles remained stable at SAR 26 between 31 December 2023G and 30 June 2024G.

The table below presents the useful lives of each asset category:

Table (6.53): Useful Lives of Property, Plant and Equipment by Asset Category:

	Years
Furniture and Fixtures	3-4 years
Motor Vehicles	4 years
Computers	3-5 years
Leasehold Improvements	5 years or contract period, whichever is lower

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G

Trade Receivables

Table (6.54): Trade Receivables as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Trade Receivables	1,032.4	1,782.0	72.6%
Less: Allowance for Expected Credit Losses	(3.2)	(6.5)	103.1%
Total Trade Receivable	**1,029.2**	**1,775.6**	**72.5%**
Current Portion	414.8	578.9	39.6%
Non- Current Portion	614.4	1,196.7	94.8%

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Table (6.55): Movement of Allowance for Expected Credit Losses as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Balance at the Beginning of the Year/ Period	0.8	3.2	300.0%
Charge for the Year/Period	2.3	3.3	43.5%
Balance at the End of the Year/Period	**3.2**	**6.5**	**103.1%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Trade receivables increased from SAR 1,029.2 million as at 31 December 2023G to SAR 1,775.6 million as at 30 June 2024G due to the additions of SAR 783.7 million (which included a balance of SAR 21.3 million in relation to the additional amounts arising from the interest income) in relation to the sale of four land plots on deferred payments during the period and plots of land rental. ECL charge increased by SAR 3.3 million and there was a partial collection of 34.1 million during the six-month period ended 30 June 2024G.

Right-of-Use Assets

Table (6.56): Right-of-Use Assets NBV as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Cost			
Balance as at 1 January	16.8	17.3	3.0%
Additions for the Year/Period	0.6	-	(100.0%)
Balance at the End of the Year/Period	**17.3**	**17.3**	**-**
Accumulated Depreciation			
Balance as at 1 January	(5.3)	(7.5)	41.5%
Charge for the Year/Period	(2.2)	(1.1)	(50.0%)
Balance at the End of the Year/Period	(7.5)	(8.6)	14.7%
Total Right-of-Use Assets	**9.9**	**8.8**	**(11.1%)**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

Right-of-use assets comprise leased office spaces in Jeddah.

Right-of-use assets decreased from SAR 9.9 million as at 31 December 2023G to SAR 8.8 million as at 30 June 2024G due to depreciation charges of SAR 1.1 million during the six-month period ended 30 June 2024G.

Intangible Assets

Table (6.57): Intangible Assets as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Cost			
Balance as at 1 January	13.0	18.8	44.6%
Additions for the Year/Period	5.8	-	(100.0%)
Balance at the End of the Year/Period	**18.8**	**18.8**	**-**
Accumulated amortization			
Balance as at 1 January	(6.1)	(8.1)	32.8%
Amortization for the Year/Period	(1.9)	(1.3)	(31.6%)
Balance at the End of the Year/Period	(8.1)	(9.4)	16.0%
Total Intangible Assets	**10.8**	**9.4**	**(13.0%)**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

Intangible Assets comprise software licenses that are an integral part of the hardware and are amortized over their useful lives of five years.

Intangible assets decreased from SAR 10.8 million as at 31 December 2023G to SAR 9.4 million as at 30 June 2024G due to amortization charges of SAR 1.3 million during the six-month period ended 30 June 2024G.

Investment in an Associate

Investment in an associate represents a 50/50 Joint Venture ("JV") formed with Kaden Saudi Arabia for managing the Boulevard's retail sector for MASAR destination.

The investment in an associate remained stable at SAR 0.5 million between 31 December 2023G and 30 June 2024G.

Current Assets

Table (6.58): Current Assets as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Trade Receivables	414.8	578.9	39.6%
Investment at Fair Value through Profit or Loss	7.4	7.6	2.7%
Development Properties	212.2	217.2	2.4%
Advances and Other Receivables	316.5	315.4	(0.3%)
Cash and Cash Equivalents	538.5	914.8	69.9%
Total Current Assets	**1,489.4**	**2,033.9**	**36.6%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Current assets include trade receivables, and investment held at fair value through profit or loss, development properties, advances and other receivables and cash and cash equivalents.

Trade Receivables

The current portion of trade receivables represented the current portion of the receivables of the lands sold which are scheduled to be collected within the next twelve months. The other portion of the trade receivables is related to the remaining receivable balance.

Investment Held at Fair Value through Profit or Loss

Table (6.59): Investment Held at Fair Value through Profit or Loss Breakdown as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Balance as at 1 January	11.5	7.4	(35.7%)
Disposals during the Year/Period	(4.5)	-	(100.0%)
Gain from investments at Fair Value through Profit or Loss	0.3	0.2	(33.3%)
Total Investment Held at Fair Value through Other Comprehensive Income as at End of Year/Period	**7.4**	**7.6**	**2.7%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

Investment held at fair value through profit or loss represents an investment in units of the Alinma Liquidity Fund, a fund managed by the Alinma Investment Company in 2019G. The main purpose of the investment was to invest in Shariah-compliant Murabaha contracts. These investments were made for a period of less than 12 months. Any additions or disposals are subject to cash and liquidity needs.

Investment held at fair value through profit or loss increased from SAR 7.4 million at 31 December 2023G to SAR 7.6 million at 30 June 2024G due to gain from investments at fair value.

Development Properties

Development properties (previously classified as assets held for sale) represented land plots classified by the Group as development properties as the Group plans to sell these in the near future.

During 2024G, the Group reassessed the presentation of asset held for sales and concluded that reclassifications are required from 'asset held for sale' to 'development properties' amounting to SAR 212.2 million at 31 December 2023G to comply with the requirements of IFRS.

Development properties increased from SAR 212.2 million as at 31 December 2023G to SAR 217.2 million as at 30 June 2024G due to the transfer of plots of land to development property which were thereafter sold.

Advances and Other Receivables

Table (6.60): Advances and other receivables breakdown as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Advances to Suppliers	183.0	155.7	(14.9%)
Value Added tax	126.6	153.8	21.5%
Fees and Licenses	4.6	4.8	4.3%
Others	2.3	1.1	(52.2%)
Total Advances and Other Receivables	**316.5**	**315.4**	**(0.3%)**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Advances and other receivables comprised of value added tax, advances to supplier, fees and licensees and others.

Advances to Suppliers

Advances to suppliers mainly include prepayments and advance payments.

Advances to suppliers decreased from SAR 183.0 million as at 31 December 2023G to SAR 155.7 million at 30 June 2024G on account of the decrease in customer loans by SAR 40.0 million, which pertains to the advances provided by Alinma funds to one of the Group's contractors for the initiation of superstructure works for Packages A and B. This was partially offset by the increase of (i) wireless networking works of SAR 12.1 million, and (ii) the construction of the experience center of SAR 1.4 million.

Value Added Tax

Value added tax ("VAT") represents the VAT receivables from the Zakat, Tax, and Customs Authority ("ZATCA"). The Group has a VAT receivable in relation to the transfer of land plots to the funds.

VAT receivables increased from SAR 126.6 million as at 31 December 2023G to SAR 153.8 million as at 30 June 2024G driven by additional dues from ZATCA.

Fees and Licenses

Fees and licenses represent the insurance and technical support payments covering a period of one year and such expenses are amortized on a monthly basis.

Fees and licensing increased from SAR 4.6 million as at 31 December 2023G to SAR 4.8 million at 30 June 2024G primarily due to increase in various balances related to Oracle and other technology related prepayments. This was partially offset by the decrease in the medical insurance and other balances driven by the amortization

Others

Others include investment deposit and refund insurance.

Others decreased from SAR 2.3 million as at 31 December 2023G to SAR 1.1 million as at 30 June 2024G due to the decrease in investment deposits.

Cash and Cash Equivalents

Table (6.61): Cash and Cash Equivalents as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Cash in Banks	94.2	573.2	508.5%
Short Term Bank Deposits	444.3	341.6	(23.1%)
Total Cash and Cash Equivalents	**538.5**	**914.8**	**69.9%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

As shown in the table above, cash and cash equivalents comprised cash at banks and short-term bank deposits.

Cash at Banks

Table (6.62): Cash at Banks as at 31 December 2021G, 2022G and 2023G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G	Variance (31 December 2023G-H1 2024G)
Restricted Cash in Banks	18.3	331.6	1,712.0%
Unrestricted Cash in Banks	75.9	241.6	218.3%
Total Cash and Cash Equivalents	**94.2**	**573.2**	**508.5%**

Source: Group's information

Cash at banks includes cash held at various local banks to settle the Group's day-to-day expenses and the infrastructure works of the Project.

Cash at bank increased from SAR 94.2 million at 31 December 2023G to SAR 573.2 million at 30 June 2024G primarily related to Alinma Bank as well as Alinma Funds for the financing of infrastructure and superstructure works.

For further details on the movement in cash and cash equivalents refer to section 6.5.1 (D) "**Cash Flow Statement of the Group**".

Short Term Bank Deposits

Short-term bank deposits placed in local banks are compliant with Islamic Sharia. These deposits have a rate of return based on market rates.

Short-term bank deposits decreased from SAR 444.3 million as at 31 December 2023G to SAR 341.6 million as at 30 June 2024G attributed to the maturity of deposits mainly situated in Alinma Bank and the utilization of these mature balances to finance the project development costs.

Non-Current Liabilities

Table (6.63): Non-Current Liabilities as at 31 December 2021G, 2022G and 2032G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Loans	8,633.9	9,643.3	11.7%
Lease Liabilities	8.3	5.9	(28.9%)
Employee Benefits	18.3	19.8	8.2%
Retention Payable	133.5	128.2	(4.0%)
Total Non-Current Liabilities	**8,794.0**	**9,797.1**	**11.4%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Non-current liabilities include long-term loans obtained from three local banks, retentions payables, employee benefits and lease liabilities.

Loans

Table (6.64): Loans as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Liabilities under Musharaka Then Ijara Agreements	6,972.8	7,351.4	5.4%
Liabilities under Tawarruq Agreement	1,700.0	2,476.2	45.7%
Structuring and Arrangements Fees	(38.8)	(34.3)	(11.6%)
Total Loans	**8,633.9**	**9,793.3**	**13.4%**
Non-Current Portion-Long Term	8,633.9	9,643.3	
Current Portion-Short Term	-	150.1	

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Liabilities under Musharaka Then Ijara Agreements

Liabilities under Musharaka then Ijara Agreements (“Ijarah (term loan) agreements”) consisted of long-term loans obtained from Alinma Bank.

During 2012G, the Group entered into a financing agreement with Alinma Bank which was renewed in 2019G for the purpose of financing the compensation of land plots and real estate in the MASAR destination and the costs of developing the infrastructure of the Project land plots and to finance the payment of costs and general expenses of the Project.

The agreements consisted of multiple facilities with a total authorized limit of SAR 4.5 billion (including long-term facilities of SAR 2.6 billion + SAR 1.5 billion and short-term facility of SAR 400 million) and SAR 4.1 million was utilized and the repayment of the principal of the loan - according to the agreement until then - is expected to be repaid on 2026G as a one lump sum payment while the financing charges are paid annually.

It is worth mentioning that the Company provided guarantees under the facility agreement with Alinma Bank, which include, among other things, (a) a mortgage of the Company’s properties representing the project land plots, which (1) gives a coverage percentage specified in the agreement and (2) is within the scope of investment land plots (which include land plots that are sellable and not general) and (b) a promissory note in the amount of four billion and four hundred million (SAR 4,400,000,000) signed by the Company.

Additionally, the Group entered a new financing agreement with an authorized limit of SAR 6.5 billion with Alinma Bank in 2020G for the purpose of the development of investment properties. The agreement is secured by pledging some of the Group’s properties. Also, according to the facility agreements entered with Alinma Bank, both Alinma Development Company Limited I and Alinma Development Company Limited II provided a promissory note in the amount of SAR 3,250 million and a promissory note covering the maximum expected profits to Alinma Bank for the first twelve (12) months from the date of the agreements. Also, both Alinma Development Company Limited I and Alinma Development Company Limited II provided a mortgage to Alinma Bank on their bank accounts as mentioned in the relevant agreements for an amount not exceeding SAR 3,250 million for Alinma Development Company Limited I and Alinma Development Company Limited II.

This agreement is related to Alinma Funds and its principal aim was to complete the funding for the Project and the superstructure, which includes seven towers and two malls within Packages A & B of MASAR destination. The outstanding balance which amounted to SAR 2.9 billion as at 31 December 2023G related to Alinma Bank is expected to be repaid in one lump sum by 2033G while the financing charges are paid annually.

The total liabilities under Musharaka then Ijara Agreements increased from SAR 6,972.8 million as at December 2023G to SAR 7,351.4 million as at 30 June 2024G in relation to additional drawdowns of SAR 378.6 million during the six-month period ended 30 June 2024G.

Liabilities under Tawarruq Agreement

Liabilities under Tawarruq agreement consisted of a long-term Islamic loan obtained from Al Jazira Bank in 2019G with the aim of financing the infrastructure development works in MASAR destination.

During 2023G, the authorized limit increased to SAR 2.9 billion based on a new agreement with the bank for the purpose of financing the infrastructure development works on the Project land plots and/or financing of the compensation of expropriated properties in favor of the Group. It is worth noting that, according to the agreement entered with Al Jazira Bank, the Company provided a promissory note of SAR 3,190 million and pledged some of the Company's land plots to cover the facilities provided by Al Jazira Bank.

During the period ended 30 June 2024G, an agreement was concluded with Riyad bank to obtain long-term Tawarruq financing for a period of four years, with a credit limit not exceeding SAR 800 million. The Group withdrew an installment of SAR 600 million during the period ended 30 June 2024G. The principal is due to be repaid in 4 equal annual installments, and finance charges are to be paid annually. According to the agreement entered with Riyad Bank, the Group provided a promissory note amounting to SAR 1,420 million and pledged real estate properties to Riyad Bank.

Liabilities under Tawarruq Agreement increased from SAR 1,700.0 million as at 31 December 2023G to SAR 2,476.2 million as at 30 June 2024G due to additional drawdowns of SAR 776.2 million during the six-month period ended 30 June 2024G.

Structuring and Arrangements Fees

Structuring and arrangements fees were calculated on each withdrawal by the Group. These fees were capitalized during the loan tenor as the funds were used for the development of MASAR destination.

Structuring and arrangements fees declined from SAR 38.8 million as of 31 December 2023G to SAR 34.3 million as of 30 June 2024G, as a result of the amortization of a portion of the balance during the period.

As at 30 June 2024G, the Group pledged 58 properties with a market value of approximately SAR 15.2 billion for the above-mentioned loans.

The below table summarizes the breakdown for loans by bank, future repayment schedule and key terms.

Table (6.65): Loans Breakdown by Bank as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	Authorized Amount	Date of Withdrawal	Date of Final Repayment	Outstanding amount as at		Variance (31 December 2023G-H1 2024G)
				31 December 2023G	30 June 2024G (Unaudited)	
Alinma Bank for investment funds	6,500.0	2020G	2033G	2,872.8	3,251.4	13.2%
Alinma Bank for the Company*	4,500.0	2012G - 2017G	2026G	4,100.0	4,100.0	-
Al Jazira Bank for the Company	2,900.0	2021G - 2027G	2031G	1,700.0	1,876	10.4%
Riyad Bank for the Company	800.0	2024G	2028G	-	600.2	n.a
Structuring and arrangements fees				(38.8)	(34.3)	(11.6%)
Total	**14,700**			**8,633.9**	**9,793.3**	**13.4%**

Source: Group's information

* The authorized amount related to Alinma Bank included SAR 400.0 million related to short-term facilities that remained unutilized at the end of the period.

Table (6.66): Loan Repayment Schedule by Bank and Financial Institutions of the Group:

SARm	Alinma Bank for Investment Funds	Alinma Bank for the Company	Al Jazira Bank for the Company	Riyad Bank for the Company
2025G	-	-	-	(200.0)
2026G	-	(4,100)	-	(200.0)
2027G	-	-	-	(200.0)
2028G	-	-	(725.0)	(200.0)
2029G	-	-	(725.0)	-
2030G	-	-	(725.0)	-
2031G	-	-	(725.0)	-
2032G	-	-	-	-
2033G	(6,500.0)	-	-	-
Total limit*	**(6,500.0)**	**(4,100.0)**	**(2,900.0)**	**(800.0)**

Source: Group's information

* The table above was prepared based on the assumption that the full limit will be utilized by the repayment date.

Table (6.67): Key Terms of Long-Term Loans of the Group:

SARm	Alinma Bank for Investment Funds	Alinma Bank for the Company	Al Jazira Bank for the Company	Riyad Bank for the Company
Facility amount	6,500.0	4,100.0	2,900	800.0
Currency	SAR	SAR	SAR	SAR
Utilization Date	2020G	2012G	2019G-2023G	2024G
Maturity	2027G, optionally renewable for 3 times, each time for two years, which extends the maturity period until 2033G.	2026G	2028G-2031G	2025G-2028G
Payment Terms	One installment in 2033G	One installment in 2026G	Four equal annual payments	Four equal annual payments
Guarantee/Security	Properties' titles	Properties' titles	Properties' titles	Properties' titles

Source: Group's information

Lease Liabilities

Table (6.68): Lease Liabilities as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Balance at the Beginning of the Year/ Period	12.4	10.8	(12.9%)
Additions for the Year/Period	0.6	-	(100.0%)
Interest Expense	0.4	0.2	(50.0%)
Paid during the Year/Period	(2.6)	(2.6)	-
Balance at End of the Year/Period	**10.8**	**8.4**	**(22.2%)**
Non-Current Portion	8.3	5.9	
Current Portion	2.6	2.6	

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

Lease liabilities decreased from SAR 10.8 million as at 31 December 2023G to SAR 8.4 million as at 30 June 2024G as a result of lease payments of SAR 2.6 million which was partially offset by the addition of interest expenses of SAR 0.2 million.

Employee Benefits

Table (6.69): Employee Benefits as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Balance as at 1 January	16.1	18.3	13.7%
Current Service Cost	3.5	1.6	(54.3%)
Interest Cost	0.7	-	(100.0%)
Actuarial Losses from Changes	(1.7)	-	(100.0%)
Benefit Paid	(0.3)	(0.2)	(33.3%)
Balance at End of the Year/Period	**18.3**	**19.8**	**8.2%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and Group's information

The provision for end of service benefits increased from SAR 18.3 million as at 31 December 2023G to SAR 19.8 million as at 30 June 2024G primarily due to the increments and increase in headcount which led to the additions of the current service cost of SAR 1.6 million.

Retentions Payable (Non-Current)

Retention payables decreased from SAR 133.5 million as at 31 December 2023G to SAR 128.2 million as at 30 June 2024G due to the payment of a portion of the retention payables related to Service Provider #2 in line with progress and the increase in the completion rate to 92.1% for the main infrastructure work carried out. This was partially offset by the increase in the retention balance related to two service providers by SAR 3.2 million due to deductions related to the increase in work progress by both parties.

Current Liabilities

Table (6.70): Current Liabilities as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Current Portion of Loans	-	150.1	n.a
Lease Liabilities	2.6	2.6	-
Accounts Payable – Compensation of Lands	460.6	431.4	(6.3%)
Accounts Payable	75.1	19.2	(74.4%)
Accrued Expenses and Other Payables	1,327.2	1,453.5	9.5%
Zakat Provision	80.6	35.4	(56.1%)
Total Current Liabilities	**1,946.1**	**2,092.0**	**7.5%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Current liabilities include current portion of loans, accounts payable – compensation of land plots ("obligations of land plots"), accounts payable from various Capex contractors and operating suppliers, accrued expenses and other payables, lease liabilities and Zakat provision.

Accounts Payable – Compensation of Lands

Table (6.71): Accounts Payable – Compensation of Land Plots as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Accounts Payable – Compensation of Land Plots	460.6	431.4	(6.3%)
Total Accounts Payable – Compensation of Land Plots	**460.6**	**431.4**	**(6.3%)**
Total Number of Properties under Process	127	126	
Total Number of Investment Land Plots Based on the Approved Masterplan	205	205	

Source: Group's information

Accounts Payable – Compensation of Lands

Accounts payable – compensation of land Plots represent the properties that have deeds which have been expropriated in favor of the Group. These deeds are pending the attendance of the beneficiaries.

Accounts payable – compensation of land plots decreased from SAR 460.6 million as at 31 December 2023G to SAR 431.4 million as at 30 June 2024G as the property owners have been paid/compensated. Hence, the number of the Project properties under process decreased from 127 land plots as at 31 December 2023G to 126 land plots as at 30 June 2024G as a result of the ownership transfer of one property.

Accounts Payable

Table (6.72): Accounts Payable as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Service Provider #1	2.8	-	(100.0%)
Service Provider #2	55.4	-	(100.0%)
Other Service Providers	15.1	3.3	(78.1%)
Payables to Project Service Providers	**73.3**	**3.3**	**(95.5%)**
Others	**1.9**	**15.9**	**736.8%**
Total Accounts Payable	**75.1**	**19.2**	**(74.4%)**

Source: Group's information

Accounts payable amounted to SAR 19.2 million as at 30 June 2024G and included amounts payable to service providers for infrastructure and superstructure work done on MASAR destination project (17.2% of total payables as at 30 June 2024G). The remaining 82.8% is related to amounts paid to other vendors.

Service Provider #1

The service provider's balance decreased SAR 2.8 million as at 31 December 2023G to nil as at 30 June 2024G due to the settlement of the entire balance during the same period. Service Provider #1 is the project management and supervision consultant responsible for management and supervision of studies, designs and infrastructure works at Masar destination.

Service Provider #2

The service provider's balance decreased from SAR 55.4 million as at 31 December 2023G to nil as at 30 June 2024G due to the settlement of the entire balance during the same period. However, it is worth noting that there has been an increase in the main infrastructure work, which has led to the increase in completion rates to reach 92.1% as at 30 June 2024G.

Others Service Providers

Other service providers' balances decreased from SAR 15.1 million as at 31 December 2023G to SAR 3.3 million as at 30 June 2024G driven by services related to advertising and marketing campaigns and other professional services provided to the Group

Accrued Expenses and Other Payables

Table (6.73): Accrued Expenses and Other Payables as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Unbilled Completed Development Works	470.6	509.0	8.2%
Accrued Financial Costs	350.2	427.1	22.0%
Costs against Sold Land Plots	252.1	260.8	3.5%
Retention Payables - Current Portion	132.7	133.7	0.8%
Litigations and Claims	60.4	60.4	-
Accrued Employees' Expenses and Bonuses	23.8	29.1	22.3%
Management Fee Payable to Manager of Investment Funds	29.0	29.0	-
Remunerations and Meeting Attendance Allowances	2.8	1.5	(46.4%)
Others	5.6	2.9	(48.2%)
Total Accrued Expenses and Other Payables	**1,327.2**	**1,453.5**	**9.5%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Accrued expenses and other payables include unbilled contractual development works related to the main infrastructure service provider (i.e. Service Provider #2), litigation and claims, accrued financial costs, the accrued management fees for the funds A and B, the accrued bonuses and expenses, the board of directors and related committees' incentives and allowances, the current portion of retention and others.

Unbilled Completed Development Works

As at 31 December 2023G and 30 June 2024G, the unbilled development work balances stood at SAR 470.6 million and SAR 509.0 million, respectively, pertaining to multiple service providers. Notably, Service Provider #2 accounted for the majority share of the unbilled development work balance, comprising 73.3% and 76.7% in each respective period.

Unbilled completed development works increased from SAR 470.6 million as at 31 December 2023G to SAR 509.0 million at 30 June 2024G mainly due to progressed work related to Service Provider #2 which has not yet been invoiced increased by SAR 45.3 million, and the increase in progressed work related to various service providers of SAR 60.1 million related to civil, electrical, telecommunications and other works. This was partially offset by the decrease in land liability related to Al-Awqaf by SAR 68.2 million as the Group settled a portion of the due amount related to a dispute with the same landowner. The remaining amount was paid in two installments and the last installment amounting to SAR 34.1 million was settled during September 2024G.

Accrued Financial Costs

Accrued financial costs related to the financial costs for financing facilities agreements. The accrued financial costs were in relation to loans obtained from local banks for the purpose of financing.

Accrued financial costs increased from SAR 350.2 million as at 31 December 2023G to SAR 427.1 million as at 30 June 2024G driven by the additional withdrawals that took place during the six-month period ended 30 June 2024G.

Costs against Sold Land Plots

Costs against sold land represented the remaining accrued costs in relation to the sold plots of land between 2022G and the six-month period ended 30 June 2024G.

Land sale costs increased from SAR 252.1 million as at 31 December 2023G to SAR 260.8 million as at 30 June 2024G as a result of the additional costs to be incurred to make the four lands sold readily available for use.

Retention Payables – Current Portion

Retention payables represented the retentions against invoices issued by service providers against work done.

Retention payables increased from SAR 132.7 million as at 31 December 2023G to 133.7 as at 30 June 2024G mainly due to the increase in retention payable related to various service providers in relation to the progress in work done for the Project during the period. This was partially offset by payments made to Service Provider #2 which led to a decrease in the balance by SAR 8.4 million.

Litigation and Claims

Litigation and claims amounting to SAR 60.4 million represented a reserve against potential future claims and/or litigations.

Litigations and claims remained stable between 31 December 2023G and 30 June 2024G.

Employees Accrued Bonuses and Expenses

Employees accrued bonuses and expenses included vacation provision, bonus provision, end of service provision and accrued salaries.

Employee accrued bonuses and expenses increased from SAR 23.8 million as at 31 December 2023G to SAR 29.1 million as at 30 June 2024G mainly as a result of the increase in bonus provisions during the six-month period ended 30 June 2024G.

Management Fee Payable to Manager of Investment Funds

Management fee payable to manager of investment funds relate to the annual management fees for Alinma Fund A and Fund B, launched in 2020G to finance the Project development costs.

Management fee payable to Manager of Investment Funds remained stable at SAR 29.0 million as at 31 December 2023G and 30 June 2024G. The Group settled the accrued balance as at 31 December 2023G and the current balance pertains to the management fees accrued during the six-month period.

BoD Incentives and Allowances

BoD incentives and allowances accruals were in relation to attendance allowances and bonuses for BoD meetings which remained unpaid at year-end.

BoD incentives and allowance accruals decreased from SAR 2.8 million as at 31 December 2023G to SAR 1.5 million as at 30 June 2024G due to the fact that these accruals represent the balance for the six-month period ended 30 June 2024G as opposed to the full year balance for 31 December 2023G.

Others

Other accruals included rent deposits, property lease insurance, social security and others.

Others decreased from SAR 5.6 million as at 31 December 2023G to SAR 2.9 million as at 30 June 2024G due to the decrease in obligations against lands by SAR 4.0 million which was partially offset by the increase in rent deposits by SAR 1.0 million.

Zakat Provision

Table (6.74): Zakat Provision as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Balance as at the Beginning of the Year/Period	13.1	80.6	515.3%
Additions for the Year/Period	75.1	35.4	(52.9%)
Payments during the Year/Period	(7.6)	(80.7)	961.8%
Balance at End of the Year/Period	**80.6**	**35.4**	**(56.1%)**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Zakat provision decreased from SAR 80.6 million as at 31 December 2023G to SAR 35.4 million as at 30 June 2024G mainly due to payments of SAR 80.7 million during the period. This was partially offset by additional provision of SAR 35.4 million during the period.

Related Parties' Information

Table (6.75): Related Parties' Transactions and Balances as at 31 2023G and 30 June 2024G of the Group:

Currency: SARm	Relationship	Nature of the Transaction	30 June 2023G	30 June 2024G	31 December 2023G	30 June 2024G
			Transactions		Total Balances as per the Audited Financial Statements	
Alinma Investment Company	Fund Manager	Administrative and management fees	29.0	29.0	29.0	29.0
Alinma Bank	Parent Company of Fund Manager	Loans	124.8	382.7	2,837.4	3,220.1
		Accrued interest	80.7	93.5	147.3	40.8
BoD and Affiliate Committees	BoD members and affiliate committees	Remuneration and meeting fees	2.6	2.6	2.8	1.5

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

The Group entered into related party transactions with Alinma Investment Company and Alinma Bank. These are considered related parties as Umm Al Qura for Development and Construction Company owns 100% of Funds 1 and 2.

Other related party transactions and balances consisted of the remuneration and meeting fees related to the Board of Directors and affiliate committees.

Alinma Investment Company

Alinma Investment Company is the Fund Manager of Funds 1 and 2.

Transactions with Alinma Investment Company included administrative and management fees and loan drawdowns.

The total value of transactions remained stable at SAR 29.0 million between 30 June 2023G and as at 30 June 2024G, which represented the administrative and management fee for each respective period. Similarly, the closing balances remained stable at SAR 29.0 million between 31 December 2023G and as at 30 June 2024G.

Alinma Bank

Alinma Bank is the parent company of the Fund Manager, Alinma Investment Company.

The Group obtained loans of SAR 382.7 million in the six-month period ended 30 June 2024G resulting in an increase in the borrowings outstanding.

In addition, the Group had accrued interest of SAR 40.8 million in the six-month period ended 30 June 2024G.

BoD and Other Boards

BoD and other boards transactions represent the attendance allowances and bonuses for meetings incurred on an annual basis by the Group. The Board held various meetings during the year each quarter and the value of the transactions in each period includes the members bonus for each meeting.

BoD and other boards balances decreased from SAR 2.8 million as at 31 December 2023G to SAR 1.5 million as at 30 June 2024G due to the fact that these accruals represent the balance for the six-month period ended 30 June 2024G as opposed to the full year balance for 31 December 2023G.

Future Contingencies and Commitments

The total value of the infrastructure works, rock excavation, superstructure works, and consultancy contracts concluded by the Group regarding the Project remained stable at SAR 13.4 billion as at 31 December 2023G and as at 30 June 2024G, and the remainder of the future obligations amounted to SAR 5.0 billion as at 31 December 2023G and decreased to SAR 4.7 billion as at 30 June 2024G as a result of the increase in the implemented works for the Project during the first half of 2024G.

The remaining future contingencies and commitments amounted to SAR 5.0 billion as at 31 December 2023G and SAR 4.7 billion as at 30 June 2024G.

g- Total Equity

Table (6.76): Total Equity as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Share Capital	13,078.6	13,078.6	-
Cumulative (Losses)	(605.8)	(413.6)	(31.7%)
Total Equity	**12,472.8**	**12,665.0**	**1.5%**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Equity included share capital and accumulated losses.

Share Capital

Table (6.77): Share Capital as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Share Capital	13,078.6	13,078.6	-
Total Share Capital	**13,078.6**	**13,078.6**	**-**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

The share capital remained stable at SAR 13.1 billion as at 31 December 2023G and 30 June 2024G.

Accumulated Losses

Table (6.78): Accumulated losses movement as at 31 December 2023G and 30 June 2024G of the Group:

Currency: SARm	31 December 2023G	30 June 2024G (Unaudited)	Variance (31 December 2023G-Q2 2024G)
Opening Balance at 1 January	(924.5)	(605.8)	(34.5%)
Profit for the Year/Period	317.0	192.2	(39.4%)
Other Comprehensive Profit for the Year/Period	1.7	-	(100.0%)
Total Cumulative (Losses)	**(605.8)**	**(413.6)**	**(31.7%)**

Source: Audited consolidated financial statements for the financial year ended 31 December 2023G and unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Accumulated losses decreased from SAR (605.8) million as at 31 December 2023G to SAR (413.6) million as at 30 June 2024G driven by the profits for the period of SAR 192.2 million.

h- Cash Flow Statement of the Group

Table (6.79): Statement of Cash Flows for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Net Profit for the Period before Zakat	**56.7**	**227.6**	**301.4%**
Adjustments to Reconcile Net (Loss) / Profit to Net Cash Provided by:			
Depreciation of Property, Plant and Equipment	2.0	2.9	45.0%
Depreciation of Right-of-Use	1.5	1.1	(26.7%)
Amortization of Intangible Assets	0.8	1.3	62.5%
Financial Charges	13.2	19.3	46.2%
Allowance for ECL	1.7	3.3	94.1%
Income from Short Term Bank Deposits	(6.8)	(7.8)	14.7%
Provision for Employees' Benefits	1.3	1.6	23.1%
Change in Current Assets and Liabilities:			
Trade Receivables	(651.5)	(749.7)	15.1%
Advances and Other Receivables	98.1	(0.5)	(100.5%)
Development Properties	444.9	395.3	(11.1%)
Trade Payables	(64.1)	(56.0)	(12.6%)
Retention Payables	13.9	(4.3)	(130.9%)
Accrued Expenses and Other Payables	(171.1)	48.4	(128.3%)
Employees' Benefit Paid	(0.3)	(0.2)	(33.3%)
Finance Income Received	6.7	9.4	40.3%
Zakat Paid	(7.6)	(80.7)	961.8%
Net Cash Used in Operating Activities	**(260.4)**	**(188.9)**	**(27.5%)**

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (31 December 2023G-H1 2024G)
Addition to Property and Equipment	(0.3)	(24.2)	7966.7%
Addition to Investment Properties	(424.9)	(283.1)	(33.4%)
Investment at Fair Value through Profit or Loss	4.3	(0.2)	(104.7%)
Accounts Payable- Compensation of Land Plots	(12.5)	(29.2)	133.6%
Net Cash Used in Investing Activities	**(433.4)**	**(336.7)**	**(22.3%)**
Proceeds from Loans	594.0	1,154.8	94.4%
Payments of Lease Liabilities	(2.6)	(2.6)	-
Payments of Finance Charges from Loans	(146.9)	(250.4)	70.5%
Net Cash generated from Financing Activities	**444.5**	**901.9**	**102.9%**
Net Change in Cash and Cash Equivalents	(249.3)	376.3	n.a
Cash and Cash Equivalents at the Beginning of the Period	922.3	538.5	(41.6%)
Cash and Cash Equivalents at the End of the Period	**672.9**	**914.8**	**35.9%**

Source: Unaudited consolidated financial statements for the six-month period ended 30 June 2024G

The following table presents the cash flows from operating activities of the Group for six-month periods ended 30 June 2023G and 2024G.

Cash Flows Used in Operating Activities

Table (6.80): Cash Flows Used in Operating Activities for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Net Profit for the Period before Zakat	**56.7**	**227.6**	**301.4%**
Adjustments to Reconcile Net (Loss) / Profit to Net Cash Provided by:			
Depreciation of Property, Plant and Equipment	2.0	2.9	45.0%
Depreciation of Right-of-Use	1.5	1.1	(26.7%)
Amortization of Intangible Assets	0.8	1.3	62.5%
Financial Charges	13.2	19.3	46.2%
Allowance for ECL	1.7	3.3	94.1%
Income from Short Term Bank Deposits	(6.8)	(7.8)	14.7%
Provision for Employees' Benefits	1.3	1.6	23.1%
Change in Current Assets and Liabilities:			
Trade Receivables	(651.5)	(749.7)	15.1%
Advances and Other Receivables	98.1	(0.5)	(100.5%)
Development Properties	444.9	395.3	(11.1%)

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Trade Payables	(64.1)	(56.0)	(12.6%)
Retention Payables	13.9	(4.3)	(130.9%)
Accrued Expenses and Other Payables	(171.1)	48.4	n.a
Employees' Benefit Paid	(0.3)	(0.2)	(33.3%)
Finance Income Received	6.7	9.4	40.3%
Zakat Paid	(7.6)	(80.7)	961.8%
Net Cash Used in Operating Activities	**(260.4)**	**(188.9)**	**(27.5%)**

Source: Unaudited consolidated financial statements for the six-month period ended 30 June 2024G

The net cash used in operating activities decreased from SAR 260.4 million in the six-month period ended 30 June 2023G to SAR 188.9 million in the six-month period ended 30 June 2024G due to the change in working capital that is related to the increase in (i) trade receivables as a result of the sale of four plots of land; and (ii) the settlement of payables related to the infrastructure and superstructure works.

This was partially offset by an increase in (i) development properties, and (ii) accrued expenses and other payables, primarily driven by unbilled development works related to various service providers, as well as accrued financial costs from additional withdrawals from existing loan facilities, and (iii) the net profit achieved from the sale of four plots of lands.

The following table presents the cash flows from investing activities of the Group for the six-month periods ended 30 June 2023G and 2024G:

Cash Flows Used in Investing Activities

Table (6.81): Cash Flows Used in Investing Activities for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Purchase of Property and Equipment	(0.3)	(24.2)	7966.7%
Net change in Investment Properties	(424.9)	(283.1)	(33.4%)
Investment at Fair Value through Profit or Loss	4.3	(0.2)	(104.7%)
Accounts Payable- Compensation of Land Plots	(12.5)	(29.2)	133.6%
Net Cash Used in Investing Activities	**(433.4)**	**(336.7)**	**(22.3%)**

Source: Unaudited consolidated financial statements for the six-month period ended 30 June 2024G

The net cash used in investing activities decreased from SAR (433.4) million in the six-month period ended 30 June 2023G to SAR (336.7) million in the six-month period ended 30 June 2024G.

The net cash used in investing activities in the six-month period ended 30 June 2024G consisted of an outflow of SAR 283.1 million pertaining to additions in investment property during the period. This was coupled with an outflow of SAR 24.2 million for purchase of property and equipment, of which SAR 11.0 million was related to upgrade of server room and new IT equipment and SAR 12.6 million was associated with the new management and experience center, as well as Group's headquarters. Additionally, there was an outflow of SAR 29.2 million related to the transfer of ownership of one property, following compensation to the property owners.

The following table presents the cash flows from financing activities of the Group for six-month periods ended 30 June 2023G and 2024G:

Net cash generated from Financing Activities

Table (6.82): Cash Flows from Financing Activities for the Six-Month Periods Ended 30 June 2023G and 2024G of the Group:

Currency: SARm	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Variance (H1 2023G-H1 2024G)
Proceeds from Loans	594.0	1,154.8	94.4%
Payments of Lease Liabilities	(2.6)	(2.6)	-
Payments of Finance Charges from Loans	(146.9)	(250.4)	70.5%
Net cash generated from Financing Activities	**444.5**	**901.9**	**102.9%**

Source: Unaudited consolidated financial statements for the six-month period ended 30 June 2024G

Net cash generated from financing activities increased from SAR 444.5 million in the six-month period ended 30 June 2023G to SAR 901.9 million in the six-month period ended 30 June 2024G mainly due to the proceeds from long-term loans amounting to SAR 1.2 billion, which were related to additional withdrawals from Al-Jazira bank and Riyad bank. This was partially offset by the payment of financial charges amounting to SAR 250.4 million and lease payments of SAR 2.6 million.

7. Dividend Distribution Policy

Pursuant to Article 110 of the Companies' Law, each Shareholder is equally entitled to the rights and obligations attached to the Shares, including, in particular, the right to receive a portion of the dividends that are to be distributed. The Board of Directors is responsible for recommending the distribution of any dividends in its annual report prior to their approval by the Shareholders at a General Assembly meeting. However, there are no guarantees as to the actual distribution of dividends. Given the lack of a long operating history, any decision to pay dividends will depend on a number of factors, including the stability of the Company's operations, the Company's historic and projected earnings and cash flows, financing and capital requirements, market data, general economic factors and Zakat, among other factors that the Board of Directors deems relevant, as well as other legal and regulatory considerations. The Company's expectations with respect to these factors are subject to numerous assumptions, risks and uncertainties that may be beyond the Company's control. For a discussion of the risks associated with the payment of dividends, please refer to Section 2.3.5 "**Risks Related to the Company's Ability to Distribute Dividends**" of this Prospectus.

The Company intends to distribute annual dividends to its Shareholders with the goal of enhancing the value of their investments, based on the Company's profits and in accordance with its financial position, capital expenditures, investment needs, restrictions on dividend distributions under financing and debt agreements, the results of the Company's activities, current and future cash needs and expansion plans, as well as other factors, including market conditions, analysis of investment opportunities, the need to reinvest dividends, cash and capital requirements, business prospects, and the impact of any such distributions on legal or regulatory considerations.

Furthermore, investors wishing to invest in the Offer Shares should be aware that the dividend distribution policy may change from time to time.

While the Company intends to distribute annual dividends to its Shareholders, there can be no assurance of actual dividend distributions, nor can there be any assurance as to the amounts that will be paid in any given year.

In accordance with the Company's Bylaws and after the deduction of all general expenses and other costs, the Company's net dividends shall be distributed as follows:

1- When determining the portion of the Shares in the net profits, the Ordinary General Assembly may decide to form reserves to the extent they serve the Company's interests or ensure the distribution of fixed dividends as much as possible to Shareholders. The Ordinary General Assembly may also deduct amounts from the net profits to achieve social purposes for the Company's employees.

The General Assembly shall determine the percentage of the net profits to be distributed to Shareholders after deduction of the reserves, if any. Shareholders shall be entitled to receive their share of the dividends in accordance with the General Assembly resolution issued in this regard. Such resolution shall indicate the date of entitlement and the date of distribution. Entitlement to dividends shall be for the Shareholders registered in the Shareholders' register at the end of the day specified for entitlement.

The Company may distribute interim dividends to its Shareholders on a semi-annual or quarterly basis in accordance with the controls set by the competent authority.

The Company did not distribute any dividends during the previous three years ended 31 December 2021G, 2022G and 2023G or the six-month period ended 30 June 2024G.

Shares entitle their holders the right to receive dividends declared by the Company from the date of this Prospectus and for subsequent financial years. The Offer Shares are not entitled to any dividends declared prior to the date of this Prospectus. The first entitlement of the Offer Shares shall be for dividends declared by the Company from the date of this Prospectus and for subsequent financial years.

8. Use of Offering Proceeds

8.1 Offering Proceeds

The total Offering Proceeds are estimated at eighty-two million and three hundred thousand Saudi Riyals (SAR 82,300,000), of which approximately [•] Saudi Riyals (SAR [•]) will be allocated to settle all expenses related to the Offering, including the fees of the Financial Advisors, Lead Manager, Underwriters, Bookrunners, Legal Advisor to the Issuer, Legal Advisor to the Underwriters, Auditor, Receiving Agents, Market Consultant and Financial Due Diligence Advisor, as well as marketing, printing, distribution and translation fees and other fees and expenses related to the Offering.

8.2 Use of Offering Proceeds

The Company intends to use the Net Offering Proceeds of [•] Saudi Riyals (SAR [•]) to fund the following activities:

- Financing the costs associated with real estate compensation, infrastructure, Masar Destination activation and project financing and operating expenses, which represent 70% to 80% of the Net Offering Proceeds; and
- General corporate purposes, including sales, marketing, administrative, operating and financing expenses, which represent 20% to 30% of the Net Offering Proceeds.

The following table sets out the expected use of the Net Offering Proceeds, the estimated cost and sources of financing over the next three years:

Table (8.1): Expected Use of the Net Offering Proceeds

Item(1)	Total Expected Cost to be Financed from the Offering (SAR Million)	Ratio to the Net Offering Proceeds	Expected Timeframe for Use of the Offering Proceeds	Summary Timeline for Use of the Offering Proceeds
Financing the Costs Associated with Real Estate Compensation, Infrastructure, Masar Destination Activation and Project Financing and Operating Expenses	[•] - [•]	70%-80%	12-36 months	H1 2025G to H1 2028G
General Corporate Purposes	[•] - [•]	20%-30%	12-36 months	H1 2025G to H1 2028G

(1) The plans for the expected use of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus. Accordingly, the expected use of the Net Offering Proceeds is subject to change in accordance with any economic, social or political developments or any potential changes to the Company's business plan.

Source: The Company

In the event of a shortfall in the Offering Proceeds, the Company intends to use its own financial resources and/or will use a percentage of its available financing ceiling or borrow from banks. Any surplus resulting from the Net Offering Proceeds shall also be added to finance any capital, financing or operating costs of the Company.

8.2.1 Financing the Costs Associated with Real Estate Compensation, Infrastructure, Masar Destination Activation and Project Financing and Operating Expenses

Over the next three years, the Company intends to use 70% to 80% of the Net Offering Proceeds to finance and pay the costs associated with real estate compensation, infrastructure, Masar Destination activation and financing and operating expenses in order to complete the project's development works. Such costs are associated with funding the expenses of development works for the purpose of completion thereof and include, for example, the following items:

- Key infrastructure works, including the costs of construction, design and supervision of construction works for roads, bridges, pedestrian walkways, multistory car parks, bus station buildings, station buildings and tunnels for the rapid transit (metro) network within the project;
- Other infrastructure elements, including complementary components and projects for the infrastructure, such as the solid waste treatment system, information and communications technology systems and power stations;

- Real estate compensation with respect to the remaining cash compensation for the owners of real estate that was expropriated in favor of the Company;
- Works related to activating Masar Destination, including the costs of establishing retail elements and kiosks within the open areas of the project; and
- Refinancing existing bank facilities as needed and in line with optimal cash and liquidity management.

8.2.2 General Corporate Purposes

Over the next three years, the Company intends to use the remaining percentage, which represents 20% to 30% of the Net Offering Proceeds for general corporate purposes. Such purposes include sales and marketing costs and general administrative, operating and financing expenses. This step is in line with the Company's strategy. General-purpose financing of the Company is crucial for maintaining day-to-day operations and plays a pivotal role in covering the operating expenses and marketing expenditures necessary to promote the project and attract investors.

8.2.3 Timeline for the Expected Use of the Net Offering Proceeds and Potential Changes Thereto

The Company intends to utilize and apply the Net Offering Proceeds to cover some or all of the above-mentioned uses within three years from the date of this Prospectus. The plans for the expected use of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus. Accordingly, the expected use of the Net Offering Proceeds is subject to change in accordance with any economic, social or political developments or any potential changes to the Company's business plan. This shall be after the General Assembly's approval. The following table sets out the expected timeline for using the Net Offering Proceeds by item:

Table (8.2): Timeline for the Expected Use of the Net Offering Proceeds

Item(1)	Duration	Expected Start Date	Expected End Date
Financing Costs Related to Real Estate Compensations, Infrastructure, Destination Activation and Project Financing and Operating Expenses	12-36 months	First half of 2025G	First half of 2028G
General Corporate Purposes	12-36 months	First half of 2025G	First half of 2028G

(1) The plans for the expected use of the Net Offering Proceeds reflect the Company's business plan and market conditions as of the date of this Prospectus. Accordingly, the expected use of the Net Offering Proceeds is subject to change in accordance with any economic, social or political developments or any potential changes to the Company's business plan.

Source: The Company

If there is also a surplus in the Net Offering Proceeds, the Company will use it to finance any capital, financing or operating costs. In the event of a shortfall in the Net Offering Proceeds, the Company intends to use its own financial resources and/or will use a percentage of its available financing ceiling or borrow from banks.

9. Capitalization and Indebtedness of the Company

Prior to the Offering, the Substantial Shareholders own 55.92% of the Company share capital. Upon completion of the Offering, the Substantial Shareholders will collectively own 50.84% of the Company's shares.

The following table sets out the Company's capitalization as derived from the Company's financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G. The following table should be read in conjunction with the relevant financial statements and the accompanying notes thereto as contained in Section 19 "**Financial Statements and Auditor's Report**" of this Prospectus.

Table (9.1): Capitalization and Indebtedness of the Company for the Financial Years Ended 31 December 2021G, 2022G and 2023G and the Six-Month Period Ended 30 June 2024G

(SAR)	FY 2021G	FY 2022G	FY 2023G	Six-Month Period Ended 30 June 2024G
Total Loans	6,954,599,794	7,089,205,525	8,633,935,961	9,793,341,112
Shareholders' Equity				
Share Capital	11,873,065,360	13,078,614,190	13,078,614,190	13,078,614,190
Statutory Reserve	N/A	N/A	N/A	N/A
Contractual Reserve	N/A	N/A	N/A	N/A
Retained Earnings/	(904,585,558)	(924,458,517)	(605,770,513)	(413,610,335)
(Accumulated Losses)	10,968,479,802	12,154,155,673	12,472,843,677	12,665,003,855
Total Shareholders' Equity	N/A	N/A	N/A	N/A
Non-Controlling Interests	10,968,479,802	12,154,155,673	12,472,843,677	12,665,003,855
Total Equity	17,923,079,596	19,243,361,198	21,106,779,638	22,458,344,967
Total Capitalization (Total Loans + Total Shareholders' Equity)	39%	37%	41%	44%
Total Loans/Total Capitalization				

Source: The audited consolidated financial statements for the years ended 31 December 2021G, 2022G and 2023G and the interim financial statements for the six-month period ended 30 June 2024G.

The Board Members declare that:

1- None of the Company's Shares are under option.

2- Except as disclosed in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and Section 12 "**Legal Information**" of this Prospectus, the Company does not have any debt instruments as of the date of this Prospectus.

3- Without prejudice to what is mentioned in Section 2 "**Risk Factors**", the Company's balances and cash flows are sufficient to meet its expected cash needs for working capital and capital expenditures for at least twelve (12) months from the date of this Prospectus, subject to any material adverse change affecting the Company's business.

10. Expert Statements

All of the Advisors and the Auditor, whose names are listed on pages (vi) to (viii) of this Prospectus, have given and, as of the date of this Prospectus, have not withdrawn their written consent to the publication of their names, addresses, logos and statements in this Prospectus, and do not themselves, nor do their employees who form part of the team providing services to the Company, or any of their relatives, have any shareholding or interest of any kind in the Company as of the date of this Prospectus which may impair their independence.

11. Declarations

The Board Members declare that:

1- The financial information contained in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" has been derived without material amendment and is presented in accordance with the audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G, along with the accompanying notes thereto, which were prepared by the Group in accordance with the IFRS. The aforementioned statements have been prepared by the Group in accordance with the IFRS endorsed in the Kingdom and have been audited by the Group's Auditor, KPMG Professional Services.

2- Except as described in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and Section 2 "**Risk Factors**" of this Prospectus, there has been no material adverse change in the financial or trading position of the Group in the three financial years preceding the application for the registration and offer of securities subject to this Prospectus, up to and including the date of approval of this Prospectus.

3- All material facts related to the Group and its financial performance have been disclosed in this Prospectus and there are no information, documents or other facts the omission of which would make any statement herein misleading.

4- Except as stated in this Prospectus, the Group does not have any property, including any contractual securities or other assets, whose value is subject to fluctuations or is difficult to ascertain, which would significantly affect the assessment of its financial position.

5- No commissions, discounts, brokerages or other non-cash compensation have been granted by the Group within the three years immediately preceding the application for the registration and offer of securities that are subject to this Prospectus in connection with the issuance or offering of any securities.

6- Except as disclosed in Section 12 "**Legal Information,**" Section 2 "**Risk Factors**" and Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus, the Group does not have any loans or other liabilities, whether covered by a personal or other guarantee or mortgage, including any overdrafts, nor does it have any secured liabilities, liabilities under acceptance, acceptance credits or hire purchase commitments.

7- The Group has no intention of making any material change in its activity.

8- None of the Group's shares are under option as of the date of this Prospectus.

9- Except as disclosed in Section 12 "**Legal Information**" and Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus, there are no mortgages, rights or encumbrances on the property of the Group as of the date of this Prospectus.

10- The Group has provided comprehensive details in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" regarding all fixed assets and investments, including contractual securities and other assets which value is subject to fluctuations or is difficult to estimate.

11- Except as disclosed in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and Section 12 "**Legal Information**" of this Prospectus, the Group does not have any current or authorized but unissued debt instruments, term loans or secured or unsecured mortgages.

12- There have been no structural changes or material amendments to the Group's accounting policies in the three financial years immediately preceding the date of the application for the registration and offer of the securities subject to this Prospectus, in addition to the period covered by the Auditors' report, up to and including the date of issuance of this Prospectus.

13- Except as disclosed in Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus, the Group has not made any amendments to its share capital during the three years immediately preceding the date of this Prospectus.

14- Except as disclosed in Section 2 "**Risk Factors**" of this Prospectus, the Group is not aware of any information regarding any governmental, financial, monetary, political or macroeconomic policies or any other factors that have affected or could, directly or indirectly, have a material impact on the Group's operations.

15- There has been no suspension or interruption in the Company's business that could have or has had a significant impact on its financial position during the previous 12 months.

16- Except as disclosed in Section 5.7 "**Direct and Indirect Interests of the Board Members and Executive Management**" of this Prospectus, neither the Board Members nor any of their relatives have any shareholding or interest of any kind in the Company.

17- Except as disclosed in Section 2 "**Risk Factors**" of this Prospectus, and to the best of their knowledge and belief, there are no other material risks as of the date of this Prospectus that would affect an investor's decision to invest in the Offer Shares.

18- The Company has no business activity outside the Kingdom and that no material part of its assets is located outside the Kingdom.

19- They will comply with Article 27 of the Companies' Law and Articles 42, 43 and 44 of the CGRs and will refrain from voting on contracts concluded with Related Parties at the General Assembly meetings if they have a direct or indirect interest therein. The Board Members further declare they will refrain from competing with the Company's business and that all future transactions with Related Parties will be conducted on an arm's length basis in accordance with the provisions of Article 72 of the Companies' Law.

20- None of the agreements with Related Parties described in Section 12 "**Legal Information**" include any preferential terms, and all such agreements have been concluded in accordance with the laws and regulations and on an arm's length basis. Except as mentioned in this section of the Prospectus, the Company is not bound by any transactions, agreements, commercial relations or real estate deals with any Related Party.

21- Except as mentioned in Section 2 "**Risk Factors**", the Company's balance and cash flows are sufficient to cover its anticipated cash needs for working capital and capital expenditures for a period of at least twelve (12) months from the date of this Prospectus, subject to any material adverse change in the Company's business.

22- The Offering does not violate the applicable laws and regulations in the Kingdom.

23- The Offering does not prejudice any of the contracts or agreements to which the Company is a party.

24- All material legal information relating to the Company has been disclosed in Prospectus.

25- Except as mentioned in Section 12.8 "**Litigation and Claims**" of this Prospectus, the Company is not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on its business or financial position.

26- They are not subject to any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company.

27- All necessary approvals have been obtained for the Company's Shares to be offered on the Exchange and for it to become a public joint-stock company.

28- The Company is compliant with all of the terms and conditions under the agreements with lenders for all loans, facilities and financing.

29- As of the date of this Prospectus, there has been no breach of the contractual terms and conditions under the agreements with lenders granting all loans, facilities and financing, and the Company is compliant with all such terms and conditions.

30- All terms and conditions that may affect the decisions of the Subscribers to invest in the Offer Shares have been disclosed.

31- Neither the Board Members nor the CEO have the right to vote on a contract or proposal in which they have an interest.

32- Neither the Board Members nor the CEO have the right to vote on decisions relating to their remuneration.

33- Neither the Board Members nor any Senior Executive have the right to obtain a loan from the Issuer.

34- The Company undertakes to submit the latest interim financial statements to the CMA, to be included in the preliminary Prospectus prior to commencement of the Offering of the Company's shares or within the final Prospectus prior to listing of the Company's shares (as applicable), in accordance with the periods stipulated in Article 81 of the Rules on the Offer of Securities and Continuing Obligations (Disclosure of Financial Information), and in accordance with the related continuing obligations of listed companies.

12. Legal Information

12.1 Legal Declarations

The Board Members declare that:

1- The Offering does not violate the applicable laws and regulations of the Kingdom.

2- The Offering does not prejudice any of the contracts or agreements to which the Company is a party.

3- All material legal information related to the Company has been disclosed in this Prospectus.

4- Except as disclosed in Section 12.8 "**Litigation and Claims**" of this Prospectus, the Company is not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material impact on its business or financial position.

5- The Board Members are not subject to any lawsuits or legal proceedings that may, individually or collectively, have a material impact on the business or financial position of the Company.

12.2 The Company

The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed joint-stock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G), with a fully paid-up share capital of nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460), divided into ninety-one million, six hundred and twenty-one thousand, three hundred and forty-six (91,621,346) fully paid ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The Company is registered in Makkah under Commercial Registration No. 4031225409, dated 28/04/1433H (corresponding to 21/03/2012G). The Company's share capital has been increased several times since its incorporation. The Company's share capital was first increased pursuant to the Extraordinary General Assembly's resolution dated 16/07/1433H (corresponding to 06/06/2012G) from nine hundred and sixteen million, two hundred and thirteen thousand, four hundred and sixty Saudi Riyals (SAR 916,213,460) to three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280), divided into three hundred and eighty-three million, seven hundred and seventy thousand, four hundred and twenty-eight (383,770,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of two billion, nine hundred and twenty-one million, four hundred and ninety thousand, eight hundred and twenty Saudi Riyals (SAR 2,921,490,820) was met through the following: (1) a cash contribution of two billion and seven hundred and seventy-one million Saudi Riyals (SAR 2,771,000,000) through the issuance of two hundred and seventy-seven million, one hundred thousand (277,100,000) new Shares to new Shareholders; and (2) one hundred and fifty million, four hundred and ninety thousand, eight hundred and twenty (150,490,820) shares was fulfilled through Mabahij Al Arabia for Real Estate Development Company Limited bearing the expenses of the Company's incorporation. On 24/04/1434H (corresponding to 06/03/2013G), the Extraordinary General Assembly approved the increase of the Company's share capital from three billion, eight hundred and thirty-seven million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 3,837,704,280) to four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280), divided into four hundred and sixty-one million, two hundred and seventy thousand, four hundred and twenty-eight (461,270,428) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of seven hundred and seventy-five million Saudi Riyals (SAR 775,000,000) was fulfilled in cash through the issuance of seventy-seven million, five hundred thousand (77,500,000) new Shares to new Shareholders. On 11/07/1436H (corresponding to 30/04/2015G), the Extraordinary General Assembly approved the increase of the Company's share capital from four billion, six hundred and twelve million, seven hundred and four thousand, two hundred and eighty Saudi Riyals (SAR 4,612,704,280) to five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790), divided into five hundred and fifty-one million, five hundred and thirty-nine thousand, seven hundred and seventy-nine (551,539,779) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of nine hundred and two million, six hundred and ninety-three thousand, five hundred and ten Saudi Riyals (SAR 902,693,510) was met through the following: (1) a cash contribution of five hundred and fifty-four million, five hundred and seventy-six thousand, one hundred and ten Saudi Riyals (SAR 554,576,110) through the issuance of fifty-five million, four hundred and fifty-seven thousand, six hundred and eleven (55,457,611) Shares distributed to the Company's current Shareholders on a pro rata basis; and (2) three hundred and forty-eight million, one hundred and seventeen thousand, four hundred Saudi Riyals (SAR 348,117,400) was fulfilled through subscriptions by new

Shareholders owning real estate properties in Masar Destination, paid in cash from the value of the real estate properties within the project's boundaries. On 15/08/1438H (corresponding to 11/05/2017G), the Extraordinary General Assembly approved the increase of the Company's share capital from five billion, five hundred and fifteen million, three hundred and ninety-seven thousand, seven hundred and ninety Saudi Riyals (SAR 5,515,397,790) to eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360), divided into eight hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (887,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion, three hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 3,357,667,570) was met through a cash contribution consisting of: (1) four hundred and fifty-seven million, six hundred and sixty-seven thousand, five hundred and seventy Saudi Riyals (SAR 457,667,570) fulfilled through subscriptions by new Shareholders owning real estate properties in Masar Destination, which was paid in cash from the value of the real estate properties within the project's boundaries; and (2) the issuance of two hundred and ninety million (290,000,000) Shares to the current Shareholders of the Company based on their preemptive rights, the value of which was collected through cash contributions from the current Shareholders. On 07/09/1442H (corresponding to 19/04/2021G), the Company's share capital was increased from eight billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 8,873,065,360) to eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360), divided into one billion, one hundred and eighty-seven million, three hundred and six thousand, five hundred and thirty-six (1,187,306,536) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of three billion Saudi Riyals (SAR 3,000,000,000) was fulfilled in cash through the issuance of three hundred million (300,000,000) Shares to the Company's current Shareholders based on their preemptive rights. On 17/09/1443H (corresponding to 18/04/2022G), the Extraordinary General Assembly approved the increase of the Company's share capital from eleven billion, eight hundred and seventy-three million, sixty-five thousand, three hundred and sixty Saudi Riyals (SAR 11,873,065,360) to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) ordinary Shares with an equal nominal value of ten Saudi Riyals (SAR 10) per Share. The increase of one billion, two hundred and five million, five hundred and forty-eight thousand, eight hundred and thirty Saudi Riyals (SAR 1,205,548,830) was met through the issuance of one hundred and twenty million, five hundred and fifty-four thousand, eight hundred and eighty-three (120,554,883) new in-kind Shares to new Shareholders owning real estate properties in Masar Destination. Finally, on 21/10/1445H (corresponding to 30/04/2024G), the Extraordinary General Assembly approved the increase of the Company's share capital from thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190) to fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610) divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, as well as the Offering of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) new ordinary Shares for public subscription on the Exchange (for further information regarding the Company's history, please refer to Section 4.1.3 "**Company's History and Evolution of Share Capital**" of this Prospectus).

12.2.1 Company Background

The Company was established on 28/04/1433H (corresponding to 21/03/2012G) as a closed joint-stock company pursuant to Ministry of Commerce Resolution No. Q/163, dated 27/04/1433H (corresponding to 20/03/2012G), based on High Order No. 6258/MB, dated 05/05/1426H (corresponding to 12/06/2005G), which stipulates that:

1- Makkah Province Development Authority shall be the sponsor of Masar Destination in Makkah and shall supervise all its technical, planning, administrative and financial aspects.
2- A company shall be established specializing in developing King Abdulaziz Road in Makkah with a share capital consisting of:
    a- The value of real estate properties and real estate holdings within Masar Destination; and
    b- Development costs, with the priority being for owners.
    c- Endowments may contribute up to 30% of the Company's share capital excluding the property and real estate properties it owns as stated in paragraphs (3) and (4) below.
    d- The remaining Shares shall be available for subscription by citizens.

3- Application of the methodology approved by Ordinance No. 17850, dated 18/05/1423H (corresponding to 28/07/2002G), and applied by Makkah Province Development Authority to the Jabal Omar Project in Makkah.

4- Government land plots not designated for public utilities, real estate properties whose owners are unknown and real estate holdings with incomplete legal procedures shall be granted as endowments for the Holy Mosque. Should any of the owners of such real estate properties come forward and prove their ownership legally and conclusively, the real estate properties shall be returned to its rightful owner.

5- Land plots on Masar Destination and its intersections shall not be assigned so as not to face additional financial burdens.

6- Makkah Province Development Authority shall take the initiative to commence implementation of Masar Destination in Makkah and execution of other architectural development projects that serve Makkah and improve the services provided to pilgrims and visitors of the Holy Mosque.

12.2.2 Shareholding Structure

The Company's current share capital is thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, a portion of which are in-kind Shares and a portion of which are cash Shares. The Company's share capital Post-Offering will be fourteen billion, three hundred and eighty-six million, four hundred and seventy-five thousand, six hundred and ten Saudi Riyals (SAR 14,386,475,610), divided into one billion, four hundred and thirty-eight million, six hundred and forty-seven thousand, five hundred and sixty-one (1,438,647,561) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The following table sets out the Company's ownership structure Pre- and Post-Offering:

Table (12.1): Ownership Structure of the Company Pre- and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
Direct Substantial Shareholders							
1.	GOSI	345,980,070	3,459,800,700	26.45%	345,980,070	3,459,800,700	24.05%
2.	PIF	282,302,039	2,823,020,390	21.59%	282,302,039	2,823,020,390	19.62%
3.	Dallah Albaraka Holding Company	103,111,395	1,031,113,950	7.88%	103,111,395	1,031,113,950	7.17%
Other Shareholders*							
4.	Abdullah Saleh Abdullah Kamel(1)	56,298,623	562,986,230	4.30%	56,298,623	562,986,230	3.91%
5.	Real Estate Development Company(2)	53,218,303	532,183,030	4.07%	53,218,303	532,183,030	3.70%
6.	Dallah Trans Arabia(3)	43,000,000	430,000,000	3.29%	43,000,000	430,000,000	2.99%
7.	Mabahij Al Arabia for Real Estate Development Limited(4)	38,779,421	387,794,210	2.97%	38,779,421	387,794,210	2.70%
8.	Al Mawajed International for Real Estate Development Co. Ltd(5)	13,371,916	133,719,160	1.02%	13,371,916	133,719,160	0.93%
9.	Muhiyuddin Saleh Abdullah Kamel(6)	12,194,339	121,943,390	0.93%	12,194,339	121,943,390	0.85%

#	Shareholder	Pre-Offering			Post-Offering		
		Number of Shares	Total Nominal Value (SAR)	Percentage	Number of Shares	Total Nominal Value (SAR)	Percentage
10.	Abdullah Mohammed Abdo Abdullah Yamani[(7)]	10,202,742	102,027,420	0.78%	10,202,742	102,027,420	0.71%
11.	Dallah Albaraka Investment Holding Co.[(8)]	400,000	4,000,000	0.03%	400,000	4,000,000	0.028%
12.	Yasser Abdulaziz Mohammed Abu Ateek[(9)]	104,000	1,040,000	0.01%	104,000	1,040,000	0.007%
Public							
13.	Current Shareholders categorized as the "Public" (one hundred and forty-two (142) Shareholders)	348,898,571	3,488,985,710	26.68%	348,898,571	3,488,985,710	24.25%
14.	Public Shareholders through the Offering	N/A	N/A	N/A	130,786,142	1,307,861,420	9.09%
Total		**1,307,861,419**	**13,078,614,190**	**100%**	**1,438,647,561**	**14,386,475,610**	**100%**

Source: The Company

* The "Other Shareholders" category includes any of the Company's Shareholders who are not Direct Substantial Shareholders or Company Shareholders categorized as the "Public" according to the Glossary of Terms used in the CMA regulations.

(1) Abdullah Saleh Abdullah Kamel is categorized under "Other Shareholders" as he is: (1) a Company Board Director, (2) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (3) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(2) Real Estate Development Company is categorized under "Other Shareholders" as it acts in concert with Mabahij Al Arabia for Real Estate Development Limited.

(3) Dallah Trans Arabia is categorized under "Other Shareholders" as it is: (1) controlled by Dallah Albaraka Holding Company, and (2) acting in concert with Abdullah Saleh Abdullah Kamel, Dallah Albaraka Holding Company, Dallah Albaraka Investment Holding Co., Al Mawajed International for Real Estate Development Co. Ltd, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(4) Mabahij Al Arabia for Real Estate Development Limited is categorized under "Other Shareholders" as it acts in concert with Real Estate Development Company.

(5) Al Mawajed International for Real Estate Development Co. Ltd is categorized under "Other Shareholders" as it is: (1) controlled by Sinad Holding (where Dallah Albaraka Holding Company owns 53.189% of Sinad Holding), and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(6) Muhiyuddin Saleh Abdullah Kamel is categorized under "Other Shareholders" as he is: (1) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Abdullah Mohammed Abdo Abdullah Yamani.

(7) Abdullah Mohammed Abdo Abdullah Yamani is categorized under "Other Shareholders" as he is: (1) a Board Director and Senior Executive at the Company's Substantial Shareholders, and (2) acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Dallah Albaraka Investment Holding Co., Abdullah Saleh Abdullah Kamel, Al Mawajed International for Real Estate Development Co. Ltd and Muhiyuddin Saleh Abdullah Kamel.

(8) Dallah Albaraka Investment Holding Co. is categorized under "Other Shareholders" as it is acting in concert with Dallah Albaraka Holding Company, Dallah Trans Arabia, Al Mawajed International for Real Estate Development Co. Ltd, Abdullah Saleh Abdullah Kamel, Muhiyuddin Saleh Abdullah Kamel and Abdullah Mohammed Abdo Abdullah Yamani.

(9) Yasser Abdulaziz Mohammed Abu Ateek is categorized under "Other Shareholders" as he is a Senior Executive at the Company.

12.2.3 Company Branches

The Company has one registered branch in the Kingdom. The following table sets out the details of the Company's branch as of the date of this Prospectus:

Table (12.2): Company Branches as of the Date of this Prospectus

#	Branch Name	Branch Activities	Commercial Registration No.	Commercial Registration Date	Commercial Registration Expiration Date
1.	Jeddah	• General construction of residential buildings • General construction of non-residential buildings (such as schools, hospitals, hotels, etc.) • Real estate development of residential buildings using modern construction methods • Real estate development of commercial buildings using modern construction methods • Purchase and sale of land plots and real estate, subdivision thereof and off-plan sales activities • Construction project management	4030397803	23/03/1442H (corresponding to 09/11/2020G)	23/03/1447H (corresponding to 15/09/2025G)

Source: The Company

12.2.4 Material Licenses

The Company has obtained all of the necessary material licenses from the relevant authorities enabling it to carry out its business activities. A summary of the material licenses issued to the Company by the Ministry of Municipal and Rural Affairs and Housing (MOMRAH) and the General Authority of Meteorology and Environmental Protection in the Kingdom is provided below:

Table (12.3): Summary of Material Licenses Issued to the Company as of the Date of this Prospectus

#	Type of License	Issuing Authority	Purpose	License No.	Issue Date	Expiration Date
1.	Real Estate Developer Qualification Certificate	MOMRAH	Passing the approved qualification criteria	2102004668	10/11/1442H (corresponding to 20/06/2021G)	-
2.	Commercial License	MOMRAH	Construction of all types of residential buildings (Makkah branch)	43016063491	-	14/02/1448H (corresponding to 28/07/2026G)
3.	Commercial License	MOMRAH	Construction of all types of residential buildings (Jeddah branch)	43099638332	-	24/10/1448H (corresponding to 01/04/2027G)
4.	Commercial License	MOMRAH	Construction of all types of residential buildings (Jeddah branch)	43099638220	-	24/10/1448H (corresponding to 01/04/2027G)
5.	Commercial License	MOMRAH	Construction of all types of residential buildings (Jeddah branch)	43099638282	-	24/10/1448H (corresponding to 01/04/2027G)
6.	Commercial License	MOMRAH	Construction of all types of residential buildings (Jeddah branch)	43099638295	-	24/10/1448H (corresponding to 01/04/2027G)
7.	Commercial License	MOMRAH	Construction of all types of residential buildings (Jeddah branch)	43099638136	-	24/10/1448H (corresponding to 01/04/2027G)
8.	Building License	MOMRAH	Construction of commercial and residential buildings	4501103757	15/09/1445H (corresponding to 25/03/2024G)	17/10/1448H (corresponding to 25/03/2027G)

#	Type of License	Issuing Authority	Purpose	License No.	Issue Date	Expiration Date
9.	FAL license to engage in real estate activities	Real Estate General Authority	Brokerage and marketing	120030258	11/04/1446H (corresponding to 16/10/2024G)	24/04/1447H (corresponding to 16/10/2025G)
10.	Environmental Construction Permit*	National Center for Environmental Compliance	Construction of stations, tunnels, bridges, roads and utilities such as electricity substations, water distribution facilities and sewage systems	19513/N/107	02/06/1440H (corresponding to 07/02/2019G)	13/06/1442H (corresponding to 26/01/2021G)
11.	Subscription Certificate	GOSI	Proof of the Company's fulfillment of its statutory obligations towards GOSI	80179243	05/05/1446H (corresponding to 07/11/2024G)	05/06/1446H (corresponding to 08/12/2024G)

* Pursuant to a letter from the National Center for Environmental Compliance dated 18/03/1445H (corresponding to 03/10/2023G), the license shall remain valid for a period of three (3) years from the date of construction and may be extended for an additional two (2) years. The license is still in effect as of the date of this Prospectus.

Source: The Company

12.3 Material Agreements

The Company has entered into a number of material agreements and contracts with various parties. The total value of the Company's material agreements is SAR 29.8 billion. This section provides a summary of the agreements and contracts that the Board Members believe are material in relation to the Company's business or may affect an investor's decision to subscribe for the Offer Shares. The summary of the agreements and contracts presented below does not include all of the terms and conditions thereof and should not be considered a substitute for the terms and conditions contained in such agreements (for further information regarding the risks related to the Company's material agreements, please refer to Section 2.1.12 "**Risks Related to the Company's Material Agreements**" of this Prospectus).

12.3.1 Construction Agreements

The Company has entered into nine (9) construction agreements to carry out construction works in relation to Masar Destination. The total value of the construction agreements amounted to approximately ten billion, nine hundred and forty-one million, nine hundred and seven thousand, one hundred and sixty-two Saudi Riyals (SAR 10,941,907,162) as of 30 June 2024G. The costs incurred for these agreements are capitalized and are therefore not reflected in the Company's income statement, but rather within assets in the balance sheet. The key terms of these agreements are summarized below:

a- Construction Agreement with Service Provider 2

Table (12.4): Summary of Key Terms of the Construction Agreement with Service Provider 2

Title of the Agreement	Construction Agreement with Service Provider 2
Parties	• The Company • Service Provider 2
Date	14/08/1436H (corresponding to 01/06/2015G), as amended on 21/09/1440H (corresponding to 26/05/2019G) and 09/07/1446H (corresponding 09/01/2025G).
Agreement Term and Renewal Mechanism	The term of this agreement was initially set at fifty-four (54) months, commencing on 24/07/1436H (corresponding to 13/05/2015G), inclusive of the Ramadan and Hajj seasons. This term was subsequently extended to 24/01/1442H (corresponding to 12/09/2020G). As of 29/11/1445H (corresponding to 06/06/2024G), 99.25% of the works stipulated in the agreement have been completed. Consequently, this agreement has exceeded its material completion date. And the completion date has been amended pursuant to the Settlement Addendum per Construction Agreement with Service Provider 2 (for further information, please refer to Section 12.3.1(a)1 "**Settlement Addendum per Construction Agreement with Service Provider 2**" of this Prospectus.) Service Provider 2 shall have the right to extend the term of this agreement in the event of a delay due to any of the following reasons: a change in this agreement, or the existence of a reason for delay which grants the right to extend the duration of this agreement, as well as any exceptionally adverse weather conditions and any delay, obstacle or impediment caused by, or attributable to, the Company, its employees, or other contractors on site.

Subject of the Agreement	Service Provider 2 agrees to perform certain works in relation to Masar Destination, including the design, construction, completion, testing and operation of the infrastructure of Masar Destination.
Pricing and Amendments	The Company shall pay Service Provider 2 a lump sum as specified in the agreement. Service Provider 2 shall promptly make all Zakat and income tax payments required by applicable laws to the competent authorities. The liability of Service Provider 2 for payment of Zakat and income tax is deemed to be included in the value of this agreement, and Service Provider 2 is not entitled to any additional cost whatsoever in respect thereof.
Material Obligations	• Service Provider 2 undertakes to the Company to design, construct and complete such works and remedy any defects therein in accordance with the terms of this agreement. • Service Provider 2 shall be responsible for the complete design and all necessary coordination and approvals for the design from the competent authorities. • Upon the request of Service Provider 2 and if the Company is in a position to do so, the Company shall provide reasonable assistance to Service Provider 2 in obtaining any permits, licenses or approvals required by the applicable laws. • The Company shall acquire full copyright and other intellectual property rights in and to all of Service Provider 2's documents and other design documents prepared by or on behalf of Service Provider 2 in connection with the works or Masar Destination. • For the purpose of performing the services stipulated in this agreement, the Company shall appoint a design and construction engineer to carry out the tasks assigned to them under this agreement (hereinafter referred to as the "Engineers of the Construction Agreement with Service Provider 2"). • KEO International Consultants has been appointed as the Engineers of the Construction Agreement with Service Provider 2. The team of Engineers of the Construction Agreement with Service Provider 2 shall include two (2) suitably qualified engineers and other professionals qualified to undertake such duties. The Engineers of the Construction Agreement with Service Provider 2 may (at any time) issue instructions to Service Provider 2 which may be necessary for execution or defect remediation works. • Service Provider 2's performance of its obligations shall not be deemed to have been completed until the Engineers of the Construction Agreement with Service Provider 2 have issued a performance certificate to Service Provider 2 stating the date on which Service Provider 2 completed its obligations under this agreement. • Service Provider 2 shall provide a performance bond in an amount equal to a specified percentage of the value of the agreement. In addition, the Company is required to make an advance payment if Service Provider 2 submits an advance payment bond as approved by the Saudi Central Bank (SAMA). • Service Provider 2 shall pay contractual penalties to the Company as specified in the agreement in the event of any delay in completion or failure to meet any of the progress milestones specified in the agreement. • The maximum liability of Service Provider 2 to the Company for delay penalties under this agreement shall not exceed a specified percentage of the value of the agreement. Notwithstanding the foregoing, if Service Provider 2 completes the entire works within the term of this agreement, Service Provider 2 shall be entitled to recover all deductions resulting from delays in meeting the progress milestone completion dates. In considering any such refunds, the Company shall take into account the delivery by Service Provider 2 of such land required by the Company at the time appropriate for the Company and as specified in its development plan. As of the date of this Prospectus, the Company's claims to Service Provider 2 for delays by Service Provider 2 in performing its obligations under the agreement amounted to approximately SAR 1.1 billion.

Termination	The Engineers of the Construction Agreement with Service Provider 2 may (at any time), after consulting the Company and obtaining its consent, direct Service Provider 2 to suspend progress on part or all of the works. During the period of suspension, Service Provider 2 shall protect, store and insure the completed portion of the works against any damage or loss. If the suspension continues for more than eighty-four (84) consecutive days, Service Provider 2 may request permission from the Engineers of the Construction Agreement with Service Provider 2 to proceed. If such permission is not granted within twenty-eight (28) days of the request being made, Service Provider 2 may, after giving notice to the Engineers of the Construction Agreement with Service Provider 2, treat the suspension as a waiver of the affected parts of the works. In the event that the suspension affects the entire works, Service Provider 2 may serve a notice of termination in accordance with the terms of this agreement. The Company does not currently intend to suspend any of its works and the Company and Service Provider 2 have appointed an independent third party to assist in the evaluation and resolve the dispute between the parties regarding cost and time issues. In addition, Service Provider 2 shall have the right to terminate this agreement in the following circumstances: 1- if Service Provider 2 fails to receive the amount due under the payment certificate within forty-two (42) days of the expiry of the timeframe stipulated in this agreement for payment, and the Company fails in such a case to remedy the breach pursuant to a written notice from Service Provider 2 notifying the Company that if the amount due is not paid by it within a further period of twenty-one (21) days from the date of receipt of the notice, Service Provider 2 shall terminate this agreement; 2- if the entire works are impacted for the period (as described above) due to a prolonged suspension by the Company; or 3- if the Company becomes insolvent, bankrupt, enters into liquidation, has a receiver or manager appointed, or cooperates with its creditors, or carries on its business under the supervision of a receiver, manager, or trustee for the benefit of its creditors, or if any event of a similar nature occurs. In the event any of the above events or circumstances were to occur, Service Provider 2 may terminate this agreement upon twenty-eight (28) days' prior written notice to the Company.
Assignment/ Change of Control	The agreement does not provide for any restrictions relating to assignment or change in control.
Governing Law and Jurisdiction	This agreement shall be governed by and construed in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably in accordance with its provisions shall be referred to arbitration under the Saudi arbitration laws in force at the time of the arbitration. The arbitration shall be based in Jeddah and shall be administered in accordance with the Saudi arbitration rules.
Other Provisions	• The Company shall ensure that the insurance policies stipulated in this agreement are issued and remain valid during the execution of the works, namely: professional indemnity insurance and all other insurance policies required by GOSI, as well as third-party liability insurance and motor insurance. In addition, Service Provider 2 shall insure the works, plant, materials and documents of the contractor in accordance with the amounts stipulated in this agreement. Service Provider 2 shall also maintain workers' compensation, employers' liability insurance and specific professional indemnity insurance covering, but not limited to, the Company and Service Provider 2. Neither party may materially modify the terms of any insurance without the prior written consent of the other party. • If either party is required to insure against risks pursuant to this agreement and fails to obtain or maintain such insurance, and the other party does not consent to such failure or provide alternative insurance, then any sums which the other party could have recovered had the party required to insure procured the necessary insurance shall be paid or made good by the party required to insure from the outset.

1- Settlement Addendum per Construction Agreement with Service Provider 2

Table (12.5): Summary of Settlement Addendum per Construction Agreement with Service Provider 2

Title of the Agreement	Addendum to Construction Agreement with Service Provider 2
Parties	• The Company • Service Provider 2
Date	09/07/1446H (corresponding to 09/01/2025G)
Subject of the Agreement	Service Provider 2 previously submitted to the Company a series of claims totalling SAR 3.8 billion. Whereas the Company previously submitted counterclaims against Service Provider 2 for the amount of SAR 1.1 billion. Whereas the claims relate to a series of works performed by Service Provider 2 as part of the scope of Service Provider 2, the parties entered into an addendum to the building agreement concluded with Service Provider 2 pursuant to which the parties agreed to finally and bindingly settle the dispute between the parties.

Settlement Amount	The Company undertakes and agrees to pay to the Service Provider 2 a set-off amount of six hundred million (SAR 600,000,000) (in addition to the amount of the Construction Agreement with the Service Provider 2) in instalments under the achievement of specified phases, as set out in the addendum. The last payment shall be on 07/03/1447H (corresponding to 30/08/2025G). In the event that Service Provider 2 fails to achieve any Achievement by the specified date in the addendum, a grace period of ninety (90) days will apply. Failure to achieve completion within the grace period shall result in the imposition of a late fine not exceeding a percentage specified in the agreement of the incentive amount corresponding to the specified phase. A joint committee shall be formed consisting of authorized representatives from both the Company and Service Provider 2 to oversee and verify the completion, testing, operation and delivery of the Works, including each milestone. The addendum specifies the procedures for the resolvement of any potential dispute arising from the committee's inability to reach an agreement for the completion of a specific milestone, as applicable. In accordance with the Addendum to the Construction Agreement with Service Provider 2, the Parties have agreed that Service Provider 2 will continue to assist the Company with the requirements for the handover of powers until 19/03/1448H. (corresponding to 01/09/2026G), or until the end of the notice period of the relevant defects, whichever is later. This does not constitute an obligation that prevents Service Provider 2 from obtaining the performance certificate or any extension thereof pursuant to the Construction Agreement with Service Provider 2.
Other Provisions	Pursuant to the Addendum to the Construction Agreement with Service Provider 2, Service Provider 2 agrees and confirms that it irrevocably assigns all its rights and entitlements of whatever nature (whether by law or under the Construction Agreement with Service Provider 2) to any and all claims previously made by Service Provider 2 (whether known or unknown) as at the date of the Addendum to the Construction Agreement with Service Provider 2. However, this does not affect any payments due under the relevant provision of the Construction Agreement with Service Provider 2 (the "**Excluded Service Provider 2 Claims**"). In addition, the Company agrees and confirms that it irrevocably and permanently waives all of its rights and entitlements of whatever nature (whether by law or under the Construction Agreement with Service Provider 2) in any and all claims previously made by the Company (whether known or unknown) as of the date of the Building Agreement Addendum with Service Provider 2. Notwithstanding any provision to the contrary (including the foregoing), any breaches by Service Provider 2, whether or not known at the date of the Building Agreement Addendum with Service Provider 2, with respect to the quality and conformity of the Works with the Construction Agreement with Service Provider 2 (including from a structural perspective and with respect to groundwater sustainability) do not form part of the claims previously submitted by the Company and are not waived, diluted or breached under the Building Agreement Addendum with Service Provider 2 (the "**Excluded Company Claims**"). Service Provider 2 has accepted and agreed to permanently and irrevocably assign any right or entitlement, whether under the Construction Agreement with Service Provider 2 or the System (and whether known or unknown), to the fullest extent, to claim any damages, losses and expenses (including legal fees and expenses) and/or any extension of the Time for Completion (as related accruals, including in respect of the Additional Payment) that occurred or arose prior to the date of the Addendum to Construction Agreement with Service Provider 2 except for excluded Provider 2 claims. In addition, the Company has accepted and agreed to irrevocably and permanently waive any right or entitlement, whether under the Construction Agreement with Service Provider 2 or at law (and whether known or unknown), to the fullest extent, to claim any damages, losses, expenses (including legal fees and expenses) and/or any late fines or liquidated damages (as benefits associated therewith, including in respect of additional costs) that occurred or arose prior to the date of the Addendum to Construction Agreement with Service Provider 2 except for the Company's excluded claims. Pursuant to the Addendum to the Construction Agreement with Service Provider 2, the Company agrees and confirms that it has waived all its rights to claim or contractual penalties as a result of any event that occurred prior to the date of signing the Addendum to Construction Agreement with Service Provider 2. In addition, Service Provider 2 has accepted and agreed to waive any right, whether under the Construction Agreement with Service Provider 2 or the related regulations, to claim any damages, losses, expenses (including legal fees and expenses) and/or extension of the Time for Completion that occurred prior to the date of signing the Addendum to Construction Agreement with Service Provider 2.
Governing Law and Jurisdiction	This Addendum shall be governed by and construed in accordance with the laws of the Kingdom and any dispute arising therefrom shall be referred under the provisions of the Construction Agreement with Service Provider 2.

b- Construction Agreements with Saudi Arabian Baytur Construction Co.

Table (12.6): Summary of Key Terms of the Construction Agreements with Saudi Arabian Baytur Construction Co.

Title of the Agreement	Construction Agreements with Saudi Arabian Baytur Construction Co.
Parties	• Saudi Arabian Baytur Construction Co. • Alinma First Development Company Limited • Alinma Second Development Company Limited
Date	1- The First Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma First Development Company Limited is dated 18/07/1444H (corresponding to 09/02/2023G), as amended on 19/10/1445H (corresponding to 28/04/2024G). 2- The Second Construction Agreement with Saudi Arabian Baytur Construction Co. is dated 18/07/1444H (corresponding to 09/02/2023G), as amended on 19/10/1445H (corresponding to 28/04/2024G). 3- The First Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma Second Development Company Limited is dated 18/07/1444H (corresponding to 09/02/2023G), as amended on 19/10/1445H (corresponding to 28/04/2024G). 4- The Second Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma Second Development Company Limited is dated 18/07/1444H (corresponding to 09/02/2023G), as amended on 19/10/1445H (corresponding to 28/04/2024G).
Agreement Term and Renewal Mechanism	The terms of the agreements are as follows: 1- The term of the First Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma First Development Company Limited is thirty-three (33) months, commencing on 07/07/1444H (corresponding to 29/01/2023G) and ending on 07/05/1447H (corresponding to 29/10/2025G). 2- The term of the Second Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma First Development Company Limited is thirty (30) months, commencing on 07/07/1444H (corresponding to 29/07/2023G) and ending on 07/05/1447H (corresponding to 29/10/2025G). 3- The term of the First Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma Second Development Company Limited is thirty-three (33) months, commencing on 07/07/1444H (corresponding to 29/01/2023G) and ending on 04/02/1447H (corresponding to 29/10/2025G). 4- The term of the Second Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma Second Development Company Limited is thirty (30) months, commencing on 07/07/1444H (corresponding to 29/01/2023G) and ending on 04/02/1447H (corresponding to 29/07/2025G).
Subject of the Agreement	Four (4) agreements have been entered into between Alinma First Development Company Limited and Alinma Second Development Company Limited - in their capacity as owners of the relevant land plots and representatives of the Company - with Saudi Arabian Baytur Construction Co. Under these agreements, the services provided by Saudi Arabian Baytur Construction Co. include, but are not limited to, the construction, completion, testing and commissioning of works, along with verifying that the works are operational, functional and sustainable. Saudi Arabian Baytur Construction Co. shall also be responsible for the supply of labor, execution and construction with third parties, as well as modification and remediation of any defects related to the submitted works. Furthermore, under the First Construction Agreement between Saudi Arabian Baytur Construction Co. and Alinma First Development Company Limited, Saudi Arabian Baytur Construction Co. is responsible for constructing a bus rapid transit station on the land specified in the aforementioned agreement.
Pricing and Amendments	Each agreement of Saudi Arabian Baytur Construction Co. shall have a total agreed value payable by Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable) consisting of a lump sum and periodic payments due from Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable) to Saudi Arabian Baytur Construction Co. to cover the general expenses and profits of Saudi Arabian Baytur Construction Co. in respect of various business activities. Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable) may make an advance payment to Saudi Arabian Baytur Construction Co. not exceeding a certain percentage of the value of the relevant contract, against a bank guarantee for the same amount. Such advance payment shall be repayable immediately on demand in a manner agreed upon by Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable). Saudi Arabian Baytur Construction Co. shall ensure that the guarantees are valid and enforceable until the advance payment is repaid.

Material Obligations	The works related to the agreements of Saudi Arabian Baytur Construction Co. shall not be deemed to have been completed until the following has been achieved: 1- Completion of the works in accordance with the provisions of such agreements; 2- All approvals have been obtained from the relevant authorities to utilize the works for their intended purpose; 3- Provision of all evidence of implementation, operation and management of works carried out, as required by the Company's engineer; 4- Provision of all manufacturer's warranties that may be specified by the Company's engineer; 5- Any defects and/or items of incomplete work are minor and not material in nature; and 6- Full clean-up of the works and site survey, all to the satisfaction of the Company.
Termination	The agreements of Saudi Arabian Baytur Construction Co. shall be terminated in the event: 1- Saudi Arabian Baytur Construction Co. fails to perform any of its obligations under the Saudi Arabian Baytur Construction Co. agreements for a period of twenty-eight (28) days from the date of it being notified of such failure; 2- Saudi Arabian Baytur Construction Co. delays the commencement of, or delays or discontinues the provision of, any of the services under the Saudi Arabian Baytur Construction Co. agreements; 3- Saudi Arabian Baytur Construction Co. breaches the terms of the Saudi Arabian Baytur Construction Co. agreements or fails to comply with its contractual obligations; or 4- Damages resulting from any delay by Saudi Arabian Baytur Construction Co. exceed the maximum limit stipulated in the Saudi Arabian Baytur Construction Co. agreements.
Assignment/ Change of Control	The agreement does not provide for any restrictions relating to assignment or change in control.
Governing Law and Jurisdiction	Saudi Arabian Baytur Construction Co. agreements shall be governed by and construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration administered by the Saudi Center for Commercial Arbitration (SCCA).
Other Provisions	Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable) may make an advance payment to Saudi Arabian Baytur Construction Co. not exceeding a certain percentage of the value of the relevant contract, against a bank guarantee for the same amount. Such advance payment shall be repayable immediately on demand in a manner agreed upon by Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable). Saudi Arabian Baytur Construction Co. shall ensure that the guarantees are valid and enforceable until the advance payment is repaid. Saudi Arabian Baytur Construction Co. shall provide Alinma First Development Company Limited and Alinma Second Development Company Limited (as applicable) with a performance bond equivalent to a certain percentage of the value of the relevant contract as a partial guarantee of Saudi Arabian Baytur Construction Co.'s performance of its obligations. The aforementioned bond shall be submitted within fifteen (15) days from the commencement date specified in the site handover certificate. If the value of the relevant contract increases by an amount equal to or exceeding a certain percentage of the previous value – as determined from time to time in accordance with the Saudi Arabian Baytur Construction Co. agreements – Saudi Arabian Baytur Construction Co. shall ensure that the value of the performance bond is increased commensurate with the value of the amended contract. Both Alinma First Development Company Limited and Alinma Second Development Company Limited have submitted a declaration of a payment and performance bond dated 04/09/1445H (corresponding to 14/03/2024G) in favor of Saudi Arabian Baytur Construction Co., whereby both Alinma First Development Company Limited and Alinma Second Development Company Limited acknowledge the guarantee of any finance obtained by Saudi Arabian Baytur Construction Co. in connection with its obligations under the agreement.

c- Drilling Agreement with Al Dhahry Group of Companies for Trading & Contracting

Table (12.7): Summary of Key Terms of the Drilling Agreement with Al Dhahry Group of Companies for Trading & Contracting

Title of the Agreement	Drilling Agreement with Al Dhahry Group of Companies for Trading & Contracting
Parties	• The Company • Al Dhahry Group of Companies for Trading & Contracting
Date	30/01/1441H (corresponding to 29/09/2019G), as amended on 21/11/1441H (corresponding to 12/07/2020G), 02/07/1442H (corresponding to 14/02/2021G), 03/1443H (corresponding to 11/2021G), 30/05/1443H (corresponding to 03/01/2022G) and 18/03/1445H (corresponding to 03/10/2023G), which was subsequently extended pursuant to a new framework agreement entered into by the parties on 19/06/1445H (corresponding to 01/01/2024G).
Agreement Term and Renewal Mechanism	The term of this agreement commenced on 07/02/1441H (corresponding to 06/10/2019G). The initial term for completion of the works under this agreement was set at ten (10) months, commencing on 07/02/1441H (corresponding to 06/10/2019G), inclusive of the Ramadan and Hajj seasons. The term for completion of the works under this agreement was extended thereafter to conclude on 18/06/1445H (corresponding to 31/12/2023G). Work on the new framework agreement is scheduled to commence on 19/06/1445H (corresponding to 01/01/2024G). The duration set for the completion of the works under the new framework agreement is thirty-six (36) months, ending on 22/07/1448H (corresponding to 31/12/2026G).
Subject of the Agreement	The Company has appointed Al Dhahry Group of Companies for Trading & Contracting to undertake the rock excavation works adjacent to Jabal Omar, including the off-site disposal of all materials for Masar Destination, rock excavation and/or blasting works. In order to perform the services under this agreement, the Company shall appoint a drilling engineer to perform the duties under this agreement. Al Dhahry Group of Companies for Trading & Contracting shall execute and complete the works in accordance with the terms of this agreement and the instructions of the drilling engineer and shall remedy any defects in the completed works.
Pricing and Amendments	The Company shall pay Al Dhahry Group of Companies for Trading & Contracting a lump amount as specified in the agreement. Al Dhahry Group of Companies for Trading & Contracting shall submit a statement in three (3) copies to the drilling engineer after the end of each fortnight in a form approved by the drilling engineer. Such statement shall detail the amounts that Al Dhahry Group of Companies believes it is owed and shall be accompanied by supporting documentation. The Company shall then pay Al Dhahry Group of Companies for Trading & Contracting: 1- The first installment of the down payment within forty-two (42) days of the issuance of the acceptance letter or within twenty-one (21) days of receipt of the documents; 2- The amount approved in each interim payment certificate within thirty (30) days of the drilling engineer's approval of the statement and supporting documentation; and 3- The amount approved in the final payment certificate within fifty-six (56) days of the Company's receipt of such payment certificate. The Company shall make a down payment as an interest-free loan to support cash flow upon the provision of a performance bond by Al Dhahry Group of Companies for Trading & Contracting. The down payment shall be repaid through proportionate deductions as specified in the agreement.
Governing Law and Jurisdiction	This Agreement shall be governed by the laws in force in the Kingdom. Any dispute arising therefrom which cannot be amicably resolved within twenty-eight (28) days of referral of the dispute to the respective representatives, or such other period as the parties may agree, may be referred to arbitration.

d- Agreement for the Design and Construction of the Headquarters/Experience and Exhibition Center for Masar Destination with Service Provider 5

Table (12.8): Summary of Key Terms of the Agreement for the Design and Construction of the Headquarters/Experience and Exhibition Center for Masar Destination with Service Provider 5

Title of the Agreement	Agreement for the Design and Construction of the Headquarters/Experience and Exhibition Center for Masar Destination with Service Provider 5
Parties	• The Company • Service Provider 5
Date	The agreement is undated and was amended on 01/12/1444H (corresponding to 19/06/2023G), 02/12/1444H (corresponding to 20/06/2023G), 06/02/1445H (corresponding to 22/08/2023G), 26/02/1445H (corresponding to 11/09/2023G), 18/07/1445H (corresponding to 30/01/2024G), 22/08/1445H (corresponding to 03/03/2024G), 06/10/1445H (corresponding to 15/04/2024G) and 19/11/1445H (corresponding to 27/05/2024G).
Agreement Term and Renewal Mechanism	The term of this agreement is nine (9) months, commencing on 24/05/1443H (corresponding to 28/12/2021G) and ending on 02/03/1444H (corresponding to 28/09/2022G). The term of the Agreement was subsequently extended until 12/12/1444H (corresponding to 30/06/2023G).(1)
Subject of the Agreement	Under this agreement, Service Provider 5 will act as the contractor for the design and construction of the Company's headquarters/experience and exhibition center located within Masar Destination, and Service Provider 5 will perform all necessary works in support of the above.
Pricing and Amendments	The Company shall pay to Service Provider 5 a lump sum as specified in the agreement.
Governing Law and Jurisdiction	This Agreement shall be governed by and construed in accordance with the laws of the Kingdom. Any dispute arising therefrom which cannot be resolved amicably shall be referred to arbitration administered in accordance with the Saudi arbitration rules, with the seat of arbitration being in Jeddah.

(1) The Parties have requested the activation of the arbitration clause under the Agreement. Works related to the Agreement renewal or termination have been suspended until the arbitration dispute is resolved. The arbitration dispute has not been resolved until the date of this Prospectus (for more information on the arbitration dispute, please refer to Section No. 12.8.4 "**Arbitration Dispute**" of this Prospectus).

e- Design and Construction Services Agreement for an Experience Center with Midwam Edutainment (hereinafter referred to as "Midwam")

Table (12.9): Summary of Key Terms of the Design and Construction Services Agreement for an Experience Center with Midwam Edutainment

Title of the Agreement	Design and Construction Services Agreement for an Experience Center with Midwam Edutainment
Parties	• The Company • Midwam Edutainment
Date	The agreement was signed on 14/10/1443H (corresponding to 15/05/2022G). The effective date of this agreement with respect to the design phase is 24/09/1443H (corresponding to 25/04/2022G), while the effective date with respect to the construction phase is by the date of handover of the site on 22/08/1444H (corresponding to 14/03/2023G).
Agreement Term and Renewal Mechanism	The term of this agreement is nine (9) months, commencing on 24/05/1443H (corresponding to 28/12/2021G) and ending on 02/03/1444H (corresponding to 28/09/2022G). The term of the Agreement was subsequently extended until 12/12/1444H (corresponding to 30/06/2023G). As of the date of this Prospectus, the agreement remains in effect with respect to a portion of the business under the agreement.
Subject of the Agreement	Under this agreement, Midwam acts as a contractor to carry out the design and construction of the Company's experience center located within Masar Destination, and Midwam shall carry out all necessary works to support the above.
Pricing and Amendments	The Company shall pay Midwam a lump sum as specified in the agreement.
Material Obligations	Midwam shall commence the works on the specified effective date and shall proceed expeditiously and without delay to complete the works within the completion period, which is (i) sixteen (16) weeks from the effective date of the design phase; and (ii) eighteen (18) weeks from the completion of the design phase and handover of the site for commencement of the construction phase.
Governing Law and Jurisdiction	This Agreement shall be governed by and construed in accordance with the laws of the Kingdom. Any dispute arising therefrom which cannot be resolved amicably shall be referred to arbitration administered in accordance with the Saudi arbitration rules, with the seat of arbitration being in Jeddah.

f- Design, Construction, Supply, Testing and Operation Agreement with Alfanar Projects (hereinafter referred to as "Alfanar Projects")

Table (12.10): Summary of Key Terms of the Design, Construction, Supply, Testing and Operation Agreement with Alfanar Projects

Title of the Agreement	Design, Construction, Supply, Testing and Operation Agreement with Alfanar Projects
Parties	• The Company • Alfanar Projects
Date	24/02/1446H (corresponding to 28/08/2024G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of twenty-four (24) calendar months from the date thereof and shall expire on 15/03/1448H (corresponding to 28/08/2026G).
Subject of the Agreement	Alfanar Projects shall act as the contractor to design, construct, supply, test and operate a new 380/110/13.8 KV station within Masar Destination.
Pricing and Amendments	The Company shall pay Alfanar Projects a lump sum as specified in the agreement.
Termination	The Company shall have the right, at its sole discretion and without cause, to terminate the development agreement by giving Alfanar Projects a fourteen (14)-day notice.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and implemented in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in the Kingdom.

12.3.2 Infrastructure Agreements

The Company has entered into eleven (11) infrastructure agreements with numerous parties to carry out infrastructure support services in relation to Masar Destination. The total value of the infrastructure agreements amounted to approximately two billion, one hundred and thirty-five million, four hundred and seventy-two thousand, four hundred and eighty-two Saudi Riyals (SAR 2,135,472,482) as of 30 June 2024G. The costs incurred for these agreements are capitalized and are therefore not reflected in the Company's income statement, but rather within the assets in the balance sheet. The key terms of these agreements are summarized below:

a- Memorandum of Understanding with Makkah Province Development Authority

Table (12.11): Summary of Key Terms of the Memorandum of Understanding with Makkah Province Development Authority

Title of the Agreement	Memorandum of Understanding with Makkah Province Development Authority
Parties	• The Company • Makkah Province Development Authority
Date	03/08/1435H (corresponding to 01/06/2014G).
Agreement Term and Renewal Mechanism	The term of this Memorandum of Understanding shall commence on the effective date thereof and shall expire upon the execution by the two parties of the detailed development agreement or ninety-nine (99) years after the date of final delivery of the scope of work, whichever is earlier. The parties have not agreed on the final delivery date mentioned above as of the date of this Prospectus.
Subject of the Agreement	Since Makkah Province Development Authority is the entity responsible for developing Makkah Metro project that intersects with the sites within Masar Destination, the two parties have concluded this Memorandum of Understanding in order to organize the coordination between them with respect to the intersection of the Makkah Metro project with Masar Destination.
Pricing and Amendments	The Memorandum of Understanding does not specify a payment mechanism. As such, the Company shall implement the works stipulated thereunder without cash consideration. In the event that Masar Destination is expropriated by the Government or any Government entity, the parties agree that all amounts due on the expropriated parts shall be paid to the Company.

Material Obligations	The Company shall implement the works stipulated under the Memorandum of Understanding, which include the design and implementation of the concrete infrastructure that forms part of the stations and metro lines of the Makkah Metro project which are located within the boundaries of the Masar Destination. The Company shall provide Makkah Province Development Authority with an implementation plan for the concrete infrastructure, including the time frame and work implementation stages. The Company reserves the right to have full control over Masar Destination and to control access to the designated area, including the employees of Makkah Province Development Authority. Makkah Province Development Authority shall appoint supervisors who shall be approved and whose positions shall be determined by the Company. In the event the Company delays in implementing the works subject to this Memorandum of Understanding beyond the agreed timeframe, it shall be granted an extension to implement such works if the delay is due to one of the following reasons: 1- Any delay caused by Makkah Province Development Authority or its employees, appointees, affiliates or subcontractors who are implementing the works on or near King Abdulaziz Road; 2- A force majeure event; 3- Any unforeseen circumstances that hinder the work; 4- Pollution or archaeological excavation; 5- The issuance of a change order by Makkah Province Development Authority; 6- Any change in the law that leads to a delay in design or construction; 7- Any directives issued by a Government entity regarding the continuation of work; 8- Any negligence by a Government entity that has an impact on the continuation of work; or 9- Any other reason expressly stated in the detailed development agreement.
Termination	The following events shall constitute events of default by the Company that entitle Makkah Province Development Authority to terminate the Memorandum of Understanding: 1- A material breach of any key obligation specified in the Memorandum of Understanding. 2- Suspension or delay of the implementation of the works for a period of twelve (12) months from the agreed dates resulting directly from the Company's negligence; 3- Abandonment or cancellation of Masar Destination; 4- Abandonment of the scope of work specified in the Memorandum of Understanding; 5- Failure to pay the fees due under the Memorandum of Understanding; or 6- Bankruptcy of the Company.
Governing Law and Jurisdiction	This Memorandum of Understanding is subject to the principles of Islamic Sharia law and shall be interpreted in accordance with the governing laws in the Kingdom.

b- Framework Agreement with the National Water Company (NWC)

Table (12.12): Summary of Key Terms of the Framework Agreement with the NWC

Title of the Agreement	Framework Agreement with the National Water Company (NWC)
Parties	• The Company • The NWC
Date	12/03/1443H (corresponding to 19/10/2021G)
Agreement Term and Renewal Mechanism	The term of the Framework Agreement is seven (7) years, commencing from the date of the agreement and ending on 29/05/1450H (corresponding to 18/10/2028G). Both parties may mutually agree in writing to renew this term for a similar or shorter period, unless one party notifies the other in writing of its intention not to renew the Framework Agreement sixty (60) days prior to its expiration.
Subject of the Agreement	Under the Framework Agreement, the NWC shall provide water and wastewater services to the Company in relation to Masar Destination through connection of the Company's internal service network to the operating and existing potable water and wastewater networks of the NWC. The Company shall be responsible for connecting its internal potable water and wastewater networks to the operating and existing networks of the NWC and connecting services thereto under the supervision and approval of the NWC, in coordination therewith and in compliance with the specifications thereof.

Pricing and Amendments	The prices of water services shall be determined in accordance with the tariff issued pursuant to Council of Ministers' Resolution No. 78, dated 09/02/1436H (corresponding to 01/12/2014G), and Resolution No. 95, dated 17/03/1437H (corresponding to 28/12/2015G), taking into account any amendment issued by the regulatory authorities. The NWC shall collect fees from the Company in accordance with the approved tariffs and based on its actual consumption of potable water and sewage services. Payments shall be made by the Company against monthly invoices issued by the NWC, within a maximum period of thirty (30) days from the date of receipt of such invoices.
Material Obligations	The Framework Agreement provides a strategy for joint work, cooperation and information sharing between the two parties with respect to the provision of potable water and wastewater services, as well as the provision of the necessary resources, infrastructure, facilities, installations, stations, devices, equipment and tools associated with providing such services, along with the projected costs and demand. Until the two parties agree to implement and assign permanent solutions, the NWC shall provide temporary solutions for potable water and wastewater to the Company in agreed quantities for a period of four (4) years starting from 2023G and ending in 2026G. The table below sets out the responsibility assignment matrix for the financial and engineering responsibilities of the two parties under the Framework Agreement:

Table (12.13): Responsibility Assignment Matrix for the Financial and Engineering Responsibilities of the Two Parties under the Framework Agreement with the NWC

Service Type	Project	Total Cost (SAR)	Total Financing of Cost	Engineering and Design Studies	Project Implementation	Cost Management and Supervision	O&M (2 Years)
Potable Water	Potable water line with a diameter of 1,400 mm	A lump sum specified in the agreement	The Company	NWC	NWC	NWC	NWC
	Potable water line comprising 4 lines with a diameter of 700 mm	A lump sum specified in the agreement	The Company	The Company	The Company	NWC (5% of the Company's supervision contracts concluded between the two parties under this agreement)	NWC
Wastewater	Relocation of the main sewage line on the Fourth Ring Road	A lump sum specified in the agreement	The Company	NWC	NWC	NWC	NWC
	Main sewage line on the Old Jeddah Rd	A lump sum specified in the agreement	The Company	NWC	NWC	NWC	NWC
Bearing the Total Cost of Works Under the Framework Agreement		A lump sum specified in the agreement	The Company	NWC	NWC	NWC	NWC

Termination	Either party may terminate the Framework Agreement (at any time) by giving the other party sixty (60) days' notice of termination. In the event of termination of the Framework Agreement before the expiry of its term, the Company shall bear all financial consequences of such termination.
Governing Law and Jurisdiction	The Framework Agreement is subject to the provisions of the Water Law issued by Royal Decree No. M/159, dated 11/11/1441H (corresponding to 02/07/2020G), and its Implementing Regulation pertaining to water services activities issued by Ministerial Resolution No. 1442/140115, dated 07/03/1442H (corresponding to 13/11/2020G), which are subject to any directives, regulations, instructions, specifications, or the like issued by the water services regulator in the Kingdom. Any dispute arising from or related to the Framework Agreement that cannot be settled amicably within sixty (60) days shall be referred to the competent court in Riyadh for settlement.
Other Provisions	The assets, installations, service lines for potable water and wastewater networks, equipment and facilities that will be constructed or installed under the Framework Agreement shall remain the property of the NWC, and the Company shall not be entitled to claim any compensation with respect thereto. In addition, the NWC shall have the right to utilize the above in providing its services to other subscribers, provided that the Company shall retain its right to obtain the full services stipulated in the Framework Agreement.

c- Design, Implementation, Completion, Operation and Maintenance Agreement of the Pneumatic Solid Waste Collection System with MariMatic (hereinafter referred to as “MariMatic”)

Table (12.14): Summary of Key Terms of the Design, Implementation, Completion, Operation and Maintenance Agreement of the Pneumatic Solid Waste Collection System with MariMatic

Title of the Agreement	Design, Implementation, Completion, Operation and Maintenance Agreement of the Pneumatic Solid Waste Collection System with MariMatic
Parties	• The Company • MariMatic • MariMatic Saudi for Environmental Services
Date	25/09/1441H (corresponding to 18/05/2020G), as amended on 07/08/1443H (corresponding to 10/03/2022G) and 25/09/1442H (corresponding to 07/05/2021G).
Agreement Term and Renewal Mechanism	The term of this agreement is one hundred and thirty-two (132) months, commencing on 09/07/1441H (corresponding to 04/03/2020G) and expiring on 10/11/1452H (corresponding to 04/03/2031G). The time for completion of the design and construction phase has been set at sixty (60) months calculated from the commencement date. The time for completion of the operation service phase has been set at ninety-six (96) months, extendable to ten (10) years by mutual agreement between the two parties. Upon completion of the design and construction phase, the Company shall issue an operation certificate indicating the date on which the design and construction phase was completed and the operation service phase began. MariMatic shall develop and submit an Operations and Maintenance Manual, process flowchart and maintenance strategy and shall complete and submit the aforementioned documents one hundred and twenty (120) days prior to the day of operation.
Subject of the Agreement	Under the agreement, MariMatic shall design, implement, complete, operate and maintain the pneumatic solid waste collection system, which is a waste disposal system with a maximum capacity of 270 tons/day of waste disposed of in relation to Masar Destination. Pursuant to the amendments dated 07/08/1443H (corresponding to 10/03/2022G) and 25/09/1442H (corresponding to 07/05/2021G), MariMatic has transferred its obligations under the agreement to MariMatic Saudi for Environmental Services.
Pricing and Amendments	The Company shall pay MariMatic Group a total amount as specified in the agreement, consisting of a lump sum representing the fixed component of the design and construction phase and a fixed price component subject to recalculation. In the event of any change in the works, whether pursuant to the Company instructions or approval, a decision shall be taken in accordance with the terms of the agreement to determine the amendments to the value of the agreement. During the operation service phase, the revenues generated from waste disposal shall belong exclusively to the Company. MariMatic shall provide the Company with a statement at the end of each month detailing the amounts it considers to be due, together with supporting documents. Upon the provision of such statement and supporting documents, the Company’s representative shall, within twenty-eight (28) days of receipt of the statement and supporting documents, issue an interim payment certificate to the Company with a copy thereof to MariMatic. The said certificate shall state the amount the Company’s representative fairly determines to be due, together with supporting details. The Company shall then pay the amount approved in each payment certificate within fifty-six (56) days of receipt by the Company’s representative of the statement and supporting documents.
Material Obligations	MariMatic shall provide training to Company’s personnel in the operation and maintenance of the pneumatic solid waste collection system. To this end, MariMatic shall provide experienced training personnel and all of the necessary training materials. MariMatic shall provide the Company with two copies of all operation and maintenance manuals, which shall contain sufficient details to enable the Company to operate, maintain, disassemble, reassemble, adjust and repair the pneumatic solid waste collection system.
Termination	The Company may terminate this agreement at any time, and the Company may suspend the works at any time by instructing MariMatic to do so. If any suspension continues for more than one hundred and twenty (120) days, MariMatic may request permission from the Company to continue the works. If the Company does not grant such permission within twenty-eight (28) days, MariMatic may treat such a suspension as a variation in the scope of the work with respect to the affected part of the works. If the suspension affects the entire works, MariMatic may give a notice of termination to the Company. Should the Company fail to approve an interim payment statement or make the payments due, MariMatic may, by giving twenty-one (21) days’ notice, suspend the works until such a time as it receives an interim payment certificate, reasonable evidence of payment, or proof of payment. MariMatic may terminate this agreement if the Company’s representative fails to issue a payment certificate within fifty-six (56) days after receiving an interim payment statement and supporting documentation. In the cases previously mentioned in this paragraph, MariMatic may terminate the agreement by giving the Company one hundred and eighty-two (182) days’ notice. If the event giving rise to such a notice is remedied within one hundred and eighty-two (182) days, MariMatic shall have no right to terminate.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute, disagreement or claim arising therefrom that cannot be settled amicably shall be referred to arbitration in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

d- Agreement for the Provision of Electricity Services to the Company to Support the Required Capacity for the First Phase of Masar Destination Concluded with National Grid SA, a Subsidiary of the Saudi Electricity Company (hereinafter referred to as the "National Grid")

Table (12.15): Summary of Key Terms of the Agreement for the Provision of Electricity Services to the Company to Support the Required Capacity for the First Phase of Masar Destination Concluded with National Grid SA, a Subsidiary of the Saudi Electricity Company

Title of the Agreement	Agreement for the Provision of Electricity Services to the Company to Support the Required Capacity for the First Phase of Masar Destination Concluded with the National Grid SA, a Subsidiary of the Saudi Electricity Company
Parties	• The Company • National Grid SA - a subsidiary of the Saudi Electricity Company (SEC)
Date	17/06/1443H (corresponding to 20/05/2022G).
Agreement Term and Renewal Mechanism	The term of the agreement is thirty-six (36) months, commencing from the date of the agreement and ending on 20/07/1446H (corresponding to 20/01/2025G). Both parties may mutually agree in writing to renew the term of the agreement through a written notice from one party to the other sixty (60) business days prior to the expiry of the term of the agreement.
Subject of the Agreement	Under this agreement, the National Grid shall provide electricity services to the Company in order to support the required capacity for the first phase of Masar Destination.
Pricing and Amendments	The Company shall pay the National Grid a lump sum as specified in the agreement, subject to change based on additional or complementary works that may be required or changes requested by the Company. Furthermore, in return for National Grid's supervision of the work, the Saudi Water and Electricity Regulatory Authority may determine the supervision fees that the Company undertakes to pay to the National Grid upon notification of such fees.
Material Obligations	The Company shall support the National Grid by providing qualified contractors to design, manufacture, supply, construct, test and operate the facilities in accordance with the specifications approved by the National Grid. In addition, the Company shall be responsible for obtaining all necessary easements and permits for the installation of power lines to transmit electricity from the National Grid network to the stations to be constructed at the Masar Destination site, along with all civil works associated with such stations. The Company shall also implement the expansion of the Makkah West Substation owned by the National Grid. Once the main plant and its substations are operational, the National Grid shall commence the provision of electricity services to be priced in accordance with the applicable tariff as determined by the competent Government authorities from time to time.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute that cannot be settled amicably within sixty (60) business days shall be referred to the competent judicial authority in the Kingdom for settlement.

e- Information and Communications Technology Systems Supply, Installation, Testing and Operation Services Agreement with BTC (hereinafter referred to as "BTC")

Table (12.16): Summary of Key Terms of the Information and Communications Technology Systems Supply, Installation, Testing and Operation Services Agreement with BTC

Title of the Agreement	Information and Communications Technology Systems Supply, Installation, Testing and Operation Services Agreement with BTC
Parties	• The Company • BTC
Date	17/06/1443H (corresponding to 20/05/2022G).
Agreement Term and Renewal Mechanism	BTC shall perform and complete the works stipulated under this agreement within a period of twelve (12) months starting from the date of the notice to proceed submitted to BTC on 03/01/1444H (corresponding to 01/08/2022G). Pursuant to the extension addendum dated 09/01/1445H (corresponding to 27/07/2023G), an extension of two hundred and ninety-two (292) days was granted for completion of the works and the provision of additional works by BTC. Accordingly, BTC shall complete the works by 23/11/1445H (corresponding to 31/05/2024G). As of the date of this Prospectus, the parties are in negotiations to extend the term of this agreement. It is expected that such negotiations will be completed and the agreement will be extended before the end of 2024G.

Subject of the Agreement	Under this agreement, BTC shall provide services for the supply, installation, testing and operation of the Company's information and communication technology systems in relation to Masar Destination. The works provided by BTC include, but are not limited to, the supply of resources, implementation, construction, coordination with third parties, temporary works, testing during implementation, modification, balancing, operation, completion, testing upon completion, and repair and treatment of defects related to the information and communication technology systems during the warranty period.
Pricing and Amendments	The Company shall pay BTC a lump sum as specified in the agreement. The Company may make an advance payment to BTC not exceeding a certain percentage of the contract amount, against a bank guarantee for the same amount. Such an advance payment shall be repayable immediately upon demand in a manner approved by the Company. BTC shall ensure that the guarantees are valid and enforceable until the advance payment is repaid.
Material Obligations	The Company shall support BTC by providing qualified contractors to design, manufacture, supply, construct, test and operate the facilities in accordance with the specifications approved by the National Grid. In addition, the Company shall be responsible for obtaining all necessary easements and permits for the installation of power lines to transmit electricity from the National Grid network to the substations to be constructed at the Masar Destination site, along with all civil works associated with such substations. The Company shall also implement the expansion of the Makkah West Substation owned by the National Grid. Once the main plant and its substations are operational, the National Grid shall commence the provision of electricity services to be priced in accordance with the applicable tariff as determined by the competent Government authorities from time to time.
Governing Law and Jurisdiction	This agreement shall be governed by the laws in force in the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within twenty-eight (28) days may be referred to arbitration administered by the Saudi Center for Commercial Arbitration in accordance with its rules for final and binding resolution.
Other Provisions	BTC shall provide the Company with a performance bond equivalent to a certain percentage of the above-mentioned value as a partial guarantee of BTC's performance of its obligations. The aforementioned bond shall be provided within fifteen (15) days from the date of notification of the award letter issued by the Company to BTC, which was dated 27/11/1443H (corresponding to 26/06/2022G). Upon any increase in the contract value by an amount equal to or exceeding a specified percentage of the previous value, as determined from time to time in accordance with this agreement, BTC shall be required to adjust the amount of the performance bond upwards in line with the revised contract value.

f- New Cable Design, Manufacture, Acquisition, Testing and Operation Services Agreement with Civil and Electrical Projects Contracting Company Limited (CEPCO)

Table (12.17): Summary of Key Terms of the New Cable Design, Manufacture, Acquisition, Testing and Operation Services Agreement with Civil and Electrical Projects Contracting Company Limited (CEPCO)

Title of the Agreement	New Cable Design, Manufacture, Acquisition, Testing and Operation Services Agreement with Civil and Electrical Projects Contracting Company Limited (CEPCO)
Parties	• The Company • Civil and Electrical Projects Contracting Company Limited (CEPCO)
Date	01/09/1444H (corresponding to 23/03/2023G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of sixteen (16) calendar months, commencing on 13/08/1444H (corresponding to 05/03/2023G). The agreement has been extended for an additional period ending on 16/09/1446H (corresponding to 16/03/2025G).
Subject of the Agreement	Under this agreement, CEPCO shall provide design, manufacture, acquisition, testing and operation services for new cables that will be installed between the agreed substations within Masar Destination. CEPCO shall complete and provide the necessary structures and equipment, and shall ensure that they are properly designed, engineered, manufactured, installed, constructed and completed. CEPCO shall further ensure that such cables are operational, functional and sustainable.
Pricing and Amendments	The Company shall pay CEPCO a lump sum as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and implemented in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to the courts of the Kingdom.

g- Smart Platform Development Agreement with Avanceon Arabia InfoTech (hereinafter referred to as "Avanceon")

Table (12.18): Summary of Key Terms of the Smart Platform Development Agreement with Avanceon

Title of the Agreement	Smart Platform Development Agreement with Avanceon
Parties	• The Company • Avanceon Arabia InfoTech
Date	25/04/1445H (corresponding to 09/11/2023G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of ten (10) calendar months, commencing on 20/02/1445H (corresponding to 05/09/2023G) and ending on 29/12/1445H (corresponding to 05/07/2024G). As of the date of this Prospectus, the Parties are negotiating on the extension of the Agreement term. It is expected that such negotiations and the extension of the Agreement term will be completed during January 2025G.
Subject of the Agreement	Avanceon shall act as the contractor for the supply, installation, testing, and operation of the smart platform within Masar Destination.
Pricing and Amendments	The Company shall pay Avanceon a lump sum as specified in the agreement.
Termination	The Company may, at its sole discretion and without cause, terminate the Development Agreement by giving a fourteen (14) days' notice to Avanceon.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within fifty-six (56) days shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.

h- Agreement for the Implementation and Development of the Waste Transfer Station Building with Compass Contracting Company Limited (hereinafter referred to as "Compass")

Table (12.19): Summary of Key Terms of the Agreement for the Implementation and Development of the Waste Transfer Station Building with Compass

Title of the Agreement	Agreement for the Implementation and Development of the Waste Transfer Station Building with Compass
Parties	• The Company • Compass Contracting Company Ltd
Date	14/05/1445H (corresponding to 28/11/2023G)
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of ten (10) calendar months, commencing on 28/05/1445H (corresponding to 12/10/2023G) and ending on 09/04/1446H (corresponding to 12/10/2024G).
Subject of the Agreement	Compass shall act as the contractor for the implementation, completion and maintenance of the construction of the waste transfer station building within Masar Destination.
Pricing and Amendments	The Company shall pay Compass a lump sum as specified in the agreement.
Termination	The Company may, at its sole discretion and without cause, terminate the Development Agreement by giving a fourteen (14) days' notice to Compass. The termination of the agreement shall take effect twenty-eight (28) days after the date on which Compass receives the notice or the Company returns the performance bond to Compass, whichever is later.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within fifty-six (56) days shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.

i- Design, Construction and Expansion Agreement with Alfanar Construction (hereinafter referred to as "Alfanar Construction")

Table (12.20): Summary of Key Terms of the Design, Construction and Expansion Agreement with Alfanar Construction

Title of the Agreement	Design, Construction and Expansion Agreement with Alfanar Construction
Parties	• The Company • Alfanar Construction
Date	12/11/1444H (corresponding to 01/05/2023G)
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of twenty-eight (28) calendar months, commencing from the date of the agreement and ending on 09/04/1447H (corresponding to 01/10/2025G).
Subject of the Agreement	Alfanar Construction shall act as the contractor for the design, construction, supply, testing and commissioning of a new 380/110/13.8 kV substation (Masar Substation 1) and the expansion of the 380 kV Makkah West Substation within Masar Destination.
Pricing and Amendments	The Company shall pay Alfanar Construction a lump sum as specified in the agreement.
Termination	The Company may, at its sole discretion and without cause, terminate the Development Agreement by giving a fourteen (14) days' notice to Alfanar Construction.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and implemented in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in the Kingdom.

j- Construction Agreement with Iconic Industries (hereinafter referred to as "Iconic")

Table (12.21): Summary of Key Terms of the Construction Agreement with Iconic

Title of the Agreement	Construction Agreement with Iconic
Parties	• The Company • Iconic Industries
Date	The agreement is undated.
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of twelve (12) calendar months, commencing on 18/06/1445H (corresponding to 31/12/2023G) and ending on 30/04/1446H (corresponding to 31/12/2024G). The start date of the agreement was subsequently amended to commence on 24/12/1445H (corresponding to 30/06/2023G), with the expiry date remaining as 30/04/1446H (corresponding to 31/12/2024G).
Subject of the Agreement	Iconic shall act as the contractor for the design, supply, and installation of barriers within Masar Destination.
Pricing and Amendments	The Company shall pay Iconic a lump sum as specified in the agreement. Iconic shall provide a performance bond of 5% of the total contract value and professional liability insurance of not less than five million Saudi Riyals (SAR 5,000,000) per claim for any services rendered to the Company under this agreement, with an aggregate limit of ten million Saudi Riyals (SAR 10,000,000).
Termination	The Company may, at its sole discretion and without cause, terminate the agreement by giving a fourteen (14) days' notice to Iconic. The maximum aggregate liability of Iconic for breach of duty of care or of the Company in connection with any of its obligations shall not exceed 100% of the fees due and/or paid under each work order, subject to such amount being amended by the parties.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within twenty-eight (28) days shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.

k- Cooling Services Agreement with a Saudi Cooling Services Provider

Table (12.22): Summary of Key Terms of the Cooling Services Agreement with Saudi Cooling Services Provider

Title of the Agreement	Cooling Services Agreement with Saudi Cooling Services Provider
Parties	• The Company • Saudi Cooling Services Provider
Date	15/07/1446H (corresponding to 15/01/2025G).
Agreement Term and Renewal Mechanism	This agreement shall commence on 15/07/1446H (corresponding to 07/01/2025G). and expiring on 18/08/1449H (corresponding to 15/01/2028G), and shall remain in effect for a period of three (3) years. This agreement shall be renewable by written agreement between the parties six (6) months prior to term expiry.
Subject of the Agreement	Saudi Cooling Services Provider shall provide cooling services in connection with the first phase of the construction of Masar Destination. The cooling services consist of the supply of chilled water to cool the spaces through the district cooling system. Saudi Cooling Services Provider will ensure that the cooling services are fully operational as per the agreement.
Pricing and Amendments	The Company shall pay a two-part service fee to Saudi Cooling Services Provider for cooling services as set out below: • monthly contractual capacity fee rate. • average hourly consumption charge. the consumption charge rate is paid for the actual consumption of cooling services by the company and as measured in the measuring equipment installed at the central cooling station within the masar destination is calculated by multiplying the consumption charge rate by the actual cooling services consumed. the components of the consumption charge rate are: - the electricity tariff is per hour. - water tariff is per hour. The agreed service amount must be determined during the term and will not be subject to any amendment during the term. however, in the event of an increase/decrease in the cost of any consumption Rate Component, the Saudi Cooling Services Provider shall notify the Company of such increase/decrease accompanied by evidence thereof and the consumption fee rate component will be adjusted accordingly.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom of Saudi Arabia.

12.3.3 Consulting and Facilities Management Agreements

The Company has entered into eight (8) consulting agreements with consultants for the provision of consulting services with respect to public services, project cost design and management and construction supervision consultancy in relation to Masar Destination. The key terms of these agreements are summarized below:

The Company has entered into eight (8) consulting and facilities management agreements with consultants and operators to provide consulting services in public services, design and project cost management, construction supervision consulting and facilities management in relation to Masar Destination. The total costs resulting from consulting and facilities management agreements amounted to approximately seven hundred and seven million, three hundred and three thousand, five hundred and twenty-one Saudi Riyals (SAR 707,303,521) as of 30 June 2024G. The key terms of these agreements are summarized below:

a- Project Management and Construction Supervision Services Agreement with KEO International Consultants (hereinafter referred to as "KEO Company")

Table (12.23): Summary of Key Terms of the Project Management and Construction Supervision Services Agreement with KEO Company

Title of the Agreement	Project Management and Construction Supervision Services Agreement with KEO Company
Parties	• The Company • KEO Company
Date	01/07/1436H (corresponding to 20/04/2015G), as amended on 25/07/1440H (corresponding to 01/04/2019G) and on 26/08/1443H (corresponding to 29/03/2022G).

Agreement Term and Renewal Mechanism	The term of this agreement is sixty (60) months, commencing on 28/04/1436H (corresponding to 01/03/2015G), and has been extended until 30/06/1446H (corresponding to 31/12/2024G).
Subject of the Agreement	Pursuant to the agreement, KEO Company shall provide project management and construction supervision services to the Company in relation to Masar Destination. The scope of services provided by KEO Company covers the planning and design management stages, the post-construction stage and the project closure stage in relation to Masar Destination.
Pricing and Amendments	The Company shall pay to KEO Company a total amount as specified in the agreement. In addition, there are estimated fees payable by the Company to KEO Company in relation to the services it will perform during the extension periods as specified in the agreement. The aforementioned fees shall be paid on a monthly basis according to the invoices submitted by KEO Company to the Company. Invoices shall be based on the actual number of KEO Company employees and/or individuals assigned to the project to perform the services subject to the agreement during each month of the term and such assignments shall be subject to the prior written approval of the Company. The Company shall pay valid invoices submitted with supporting documents, which are not disputed within fourteen (14) days of receipt thereof and thirty (30) days after such receipt. The Company shall pay to KEO Company the net cost of all additional reimbursable expenses incurred in the course of performing services by KEO Company provided that KEO Company shall have obtained the Company's written consent prior to incurring such expenses.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom which cannot be resolved amicably shall be referred to and finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce in effect as of the date of this agreement. The tribunal shall consist of three arbitrators appointed in accordance with the Arbitration Rules of the International Chamber of Commerce and the laws of the Kingdom.
Other Provisions	The Company's payment obligations shall be subject to a pre-condition that KEO Company shall provide a performance bond in the amount of a specified percentage of the total estimated value. This bond shall remain in effect and enforceable until the date of twenty (20) days after the expiration of this agreement or the date on which there are no unresolved performance disputes arising out of or relating to this agreement. In addition to the foregoing, KEO Company shall replace or provide an additional performance bond, as applicable, such that the total amount of all performance bonds provided shall be refunded to a specified percentage when the Company submits a request under the performance bond or the estimated contract value is increased pursuant to an agreement between the parties or the financial institution issuing the performance bond is no longer approved by the Company, the performance bond is approaching expiry or elapse or is no longer in full force and effect.

b- First Consulting Services Agreement between the Company and DAR International for Engineering Consultancy (hereinafter referred to as "DAR Engineering")

Table (12.24): Summary of Key Terms of the First Consulting Services Agreement between the Company and DAR Engineering

Title of the Agreement	First Consulting Services Agreement between the Company and DAR Engineering
Parties	• The Company • DAR Engineering
Date	25/12/1443H (corresponding to 24/07/2022G).
Agreement Term and Renewal Mechanism	The term of this agreement shall be forty-two (42) calendar months, commencing from the date of conclusion of the agreement and ending on 27/08/1449H (corresponding to 24/01/2028G).
Subject of the Agreement	DAR Engineering shall act as the consultant to provide construction supervision services on behalf of the Company in connection with the construction of three (3) three-star hotel towers on two adjacent land plots within Masar Destination. DAR Engineering shall be responsible for acting as the project manager for the construction projects, ensuring that construction contracts are executed in accordance with the Company's requirements and the scope of work agreed upon between the Company and the contractors.
Pricing and Amendments	The Company shall pay DAR Engineering a lump sum as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.

c- Second Consulting Services Agreement with DAR International for Engineering Consultancy

Table (12.25): Summary of Key Terms of the Second Consulting Services Agreement between the Company and DAR International for Engineering Consultancy

Title of the Agreement	Second Consulting Services Agreement between the Company and DAR International for Engineering Consultancy
Parties	• The Company • DAR International for Engineering Consultancy
Date	25/12/1443H (corresponding to 24/07/2022G).
Agreement Term and Renewal Mechanism	The term of this agreement shall be forty-two (42) calendar months, commencing from the date of conclusion of the agreement and ending on 27/08/1449H (corresponding to 24/01/2028G).
Subject of the Agreement	DAR Engineering shall act as the consultant to provide construction supervision services on behalf of the Company in connection with the construction of four (4) towers, two (2) commercial centers for lease, service buildings and a bus rapid transit station within Masar Destination. DAR Engineering shall be responsible for acting as the project manager for the construction projects, ensuring that construction contracts are executed in accordance with the Company's requirements and the scope of work agreed upon between the Company and the contractors.
Pricing and Amendments	The Company shall pay DAR Engineering a lump sum as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.

d- Consulting Services Agreement with HKA International Limited (hereinafter referred to as "HKA")

Table (12.26): Summary of Key Terms of the Consulting Services Agreement with HKA

Title of the Agreement	Consulting Services Agreement with HKA
Parties	• The Company • HKA International Limited
Date	08/03/1445H (corresponding to 25/09/2023G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of thirty-six (36) calendar months, commencing from the date of the agreement and ending on 14/04/1448H (corresponding to 25/09/2026G).
Subject of the Agreement	HKA shall act as a consultant to review and provide recommendations on contractual aspects, quantity assessments and time extension assessments for contracts entered into between the Company and third parties.
Pricing and Amendments	The Company shall pay HKA a lump sum as specified in the agreement. HKA shall provide professional indemnity insurance with a minimum limit of ten million Saudi Riyals (SAR 10,000,000) per claim for any services rendered to the Company under this agreement.
Termination	The Company may, at its sole discretion and without cause, terminate the agreement by giving a fourteen (14) days' notice to HKA International Limited.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.
Other Provisions	The maximum aggregate liability of HKA for breach of duty of care or of the Company in connection with any of its obligations shall not exceed 100% of the fees due and/or paid under each work order, subject to such amount being amended by the parties.

e- Consulting Services Agreement with Morganti KSA Ltd.

Table (12.27): Summary of Key Terms of the Consulting Services Agreement with Morganti KSA Ltd.

Title of the Agreement	Consulting Services Agreement with Morganti KSA Ltd.
Parties	• The Company • Morganti KSA Ltd.
Date	17/11/1445H (corresponding to 06/06/2023G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for sixty (60) calendar months, commencing on 22/11/1444H (corresponding to 11/06/2023G) and ending on 29/01/1451H (corresponding to 11/06/2029G). The agreement term may be renewed for one period of two years.
Subject of the Agreement	Morganti shall act as a consultant to provide and manage facilities management services, including operations and maintenance, landscaping, gardening, security and infrastructure services within Masar Destination.
Pricing and Amendments	The Company shall pay Morganti KSA Ltd. a lump sum as specified in the agreement. Morganti KSA shall provide performance bond insurance amounting to 10% of the total value of the agreement.
Termination	The Company may, at its sole discretion and without cause, terminate the agreement by giving a fourteen (14) days' notice to Morganti KSA Ltd.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within fifty-six (56) days shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.
Other Provisions	The maximum aggregate liability of Morganti KSA for breach of duty of care or of the Company in connection with any of its liabilities shall not exceed 100% of the fees due and/or paid under each work order, subject to such amount being amended by the parties.

f- Consulting Services Agreement with SETS Saudi Arabia Engineering Consultants (hereinafter referred to as "SETS")

Table (12.28): Summary of Key Terms of the Consulting Services Agreement with SETS Saudi Arabia Engineering Consultants

Title of the Agreement	Consulting Services Agreement with SETS
Parties	• The Company • SETS Saudi Arabia Engineering Consultants
Date	23/08/1445H (corresponding to 04/03/2024G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of twenty-four (24) calendar months, commencing on 28/04/1445H (corresponding to 12/11/2023G) and ending on 21/05/1447H (corresponding to 12/11/2025G).
Subject of the Agreement	SETS shall act as a consultant to provide various bespoke design services within Masar Destination.
Pricing and Amendments	The Company shall pay SETS a lump sum as specified in the agreement. SETS shall provide professional indemnity insurance with a minimum limit of ten million Saudi Riyals (SAR 10,000,000) per claim for any services rendered to the Company under this agreement.
Termination	The Company shall have the right, at its sole discretion and without cause, to terminate the agreement by giving a fourteen (14) days' notice to SETS.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within twenty-eight (28) days shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.
Other Provisions	The maximum aggregate liability of SETS for breach of duty of care or of the Company in connection with any of its obligations shall not exceed 100% of the fees due and/or paid under each work order, subject to such amount being amended by the parties.

g- Traffic Management Agreement with SETS

Table (12.29): Summary of Key Terms of the Traffic Management Agreement with SETS

Title of the Agreement	Traffic Management Agreement with SETS
Parties	• The Company • SETS
Date	23/03/1445H (corresponding to 08/10/2023G).
Agreement Term and Renewal Mechanism	The commencement date of services under this agreement is 23/03/1445H (corresponding to 08/10/2023G). The total duration for completion of the services shall be thirty-nine (39) weeks from that date, ending on 30/12/1445H (corresponding to 06/07/2024G). SETS has submitted a request to the Company to extend the term of the agreement to 08/11/1446H (corresponding to 06/05/2025G), which, in turn, was approved by the Company. Work is currently underway to complete the procedures for extending the agreement. The extension is set to be until 08/11/1446H (corresponding to 06/05/2025G). As of the date of this Prospectus, the extension of the agreement procedures are still under way.
Subject of the Agreement	SETS shall provide the Company with consultancy services regarding traffic management and planning during the construction of Masar Destination. The services provided by SETS include conducting a traffic and crowd flow study, developing a traffic management plan during the construction of Masar Destination and designing temporary bus stops located within Masar Destination.
Pricing and Amendments	The Company shall pay SETS a lump sum as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration under the Saudi Arbitration Law in accordance with the Saudi Center for Commercial Arbitration.

h- Facility Management Agreement with EFSIM Facilities Management Company (hereinafter referred to as "EFSIM")

Table (12.30): Summary of Key Terms of the Facility Management Agreement with EFSIM

Title of the Agreement	Facility Management Agreement with EFSIM
Parties	• The Company • EFSIM
Date	17/01/1446H (corresponding to 23/07/2024G)
Agreement Term and Renewal Mechanism	The agreement is valid for a period of five (5) calendar years, commencing from 22/10/1445H (corresponding to 01/05/2024G) and ending on 16/12/1450H (corresponding to 30/04/2029G)
Subject of the Agreement	EFSIM shall act as the facilities management contractor through management of maintenance and operations as part of the defined scope of work within Masar Destination.
Material Obligations	EFSIM shall obtain the required insurance coverage which shall include property all risk insurance, comprehensive public liability insurance, workers' compensation and employers' liability insurance, auto insurance and contractor's tools and equipment insurance. EFSIM shall ensure that any subcontractors employed are adequately insured and comply with the relevant regulations.
Pricing and Amendments	The Company shall pay EFSIM a lump sum as specified in the agreement. EFSIM shall provide the Company with a bank guarantee not exceeding a specified percentage of the value of the relevant agreement within twenty-one (21) days from the date of the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in the Kingdom.

12.3.4 Hotel Operating Agreements

The Company has entered into five (5) hotel operating agreements and supporting supplementary agreements with international hotel operators to manage and operate the hotels that form part of Masar Destination. The Company has not incurred any costs in connection with the hotel operating agreements as of the date of this Prospectus as they relate to the operation of the relevant hotels and no hotel has been operated under the agreements as of the date of this Prospectus. Accordingly, the total value of the hotel operating agreements as of 30 June 2024G cannot be determined. The key terms of these agreements are summarized below:

a- Hilton Garden Inn Management Agreement with Hilton Garden Inn (hereinafter referred to as "Hilton")

Table (12.31): Summary of Key Terms of the Hilton Garden Inn Management Agreement with Hilton

Title of the Agreement	Hilton Garden Inn Management Agreement with Hilton
Parties	• The Company • Hilton
Date	23/09/1439H (corresponding to 04/07/2018G), as amended on 06/07/1442H (corresponding to 18/02/2021G) and 07/06/1443H (corresponding to 10/01/2022G).
Agreement Term and Renewal Mechanism	The agreement shall commence on the date thereof and shall terminate on 31 December of the twentieth full calendar year following the opening date, as soon as reasonably practicable following the completion of the hotel and all pre-opening activities as mutually agreed in writing by the parties. The construction of the hotel commenced on 07/07/1444H (corresponding to 29/01/2023G) and the construction completion date is set for 19/02/1448H (corresponding to 02/07/2026G).
Subject of the Agreement	Pursuant to the agreement, the Company shall be responsible for the design, construction, furnishing, equipping and interior design of the hotel to be constructed on Land Plots No. 3SS-01 and 3SS-14 within Masar Destination under the name "Hilton Garden Inn Makkah KAAR", as well as the installation of all furnishings, equipment and operating equipment in accordance with Hilton's brand standards and the terms of this agreement. The Company shall also be responsible for obtaining all of the necessary approvals and shall comply with all applicable regulations in relation to the foregoing. Hilton shall be responsible for the operation and management of the hotel and shall be required to operate all facilities and provide all services at the hotel. Hilton may lease, license or franchise commercial spaces, services or other ancillary purposes that are typically subject to such agreements in similar hotels and may do so on behalf of the Company. Hilton shall also enter into all contracts relating to the hotel on behalf of and in the name of the Company.
Pricing and Amendments	The Company shall pay a management fee to Hilton as specified in the agreement based on the gross operating profit realized. In addition, Hilton shall deduct from and pay into a furniture, fixtures and equipment reserve fund specific amounts representing a percentage of the gross operating revenue for the relevant period. Each calendar month of every financial year, Hilton shall deposit the furniture, fixtures and equipment reserve deduction into a designated reserve account based on the gross operating revenue of the preceding calendar month.
Material Obligations	The Company shall grant Hilton exclusive authority to operate the hotel in accordance with the agreement. This includes the use of the hotel for all customary purposes, as well as the setting of terms of admission, room rates, commercial spaces, recreation, entertainment, sports, leisure, food and beverage, in addition to all aspects of advertising, promotion, maintenance of operating accounts and holding of funds on behalf of the Company. Hilton shall have the sole and exclusive right and obligation to operate the hotel in accordance with its own professional judgment and discretion without interference from the Company or its representatives, subject to and in accordance with the terms of the agreement.
Governing Law and Jurisdiction	All disputes arising out of or related to this agreement shall be governed by and construed in accordance the laws in force in the Kingdom. Except for matters which this agreement provides shall be determined by an expert or which the parties agree to refer to an expert, the parties irrevocably agree that all disputes, differences, or other claims arising out of or in connection with this agreement shall be finally settled in accordance with the ICC Rules of Arbitration, and the seat of such arbitration shall be Dubai, United Arab Emirates.
Other Provisions	During the term of the agreement, the Company shall purchase and maintain all insurance policies required by Hilton's brand standards which are not provided by Hilton, including coverage for contractors and subcontractors engaged in the design and construction of the project and the performance of work related to the hotel.

Pursuant to this agreement, the Company has entered into three (3) supplementary agreements. The following is a summary of the key provisions of these supplementary agreements:

1- Hilton Garden Inn Brand License Agreement with Hilton

Table (12.32): Summary of Key Terms of the Hilton Garden Inn Brand License Agreement with Hilton

Title of the Agreement	Hilton Garden Inn Brand License Agreement with Hilton
Parties	• The Company • Hilton
Date	23/09/1439H (corresponding to 04/07/2018G)
Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Garden Inn Management Agreement with Hilton.
Subject of the Agreement	Pursuant to the agreement, Hilton shall grant the Company, during the term of the agreement, a non-exclusive license to use Hilton's trademark name solely in accordance with the terms and conditions of the agreement.
Pricing and Amendments	During the term of the agreement, the Company shall pay a license fee to Hilton representing a percentage of the total operating income for the relevant year.

2- Service Bundle Agreement with Hilton

Table (12.33): Summary of Key Terms of the Service Bundle Agreement with Hilton

Title of the Agreement	Service Bundle Agreement with Hilton
Parties	• The Company • Hilton
Date	23/09/1439H (corresponding to 04/07/2018G)
Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Garden Inn Management Agreement with Hilton.
Subject of the Agreement	Pursuant to this agreement, Hilton (or its subsidiaries) shall provide a range of services and benefits, including centralized and international marketing, sales and regional office oversight, to the extent applicable and provided as collective services and benefits to other hotels owned, leased or managed by Hilton or its subsidiaries. In addition, Hilton shall provide hotel-specific services, which may include services provided by Hilton or its subsidiaries to branded hotels on a fee-for-service basis, such as human resources, engineering and legal services, as applicable, at Hilton's sole discretion.
Pricing and Amendments	The Company shall pay Hilton a fee for the range of services and benefits amounting to a specified percentage of the total operating revenue.

3- Hilton Garden Inn Development Services Agreement with Hilton

Table (12.34): Summary of Key Terms of the Hilton Garden Inn Development Services Agreement with Hilton

Title of the Agreement	Hilton Garden Inn Development Services Agreement with Hilton
Parties	• The Company • Hilton
Date	23/09/1439H (corresponding to 04/07/2018G)
Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Garden Inn Management Agreement with Hilton.
Subject of the Agreement	Pursuant to this agreement, Hilton shall provide the Company with development services for the project, including assistance with consulting, architectural, interior design, food and beverage, and other services related to hotel operations.
Pricing and Amendments	The Company shall pay Hilton a development services fee as specified in the agreement, inclusive of in-region travel costs and expenses, and other ordinary and customary costs and expenses, net of all taxes. The Company shall pay the development services fees in four (4) equal installments after the effective date of this agreement as specified in the agreement.

b- Embassy Suites by Hilton Management Agreement with Hilton

Table (12.35): Summary of Key Terms of the Embassy Suites by Hilton Management Agreement with Hilton

Title of the Agreement	Embassy Suites by Hilton Management Agreement with Hilton
Parties	• The Company • Hilton
Date	Dated 05/02/1440H (corresponding to 14/10/2018G), as amended on 06/07/1442H (corresponding to 18/02/2021G) and 18/12/1442H (corresponding to 28/07/2021G).
Agreement Term and Renewal Mechanism	The agreement shall commence on the date thereof and shall terminate on 31 December of the twentieth full calendar year following the opening date, as soon as reasonably practicable following the completion of the hotel and all pre-opening activities as mutually agreed in writing by the parties. The construction of the hotel commenced on 07/07/1444H (corresponding to 29/01/2023G) and the construction completion date is set for 23/05/1448H (corresponding to 03/11/2026G).
Subject of the Agreement	Pursuant to this agreement, the Company shall be responsible for the design, construction, furnishing, equipping, and decoration of the hotel to be built on Land Plot No. 1BN-04 within Masar Destination under the name "Embassy Suites by Hilton Makkah KAAR", in addition to the installation of all furnishings, equipment and operating equipment in accordance with Hilton's brand standards and the terms of this agreement. The Company shall be also responsible for obtaining all required approvals and shall comply with all applicable regulations related thereto. Hilton shall be responsible for the operation and management of the hotel and shall operate all facilities and provide all services within the hotel. Hilton may lease, license or franchise commercial spaces, services or other ancillary purposes customarily provided in similar hotels, and may do so on behalf of the Company. Hilton shall also enter into all contracts relating to the hotel on behalf of and in the name of the Company.
Pricing and Amendments	The Company shall pay a management fee to Hilton as specified in the agreement based on the gross operating profit realized. In addition, Hilton shall deduct from and pay into a furniture, fixtures and equipment reserve fund specific amounts representing a percentage of the gross operating revenue for the relevant period. Each calendar month of every financial year, Hilton shall deposit the furniture, fixtures and equipment reserve deduction into a designated reserve account based on the gross operating revenue of the preceding calendar month.
Material Obligations	The Company grants Hilton the exclusive authority to operate the hotel in accordance with this agreement. This includes the use of the hotel for all customary purposes, as well as the setting of terms of admission, room rates, commercial spaces, entertainment, recreation, sports, leisure, food and beverage, in addition to all aspects of advertising, promotion, maintenance of operating accounts and holding of funds on behalf of the Company. Hilton shall have the sole and exclusive right and obligation to operate the hotel in accordance with its own professional judgment and discretion without interference from the Company or its representatives, subject to and in accordance with the terms of the agreement.
Governing Law and Jurisdiction	All disputes arising out of or related to this agreement shall be governed by and construed in accordance the laws in force in the Kingdom. Except for matters which this agreement provides shall be determined by an expert or which the parties agree to refer to an expert, the parties irrevocably agree that all disputes, disagreements or other claims arising out of or in connection with this agreement shall be finally settled under the ICC Rules of Arbitration, and the seat of such arbitration shall be Dubai, United Arab Emirates.
Other Provisions	During the term of the agreement, the Company shall purchase and maintain all insurance policies required by Hilton's brand standards which are not provided by Hilton, including coverage for contractors and subcontractors engaged in the design and construction of the project and the performance of work related to the hotel.

Pursuant to this agreement, the Company has entered into three (3) supplementary agreements. The following is a summary of the key terms of these supplementary agreements:

1- Embassy Suites by Hilton Brand License Agreement with Hilton

Table (12.36): Summary of Key Terms of the Embassy Suites by Hilton Brand License Agreement with Hilton

Title of the Agreement	Embassy Suites by Hilton Brand License Agreement with Hilton
Parties	• The Company • Hilton
Date	Dated 05/02/1440H (corresponding to 14/10/2018G).

Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Embassy Suites Management Agreement.
Subject of the Agreement	Pursuant to this agreement and during the term thereof, Hilton shall grant the Company a non-exclusive license to use the Hilton trademark solely in accordance with the terms and conditions of this agreement.
Pricing and Amendments	The Company shall pay Hilton license fees amounting to a specified percentage of the total operating revenue.

2- Embassy Suites by Hilton Service Bundle Agreement with Hilton

Table (12.37): Summary of Key Terms of the Embassy Suites by Hilton Brand License Agreement with Hilton

Title of the Agreement	Embassy Suites by Hilton Brand License Agreement with Hilton
Parties	• The Company • Hilton
Date	Dated 05/02/1440H (corresponding to 14/10/2018G).
Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Embassy Suites Management Agreement.
Subject of the Agreement	Pursuant to this agreement, Hilton (or its subsidiaries) shall provide a range of services and benefits, including centralized and international marketing, sales and regional office oversight, to the extent applicable and provided as collective services and benefits to other hotels owned, leased or managed by Hilton or its subsidiaries. In addition, Hilton shall provide hotel-specific services, which may include services provided by Hilton or its subsidiaries to branded hotels on a fee-for-service basis, such as human resources, engineering and legal services, as applicable, at Hilton's sole discretion.
Pricing and Amendments	The Company shall pay Hilton a fee for the range of services and benefits amounting to a specified percentage of the total operating revenue.

3- Hilton Embassy Suites Development Services Agreement with Hilton

Table (12.38): Summary of Key Terms of the Hilton Embassy Suites Development Services Agreement with Hilton

Title of the Agreement	Hilton Embassy Suites Development Services Agreement with Hilton
Parties	• The Company • Hilton
Date	Dated 05/02/1440H (corresponding to 14/10/2018G).
Agreement Term and Renewal Mechanism	The term of this agreement shall be coterminous with the term of the Hilton Embassy Suites Management Agreement.
Subject of the Agreement	Pursuant to this agreement, Hilton shall provide the Company with development services for the project, including assistance with consulting, architectural, interior design, food and beverage, and other services related to hotel operations.
Pricing and Amendments	The Company shall pay Hilton development services fees in a specified amount, including in-regional travel and other customary costs and expenses, net of all taxes. Upon the Company's compliance with its payment obligations under the Hilton Embassy Suites Service Bundle Agreement, Hilton shall repay the development services fees to the Company and issue a credit note to the Company on or prior to the date falling ninety (90) calendar days from the opening date. The Company shall pay the development services fees in four (4) equal installments after the effective date of this agreement as specified in the agreement.

c- Taj Hotel Operating Agreement with the Indian Hotels Company Limited (hereinafter referred to as "IHCL")

Table (12.39): Summary of Key Terms of the Taj Hotel Operating Agreement with IHCL

Title of the Agreement	Taj Hotel Operating Agreement with IHCL
Parties	• The Company • IHCL
Date	22/07/1439H (corresponding to 08/04/2018G), as amended on 12/05/1442H (corresponding to 27/12/2020G), 10/01/1443H (corresponding to 18/08/2021G) and 17/10/1443H (corresponding to 18/05/2022G).
Agreement Term and Renewal Mechanism	The initial term of this agreement is twenty-five (25) years from the opening date, which is the date on which the hotel will commence operations and when the first paying guest will check in to the hotel for the first time. The Company and IHCL agreed for the original opening date to be 08/06/1444H (corresponding to 01/01/2023G). However, the Company acknowledges that the expected opening date has been extended to 09/05/1447H (corresponding to 31/10/2025G). In addition, this agreement is renewable for two consecutive terms of five (5) years each. In the event that IHCL grants its express written consent to the partial opening of the hotel, the initial term shall be extended to the period between the partial opening date and the opening date of the hotel when all its facilities are fully completed and ready for use by guests. The term of this agreement shall extend beyond the end of the initial term if either party provides notice to the other party of its desire to extend at least six (6) months prior to the end of the initial term or the additional term in effect at such time, provided that the other party agrees to such extension.
Subject of the Agreement	Pursuant to the agreement, the Company shall be responsible for the design and construction of the hotel to be erected on Land Plot No. 1BS-04 within Masar Destination bearing the name "Taj Makkah" under the Taj Hotels brand or any other such name in accordance with the prevailing brand guidelines of IHCL. The hotel's finishing shall be similar to that of recently opened five-star hotels and upcoming similar luxury hotels within the Kingdom. The plan, design and construction of the hotel shall be based on Taj Hotels' standards as established by IHCL and shall be communicated to the Company in writing. The Company shall appoint consultants, such as architects and interior design and lighting design consultants, in consultation with IHCL. Furthermore, the Company shall appoint a professional project management company to coordinate the design and implementation with IHCL consultants and contractors.
Pricing and Amendments	The Company shall pay IHCL operating fees for each financial year falling within the term of this agreement, comprising of basic management fees and incentive fees, each at a percentage specified in the agreement. The Company shall also pay IHCL sales and marketing fees in an amount equal to a specified percentage of the total revenue for each financial year. Furthermore, the Company shall pay IHCL a centralized group service fee in an amount equal to a specified percentage of the total revenue for each financial year. Such fee represents the cost of common services provided by the corporate officers of IHCL, such as the development of human resources policies and procedures and training programs. All fees and expenses due to IHCL shall be net of VAT, service tax, Government levies and other fees and charges as may be applicable from time to time.
Material Obligations	IHCL shall supervise, direct and control the operations of the hotel in accordance with the terms of the agreement. The operations shall include all aspects typically subject to the operation of luxury hotels in Makkah, including those related to accounting, collections, credit policies, bank account maintenance, housekeeping, kitchens and laundry. IHCL shall have the right to enter into lease, license and franchise agreements with third parties with respect to retail spaces within the hotel to coordinate their use in accordance with the operations of the hotel in consultation with the Company. IHCL shall obtain the approval of the Company before entering into any such lease, license or franchise agreement of a term of one year or more, unless such arrangement is already contemplated in the final annual plan agreed upon between the parties. IHCL shall submit to the Company for its approval a budget of estimated pre-opening costs no later than six (6) months prior to the anticipated opening date, which shall include, inter alia, the cost of recruitment, Company employee costs, and the cost of pre-opening advertising. The Company shall open two bank accounts – an operating account and a reserve fund account – in the name of the hotel during the term of the agreement. The total revenues and any additional funds provided by the Company for working capital or other purposes (other than funds deposited in the reserve fund account) shall be deposited in the operating account. At the end of each financial period after the opening date, IHCL shall transfer funds to a reserve to be maintained for the replacement of furniture, fixtures and equipment. Such transfers shall be made from the operating account to the reserve fund account. Cash received from the sale of furniture, fixtures and equipment in the ordinary course of business shall be deposited into such account in an amount equal to a specified percentage of the total revenue for the relevant year.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom. Any dispute arising therefrom shall be referred to arbitration under the ICC Rules of Arbitration, and the seat of such arbitration shall be Dubai, United Arab Emirates.

Other Provisions	The Company undertakes and agrees that it shall, at all times during the term of this agreement and with the consent of IHCL, procure adequate all-risk insurance with reputable, locally registered insurers covering the full replacement value (including fires, earthquakes, explosions, strikes, riots, wars, civil commotion and other such perils) and shall maintain the necessary insurance policies. The Company shall also purchase and maintain adequate comprehensive general liability insurance, including personal injury/bodily injury, property damage, hotelkeepers' liability arising out of the operation of the hotel, food poisoning, elevator liability, advertising liability or any other insurance that may be required by applicable laws and in such amounts as the Company deems necessary and reasonable.

Pursuant to this agreement, the Company has entered into one supplementary agreement. Below is a summary of the key terms of this supplementary agreement:

1- Taj Hotel Technical Services Agreement with IHCL

Table (12.40): Summary of Key Terms of the Taj Hotel Technical Services Agreement with IHCL

Title of the Agreement	Taj Hotel Technical Services Agreement with IHCL
Parties	• The Company • IHCL
Date	22/07/1439H (corresponding to 08/04/2018G), as amended on 12/05/1442H (corresponding to 27/12/2020G).
Agreement Term and Renewal Mechanism	The term of this agreement shall commence on the date thereof and shall expire on the expected opening date of Taj Makkah Hotel on 09/05/1447H (corresponding to 31/10/2025G).
Subject of the Agreement	Pursuant to this agreement, IHCL shall provide the Company with pre-opening consultancy and development assistance services for the development and opening of Taj Makkah hotel. IHCL shall provide such services promptly, efficiently and in accordance with Taj Hotels' standards. IHCL shall also provide the Company with technical services, including design criteria, operational details and other relevant specifications for hotels designed and operated under the Taj Hotels brand. The Company will consult with IHCL to appoint designers and advisors who will adapt this data to the site conditions and legal requirements and provide other specialized design and planning services as required. The technical services shall also include pre-development, pre-opening and development services related to the design, specifications and equipment requirements necessary for the operation of the hotel, all in accordance with the standards of Taj Hotels luxury hotels.
Pricing and Amendments	The Company shall pay fixed fees to IHCL of an amount specified in the agreement for the provision of technical services and assistance with respect to the pre-opening period. The technical service fees shall be payable in installments as specified in the agreement. All fees and expenses payable to IHCL shall be net of VAT, service tax, Government levies and other fees as may be applicable from time to time.

d- Kempinski Hotel Management Agreement with Kempinski Hotels SA (hereinafter referred to as "Kempinski")

Table (12.41): Summary of Key Terms of the Kempinski Hotel Management Agreement with Kempinski

Title of the Agreement	Kempinski Hotel Management Agreement with Kempinski
Parties	• The Company • Kempinski
Date	11/10/1439H (corresponding to 25/06/2018G). as amended on 01/01/1442H (corresponding to 20/08/2020G), 12/10/1442H (corresponding to 24/05/2021G), 21/01/1443H (corresponding to 29/08/2021G) and 17/10/1443H (corresponding to 18/05/2022G).
Agreement Term and Renewal Mechanism	The term of this agreement shall commence from the effective date thereof and shall expire at midnight on the 31st of December following the twentieth anniversary of the completion date of the hotel. Such term may be extended for two additional periods of five (5) years each, subject to the same terms and conditions, unless either party notifies the other of its intention to terminate the agreement at least nine (9) months prior to the expiry of the initial term or the extended term, as the case may be.
Subject of the Agreement	Pursuant to the agreement, Kempinski shall be appointed as the exclusive operator of a hotel within Masar Destination under the Kempinski Hotel brand and shall have full authority to supervise, operate, direct and control the management of the hotel with a level of quality and services that are commensurate with international luxury five (5) star hotels, taking into account local customs, traditions and culture.

Pricing and Amendments	In consideration for the operation and management services, Kempinski is entitled to receive incentive fees calculated based on the total operating profits achieved.
Material Obligations	Pursuant to the agreement, Kempinski shall have the following authorities: • Setting all prices and fees for all services or income of any kind resulting from the operation of the hotel; • Purchasing, on behalf of and for the Company, all supplies, operating equipment, inventory and other materials necessary for the operation of the hotel; • Negotiating, entering into and managing service and supply contracts of one year or more with a value at or above one hundred thousand US dollars (USD 100,000) for the purpose of operating the Kempinski Hotel, on behalf of and for the Company, with its prior written approval; • Concluding and managing leases with retail operators, as well as supervising their activities on behalf of and for the Company, with its prior written approval; • Establishing a credit policy and making arrangements with credit card systems; • Exerting commercially reasonable efforts to collect all amounts due from guests, other customers and retail operators; and • Employing, engaging or appointing third-party professionals and other consultants. Kempinski shall provide the Company, within ten (10) days after the end of each calendar month, with a detailed statement setting out the total operating revenues and operating profits, total adjusted operating profits and incentive fees due for the previous month on a year-to-date cumulative basis. Kempinski shall be entitled to transfer to itself from the operating account the incentive fees due based on such statement within ten (10) days of delivery thereof. In addition, the Company shall reimburse Kempinski for all personal expenses budgeted or previously approved. Where services provided by Kempinski are for the benefit of several Kempinski hotels, including the Kempinski Hotel referred to in this agreement, the cost and personal expenses incurred shall be allocated to the relevant Kempinski beneficiary. In return, Kempinski shall pay in advance key money to the Company in the amount specified in the agreement in two installments as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and applied in accordance with the substantive laws of England and Wales. Any dispute arising from or in connection with this agreement that cannot be settled amicably within thirty (30) days shall be finally referred to arbitration under the DIFC-LCIA Arbitration Rules by a tribunal of three (3) arbitrators. The seat and place of arbitration shall be the DFIC, United Arab Emirates.

Pursuant to this agreement, the Company has entered into three (3) supplementary agreements. The following is a summary of the key terms of these supplementary agreements:

1- Kempinski Brand License Agreement with Kempinski

Table (12.42): Summary of Key Terms of the Kempinski Brand License Agreement with Kempinski

Title of the Agreement	Kempinski Brand License Agreement with Kempinski
Parties	• The Company • Kempinski
Date	11/10/1439H (corresponding to 25/06/2018G).
Agreement Term and Renewal Mechanism	The term of this agreement shall commence from the effective date thereof and shall remain in effect for as long as the Kempinski Management Agreement is in effect.
Subject of the Agreement	Pursuant to the agreement, Kempinski shall grant to the Company the non-exclusive right and license to operate the hotel under the Kempinski name and logo owned or licensed by Kempinski AG Germany (the parent company and licensor of Kempinski), whether registered or unregistered. Ownership of any trademarks subject to this agreement shall remain the exclusive property of Kempinski AG Germany and may not be used by the Company except in connection with the Kempinski Management Agreement.
Pricing and Amendments	In consideration for the use of the trademark, the Company shall pay to Kempinski from the opening date franchise fees equal to a specified percentage of the total operating revenues.

2- Marketing and Central Services Agreement with Kempinski

Table (12.43): Summary of Key Terms of the Marketing and Central Services Agreement with Kempinski

Title of the Agreement	Marketing and Central Services Agreement with Kempinski
Parties	• The Company • Kempinski
Date	11/10/1439H (corresponding to 25/06/2018G).
Agreement Term and Renewal Mechanism	The term of this agreement shall commence from the effective date thereof and shall remain in effect for as long as the Kempinski Management Agreement is in effect.
Subject of the Agreement	Pursuant to the agreement, Kempinski and its subsidiaries shall provide marketing and reservation services, including sales and distribution services, individual sales and marketing activities, a reservation system and a guest loyalty program. In addition to the marketing and reservation services, Kempinski shall provide additional services, including centralized services such as administrative support, training and quality control services.
Pricing and Amendments	In consideration for the provision of such services, Kempinski shall be entitled to receive basic fees calculated as a percentage of the operating revenues for the relevant year.

3- Kempinski Technical Services Agreement

Table (12.44): Summary of Key Terms of the Kempinski Technical Services Agreement

Title of the Agreement	Kempinski Technical Services Agreement
Parties	• The Company • Kempinski
Date	11/10/1439H (corresponding to 25/06/2018G).
Agreement Term and Renewal Mechanism	The term of the agreement shall commence from the effective date thereof and shall remain in effect until all material aspects of the hotel and any other material components of the project have been substantially completed as specified by Kempinski.
Subject of the Agreement	Pursuant to the agreement, Kempinski shall provide the Company with advisory and technical services with respect to the design, construction, furnishing and equipping of the Kempinski Hotel. Kempinski shall also provide pre-opening services relating to management, budget, key personnel and other matters.
Pricing and Amendments	The Company shall pay Kempinski fees as specified in the agreement in consideration for the provision of technical services. Such fees shall be paid in five (5) installments as specified in the agreement. In the event the opening date is not achieved within the period specified in the agreement from the effective date thereof, the technical services fees shall be increased by the amount specified in the agreement. In addition to the technical service fees, the Company shall pay Kempinski pre-opening service fees of a monthly amount as specified in the agreement for the period commencing twelve (12) months prior to the estimated opening date, which shall commence on 11/06/1447H (corresponding to 01/12/2025G) and shall expire on the actual opening date.

e- Hyatt Hotel Service Agreement with Hyatt International Co. - Southwest Asia Limited (hereinafter referred to as "Hyatt")

Table (12.45): Summary of Key Terms of the Hyatt Hotel Service Agreement with Hyatt

Title of the Agreement	Hyatt Hotel Service Agreement with Hyatt
Parties	• The Company • Hyatt
Date	27/01/1441H (corresponding to 26/09/2019G), as amended on 04/08/1443H (corresponding to 07/03/2022G) and 24/01/1444H (corresponding to 22/08/2022G).
Agreement Term and Renewal Mechanism	The agreement shall enter into effect from the date thereof. The term of operation shall commence on the opening date, which shall be determined after the commencement of development works, which have not commenced as of the date of this Prospectus, and the agreement shall end on 31 December of the financial year in which the twenty-fifth anniversary of the opening date falls. The agreement may be extended by mutual consent of the two parties for two additional five (5)-year periods, subject to the same terms and conditions.

Subject of the Agreement	Pursuant to the agreement, Hyatt shall have the exclusive right to supervise the operation of a hotel that will be established and owned by the Company within Masar Destination under the "Grand Hyatt" brand. Hyatt shall have the authority to supervise the operation of the Grand Hyatt hotel, as well as advise and direct the management staff. Hyatt's authorities with respect to operating the Grand Hyatt hotel shall include managing personnel affairs and human resources policies, determining check-in terms, planning, supervising and implementing all aspects of promotion and advertising, collecting revenues, as well as supervising and implementing other measures necessary for the operation of the hotel.
Pricing and Amendments	The Company shall pay fees and reimbursements to Hyatt Company as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and applied in accordance with the laws of England and Wales. Any dispute arising out of or in connection with this agreement shall be referred to final and binding arbitration in accordance with the DIFC-LCIA Arbitration Rules as applicable from time to time and subject to the Saudi Arbitration Law. The place and seat of arbitration shall be Dubai, United Arab Emirates.

Pursuant to this agreement, the Company has entered into three (3) supplementary agreements. The following is a summary of the key terms of these supplementary agreements:

1- Hyatt Brand License Agreement with Hyatt

Table (12.46): Summary of Key Terms of the Hyatt Brand License Agreement with Hyatt

Title of the Agreement	Hyatt Brand License Agreement with Hyatt
Parties	• The Company • Hyatt
Date	27/01/1441H (corresponding to 26/09/2019G).
Agreement Term and Renewal Mechanism	The agreement shall enter into effect from 27/01/1441H (corresponding to 26/09/2019G). The Company's rights with respect to the trademarks shall become effective upon the following (whichever is later): (1) the opening date pursuant to the Hyatt Hotel Service Agreement, which is 12/07/1447H (corresponding to 31/12/2025G); and (2) if registration is required, the effective date shall be the date of registration of this agreement with the Saudi Authority for Intellectual Property.
Subject of the Agreement	Hyatt shall grant the Company a non-exclusive license in the Kingdom to use the trademarks for the term of this agreement solely in connection with the operation of the Hyatt-branded hotel that will be opened.
Pricing and Amendments	The Company shall pay the royalty fees to Hyatt as specified in the agreement.

2- Systems Services Agreement with Hyatt Global Services, Inc. Co. (hereinafter referred to as "Hyatt Global")

Table (12.47): Summary of Key Terms of the Systems Services Agreement with Hyatt Global

Title of the Agreement	Systems Services Agreement with Hyatt Global
Parties	• The Company • Hyatt Global
Date	27/01/1441H (corresponding to 26/09/2019G).
Agreement Term and Renewal Mechanism	The agreement shall commence from the effective date thereof and shall remain in effect for the operating term. The agreement term shall expire upon the expiration of the Hyatt Hotel Service Agreement.

Subject of the Agreement	Pursuant to the agreement, Hyatt Global shall provide systems and technology services that shall include, but are not limited to, the following: • Conference, business and sales promotion services; • Chain based marketing, advertising and sequential public relations services; • Centralized reservation services; • Services related to the development, maintenance, implementation, administration and review of the guest loyalty program or the Hyatt program or those of its subsidiaries as applicable from time to time; • Services related to the provision, installation, implementation, updating, renewal, replacement, development and support of technology systems; and • Centralized hotel services, which include, among other functions, accounting, which may be provided from time to time by a shared service center.
Pricing and Amendments	The costs associated with the provision of the above services shall be deemed operating costs and calculated as specified in the agreement.

3- Technical Services Agreement with Hyatt International Technical Services, Inc (hereinafter referred to as "Hyatt International")

Table (12.48): Summary of Key Terms of the Technical Services Agreement with Hyatt International

Title of the Agreement	Technical Services Agreement with Hyatt International
Parties	• The Company • Hyatt International
Date	27/01/1441H (corresponding to 26/09/2019G).
Agreement Term and Renewal Mechanism	The agreement shall commence on the date thereof and shall terminate upon the opening date of the hotel, which (on signing) was expected to be no later than 01/07/1446H (corresponding to 01/01/2025G). In the event that the Company suspends the development of the Grand Hyatt hotel and notifies Hyatt International of such suspension, the latter shall not be obligated to provide any services until it receives a written notice from the Company of the resumption of development. In the event of suspension, the expiration date of this agreement will be extended for a period of time equal to the suspension period. The Company issued a letter of suspension dated 05/03/1442H (corresponding to 22/10/2020G) pursuant to which the Company suspended the term of the agreement for a period of twelve (12) months as of the fourteenth day from the date of the suspension letter issued by the Company. The Company also issued a second letter of suspension dated 19/07/1443H (corresponding to 20/02/2022G) pursuant to which the parties agreed to suspend the agreement for an additional seven (7) months until 07/11/1443H (corresponding to 06/06/2022G). Furthermore, the Company issued a third letter of suspension dated 26/12/1443H (corresponding to 25/07/2022G), pursuant to which the parties agreed to further suspend the agreement until 06/04/1444H (corresponding to 31/10/2022G). In accordance with the aforementioned letters of suspension, the revised expiration date of the agreement is 17/07/1448H (corresponding to 26/12/2026G).
Subject of the Agreement	Pursuant to the agreement, Hyatt International shall provide the Company with technical services in relation to the design, construction, furnishing and equipping of the Grand Hyatt hotel in compliance with the requirements of the Hyatt Hotel Services Agreement with Hyatt.
Pricing and Amendments	The Company shall pay a fee to Hyatt International in the amount specified in the agreement in consideration for its provision of technical services, as specified in the agreement.

12.3.5 Investment Agreements

The Company has entered into eight (8) investment agreements pursuant to which the Company leases or franchises real estate properties or other areas within Masar Destination to be utilized through development and operation thereof, in addition to a number of service agency agreements ancillary thereto. The total value of the investment agreements cannot be determined as of 30 June 2024G, as they consist of periodic payments made to the Company based on completion or other contractual terms. The key terms of these agreements are summarized below:

a- Investment Lease Agreement with Hamat Advanced Company (hereinafter referred to as "Hamat")

Title of the Agreement	Investment Lease Agreement with Hamat
Parties	• The Company • Hamat
Date	30/05/1443H (corresponding to 03/01/2022G), as amended on 01/07/1444H (corresponding to 23/01/2023G) and 25/02/1445H (corresponding to 10/09/2023G).
Agreement Term and Renewal Mechanism	The agreement shall enter into effect as of the date thereof and shall remain in effect for a period of thirty (30) years thereafter, ending on 01/05/1474H (corresponding to 03/01/2052G). This term shall include a grace period commencing from the effective date of the agreement until the commencement date of the lease, which shall be at the end of the fourth year after the date of issuance of the building permit by the relevant authority, provided that it shall not exceed the sixth year from the effective date, whichever is earlier. Pursuant to the agreement, the commencement date of the lease shall be four years after the issuance of the building permit by the competent authority, provided that it shall not exceed six years from the date of this agreement, whichever is earlier. The term of this agreement may be extended for an additional period if the contract for the execution of works related to the design and construction of the mall exceeds a specified percentage of the estimated cost. This additional period shall be commensurate with the amount of the cost increase and shall be added to the original lease term, excluding the grace period, provided that the additional cost is due to market price increases and that the extension period does not, in any case, exceed a specified period stipulated in the agreement. The Company shall be provided with a copy of the construction contract in the event an extension of the term is requested. Hamat has received all of the necessary approvals for the works as of 21/06/1445H (corresponding to 03/01/2024G). The commencement date of the works by Hamat was 22/07/1445H (corresponding to 03/02/2024G), and the completion date of all works by Hamat is set for 19/09/1450H (corresponding to 03/02/2029G).
Subject of the Agreement	Pursuant to the agreement, the Company, in its capacity as the owner, has leased twenty (20) real estate properties with a total area of seventy-one thousand, two hundred and seven point five square meters (71,207.5 m^2) to Hamat for the purpose of developing and constructing a mall.
Pricing and Amendments	Hamat shall be responsible for all expenses and costs related to the design, development and construction of the mall and the execution of all related works in accordance with the agreed schedule within the agreement and construction standards. The Company shall be responsible for all maintenance and repair costs, including emergency maintenance and repairs. The Company may also assign these responsibilities to a service agent who shall undertake the maintenance and repair works pursuant to a service agency agreement. Hamat undertakes to provide the Company with a certificate certified by it and its manager or accountant specifying the real estate properties returns in the manner set forth in the agreement. Hamat shall also pay the Company an annual service fee as specified in the agreement, in addition to cooling and waste disposal fees in accordance with the rates stipulated in the agreement.
Material Obligations	Hamat shall be responsible for all design work, including preliminary and final designs, subject to the Company's approval. The Company may, within fifteen (15) days from the date of receipt of the designs, either approve such designs or request modifications thereto in compliance with the development guidelines for Masar Destination or the applicable building regulations. Hamat shall be responsible for the execution of the works related to the development of the mall, which it undertakes to complete in accordance with the agreed development phases. Hamat shall have the exclusive right to manage, operate and market Masar mall, which shall be located within the real estate properties of Hamat, and to contract with third parties for its development and the right to sublease it.
Termination	With the prior written consent of the Company, Hamat may terminate the agreement at any time after completion of the works where it determines that it is no longer possible to continue with such works, by providing the Company with a six (6) months' prior written notice stating the reasons for termination. The agreement shall terminate upon the expropriation of the land thereof by any competent Government authority, whether in whole or in part, for public or quasi-public purposes. If the expropriation is partial and Hamat is still able to use the remaining portion of Masar mall located within the real estate properties for its intended purpose, then Hamat shall retain the exclusive right to terminate or continue this agreement, provided that the expropriating authority determines the suitability of the relevant land for such use and the parties agree thereto. If the expropriating authority determines that the land cannot be used for the purpose specified in the agreement, the agreement shall be terminated, and the rights of the parties and their compensation in respect of such termination and expropriation shall be determined by the valuation committee in its valuation report. In the event that Masar mall located within such real estate property is damaged or destroyed by an insured peril rendering such land unfit for use and the Company determines that it is not commercially reasonable to repair such damage, either party may terminate this agreement upon notice to the other party.

Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within sixty (60) days shall be referred to arbitration for final settlement by the Saudi Center for Commercial Arbitration in accordance with its arbitration rules.
Other Provisions	Under the agreement, all additions and alterations made to the real estate properties shall be the property of the Company and shall remain with the Company upon termination of the agreement unless the Company notifies Hamat that any such additions must be removed prior to the expiration of the agreement. In the event of termination of this agreement prior to its expiration, ownership of such alterations and additions shall revert to Hamat and shall be valued by an independent valuer, unless such termination is at the request of Hamat. Hamat shall have the first right of refusal to purchase the land plots of Hamat if the Company decides to sell them during the term of the lease and for one calendar year after the termination or expiration thereof. Hamat may not assign this first right of refusal to any other person. If the Company decides to sell the land plots leased to Hamat, it shall send a notice to Hamat specifying the sale price. Hamat shall, within 15 days of receipt of such notice, notify the Company in writing of its decision. The sale price shall not be less than the valuation determined by the valuer appointed by the Company. If Hamat wishes to exercise its pre-emption rights, it shall pay a non-refundable deposit amounting to 10% of the sale price and the remaining balance shall be paid within six months of its notification to the Company of its intention to purchase.

1- Service Agency Agreement with Hamat Holding Company

Table (12.49): Summary of Key Terms of the Service Agency Agreement with Hamat Holding Company

Title of the Agreement	Service Agency Agreement with Hamat Holding Company
Parties	• The Company • Hamat Holding Company
Date	30/05/1443H (corresponding to 03/01/2022G).
Agreement Term and Renewal Mechanism	The agreement shall enter into effect as of the date thereof and shall comprise several terms, each of which shall correspond with the due dates of the lease payments under the Investment Lease Agreement with Hamat. Furthermore, the agreement shall terminate upon the termination of the Investment Lease Agreement with Hamat.
Subject of the Agreement	Pursuant to the agreement, Hamat Holding Company shall be appointed as the service agent of the Company in order to provide it with maintenance services, including the required insurances, in connection with the Investment Lease Agreement with Hamat.
Pricing and Amendments	The Company shall pay the annual fees in the manner specified in the agreement. If the parties determine at any time that the fees do not reflect the actual costs incurred by Hamat Holding Company in the performance of its obligations, they may agree in writing to amend such fees. The parties may agree that such an adjustment to the fees shall apply retroactively or to future fees. Any change in fees under the agreement will result in a similar change in supplementary lease payments under the Investment Lease Agreement with Hamat.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably within sixty (60) days shall be referred to arbitration for final settlement by the Saudi Center for Commercial Arbitration in accordance with its arbitration rules.

b- Lease Agreement with Fakeeh Hospital Company

Table (12.50): Summary of Key Terms of the Lease Agreement with Fakeeh Hospital Company

Title of the Agreement	Lease Agreement with Fakeeh Hospital Company
Parties	• The Company • Fakeeh Hospital Company
Date	30/05/1443H (corresponding to 03/01/2022G), as amended on 20/11/1443H (corresponding to 19/06/2022G).
Agreement Term and Renewal Mechanism	The lease agreement shall commence in the sixth year from 20/11/1443H (corresponding to 19/06/2022G) and shall remain in effect for a period of forty (40) years thereafter, inclusive of a grace period which shall extend from 2022G to 2026G and shall end on 19/04/1491H (corresponding to 19/06/2068G). This period may also be extended for an additional period if the parties agree to renew the lease under a new written agreement. In addition, all approvals for the works were received on 19/06/1445H (corresponding to 01/01/2024G). The date of commencement of works by Fakeeh Hospital Company was 20/07/1445H (corresponding to 01/02/2024G) and the date of completion of the works is set for 26/01/1449H (corresponding to 01/07/2027G).

Subject of the Agreement	The Company shall lease to Fakeeh Hospital Company three (3) land plots within Masar Destination, numbered 3SS-08, 3SS-07, and 3SS-06, with a total area of nine thousand, seven hundred and thirty-three point sixty-one square meters (9,733.61 m^2), to be used by Fakeeh Hospital Company for the development and operation of Fakeeh Hospital Company buildings within Masar Destination.
Pricing and Amendments	Fakeeh Hospital Company shall be responsible for all costs and expenses related to the design, development and construction of the hospital and the execution of all related works in accordance with the agreed schedule and construction standards. The Company shall be responsible for all general maintenance and repair costs, as well as the costs of major and urgent maintenance works. The Company may also assign these responsibilities to a service agent who shall carry out maintenance and repair work pursuant to a service agency agreement. Lease payments shall be divided into two types: (1) additional payments; and (2) variable payments to be made at the beginning of the lease agreement and thereafter at the beginning of each lease year. The additional lease amount shall be a value stipulated in the agreement for each lease year. Fakeeh Hospital Company must also pay an annual service fee to the Company in the amount specified in the agreement. In addition, Fakeeh Hospital Company must pay a one-time fee in the amount specified in the agreement for the construction of a road adjacent to the land plot specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within sixty (60) days shall be referred to the competent courts in Jeddah.
Other Provisions	In accordance with the agreement, all additions and changes made to Fakeeh Hospital Company buildings shall be owned by the Company and shall remain with the Company upon expiry of the lease agreement, unless the Company notifies Fakeeh Hospital Company that it must remove any such additions before the expiration or termination of the lease agreement. Under the lease agreement, Fakeeh Hospital Company has the pre-emptive right to purchase the land of Fakeeh Hospital Company if the Company decides to sell such land during the term of the agreement. Fakeeh Hospital Company may not assign this right of pre-emption to any other person.

Pursuant to this agreement, the Company has entered into an additional agreement with Fakeeh Hospital Company for the provision of maintenance services at Soliman Abdel Kader Fakeeh Hospital as follows:

1- Service Agency Agreement with Fakeeh Hospital Company

Table (12.51): Summary of Key Terms of the Service Agency Agreement with Fakeeh Hospital Company

Title of the Agreement	Service Agency Agreement with Fakeeh Hospital Company
Parties	• The Company • Fakeeh Hospital Company
Date	20/11/1443H (corresponding to 19/06/2022G)
Agreement Term and Renewal Mechanism	The term of Service Agency Agreement with Fakeeh Hospital Company shall expire and shall be renewed in accordance with the Lease Agreement with Fakeeh Hospital Company.
Subject of the Agreement	The Company shall appoint Fakeeh Hospital Company as a service agent responsible for carrying out all major and urgent maintenance works during the term of the Service Agency Agreement with Fakeeh Hospital Company, which shall include: (1) provision of a one-hundred and eighty (180) day test and report on human safety systems as well as implementation if any maintenance or replacement work subject to such reports; and (2) general cleaning of all air ducts included in the central air conditioning systems every three (3) years.
Pricing and Amendments	The consideration for the agreement shall consist of an amount specified in the agreement to be paid by the Company to Fakeeh Hospital Company. In addition, the Company shall pay a fee to Fakeeh Hospital Company in the amount and as specified in the agreement. If the parties decide at any time that the fees do not reflect the actual expenses incurred by Fakeeh Hospital in carrying out its obligations, they may agree in writing to amend such fees. Furthermore, the parties may agree that such adjustment to the fees shall apply retroactively or to future fees. Any change in fees under the Service Agency Agreement with Fakeeh Hospital Company shall result in a similar change in supplementary lease payments under the Lease Agreement with Fakeeh Hospital Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within (60) days shall be referred to the competent courts in Jeddah.

c- Lease Agreement with Jabal Al-Bena General Contracting Co.

Table (12.52): Summary of Key Terms of the Lease Agreement with Jabal Al-Bena General Contracting Co.

Title of the Agreement	Lease Agreement with Jabal Al-Bena General Contracting Co.
Parties	• Alinma Second Development Company Limited (as the land plot owner with the Company appointed as its representative) • Jabal Al-Bena General Contracting Co.
Date	25/12/1445H (corresponding to 01/07/2024G).
Agreement Term and Renewal Mechanism	The Lease Agreement with Jabal Al-Bena General Contracting Co. shall commence in the third year from the date of issuance of the building permit and shall not extend beyond the fifth year from the date of execution, whichever is earlier, inclusive of a grace period extending from 2024G to 2025G. The Lease Agreement with Jabal Al-Bena General Contracting Co. shall remain in effect for a period of thirty-five (35) years.
Subject of the Agreement	Pursuant to the agreement, Alinma Second Development Company Limited shall lease a land plot to Jabal Al-Bena General Contracting Co. within Masar Destination, bearing Land Plot No. 1NN-19, and having an area of three thousand, one hundred and eighty-one point zero five square meters (3,181.05 m^2), for the construction of the buildings of Jabal Al-Bena General Contracting Co. to be used as a hotel named Ponceana Masar within Masar Destination for Hajj and Umrah pilgrims.
Pricing and Amendments	Jabal Al-Bena General Contracting Co. shall be responsible for all costs and expenses related to the design, development and construction of the Ponceana Masar Hotel and the execution of all related works in accordance with the agreed schedule and construction standards. Alinma Second Development Company Limited shall be responsible for all general maintenance and repair costs, as well as the costs of major and urgent maintenance works. The Company may also assign these responsibilities to a service agent who shall carry out maintenance and repair work pursuant to a service agency agreement. Lease payments shall be divided into two types: (1) additional payments; and (2) variable payments to be made at the beginning of the Lease Agreement with Jabal Al-Bena General Contracting Co. and thereafter at the beginning of each lease year. Jabal Al-Bena General Contracting Co. shall pay an amount specified in the agreement upon the issuance of the building permit and a lease amount as specified in the agreement. Jabal Al-Bena General Contracting Co. shall also pay the Company an annual service fee as specified in the agreement.
Material Obligations	Pursuant to the Lease Agreement with Jabal Al-Bena General Contracting Co., ownership of all additions and alterations made to the buildings of Jabal Al-Bena General Contracting Co. shall revert to the Company and shall remain with Alinma Second Development Company Limited upon the termination of the Lease Agreement with Jabal Al-Bena General Contracting Co., unless Alinma Second Development Company Limited notifies Jabal Al-Bena General Contracting Co. that any such additions must be removed prior to the expiration or termination of the Lease Agreement with Jabal Al-Bena General Contracting Co. Under the Lease Agreement with Jabal Al-Bena General Contracting Co., Jabal Al-Bena General Contracting Co. shall have the pre-emptive right to purchase the buildings of Jabal Al-Bena General Contracting Co. if Alinma Second Development Company Limited decides to sell such buildings during the lease term of Jabal Al-Bena General Contracting Co. Jabal Al-Bena General Contracting Co. may not assign this right of pre-emption to any other person.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within (60) days shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with Jabal Al-Bena General Contracting Co. for the provision of maintenance services at the hotel, as follows:

d- Lease Agreement with Fouad Khafaji Real Estate Co.

Table (12.53): Summary of the Key Terms of the Lease Agreement with Fouad Khafaji Real Estate Co.

Title of the Agreement	Lease Agreement with Fouad Khafaji Real Estate Co.
Parties	• The Company • Fouad Khafaji Real Estate Co.
Date	20/02/1445H (corresponding to 05/09/2023G)
Agreement Term and Renewal Mechanism	The Lease Agreement with Fouad Khafaji Real Estate Co. shall commence on 20/02/1445H (corresponding to 05/09/2023G) and shall remain in effect for a period of thirty (30) years, ending on 22/01/1476H (corresponding to 05/09/2053G). this term may also be extended for an additional period if the parties agree to renew the lease of Fouad Khafaji Real Estate Co. under a new written agreement.

Subject of the Agreement	Pursuant to the agreement, the Company shall lease a land plot to Fouad Khafaji Real Estate Co. within Masar Destination, bearing Land Plot No. 1SS-12, and having an area of two thousand, seven hundred and fifty-six point forty-seven square meters (2,756.47 m^2), for the construction of the buildings of Fouad Khafaji Real Estate Co. to be used as a hotel within Masar Destination.
Pricing and Amendments	Fouad Khafaji Real Estate Co. shall be responsible for all expenses and costs related to the design, development and construction of the hotel and the implementation of all related works in accordance with the agreed schedule and construction standards. The Company shall be responsible for all general maintenance and repair costs as well as major and urgent maintenance costs. The Company may also assign these responsibilities to a service agent who shall carry out maintenance and repair work pursuant to a service agency agreement. Lease payments shall be divided into two types: (1) additional payments; and (2) variable payments to be made at the beginning of the Lease Agreement with Fouad Khafaji Real Estate Co. and thereafter at the beginning of each lease year. Fouad Khafaji Real Estate Co. shall pay an amount specified in the agreement upon the issuance of the building permit and a lease amount as specified in the agreement. Fouad Khafaji Real Estate Co. shall also pay the Company an annual service fee as specified in the agreement.
Material Obligations	Pursuant to the Lease Agreement with Fouad Khafaji Real Estate Co., ownership of all additions and modifications made to the buildings of Fouad Khafaji Real Estate Co. shall revert to the Company and shall remain with the Company upon the expiration of the Lease Agreement with Fouad Khafaji Real Estate Co., unless the Company notifies Fouad Khafaji Real Estate Co. that any such additions must be removed before the expiration or termination of the Lease Agreement with Fouad Khafaji Real Estate Co. Under the Lease Agreement with Fouad Khafaji Real Estate Co., Fouad Khafaji Real Estate Co. shall have the pre-emptive right to purchase the buildings of Fouad Khafaji Real Estate Co. if the Company decides to sell such buildings during the term of the Lease Agreement with Fouad Khafaji Real Estate Co. or for a period of up to one year after the date of termination or expiration of the Lease Agreement with Fouad Khafaji Real Estate Co. Fouad Khafaji Real Estate Co. may not assign this right of pre-emption to any other person.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within (60) days shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with Fouad Khafaji Real Estate Co. for the provision of maintenance services at the hotel, as follows:

1- Service Agency Agreement with Fouad Khafaji Real Estate Co.

Table (12.54): Summary of Key Terms of the Service Agency Agreement with Fouad Khafaji Real Estate Co.

Title of the Agreement	Service Agency Agreement with Fouad Khafaji Real Estate Co.
Parties	• The Company • Fouad Khafaji Real Estate Co.
Date	20/02/1445H (corresponding to 05/09/2023G)
Agreement Term and Renewal Mechanism	The term of the Service Agency Agreement with Fouad Khafaji Real Estate Co. shall expire and shall be renewed in accordance with the Lease Agreement with Fouad Khafaji Real Estate Co.
Subject of the Agreement	The Company shall appoint Fouad Khafaji Real Estate Co. as a service agent responsible for carrying out all major and urgent maintenance works during the term of the Service Agency Agreement with Fouad Khafaji Real Estate Co., which shall include: (1) provision of a one-hundred and eighty (180) day test and report on human safety systems as well as implementation if any maintenance or replacement work is subject to such reports; and (2) general cleaning of all air ducts included in the central air conditioning systems every three (3) years.
Pricing and Amendments	The financial consideration for the Service Agency Agreement with Fouad Khafaji Real Estate Co. shall consist of an amount specified in the agreement to be paid by the Company to Fouad Khafaji Real Estate Co. The Company is also required to pay fees to Fouad Khafaji Real Estate Co. in the amount and as specified in the agreement. If at any time both parties determine that the fees do not accurately reflect the actual costs incurred by Fouad Khafaji Real Estate Co. in fulfilling its obligations, they may agree in writing to modify such fees. Furthermore, the parties may agree that this fee adjustment shall apply retroactively or to future fees. Any change in the fees under the Service Agency Agreement with Fouad Khafaji Real Estate Co. shall result in a corresponding change in the supplementary lease payments under the Lease Agreement with Fouad Khafaji Real Estate Co.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within (60) days shall be referred to the competent courts in Jeddah.

e- Lease, Operation and Maintenance Agreement with Bin Dayel Contracting and Easy Parking Solutions

Table (12.55): Summary of Key Terms of the Lease, Operation and Maintenance Agreement with Bin Dayel Contracting and Easy Parking Solutions

Title of the Agreement	Lease, Operation and Maintenance Agreement with Bin Dayel Contracting and Easy Parking Solutions
Parties	• The Company • Bin Dayel Contracting and Easy Parking Solutions
Date	01/08/1445H (corresponding to 11/02/2024G)
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of five (5) years, commencing on 01/08/1445H (corresponding to 11/02/2024G) and ending on 27/09/1450H (corresponding to 11/02/2029G). This period may be extended for an additional term upon mutual agreement of the parties pursuant to a new written agreement.
Subject of the Agreement	Pursuant to the agreement, the Company shall lease four (4) parking buildings for the operation and maintenance of such buildings as public parking spaces within Masar Destination.
Pricing and Amendments	Bin Dayel Alliance shall pay the Company a percentage of the gross sales generated from the sale of parking tickets in the four buildings located within Masar Destination, as detailed in the agreement. All gas, telecommunications, data and other service costs, including the cost of electricity, water, sewage, waste and maintenance of any equipment, shall be borne by Bin Dayel Alliance. Bin Dayel Alliance shall also bear the cost of providing, operating, repairing and maintaining vehicle barriers, hydraulics, industrial pumps, operating, safety and security systems, sensors, cameras and any other equipment within the leased parking buildings. The service fees shall be paid by Bin Dayel Alliance within fifteen (15) days of the date of the invoice issued by the Company. Bin Dayel Alliance shall provide the Company with a performance bond within fifteen (15) days of the commencement date, equivalent to 10% of the total annual sales, to partially guarantee the performance of the obligations of Bin Dayel Alliance under the agreement. The performance bond shall remain valid for the term of the agreement and for ninety (90) days following the final handover notice of the leased premises.
Termination	The Company shall have the right to terminate this agreement upon fifteen (15) days' notice to Bin Dayel Alliance for breach of its obligations. The Company may also terminate the agreement without cause upon a fourteen (14) days' notice to Bin Dayel Alliance.
Governing Law and Jurisdiction	This agreement shall be governed by, construed and enforced in accordance with the laws of the Kingdom. Any dispute arising therefrom that cannot be resolved amicably shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.
Other Provisions	The maximum aggregate liability of Bin Dayel Alliance for breach of duty of care shall not exceed its share of the revenue stipulated in the agreement for each year, plus the service fees, multiplied by the number of years of commercial operations. The maximum aggregate liability of the Company to Bin Dayel Alliance shall not exceed its share of the lease revenue multiplied by the number of years of commercial operations.

f- Promotion and Advertising Agreement with Arabian Contracting Services Co. (hereinafter referred to as "Al Arabia")

Table (12.56): Summary of Key Terms of the Promotion and Advertising Agreement with Al Arabia

Title of the Agreement	Promotion and Advertising Agreement with Al Arabia
Parties	• The Company • Al Arabia
Date	26/07/1445H (corresponding to 07/02/2024G)
Agreement Term and Renewal Mechanism	The agreement shall remain in effect for a period of fifteen (15) years, commencing from the date thereof and ending on 12/01/1461H (corresponding to 06/02/2039G). In addition, the concession rights with respect to each advertising site shall commence from the starting date recorded in the applicable handover certificate for each advertising site and shall continue until the date of termination of this agreement, unless otherwise agreed by the parties in writing.
Subject of the Agreement	Pursuant to the agreement, the Company shall grant a concession to Al Arabia for certain areas within Masar Destination to install and operate traditional and digital signage and shall allow Al Arabia to use the same for advertising and orientation. Al Arabia shall have a concession for advertising sites within Masar Destination, which include, but are not limited to, billboards, multi-sided advertisements, electronic messaging units, advertising light boxes and posters, as well as any other signs, structures or facilities carrying advertisements located within Masar Destination and agreed upon between the parties. These advertising sites may be amended, changed, expanded, canceled or added to at any time during the term of this agreement.

Pricing and Amendments	The Company and Al Arabia shall share the revenues generated from this agreement as specified in the agreement.
Material Obligations	Al Arabia shall obtain, within thirty (30) days from the date of commencement of this agreement and at its own expense, any approval or license required by law to enable Al Arabia to fully perform its obligations and exercise its concession rights in accordance with the terms of this agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved by mediation shall be referred to arbitration in accordance with the Saudi Center for Commercial Arbitration.
Other Provisions	All advertising sites shall either be owned by the Company, or the Company shall have the right to expropriate such advertising sites. Any works carried out by Al Arabia on the advertising sites to develop or maintain such sites shall be owned by the Company once installed and accepted and shall be delivered to the Company upon termination of this agreement, unless the Company otherwise instructs Al Arabia to dismantle and remove the same.

g- Bus Rapid Transit System Operating Agreement with Electromin Limited Company

Table (12.57): Summary of Key Terms of the Bus Rapid Transit System Operating Agreement with Electromin Limited Company

Title of the Agreement	Bus Rapid Transit System Operating Agreement with Electromin Limited Company
Parties	• The Company • Electromin Limited Company
Date	15/11/1445H (corresponding to 23/05/2024G).
Agreement Term and Renewal Mechanism	This agreement shall remain in effect for a period of fifteen (15) calendar months from the date of issuance of the commercial operation commencement certificate, which has not been issued as of the date of this Prospectus and is expected to be issued in the second quarter of 2025G*.
Subject of the Agreement	Pursuant to the agreement, Electromin Limited Company shall provide the final operation services of the bus rapid transit system based on the concession granted by the Company for specified areas within Masar Destination, and shall provide first-class bus services to visitors of Masar Destination.
Pricing and Amendments	Electromin Limited Company shall pay specified concession fees as set out in the agreement, which represent a percentage of ticket sales revenues.
Material Obligations	The Company shall not enter into any agreement to provide tram services or other bus services on routes where bus rapid transit services are provided under the Bus Rapid Transit System Operating Agreement with Electromin Limited Company without obtaining the prior consent of Electromin Limited Company.
Termination	Each party may terminate the agreement in the event of a default by either party, including a breach of any material obligation under the terms of the agreement by either party, the insolvency of either party, or fraud by either party. If the defaulting party fails to remedy such default within the agreed timeframe, Electromin Limited Company shall have the right to terminate the Operating Agreement by giving a forty (40) days notice prior to the termination date, while the Company shall have the right to terminate the agreement by giving a thirty (30) days notice prior to the termination date, as applicable.
Governing Law and Jurisdiction	This agreement shall be governed by the laws in force in the Kingdom, and any dispute arising therefrom that cannot be resolved amicably may be referred to arbitration administered by the Saudi Center for Commercial Arbitration.

* The works commencement certificate has not been issued as the procedures for setting up operations have not been completed by Electromin Limited Company. The works commencement certificate will be issued when Electromin Limited Company is ready to commence operations.

h- Lease Agreement with a Saudi Contracting Company

Table (12.58): Summary of Key Terms of the Lease Agreement with a Saudi Contracting Company

Title of the Agreement	Lease Agreement with a Saudi Contracting Company
Parties	• Alinma First Development Company Limited (as the land plot owner with the Company appointed as its representative) • A Saudi Contracting Company
Date	25/06/1446H (corresponding to 26/12/2024G).

Agreement Term and Renewal Mechanism	The agreement shall commence on the third year from the date of issuance of the Building License and shall not extend beyond the fifth year from the date of execution, whichever is earlier. The agreement shall remain in force for thirty-five (35) years.
Subject of the Agreement	Pursuant to the agreement, the Company shall lease a land plot to a Saudi Contracting Company within Masar Destination, bearing Land Plot No. 1NN-06, and having an area of three thousand, five hundred and fifty-four point eighty-nine square meters (3,554.89 m2), for the construction of the building for a Saudi Contracting Company to be used as a hotel within Masar Destination for pilgrims.
Pricing and Amendments	The Saudi Contracting Company shall be responsible for all expenses and costs related to the design, development and construction of the Poinciana Hotel Masar and the execution of all related works according to the agreed schedule and building standards, including all general maintenance and repair costs and major and urgent maintenance costs. In addition to the additional and variable lease payments, to the extent that the services and goods provided under the Agreement are subject to VAT, Alinma First Development Company Limited will add the VAT rate to the lease payments where applicable. The Saudi Contracting Company shall also pay Alinma First Development Company Limited an annual service fee specified in the Agreement.
Material Obligations	Under the Agreement, the Saudi Contracting Company shall be entitled to the first pre-emption for the purchase of the relevant land from Alinma First Development Company Limited if Alinma First Development Company Limited decides to sell it during the term of the Lease Agreement. The Saudi Contracting Company may not assign this right of pre-emption to any other person.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably within (60) days shall be referred to the competent courts in Jeddah.

12.3.6 Infrastructure Lease Agreement

The Company has entered into two construction lease agreements, whereby it has leased properties to third parties for use in the construction of a mixing plant (concrete mixers) and the installation of telecommunication infrastructure networks (for further information regarding this agreement, please refer to Section 12.5 "**Real Estate**" of this Prospectus).

12.3.7 Land Plot Sale Agreements

The Company, Alinma First Development Company Limited and Alinma Second Development Company Limited have entered into seventeen (17) agreements to sell land plots within Masar Destination to third parties, whereby the Company is also required to provide utility services in relation to such land plots pursuant to the relevant service agreements concluded. The Company has also entered into a conditional reservation agreement for the sale of land plots in order to reserve certain land plots within Masar Destination for the benefit of Aldyar Alarabiya to be sold thereto. The total value of the land plot sale agreements amounted to approximately three billion, three hundred and forty-three million, one hundred and six thousand, six hundred and fifty-seven Saudi Riyals (SAR 3,343,106,657) from 2022G to 11/05/1446H (corresponding to 13/11/2024G). The revenues resulting from the land plot sale agreements represent 100% of the Company's total revenues for the financial years ended 2022G and 2023G and 99% of the Company's revenues for the six-month period ended 30 June 2024G.The key terms of these agreements are summarized below:

a- Land Plot Sale Agreement with Zamil Real Estate Development Company (hereinafter referred to as "Zamil Company")

Table (12.59): Summary of Key Terms of the Land Plot Sale Agreement with Zamil Company

Title of the Agreement	Land Plot Sale Agreement between Alinma Second Development Company Limited (as the land plot owner with the Company appointed as its representative) and Zamil Company
Parties	• Alinma Second Development Company Limited (as the land plot owner with the Company appointed as its representative) • Zamil Company
Date	01/12/1443H (corresponding to 30/06/2022G).

Agreement Term and Renewal Mechanism	The Land Plot Sale Agreement with Zamil Company shall commence from the date of conclusion thereof and shall expire on the date on which the title deed of the land plot is transferred to Zamil Company. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement, and the Company is working on completing the procedures for the conveyance of the title deed. The title deed was transferred to Masar Al Itqan Real Estate, where Zamil Company established Masar Al Itqan Real Estate as a real estate investment fund for the purpose of holding ownership of the plot of land sold in the agreement.
Subject of the Agreement	Alinma Second Development Company owns Land Plot No. 1BN-06 with an area of two thousand, five hundred and fifty-eight point zero two square meters (2,558.02 m^2) located within Masar Destination, which shall be sold to Zamil Company in accordance with the terms of the Land Plot Sale Agreement with Zamil Company. If Zamil Company decides to sell the land plot at any time after the date of the Land Plot Sale Agreement with Zamil Company, Alinma Second Development Company or the Company shall have the right of pre-emption to purchase the land plot.
Pricing and Amendments	The purchase price of the land plot shall be the amount specified in the agreement and shall be paid by Zamil Company as specified in the agreement. Zamil Company shall be responsible for paying all applicable taxes, fees, approvals and costs resulting from the execution of the Land Plot Sale Agreement with Zamil Company.
Material Obligations	On the date of the ownership transfer, Zamil Company shall provide Alinma Second Development Company Limited with a promissory note amounting to a specified percentage of the purchase price to be executed in the event that the building platform is not constructed within four (4) years of the ownership transfer, or in the event that construction penalties are imposed on Zamil Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with Zamil Company for the provision of maintenance services on the land plot as follows:

1- Zamil Company Services Agreement

Table (12.60): Summary of Key Terms of the Zamil Company Services Agreement

Title of the Agreement	Zamil Company Services Agreement
Parties	• The Company • Zamil Company
Date	01/12/1443H (corresponding to 30/06/2022G).
Agreement Term and Renewal Mechanism	The term of the Zamil Company Utility Services Agreement is ninety-nine (99) years, commencing from the date of conclusion thereof and expiring automatically in the event of the termination of the Land Plot Sale Agreement with Zamil Company by either party.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination with respect to the land plot purchased by Zamil Company.
Pricing and Amendments	The service fees (storage, delivery and consumption fees) payable by Zamil Company to the Company shall consist of the amount specified in the agreement and shall be due in the manner specified in the agreement. In the event that Zamil Company constructs a cooling chamber within the property, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company. Furthermore, the waste collection fees (per delivery point) shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

b- Land Plot Sale Agreements with Aldyar Alarabiya Real Estate Development Company (hereinafter referred to as "Aldyar Alarabiya")

Table (12.61): Summary of Key Terms of the Land Plot Sale Agreements with Aldyar Alarabiya

Title of the Agreement	Land Plot Sale Agreements with Aldyar Alarabiya
Parties	• The Company • Aldyar Alarabiya
Date	21/11/1443H (corresponding to 20/06/2022G).
Agreement Term and Renewal Mechanism	The term of each of the Aldyar Alarabiya Land Plot Sale Agreements shall commence on the date of conclusion thereof and shall expire on the date on which the ownership of the land plot is transferred to Aldyar Alarabiya. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has not been transferred to Aldyar Alarabiya.
Subject of the Agreement	The Company owns: (1) Land Plot No. 3SS-05 with an area of two thousand, three hundred and eighty-three point seventy-five square meters (2,383.75 m^2), and (2) Land Plot No. 3SS-13 with an area of two thousand, nine hundred and sixty-seven point thirty square meters (2,967.30 m^2), both of which are located within "Masar" destination and will be sold to Aldyar Alarabiya in accordance with the terms of the Land Plot Sale Agreements with Aldyar Alarabiya.
Pricing and Amendments	The purchase price of the land plots shall be as specified in the agreement. Aldyar Alarabiya shall pay the purchase price for each of the Aldyar Alarabiya Land Plot Sale Agreements in accordance with the mechanism specified in the agreement. Aldyar Alarabiya shall be responsible for paying all taxes, fees, approvals and costs applicable as a result of executing the Land Plot Sale Agreements with Aldyar Alarabiya.
Material Obligations	If Aldyar Alarabiya chooses to sell the land plots at any time after the date of conclusion of the Aldyar Alarabiya Land Plot Sale Agreements, the Company shall have the right of pre-emption to purchase the land plots. On the date of transfer of ownership for each land plot, Aldyar Alarabiya shall provide the Company with a promissory note for a specified percentage of the purchase price to be executed in the event that the building platform is not established within four (4) years of the transfer of ownership, or in the event that any construction fines are imposed on Aldyar Alarabiya.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with Aldyar Alarabiya for the provision of maintenance services on the land plots, as follows:

1- Service Agreements with Aldyar Alarabiya

Table (12.62): Summary of Key Terms of the Service Agreements with Aldyar Alarabiya

Title of the Agreement	Service Agreements with Aldyar Alarabiya
Parties	• The Company • Aldyar Alarabiya
Date	21/11/1443H (corresponding to 20/06/2022G)
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plots purchased by Aldyar Alarabiya.
Pricing and Amendments	The service fees due from Aldyar Alarabiya to the Company consist of an annual amounts as determined by the agreement. In addition, the fees due for cooling services shall be as specified in the agreement. In the event that Aldyar Alarabiya constructs a cooling chamber within the real estate properties, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

c- Land Plot Sale Agreements with Aldyar Alarabiya

Table (12.63): Summary of Key Terms of the Land Plot Sale Agreements with Aldyar Alarabiya

Title of the Agreement	Land Plot Sale Agreements with Aldyar Alarabiya
Parties	• The Company • Aldyar Alarabiya
Date	21/09/1445H (corresponding to 31/03/2024G).
Agreement Term and Renewal Mechanism	The term of each of the Land Plot Sale Agreements shall commence on the date of conclusion thereof and shall expire on the date on which the ownership of the land plot is transferred to Aldyar Alarabiya. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has not been transferred to Aldyar Alarabiya.
Subject of the Agreement	The Company owns: (1) Land Plot No. 3SS-10 with an area of three thousand, four hundred and forty-three point ninety-nine square meters (3,443.99 m^2), and (2) Land Plot No. 3SS-09 with an area of three thousand, one hundred and eighty-nine point fifty-one square meters (3,189.51 m^2), both of which are located within Masar Destination and will be sold to Aldyar Alarabiya in accordance with the terms of the Land Plot Sale Agreements with Aldyar Alarabiya.
Pricing and Amendments	The purchase price of the land plots shall be as specified in the agreement. Aldyar Alarabiya shall pay the purchase price for each of the Aldyar Alarabiya Land Plot Sale Agreements in accordance with the mechanism specified in the agreement. Aldyar Alarabiya shall be responsible for paying for all taxes, fees, approvals and costs applicable as a result of executing the Land Plot Sale Agreements with Aldyar Alarabiya.
Material Obligations	If Aldyar Alarabiya chooses to sell the land plots at any time after the date of conclusion of the Aldyar Alarabiya Land Plot Sale Agreements, the Company shall have the right of pre-emption to purchase the land plots. On the date of transfer of ownership for each land plot, Aldyar Alarabiya shall provide the Company with a promissory note for a specified percentage of the purchase price to be executed in the event that the building platform is not established within four (4) years of the transfer of ownership, or in the event that any construction fines are imposed on Aldyar Alarabiya.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with Aldyar Alarabiya for the provision of maintenance services on the land plots, as follows:

1- Service Agreements with Aldyar Alarabiya

Table (12.64): Summary of Key Terms of the Service Agreements with Aldyar Alarabiya

Title of the Agreement	Service Agreements with Aldyar Alarabiya
Parties	• The Company • Aldyar Alarabiya
Date	21/09/1445H (corresponding to 31/03/2024G).
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plots purchased by Aldyar Alarabiya.
Pricing and Amendments	The service fees due from Aldyar Alarabiya to the Company consist of an annual amount as determined by the agreement. In addition, the fees due for cooling services shall be as specified in the agreement. In the event that Aldyar Alarabiya constructs a cooling chamber within the real estate properties, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

d- Conditional Reservation Agreement for the Sale of Land Plots with Aldyar Alarabiya Company

Table (12.65): Summary of Key Terms of the Land Plot Sale Agreements with Aldyar Alarabiya

Title of the Agreement	Conditional Reservation Agreements for the Sale of Land Plots with Aldyar Alarabiya Company
Parties	• The Company • Aldyar Alarabiya
Date	27/07/1443H (corresponding to 28/02/2022G), as amended on 29/10/1443H (corresponding to 30/05/2022G), 06/06/1445H (corresponding to 19/12/2023G) and 21/09/1445H (corresponding to 31/03/2024G).
Subject of the Agreement	The Company owns Land Plots No. 3SS/13, 3SS/05, 3SS/04, 3SS/03, 3SS/02, 3SS/09, 3SS/10, 3SS/12, 3NN/11, 3NN/09, 3NN/10 and 3SS/11 located within Masar Destination. Aldyar Alarabiya has expressed its interest in these land plots to develop them as residential and commercial projects. Accordingly, the Aldyar Alarabiya Reservation Agreement has reserved such land plots for the benefit of Aldyar Alarabiya, in anticipation of the execution of separate sales agreements for each land plot. Land Plots No. 3SS-05, 3SS-13, 3SS-10 and 3SS-09 were sold to Aldyar Alarabiya pursuant to the Aldyar Alarabiya Land Plot Sale Agreements.
Pricing and Amendments	The value of the land plots subject to the Aldyar Alarabiya Reservation Agreement shall be determined by a valuation conducted by an accredited real estate properties valuer in the city of Makkah at the time of executing the final land plot sale agreements for each individual land plot.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.
Other Provisions	The mechanism for the reservation of the land plots shall be as specified in the agreement.

e- Land Plot Sale and Purchase Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)

Table (12.66): Summary of Key Terms of the Land Plot Sale and Purchase Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)

Title of the Agreement	Land Plot Sale and Purchase Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)
Parties	• Alinma Second Development Company Limited (as the land plot owner with the Company appointed as its representative) • Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)
Date	05/05/1445H (corresponding to 19/11/2023G).
Agreement Term and Renewal Mechanism	The agreement shall be effective from the date thereof and shall expire on the date on which the title deed of the land plot is transferred to SAKHF. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. On 08/06/1446H (corresponding to 09/12/2024G), the title deed of the land plot has been transferred to SAKHF.
Subject of the Agreement	Alinma Makkah Development Fund II owns Land Plot No. 3NN-14 with an area of two thousand, two hundred and eighty-seven point eighteen square meters (2,287.18 m^2), which is located within Masar Destination and shall be sold to SAKHF in accordance with the terms of this agreement.
Pricing and Amendments	The purchase price of the land plot shall be as specified in the agreement. SAKHF shall pay the purchase price in accordance with the mechanism specified in the agreement.
Material Obligations	In the event that SAKHF chooses to sell the land plot at any time after the date of this agreement, Alinma Makkah Development Fund II shall have the right of pre-emption, also known as the right of first refusal, to purchase the land plot. On the effective date of this agreement, SAKHF shall provide a promissory note to Alinma Makkah Development Fund II in an amount equivalent to 5% of the purchase price. This promissory note shall be executed in the event that the building platform related to the land plot is not established within four (4) years from the effective date of the agreement, or in the event of any penalties being imposed pursuant to the terms of the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has concluded an additional agreement with SAKHF for the provision of maintenance services on the land plot, as follows:

1- Services Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)

Table (12.67): Summary of the Key Terms of the Services Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)

Title of the Agreement	Services Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)
Parties	• The Company • Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)
Date	05/05/1445H (corresponding to 19/11/2023G).
Agreement Term and Renewal Mechanism	The term of the agreement shall be ninety-nine (99) years commencing from the date of conclusion thereof. The agreement shall automatically expire in the event of the termination of the Land Plot Sale and Purchase Agreement concluded with SAKHF by either party.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination and shall provide these services in relation to the land plot purchased by SAKHF.
Pricing and Amendments	The service fees due from SAKHF to the Company consist of annual amounts as determined by the agreement. In addition, the fees due for cooling services and waste collection shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

f- Land Plot Sale Agreement with Alpha Elite Investment Company

Table (12.68): Summary of Key Terms of the Land Plot Sale Agreement with Alpha Elite Investment Company

Title of the Agreement	Land Plot Sale Agreement with Alpha Elite Investment Company
Parties	• The Company • Alpha Elite Investment Company
Date	09/04/1445H (corresponding to 24/10/2023G).
Agreement Term and Renewal Mechanism	This agreement shall be effective from the date thereof and shall terminate on the date on which the title deed of the land plot is transferred to Alpha Elite Investment Company. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has been transferred to Alpha Elite Investment Company.
Subject of the Agreement	The Company sold Land Plot No. 1BS-07 with an area of two thousand, four hundred and thirty-six and point seventy-one square meters (2,436.71 m^2), located within Masar Destination to Alpha Elite Investment Company in accordance with the terms of the Land Plot Sale Agreement with Alpha Elite Investment Company.
Material Obligations	If Alpha Elite Investment Company chooses to sell the land plot at any time after the date of conclusion of the Land Plot Sale Agreement with Alpha Elite Investment Company, the Company shall have the right of pre-emption to purchase the land plot.

Pursuant to this agreement, the Company concluded an additional agreement with Alpha Elite Investment Company for the provision of maintenance services on the land plots, as follows:

1- Services Agreement with Alpha Elite Investment Company

Table (12.69): Summary of Key Terms of the Services Agreement with Alpha Elite Investment Company

Title of the Agreement	Services Agreement with Alpha Elite Investment Company
Parties	• The Company • Alpha Elite Investment Company
Date	09/04/1445H (corresponding to 24/10/2023G).
Agreement Term and Renewal Mechanism	The term of the agreement is ninety-nine (99) years, commencing from the date of conclusion thereof. The agreement shall automatically expire in the event of the termination of the Land Plot Sale and Purchase Agreement with Alpha Elite Investment Company by either party.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination and shall provide such services in relation to the land plot purchased by Alpha Elite Investment Company.
Pricing and Amendments	The service fees payable by Alpha Elite Investment Company to the Company consist of the amount specified in the agreement and shall be due in the manner specified in the agreement. In the event that Alpha Elite Investment Company constructs a cooling chamber within the real estate properties, the delivery fees specified in the agreement shall not apply, provided that the cooling chamber is inspected and approved by the Company. Furthermore, the waste collection fees (per delivery point) shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

g- Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company

Table (12.70): Summary of Key Terms of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company

Title of the Agreement	Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company
Parties	• The Company • Erth Al Gharbia Real Estate Development Company
Date	04/12/1444H (corresponding to 22/06/2023G).
Agreement Term and Renewal Mechanism	The term of each of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company shall commence on the date of conclusion thereof and shall expire on the date on which the ownership of the respective land plot is transferred to Erth Al Gharbia Real Estate Development Company. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has not been transferred to Erth Al Gharbia Real Estate Development Company.
Subject of the Agreement	The Company owns: (1) Land Plot No. 1BN-07 with an area of two thousand, six hundred and eighty-four point twenty-eight square meters (2,684.28 m^2), and (2) Land Plot No. 1BN-09 with an area of two thousand, two hundred and ninety-one point forty-six square meters (2,291.46 m^2), both of which are located within Masar Destination and shall be sold to Erth Al Gharbia Real Estate Development Company pursuant to the terms of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company.
Pricing and Amendments	The purchase price of the land plots shall be as specified in the agreement. Erth Al Gharbia Real Estate Development Company shall pay the purchase price in accordance with the mechanism specified in the agreement.
Material Obligations	If Erth Al Gharbia Real Estate Development Company chooses to sell the land plots at any time after the date of conclusion of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company, the Company shall have the right of pre-emption to purchase the land plots. On the date of transfer of ownership of each land plot, Erth Al Gharbia Real Estate Development Company shall provide the Company with a promissory note of 5% of the purchase price to be executed in the event that the building platform is not established within six (6) years from the date of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into additional agreements with Erth Al Gharbia Real Estate Development Company for the provision of maintenance services on the land plot, as follows:

1- Service Agreements with Erth Al Gharbia Real Estate Development Company

Table (12.71): Summary of Key Terms of the Services Agreement with Erth Al Gharbia Real Estate Development Company

Title of the Agreement	Services Agreement with Erth Al Gharbia Real Estate Development Company
Parties	• The Company • Erth Al Gharbia Real Estate Development Company
Date	04/12/1444H (corresponding to 22/06/2023G).
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination and shall provide such services in relation to the land plot purchased by Erth Al Gharbia Real Estate Development Company.
Pricing and Amendments	The service fees payable by Erth Al Gharbia Real Estate Development Company to the Company shall consist of annual amounts as specified in the agreement. In addition, the fees due for cooling services and waste collection shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

h- Land Plot Sale Agreement between Alinma First Development Company Limited and Erth Al Gharbia Real Estate Development Company

Table (12.72): Summary of Key Terms of the Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company

Title of the Agreement	Land Plot Sale Agreements with Erth Al Gharbia Real Estate Development Company
Parties	• Alinma First Development Company Limited (as the owner of the land plot with the Company appointed as its representative) • Erth Al Gharbia Real Estate Development Company
Date	04/12/1444H (corresponding to 22/06/2023G).
Agreement Term and Renewal Mechanism	This agreement shall be effective from the date thereof and shall terminate on the date on which the title deed of the land plot is transferred to Erth Al Gharbia Real Estate Development Company. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has not been transferred to Erth Al Gharbia Real Estate Development Company.
Subject of the Agreement	Alinma First Development Company Limited (on behalf of Alinma Makkah Development Fund I) owns Land Plot No. 1BN-08 with a floor area of two thousand, six hundred and eighty-four point twenty-two square meters (2,684.22 m²) located within Masar Destination, which it shall sell to Erth Al Gharbia Real Estate Development Company pursuant to the agreement.
Pricing and Amendments	The purchase price of the land plot shall be as specified in the agreement. Erth Al Gharbia Real Estate Development Company shall pay the purchase price in accordance with the mechanism specified in the agreement. On the date of transfer of ownership of the land plot, Erth Al Gharbia Real Estate Development Company shall submit a promissory note to Alinma Makkah Development Fund I in an amount equivalent to 5% of the purchase price to be executed in the event that the building platform is not established within six (6) years from the date of the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.
Other Provisions	In the event that Erth Al Gharbia Real Estate Development Company chooses to sell the land plot at any time after the date of this agreement, Alinma Makkah Development Fund I will have the right of pre-emption, also known as the right of first refusal, to purchase the land plot.

Pursuant to this agreement, the Company has entered into an additional agreement with Erth Al Gharbia Real Estate Development Company for the provision of maintenance services on the land plot, as follows:

1- Service Agreements between Erth Al Gharbia Real Estate Development Company and the Company

Table (12.73): Summary of Key Terms of the Services Agreement with Erth Al Gharbia Real Estate Development Company

Title of the Agreement	Services Agreement with Erth Al Gharbia Real Estate Development Company
Parties	• The Company • Erth Al Gharbia Real Estate Development Company
Date	04/12/1444H (corresponding to 22/06/2023G).
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plot purchased by Erth Al Gharbia Real Estate Development Company.
Pricing and Amendments	The service fees payable by Erth Al Gharbia Real Estate Development Company to the Company shall consist of annual amounts as specified in the agreement. In addition, the fees due for cooling services and waste collection shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

i- Land Sale Agreement between Alinma First Development Company Limited and Qaed Real Estate Development and Investment Company

Table (12.74): Summary of Key Terms of the Land Sale Agreement with Qaed Real Estate Development and Investment Company

Title of the Agreement	Land Sale Agreement with Qaed Real Estate Development and Investment Company
Parties	• Alinma First Development Company Limited (as the owner of the land plot with the Company appointed as its representative) • Qaed Real Estate Development and Investment Company
Date	24/12/1445H (corresponding to 30/06/2024G)
Agreement Term and Renewal Mechanism	This agreement shall be effective from the date thereof and shall terminate on the date on which the title deed of the land plot is transferred to Qaed Real Estate Development and Investment Company. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plots has not been transferred to Qaed Real Estate Development and Investment Company.
Subject of the Agreement	Alinma First Development Company Limited (on behalf of Alinma Makkah Development Fund I) owns Land Plots No. 1BS-08 and 1BS-09, with floor areas of two thousand, six hundred and eighty-four point twenty-seven square meters (2,684.27 m²) and two thousand, three hundred and forty-six point eighty-seven square meters (2,346.87 m²), respectively, located within Masar Destination, which it shall sell to Qaed Real Estate Development and Investment Company pursuant to this agreement.
Pricing and Amendments	The purchase price of the land plots shall be as specified in the agreement. Qaed Real Estate Development and Investment Company shall pay the purchase price in accordance with the mechanism specified in the agreement. Upon the transfer of ownership of the land, Qaed Real Estate Development and Investment Company shall provide a promissory note to Alinma Makkah Development Fund I in an amount equal to 5% of the purchase price to be executed if the building platform is not constructed within six (6) years from the date of this agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.
Other Provisions	In the event that Qaed Real Estate Development and Investment Company chooses to sell the land at any time after the date of this agreement, Alinma Makkah Development Fund I shall have the right of first pre-emption, also known as the right of first refusal, to purchase the land.

Pursuant to this agreement, the Company has entered into an additional agreement with Qaed Real Estate Development and Investment Company for the provision of maintenance services on the land plot, as follows:

1- Service Agreements Between Qaed Real Estate Development and Investment Company and the Company

Table (12.75): Summary of Key Terms of the Service Agreements with Qaed Real Estate Development and Investment Company

Title of the Agreement	Two Service Agreements with Qaed Real Estate Development and Investment Company
Parties	• The Company • Qaed Real Estate Development and Investment Company
Date	24/12/1445H (corresponding to 30/06/2024G).
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination, with respect to the lands purchased by Qaed Real Estate Development and Investment Company.
Pricing and Amendments	The service fees payable by Qaed Real Estate Development and Investment Company to the Company shall consist of annual amounts as specified in the agreement. In addition, the fees due for cooling services and waste collection shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

j- Land Plot Sale Agreement with AlRajhi United Real Estate (hereinafter referred to as “AlRajhi United”)

Table (12.76): Summary of Key Terms of the Land Plot Sale Agreement with AlRajhi United Real Estate

Title of the Agreement	Land Plot Sale Agreement between the Company and AlRajhi United
Parties	• The Company • AlRajhi United
Date	23/03/1446H (corresponding to 26/09/2024G).
Agreement Term and Renewal Mechanism	The Land Plot Sale Agreement with AlRajhi United shall commence from the date of conclusion thereof and shall expire on the date on which the title deed to the land plot is transferred to AlRajhi United. In accordance with the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plot has not been transferred to AlRajhi United.
Subject of the Agreement	The Company owns two land plots, No. 3BN-01 and 3GS-01, with an area of six thousand, two hundred and fifteen point zero one square meters (6,215.01 m^2) located within Masar Destination, which is to be sold to AlRajhi United in accordance with the terms of the Land Plot Sale Agreement with AlRajhi United. If AlRajhi United decides to sell the land plot at any time after the date of the Land Plot Sale Agreement with AlRajhi United, the Company shall have the right of pre-emption to purchase the land plot.
Pricing and Amendments	The purchase price of the land plot shall be the amount specified in the agreement and shall be paid by AlRajhi United as specified therein. AlRajhi United shall be responsible for paying for all taxes, fees, approvals and costs applicable as a result of the execution of the Land Plot Sale Agreement with AlRajhi United.
Material Obligations	On the date of transfer of ownership, AlRajhi United shall provide the Company with a promissory note amounting to a specified percentage of the purchase price to be executed in the event that the building platform is not constructed within four (4) years of the transfer of ownership, or in the event that penalties are imposed on AlRajhi United.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company has entered into an additional agreement with AlRajhi United for the provision of maintenance services on the land plot as follows:

1- AlRajhi United Services Agreement

Table (12.77): Summary of Key Terms of the AlRajhi United Services Agreement

Title of the Agreement	AlRajhi United Services Agreement
Parties	• The Company • AlRajhi United
Date	23/03/1446H (corresponding to 26/09/2024G).
Agreement Term and Renewal Mechanism	The term of the AlRajhi United Facilities Services Agreement is ninety-nine (99) years, commencing from the date of conclusion thereof and expiring automatically in the event of termination of the Land Plot Sale Agreement with AlRajhi United by any of the parties thereto.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plot purchased by AlRajhi United.
Pricing and Amendments	The service fees (storage, delivery and consumption fees) payable by AlRajhi United to the Company shall consist of the amount specified in the agreement and shall be due as specified therein. In the event that AlRajhi United constructs a cooling chamber within the property, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company. Furthermore, the waste collection fees (per delivery point) shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

k- Land Plot Sale Agreement with Itqan Alpha Real Estate Company (referred to hereinafter as "Itqan Alpha Company")

Table (12.78): Summary of Key Terms of the Land Plot Sale Agreement with Itqan Alpha Company

Title of the Agreement	Land Plot Sale Agreement between the Company and Itqan Alpha Company
Parties	• The Company • Itqan Alpha Company
Date	20/04/1446H (corresponding to 23/10/2024G).
Agreement Term and Renewal Mechanism	The Land Plot Sale Agreement with Itqan Alpha Company shall commence from the date of conclusion thereof and shall expire on the date on which the title deed to the land plot is transferred to Itqan Alpha Company. According to the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plot has been transferred to Itqan Alpha Company.
Subject of the Agreement	The Company owns the land plot No. 1NN-04 with an area of two thousand, nine hundred and sixty-nine point thirty-nine square meters (2,969.39 m^2) located within Masar Destination, which was sold to Itqan Alpha Company in accordance with the terms of the Land Plot Sale Agreement with Itqan Alpha Company. If Itqan Alpha Company decides to sell the land plot at any time after the date of the Land Plot Sale Agreement with Itqan Alpha Company, the Company shall have the right of pre-emption to purchase the land plot.
Pricing and Amendments	The purchase price of the land plot shall be the amount specified in the agreement and shall be paid by Itqan Alpha Company as specified in the agreement. Itqan Alpha Company shall be responsible for paying all taxes, fees, approvals and costs applicable as a result of executing the Land Plot Sale Agreement with Itqan Alpha Company.
Material Obligations	On the date of transfer of ownership, Itqan Alpha Company shall provide the Company with a promissory note amounting to a specified percentage of the purchase price to be executed in the event that the building platform is not established within four (4) years of the transfer of ownership, or in the event that penalties are imposed on Itqan Alpha Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company entered into an additional agreement with Itqan Alpha Company to carry out maintenance services on the land plot, as per the following:

1- Itqan Alpha Company Services Agreement

Table (12.79): Summary of Key Terms of the Itqan Alpha Company Services Agreement

Title of the Agreement	Itqan Alpha Company Services Agreement
Parties	• The Company • Itqan Alpha Company
Date	20/04/1446H (corresponding to 23/10/2024G).
Agreement Term and Renewal Mechanism	The term of the Itqan Alpha Company Facilities Services Agreement is ninety-nine (99) years, commencing from the date of conclusion thereof and expiring automatically in the event of termination of the Land Plot Sale Agreement with Itqan Alpha Company by any of the parties.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plot purchased by Itqan Alpha Company.
Pricing and Amendments	The service fees (storage, delivery and consumption fees) payable by Itqan Alpha Company to the Company shall consist of the amount specified in the agreement, and shall be due in the manner specified in the agreement. In the event that Itqan Alpha Company constructs a cooling chamber within the property, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company. Furthermore, the waste collection fees (per delivery point) shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

l- Land Plot Sale Agreements between Alinma Second Development Company Limited and Al Ramz Real Estate Company

Table (12.80): Summary of Key Terms of the Land Plot Sale Agreements with Al Ramz Real Estate Company

Title of the Agreement	Land Plot Sale Agreements with Al Ramz Real Estate Company
Parties	• Alinma Second Development Company Limited (as the owner of the land plot with the Company appointed as its representative) • Al Ramz Real Estate Company
Date	11/05/1446H (corresponding to 13/11/2024G)
Agreement Term and Renewal Mechanism	This agreement shall be effective from the date thereof and shall terminate on the date on which the title deed of the land plot is transferred to Al Ramz Real Estate Company. According to the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plot has not been transferred to Al Ramz Real Estate Company.
Subject of the Agreement	Alinma Second Development Company Limited (on behalf of Alinma Makkah Development Fund II) owns land plots No. 2SS-09 and 2SS-10 with a floor area of three thousand, two hundred and seventy point seventy-five square meters (3,270.75 m^2) and two thousand, seven hundred and thirty-six point fifty-six square meters (2,736.56 m^2), respectively, located within Masar Destination, which it shall sell to Al Ramz Real Estate Company in accordance with the agreement.
Pricing and Amendments	The purchase price of the land plot shall be as specified in the agreement. Al Ramz Real Estate Company shall pay the purchase price in accordance with the mechanism specified in the agreement. On the date of transfer of ownership of the land, Al Ramz Real Estate Company shall provide a promissory note to Alinma Second Development Company Limited in an amount equivalent to 5% of the purchase price to be disbursed in the event that the building platform is not constructed within four (4) years from the date of the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.
Other Provisions	In the event that Al Ramz Real Estate Company chooses to sell the land plots at any time after the date of this agreement, Alinma Second Development Company Limited shall have the pre-emption right, or what is known as the right of first refusal, to purchase the land plot. As of the date of this Prospectus, the title deeds to such land plot are still being transferred to Al Ramz Real Estate Company.

Pursuant to this agreement, the Company entered into an additional agreement with Al Ramz Real Estate Company to carry out maintenance services on the land plot, as per the following:

1- Service Agreements between Al Ramz Real Estate Company and the Company

Table (12.81): Summary of Key Terms of the Service Agreements with Al Ramz Real Estate Company

Title of the Agreement	Service Agreements with Al Ramz Real Estate Company
Parties	• The Company • Al Ramz Real Estate Company
Date	11/05/1446H (corresponding to 13/11/2024G)
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plots purchased by Al Ramz Real Estate Company.
Pricing and Amendments	The service fees due from Al Ramz Real Estate Company to the Company consist of annual amounts as determined by the agreement. In addition, the fees due for cooling services and waste collection shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

m- Land Plot Sale Agreement with a Saudi Real Estate Development Company

Table (12.82): Summary of Key Terms of the Land Plot Sale Agreement with a Saudi Real Estate Development Company Company

Title of the Agreement	Land Plot Sale Agreement between the Company and a Saudi Real Estate Development Company
Parties	• The Company • a Saudi Real Estate Development Company
Date	25/06/1446H (corresponding to 26/12/2024G).
Agreement Term and Renewal Mechanism	The Land Plot Sale Agreement with a Saudi Real Estate Development Company shall commence from the date of conclusion thereof and shall expire on the date on which the title deed to the land plot is transferred to a Saudi Real Estate Development Company. According to the mechanism specified in the agreement, the transfer of the title of the land plot shall take place after completion of all payments stipulated in the agreement. As of the date of this Prospectus, the title deed of the land plot has not been transferred to a Saudi Real Estate Development Company.
Subject of the Agreement	The Company owns the land plot No. 3SS-11 with an area of four thousand, one hundred and eighty-nine point fourty-three square meters (4,189.43 m2) located within Masar Destination, which will be sold to a Saudi Real Estate Development Company in accordance with the terms of the Land Plot Sale Agreement with a Saudi Real Estate Development Company.
Pricing and Amendments	The purchase price of the land plot shall be the amount specified in the agreement and shall be paid by A Saudi Real Estate Development Company as specified in the agreement. A Saudi Real Estate Development Company shall be responsible for paying all taxes, fees, approvals and costs applicable as a result of executing the Land Plot Sale Agreement with A Saudi Real Estate Development Company.
Material Obligations	On the date of transfer of ownership, A Saudi Real Estate Development Company shall provide the Company with a promissory note amounting to a specified percentage of the purchase price to be executed in the event that the building platform is not established within four (4) years of the transfer of ownership, or in the event that penalties are imposed on A Saudi Real Estate Development Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Pursuant to this agreement, the Company entered into an additional agreement with a Saudi Real Estate Development Company to carry out maintenance services on the land plot, as per the following:

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1- Services Agreement with a Saudi Real Estate Development Company

Table (12.83): Summary of Key Terms of the a Saudi Real Estate Development Company Services Agreement

Title of the Agreement	a Saudi Real Estate Development Company Services Agreement
Parties	• The Company • a Saudi Real Estate Development Company
Date	25/06/1446H (corresponding to 26/12/2024G).
Agreement Term and Renewal Mechanism	The term of the a Saudi Real Estate Development Company Facilities Services Agreement is ninety-nine (99) years, commencing from the date of conclusion thereof and expiring automatically in the event of termination of the Land Plot Sale Agreement with a Saudi Real Estate Development Company by any of the parties.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plot purchased by a Saudi Real Estate Development Company.
Pricing and Amendments	The service fees payable by a Saudi Real Estate Development Company to the Company shall consist of the amount specified in the agreement, and shall be due in the manner specified in the agreement. In the event that a Saudi Real Estate Development Company constructs a cooling chamber within the property, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

12.3.8 Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Agreements

The Company has entered into various agreements in connection with the establishment and management of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with an estimated capital of eleven billion and two hundred million Saudi Riyals (SAR 11,200,000,000), whose units are fully owned by the Company. These agreements include fund establishment agreements, real estate development management agreements for the funds, and the terms and conditions of the funds. Additionally, the Company has entered into land plot sale agreements with Alinma Investment Company, as the fund manager, pertaining to the Company's sale of real estate properties to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, pursuant to which it shall register the title deeds for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in the name of Alinma First Development Company Limited and Alinma Second Development Company Limited, as the custodians of the fund assets (as applicable).

The following is a summary of the key terms of the financing agreements concluded by the Company:

a- Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company

The Company has entered into agreements for the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company, as the fund manager. Pursuant to these agreements, Alinma Investment Company shall establish the Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, whose units are full owned by Umm Al Qura for Development and Construction, as follows:

- Establishment Agreement for Alinma Makkah Development Fund I, entered into between the Company and Alinma Investment Company on 17/02/1441H (corresponding to 16/10/2019G); and
- Establishment Agreement for Alinma Makkah Development Fund II, entered into between the Company and Alinma Investment Company on 17/02/1441H (corresponding to 16/10/2019G).

Alinma Investment Company is a Capital Market Institution specialized in the establishment, listing and management of real estate funds and intends to establish and manage Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. Umm Al Qura For Development and Construction owns investment properties within Masar Destination and has made an in-kind contribution at an amount of five billion and five hundred million Saudi riyals (SAR 5,500,000,000), representing 84.615% of the Share Capital, and a cash contribution at an amount of one hundred million Saudi riyals (SAR 100,000,000), representing 15.385% of the share capital of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have paid the Company an amount of SAR 2 billion in cash through loans on the Funds. For further information, please refer to Section 12.3.10(b) "**Credit Facility Agreements Concluded by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank**" of this Prospectus.

It is worth noting that the main objective of the Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, which are fully owned by the Company, is to undertake the development and operation of hotel and residential buildings and malls for a total of eight (8) plots within the development Packages (A) and (B). This was achieved through each fund owning thirty-six (36) plots that form part of Masar Destination—in accordance with the provisions of plot sale agreements from the Company to the two funds concluded between the Company and Alinma Investment in its capacity as the fund manager—to obtain Sharia-compliant financing that covers the financial burdens of these projects through two independent entities.

The term of the Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be six (6) months from the date thereof, or until the launch and establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, whichever is earlier. This period shall be automatically renewable for an additional six (6) months, provided that no written notice is given by Alinma Investment Company to the contrary. The Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II are renewable for a further third term by written agreement between the two parties. The Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have been expired.

The total value of the real estate properties sold to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be in accordance with the payment terms stipulated in the land plot sale agreements to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (for further information, please refer to the "Payment Terms" section of Section (m) (d) "**Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company on Behalf of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II**" of this Prospectus).

Alinma Investment Company shall be responsible for establishing Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, and for obtaining the necessary financing of three billion and two hundred and fifty million Saudi Riyals (SAR 3,250,000,000) for each of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

- In consideration for its role in establishing, offering and obtaining the necessary financing for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, Alinma Investment Company shall be entitled to the fees as specified in the agreements.

The Company's contribution to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be as follows:

- The Company made an in-kind contribution representing 84.615% of the project land value in exchange for units in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II amounting to five billion and five hundred million Saudi Riyals (SAR 5,500,000,000) for each fund, for a total of eleven billion Saudi Riyals (SAR 11,000,000,000) for both funds.
- The Company made a cash contribution of one hundred million Saudi Riyals (SAR 100,000,000) to both Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, payable during the capital call process. This contribution will be used to cover the remaining portion of the capital of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- Throughout the duration of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, the Company shall reserve the right to sell all or part of its units in these funds at a price it deems appropriate to one or more parties, upon obtaining the approval of Alinma Investment Company, acting reasonably, and provided that there shall be no burdens or obligations on the relevant units. Alinma Investment Company shall have pre-emptive rights to purchase any such units.

The Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II may be automatically terminated in any of the following cases:

- If Alinma Investment Company is unable to obtain the CMA's approval for the private placement of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II;
- If Alinma Investment Company is unable to obtain funding on behalf of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II to finance the development of the project land plots;
- If either party materially breaches any of its obligations under the Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, or if either party causes a delay or suspension and such breach, suspension or delay is not addressed within 30 days of receipt of a written notice from the other party;
- Upon it becoming clear to the Fund Manager that the establishment of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II is not a feasible investment;
- If a final draft of the land plot sale agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II is not executed by both parties within ninety (90) days from the date of execution of the Establishment Agreement for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; and
- If the fund manager decides to withdraw their absolute right not to establish Alinma Makkah Development Fund I and Alinma Makkah Development Fund II or to purchase the real estate of the funds after completion of the necessary due diligence studies by independent consultants.

The Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Riyadh.

b- Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company

The Company has entered into two real estate development management agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, as follows:

- Real Estate Development Management Agreement for Alinma Makkah Development Fund I concluded between the Company and Alinma First Development Company Limited, which serves as a special purpose vehicle for Alinma Makkah Development Fund I, dated 04/04/1442H (corresponding to 19/11/2020G); and
- Real Estate Development Management Agreement for Alinma Makkah Development Fund II concluded between the Company and Alinma Second Development Company Limited, which serves as a special purpose vehicle for Alinma Makkah Development Fund II, dated 04/04/1442H (corresponding to 19/11/2020G).

Pursuant to the Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, Alinma First Development Company Limited and Alinma Second Development Company Limited have appointed the Company as the real estate development manager in respect of both Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. Pursuant to these agreements, the Company shall carry out all necessary works to develop the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

The target date for the initial delivery of the works carried out by the Company is thirty-four (34) months from the date of handover of the site by the contractors, which the Company acknowledges as 07/05/1447H (corresponding to 29/10/2025G), with the deadline for the initial delivery being sixty (60) days from that date. Final delivery by the Company shall take place twelve (12) months after the initial delivery.

Alinma First Development Company Limited and Alinma Second Development Company Limited shall each pay to the Company a development management fee as specified in the agreement, in respect of both Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, in consideration for the performance of real estate development works. The aforementioned fees shall be paid on the appropriate date as determined by Alinma First Development Company Limited and Alinma Second Development Company Limited as per the schedule agreed upon by each company, subsequent to the completion of the works and services pursuant to the Real Estate Development Management Agreement for the relevant Makkah Fund, and prior to the expiry date of the relevant Makkah Development Fund.

Either party may terminate the Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, by providing a written notice in the event of the other party's violation of the terms of those agreements. A breach by one party shall be deemed, in the reasonable opinion of the non-breaching party, to be capable of remedy notwithstanding the breaching party's failure to remedy such breach within sixty (60) days of receipt of notice thereof, or to be incapable of remedy or compensation, or to be incapable of remedy but capable of compensation notwithstanding the breaching party's failure to compensate the non-breaching party within a reasonable period.

In the event that the Company fails to deliver the first installment by the target date as determined by the parties, Alinma First Development Company Limited and Alinma Second Development Company Limited shall have the right to terminate the Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II by providing a sixty (60) days' written notice. Such delay must not be caused by delay in payments, force majeure or any cause resulting from Alinma First Development Company Limited and Alinma Second Development Company Limited.

In the event of insolvency of either party under the applicable law, the other party shall have the right to terminate the Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with immediate effect.

In the event that either party receives a notice from a Government authority that the project land plots are subject to full or substantial expropriation, Alinma First Development Company Limited and Alinma Second Development Company Limited shall have the right to terminate the Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, provided that the Company shall be compensated for any resulting damages.

The Real Estate Development Management Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be governed by the laws of the Kingdom. Any dispute arising therefrom which cannot be resolved amicably shall be referred to the competent courts in Riyadh.

c- Terms and Conditions of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II

The Terms and Conditions of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, both dated 03/03/1441H (corresponding to 31/10/2019G), stipulate that Alinma Makkah Development Fund I and Alinma Makkah Development Fund II are each considered a high-risk private placement fund with a combined total capital of eleven billion and two hundred million Saudi Riyals (SAR 11,200,000,000). The share capital of Makkah Development Fund I is five billion and six hundred million Saudi riyals (SAR 5,600,000,000), and the share capital of Makkah Development Fund II is five billion and six hundred million Saudi riyals (SAR 5,600,000,000). The objective of these funds is to achieve long-term capital growth through investments in the real estate sector in the Kingdom, particularly in Masar Destination. A number of land plots will be acquired, developed and then sold in the form of residential and hotel towers, commercial projects and the like.

The term of each of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be eight (8) years. Alinma Investment Company, in its capacity as fund manager, shall have the absolute right to extend each term for three (3) additional periods of two (2) years each. In the event that the term of the Fund is not extended, the Fund's term shall be deemed to have expired, and the Fund shall be liquidated after settling the liabilities thereof and distributing the remaining amounts upon liquidation to the unit holders in proportion to their shares in the Fund as stated in the unitholders' register.

The board of directors of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II consists of six (6) board members, including two independent board members, as follows:

1- Mr. Mazin Fawaz Baghdadi (chairman of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and a non-independent board member).
2- Mr. Yasser Abdulaziz Abu Ateek (non-independent board member).
3- Mr. Tariq Sharaf (non-independent board member).

4- Mr. Sultan Tawfiq Alkusayer (non-independent board member).
5- Mr. Sami Abdullah AlZakari (independent board member).
6- Dr. Abdulrahman Yousef Al-Aali (independent board member).

The minimum contribution amount to either Alinma Makkah Development Fund I or Alinma Makkah Development Fund II is one million Saudi Riyals (SAR 1,000,000). In addition, fees shall apply to both Alinma Makkah Development Fund I and Alinma Makkah Development Fund II as stipulated in the Terms and Conditions of each respective Fund.

Alinma Investment Company shall be the Fund Manager. It is licensed by the CMA under license No. 09134-37 to undertake the activity of dealing, custody and management (investment management and fund operation), as well as arranging and providing advice with respect to securities business.

The Fund Manager's tasks, duties and responsibilities include providing the following administrative and other services to the Fund, including, but not limited to, the following:

1- Managing the Fund's real estate assets and other assets for the benefit of unit holders in accordance with these terms and conditions;
2- Implementing the investment strategies described in these Terms and Conditions and monitoring the Fund's compliance with all applicable laws and regulations and with these Terms and Conditions;
3- Determining the procedures for decision-making related to the Fund's business:
   a- Investment decision: the Fund invests in specific projects, and therefore the decision to establish the Fund was made by the Fund Manager after considering the investment opportunities and the feasibility thereof.
   b- Developer appointment: the Fund Manager consults with the Fund's board of directors to appoint the developer for the project and approve the same.
   c- Project work plan: the developer, in cooperation with the Fund Manager, submits the project technical work plan in addition to the annual project budget to be reviewed and approved by the Fund Manager after obtaining the approval of the Fund's board of directors.
   d- Project budget: the Fund Manager is responsible for meeting the project expenses according to the approved budget, and the Fund's operations are monitored through periodic reports on the project's cash flows, noting that the Fund Manager shall prepare a financial report for the Fund on a semi-annual and annual basis.
   e- Engineering consultant: the developer and the engineering consultant's office shall submit their periodic reports to the Fund Manager on the progress of the project, approve any contractor invoices, and clarify any delays or obstacles that may hinder project works.
   f- Completion of the development process: At this stage, the developer shall be responsible for issuing a development completion certificate and providing all basic services such as electricity and water.
   g- Operation/marketing of project units: At this stage, according to the plan approved by the Fund Manager and the Fund's board of directors, the developer/marketer shall be responsible for operating/marketing the project and obtaining the necessary licenses for operation.
   h- Sale and liquidation of the Fund's assets: At the end of this stage, all components of the project shall be sold, and any financial claims on the Fund shall be paid. The Fund Manager shall also notify the Fund's board of directors to convene in order to announce the end of the Fund's work and pay any related dues in preparation for closing the Fund and distributing the returns to investors therein.
4- Acting as the Fund's subscription agent in the Kingdom;
5- Maintaining the register of unit holders in the Fund;
6- Arranging, negotiating and implementing financing that complies with the Sharia Committee's standards and controls on behalf of the Fund and for the benefit of the unit holders;
7- Obtaining the Sharia Committee's approval regarding compliance of these terms and conditions and all of the Fund's contracts, documents and transactions with Sharia standards and controls;

8- Appointing auditors and other professional service providers to the Fund, including a legal advisor;

9- Arranging and negotiating with all parties involved in the Fund's real estate activities, including real estate developers, contractors, consultants, engineering, marketing and other operational entities, as well as following up on their performance;

10- Supervising the developer's performance;

11- Arranging the leasing and/or management of the project and/or liquidation of the Fund upon the expiration of the Fund's term;

12- Informing unit holders of any material facts or developments that may affect the Fund's business; and

13- Consulting with the Fund's board members from time to time to ensure compliance with the regulations of the CMA and the Terms and Conditions.

d- Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company acting on behalf of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II

The Company has entered into two Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. These agreements were executed with Alinma Investment Company acting as the fund manager of both Alinma Makkah Development Fund I and Alinma Makkah Development Fund II as follows:

- Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I, concluded between the Company and Alinma Investment Company, acting as the fund manager of Alinma Makkah Development Fund I, dated 02/03/1441H (corresponding to 30/10/2019G); and
- Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund II, concluded between the Company and Alinma Investment Company, acting as the fund manager of Alinma Makkah Development Fund II, dated 02/03/1441H (corresponding to 30/10/2019G).

Alinma Investment Company is a Capital Market Institution specialized in the establishment, listing and management of real estate funds. Pursuant to the Land Plot Sale Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, Umm Al Qura for Development and Construction shall sell a portion of its real estate properties (comprising a total area of one hundred and twelve thousand, nine hundred and seventy-nine point three square meters (112,979.3 m^2) for the real estate of Alinma Makkah Development Fund I and a total area of one hundred and fourteen thousand, six hundred and eighty-nine point nine square meters (114,689.9 m^2) for the real estate of Alinma Makkah Development Fund II), along with all ownership rights related thereto, to these two funds in order to support their establishment in exchange for ownership of all of the units thereof, with Alinma Investment Company managing such funds.

- **Transfer of Title Deeds**

The expected handover date for the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II pursuant to the Real Estate Purchase Agreements with an Option Clause for the Buyer, is 180 days from the date of the agreements. As of the date of this Prospectus, ownership of all relevant land plots has been transferred to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II under the Land Sale Agreements with the Purchaser's Conditional Option, an option for purchasing real estate.

The Company shall register the title deeds for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) according to the following timeframes:

- All electronic records bearing the Company's name are to be registered in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) within ninety (90) days from the date of the Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II;

- All physical title deeds bearing the Company's name are to be registered in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) within one hundred and eighty (180) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; and
- All unregistered title deeds currently not in the Company's name but in the process of being registered shall be registered in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) within five hundred and forty (540) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

The Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall automatically renew for similar periods unless Alinma Investment Company provides the Company with a written notice of its intention not to renew any ongoing term.

It is worth noting that the real estate properties title deeds of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have been transferred to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II under transfer deeds, in compliance with the terms of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

All of the real estate title deeds that have been transferred are registered under the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, as applicable. The deed transfer for forty-four (44) land plots to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II has been completed and the Company is attempting to complete the procedures for transferring the deed for twenty-eight (28) land plots to the two funds as of the date of this Prospectus, which is expected to be completed during the financial year 2024G (for further information regarding the real estate owned by the Funds, please refer to Section 12.5.2 "**Real Estate Owned by the Company**" of this Prospectus).

In the event that the real estate properties title deeds are not registered in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) as specified in the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) shall have the option to pay the value of the specified deeds and request the Company to sign a mortgage agreement in the form outlined in the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, pursuant to which the Company is obligated to mortgage units of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II only as determined by Alinma Investment Company. The mortgage agreement shall be used to ensure the application of the terms of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and to oblige the Company to transfer all real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

If the Company is unable to register one or more title deeds (for any reason) in a manner that prevents Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) from issuing comprehensive deeds related to any of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) may, at their sole discretion, recover the value of any such title deeds from the Company without affecting any of their other rights under the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

The Company undertakes to replace any real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II that contains any ownership defects or has not been transferred to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) (for any reason) within the timeframe specified in the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, with a real estate property of equivalent value located within Masar Destination and free from any ownership defects, provided that Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) approve such transfer.

- **Payment Terms**

The total value of the sale of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be paid as specified in the agreement. This value shall be payable to the Company by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) as follows:

- Two cash payments as specified in the agreement, one for the real estate of Alinma Makkah Development Fund I and the other for the real estate of Alinma Makkah Development Fund II.
- Two in-kind payments as specified in the agreement, consisting of the issuance and registration of all units of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in the name of the Company equivalent to the in-kind value of such units in each of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, as applicable, for the value of the real estate. This shall be completed through registering the aforementioned units in the unit register established by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) and submitting a written declaration to the Company confirming the number of units registered in its name and the value of each unit in accordance with the customary policies and practices of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable).
- The parties have agreed to settle the cash and in-kind payments in the form of deferred payments. Such deferred payments shall be provided on a pro-rata basis according to what each cash and in-kind payment represents of the total sale value. This shall be completed following registration of any of the title deeds of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in the name of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) or its agent, in accordance with the value of the title deed.

The Company shall indemnify Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) immediately – within a fourteen (14) days from the date of any such request by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) – for any material defects in the real estate of the Alinma Makkah Development Fund I and Alinma Makkah Development Fund II which Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) prove to have arisen as a result of such material defects. The Company shall also indemnify Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) for any claims by any person arising with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, where such claims are directly or indirectly due to any fault of the Company.

Alinma Investment Company shall have the right to terminate the sale or claim compensation in the event that it discovers a previously hidden defect in the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II that was not apparent to it beforehand during the inspection of the real estate.

- **Conditions**

The Company and Alinma Investment Company shall verify that the following Conditions are met prior to the final deadline for handover:

- Obtaining approval of the CMA and any other regulatory approvals required to establish Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- Alinma Investment Company shall collect funds equal to or greater than the capital required to operate Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- Alinma Investment Company and its advisors shall complete all legal, technical and financial studies required by Alinma Investment Company, and the latter shall be satisfied with the results of such studies at its sole discretion.

In addition to the aforementioned, the Company shall meet the following conditions after concluding the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II in a manner satisfactory to Alinma Investment Company and within the timelines specified below:

- The Company shall consolidate all title deeds related to the real estate properties of the Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and issue comprehensive title deeds within two years from the date of the Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

- The Company shall ensure that the mutual services are enabled in the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, and that the statutory and contractual rights to use public streets apply to such real estate, and that the sewage, water and electricity networks are permanently and adequately connected thereto. The above shall be fulfilled within three years from the date of the Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company shall complete all infrastructure works related to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II and the surrounding land plots within two years from the date of the Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. The Company shall bear all costs thereof, including development costs as well as Government and tax costs. The Company shall carry out the aforementioned in a manner satisfactory to Alinma Investment Company.
- The Company shall abide by the provisions of the Real Estate Development and Management Agreement concluded between the two parties, which sets out the terms related to the development of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, within three years from the date of the Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company shall provide all missing details related to the title deeds with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

In correspondence dated 05/02/1445H (corresponding to 21/08/2023G), Alinma Investment Company confirmed to the Company that it had not previously taken any action against the Company due to its failure to meet the conditions specified in the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, without waiver by Alinma Investment Company of its right to take any action against the Company in the future.

- **Representations and Warranties**

The Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II stipulate the following seller warranties made by the Company, which shall be true and accurate as of the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, the expected handover date and the actual final handover date:

- The Company shall be the actual owner of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, while Alinma Makkah Development Fund I and Alinma Makkah Development Fund II (as applicable) shall be the absolute owners under the transfer.
- Except for the mortgages of Alinma Real Estate Company, which shall be released prior to the expected handover date, the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II are not mortgaged.
- The Company has obtained all of relevant regulatory approvals with respect to the ownership, development, use and operation of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- There are no outstanding or contingent liabilities that may arise with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company has not breached any liabilities under any agreements relating to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- Except as set out in Schedule 6 of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, there are no other ongoing or threatened claims or lawsuits against the Company with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II. Any liabilities relating to such claims or lawsuits shall be fulfilled by the Company.

- The details contained in Schedules 1 and 2 of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with respect to the description of the title deeds and land plots comprising the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II are true, complete, accurate and not misleading.
- There are no other facts which have not been disclosed with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, that, if disclosed, would have an adverse effect on any buyer of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II or would result in a material adverse change.
- Except as disclosed, there are no expropriation proceedings against any of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, and no notices of such proceedings have been sent to the seller.
- There are no commissions or fees due to any agents or other parties in connection with the sale of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.

In addition, the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II stipulate the following seller undertakings made by the Company, which shall be true and accurate as of the date of the Land Plot Sale Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, the expected handover date and the actual final handover date:

- The Company shall not take any actions with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II except with instructions from Alinma Investment Company, and shall not acquire the value of such real estate until the actual final handover date.
- The Company shall provide all agreements/documents related to the management, development and operation of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company shall enter into a real estate properties development and management agreement with Alinma Investment Company in a manner satisfactory thereto within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company warrants that Alinma Investment Company will release all mortgages and guarantees due with respect to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company shall obtain all of the necessary approvals from any Related Party having any interest in the land plots adjacent to the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II for the benefit of Alinma Investment Company and its representatives to grant them the necessary access to develop the infrastructure and superstructure of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, within ninety (90) days from the date of the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II.
- The Company, as an investor in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II, shall pay its share of the units in Alinma Makkah Development Fund I and Alinma Makkah Development Fund II upon their final closing.
- The Company shall correct and rectify any defects discovered prior to the actual handover date at its own expense and in a manner satisfactory to Alinma Investment Company.

- **Termination**

The Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II may be terminated in any of the following cases:

- Immediately by Alinma Investment Company, pursuant to a written notice to the Company upon issuance of any penal order, restraining order or other orders or the imposition of any legal or regulatory restrictions by any court or any person whereby the sale of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II by the Company or the purchase thereof by Alinma Investment Company is permanently restricted, hindered or prohibited;
- Immediately by Alinma Investment Company, upon a written notice to the Company if the Company is unable to perform any of its obligations under the Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II or in the event of its breach of any of its liabilities or warranties under such agreements;
- Immediately by Alinma Investment Company, pursuant to a written notice to the Company if the Company fails to comply with all the conditions stipulated in the call option, Alinma Investment Company's non-waiver of such call option, or within five hundred and forty (540) days from the date of the Land Sale Agreement with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II without extension of the same by Alinma Investment Company;
- Immediately by Alinma Investment Company, pursuant to a written notice to the Company if the Company fails to meet all the terms and conditions related to the transfer of title deeds stipulated under the Land Sale Agreements with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; and
- Immediately by Alinma Investment Company, if the CMA does not allow the establishment of either Alinma Makkah Development Fund I or Alinma Makkah Development Fund II.

- **Governing Law and Jurisdiction**

The Land Sale Agreements with the Purchaser's Conditional Option in relation to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II shall be governed by the laws of the Kingdom, and any dispute arising therefrom which cannot be resolved amicably shall be referred to the competent courts in Riyadh.

e- Alinma Makkah Development Fund I and Alinma Makkah Development Fund II Financing Agreements

Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have entered into a number of Sharia-compliant financing agreements with Alinma Bank to finance the purchase of the real estate of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II that form part of said funds (for further information regarding the relevant facility agreement, please refer to Section 12.3.10(a) "**Credit Facility Agreement with Alinma Bank**" of this Prospectus).

12.3.9 Joint Investment Agreement

The Company, Masar SEDCO Capital Real Estate Fund and SEDCO Capital entered into an agreement whereby the Company participates in Masar SEDCO Capital Real Estate Fund by providing a land plot as an in-kind contribution in order to obtain units in the same fund. The Company shall also provide utility services in relation to the land plot under the relevant service agreement. The following is a summary of the key terms of such agreement:

a- Investment Agreement with Masar SEDCO Capital Real Estate Fund and SEDCO Capital

Table (12.84): Summary of Key Terms of the Investment Agreement with Masar SEDCO Capital Real Estate Fund and SEDCO Capital

Title of the Agreement	Investment Agreement with Masar SEDCO Capital Real Estate Fund and SEDCO Capital
Parties	• The Company • Saudi Economic and Development Securities Company (hereinafter referred to as "SEDCO Capital" or the "Fund Manager"). • Masar SEDCO Capital Real Estate Fund (hereinafter referred to as "Masar SEDCO Fund").
Date	23/02/1446H (corresponding to 27/08/2024G).
Agreement Term and Renewal Mechanism	The Company shall complete the administrative procedures for transfer of the land plot deed within ninety (90) days of the date of the agreement.
Subject of the Agreement	The Company shall invest in Masar SEDCO Fund by providing an in-kind contribution consisting of Land Plot 3BS-01 with a total area of four thousand, five hundred and eighty-seven point twenty square meters (4,587.20 m^2) in exchange for units in Masar SEDCO Fund.
Pricing and Amendments	The value of the land plot provided as an in-kind contribution to the Fund shall be estimated as specified in the agreement.
Material Obligations	The Agreement shall not be effective unless the following prerequisites are met by all parties: • The absence of any judicial order, attachment order or any other order, restrictions or legal or regulatory obstacles that would prevent completion of the transfer of ownership of the land plot; • The Fund Manager shall, on behalf of and for the benefit of Masar SEDCO Fund, complete the necessary studies to verify the legal, technical and financial status of the land plot, in order to ensure satisfactory results; • Issuance of the amended title deed reflecting the area of the land plot as specified in the agreement; • Masar SEDCO Fund has signed a facility services agreement with the Company or any of its subsidiaries; and • The Fund Manager has collected the minimum Fund capital in accordance with the terms and conditions of Masar SEDCO Fund.
Termination	The Investment Agreement with Masar SEDCO Fund and SEDCO Capital may be terminated upon occurrence of any of the following events: • The parties have mutually agreed in writing to terminate the agreement; • Any party breaches or violates any of the terms, articles, undertakings, declarations or obligations contained in the agreement and the violation continues for a period of thirty (30) days after being notified in writing by the other non-breaching parties; • In the event that the agreement is terminated at the end of its term without fulfillment of the option conditions and in the absence of any extension; • If SEDCO Capital, on behalf of and for the benefit of Masar SEDCO Fund, finds that the real estate is not suitable for investment according to the laws in force by the competent authorities prior to the completion date; or • The occurrence of a change in an event or circumstance that leads to a material adverse effect impacting the Fund and/or this agreement in relation to its subject. For the purposes of this agreement, a material adverse effect shall mean expropriation events, delays in the issuance of the amended title deed, delays in the transfer of the amended title deed for reasons unrelated to Masar SEDCO Fund, any new regulations or directives that prevent the implementation of the subject of this agreement, any judgments or resolutions issued by the relevant entities that prevent the investor from issuing the amended title deed and/or transferring the amended title deed in favor of Masar SEDCO Fund, or the emergence of any results during the term of the agreement that prove that the SEDCO Fund cannot benefit from the real estate, including, for example, the inability to renew any licenses or permits or the inability to dispose thereof or any matter that has an approximate effect on the above without any liability towards the parties.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in the Kingdom.

Pursuant to this agreement, the Company has entered into an additional agreement with Masar SEDCO Fund for the provision of maintenance services on the land plot, as follows:

1- Masar SEDCO Fund Utility Services Agreement

Table (12.85): Summary of Key Terms of the Masar SEDCO Fund Utility Services Agreement

Title of the Agreement	Masar SEDCO Fund Services Agreement
Parties	• The Company • Masar SEDCO Fund
Date	23/02/1446H (corresponding to 27/08/2024G).
Agreement Term and Renewal Mechanism	The term of Masar SEDCO Fund Utility Services Agreement is ninety-nine (99) years, commencing from the date of conclusion thereof and expiring automatically upon the termination of the Investment Agreement with Masar SEDCO Fund.
Subject of the Agreement	The Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination in relation to the land plot it provided as an in-kind contribution to Masar SEDCO Fund.
Pricing and Amendments	The service fees (storage, delivery and consumption fees) payable by SEDCO Fund to the Company shall consist of the amount specified in the agreement and shall be due as specified therein. In the event that Masar SEDCO Fund constructs a cooling chamber within the property, the delivery fees described above shall not apply, provided that the cooling chamber is inspected and approved by the Company. Furthermore, the waste collection fees (per delivery point) shall be as specified in the agreement.
Governing Law and Jurisdiction	This agreement shall be governed by the laws of the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

12.3.10 Financing Agreements

The Company, Alinma Makkah Development Fund I and Alinma Makkah Development Fund II have entered into five (5) Sharia-compliant financing agreements with Alinma Bank, Bank AlJazira and Riyad Bank, under which the Company obtains credit facilities with a total value of fourteen billion and seven hundred million Saudi Riyals (SAR 14,700,000,000). As of the date of this Prospectus, the Company has utilized a total of nine billion, seven hundred and ninety-three million, three hundred and forty-one thousand, one hundred and twelve Saudi Riyals (SAR 9,793,341,112) thereof. The following table sets out the key terms of these agreements:

a- Credit Facility Agreement with Alinma Bank

Table (12.86): Summary of the Key Terms of the Credit Facility Agreement with Alinma Bank

Parties	The Company and Alinma Bank.
Date	03/08/1433H (corresponding to 23/06/2012G), as amended on 04/12/1436H (corresponding to 17/09/2015G),14/02/1441H (corresponding to 13/10/2019G), 28/05/1442H (corresponding to 12/01/2021G), 24/10/1444H (corresponding to 14/05/2023G) and 14/03/1446H (corresponding to 17/09/2024G).
Total Financing	Four billion and five hundred million Saudi Riyals (SAR 4,500,000,000).
Type of Financing	Credit facilities with the following sub-limits: • Ijarah (lease) financing with a sub-limit of four billion and one hundred million Saudi Riyals (SAR 4,100,000,000), which is subject to the Ijarah Agreement concluded with Alinma Bank on 04/12/1436H (corresponding to 17/09/2015G), as amended on 14/02/1441H (corresponding to 13/10/2019G).* • Deferred-sale financing with a sub-limit of four hundred million Saudi Riyals (SAR 400,000,000), with respect to the general costs of Masar Destination, which is subject to the Deferred-Sale Agreement concluded with Alinma Bank on 04/12/1436H (corresponding to 17/09/2015G), as amended on 14/02/1441H (corresponding to 13/10/2019G).
Amounts Utilized as of 30 June 2024G	Four billion and one hundred million Saudi Riyals (SAR 4,100,000,000).
Term	This agreement expires on 08/01/1447H (corresponding to 03/07/2026G).
Purpose	The purpose of the facilities is to finance the Company's purchase of real estate properties forming part of Masar Destination and to finance the infrastructure development costs and operating expenses.

Guarantees	The guarantees under this agreement consist of the following: • A mortgage of the Company's land plots representing the project land plots which (i) provide a coverage ratio specified in the agreement and (ii) fall within the scope of investment land plots (meaning land plots that are salable and not public); • A promissory note in the amount of four billion and four hundred million Saudi Riyals (SAR 4,400,000,000), signed by the Company; • A pledge to deposit the land plot sale proceeds of the mortgaged land plots into a revenue account; • A pledge to deposit the public offering proceeds in the client's accounts at Alinma Bank; • A pledge to deposit the private placement proceeds in the Company's accounts at Alinma Bank; • a pledge to deposit the proceeds resulting from the sale/lease of any other land plots within Masar Destination that are free—not held, assigned or mortgaged to any other financing institutions—to be deposited in the Company's regular/unrestricted main account with Alinma Bank; • Assignment of letters of credit related to contractors (if any) to Alinma Bank; • Waiver of insurance policies for the project and/or property subject to the insurance policies, with Alinma Bank as the primary beneficiary thereof; and • Opening a revenue account, an early repayment account and an operating account with Alinma Bank in the name of the Company. In addition, pursuant to the credit facility agreement concluded with Alinma Bank, Alinma Bank confirmed that no restrictions shall apply to the Company's use of the aforementioned proceeds in relation to the project or operational purposes and that such proceeds shall be deposited in an escrow account with Alinma Bank and used on the basis of the following arrangement: (a) payments to cover the Company's operating expenses; (b) payments to cover the costs of developing infrastructure and/or capital expenditures; (c) repayment of the amounts due to Alinma Bank, if any; and (d) financing the employee retirement savings account for the purpose of voluntary advance payments.
Termination and Default	Alinma Bank may terminate this agreement, demand immediate repayment of any outstanding amounts due and payable and terminate the granted facilities upon the occurrence of any of the following default events: • Failure to pay any amounts under the agreement within ten (10) business days; • If the Company breaches a material undertaking and does not remedy the same within ninety (90) days from the date of occurrence thereof; • If the Company defaults on paying any of its obligations in excess of ten million Saudi Riyals (SAR 10,000,000) and does not remedy the same (where possible) within sixty (60) days; • If it is proven that any material information provided by the Company is inaccurate and the same is not remedied within sixty (60) days; • If there is any change in the Company's business that would adversely and materially affect the Company's ability to fulfill its obligations; • If there is any change in the Company's ownership or management that would have a material adverse effect on the Company's ability to fulfill its obligations according to objective financial and technical criteria; • If the Company is liquidated or placed under administration or is unable to pay its liabilities due to others and the same is not remedied within sixty (60) days; or • If the Company fails to make payment of any final judgment or court order within ninety (90) days.
Material Restrictions	• The Company shall notify Alinma Bank in advance of any proposed change in its legal form or shareholding structure. If Alinma Bank approves such a change, the Company shall provide Alinma Bank with the updated constitutive documents within fifteen (15) days. Any change in the legal or administrative status of the Company without the prior written consent of Alinma Bank shall constitute a default under this agreement.* • The Company may not mortgage any of its assets provided as collateral to Alinma Bank without obtaining the prior written consent of Alinma Bank. Furthermore, the Company shall notify Alinma Bank in writing of all future liens, mortgages or other encumbrances on its assets or its incurrence of any other liabilities that may affect its obligations under this agreement. • Cash dividends to Shareholders are permitted provided that there are no cases of breach in accordance with the agreement. • The Company must obtain approval of Alinma Bank prior to disclosing any of the terms of the credit facility agreement therewith.
Jurisdiction	• This agreement shall be subject to and interpreted in accordance with the provisions of Islamic Sharia as well as the laws and regulations in force in the Kingdom without prejudice to the Islamic Sharia law. • Any dispute that arises between the two parties that cannot be resolved amicably shall be settled by the competent judicial authorities in the Kingdom.

* Alinma Bank has provided its approval in relation to the Offering, on the condition that: (1) the ownership of public agencies (i.e., the ownership of Government institutions, companies and entities) in the Company shall not be less than 51% of the share capital; and (2) all proceeds from the Offering shall be deposited into the Company's account at Alinma Bank in accordance with the terms of Alinma Bank Facility Agreement.

Source: The Company

b- Credit Facility Agreements Concluded by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank

Table (12.87): Summary of Key Terms of the Credit Facility Agreements Concluded by Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank

Parties	• First Credit Facility Agreement with Alinma Fund: Alinma Bank, Alinma First Development Company Limited and Alinma Makkah Development Fund I. • Second Credit Facility Agreement with Alinma Fund: Alinma Bank, Alinma Second Development Company Limited and Alinma Makkah Development Fund II.
Date of Agreements	• Date of the First Agreement: 01/07/1441H (corresponding to 25/02/2020G). • Date of the Second Agreement: 01/07/1441H (corresponding to 25/02/2020G).
Total Financing	Three billion and two hundred and fifty million Saudi Riyals (SAR 3,250,000,000) per agreement, for a total of six billion and five hundred million Saudi Riyals (SAR 6,500,000,000).
Financing Availability Date	The financing amount shall be available to Alinma Makkah Development Fund I and Alinma Makkah Development Fund II as of the handover date, which shall commence on the earlier of: 1- The project completion date (the project refers to the purchase, design, and development of land plots within the Masar Destination project), being the date on which the following requirements are fulfilled: (a) Alinma Bank obtains a confirmation from its technical advisor that the basic construction phase of the project has been completed, that each part of the project is ready for occupancy and operation and/or commerce (as applicable), that all project costs have been fulfilled, and that all approvals required for the project have been obtained; and (b) there is no default; or 2- The fourth anniversary of the date of the agreement. The availability of the financing shall expire on the fifth anniversary of the handover date.
Type of Financing	Credit facilities with the following sub-limits for each agreement: • A total of up to one billion Saudi Riyals (SAR 1,000,000,000) to finance the purchase of the project land, which consists of the total land plots allocated for the development of the project with an area of approximately 114,689.90 square meters; • A total of up to SAR 1,835,000,000 for direct superstructure costs in relation to the project, which includes infrastructure costs, construction costs and other costs and expenses that are directly related to the infrastructure and above-ground construction activities of the project; • A total of up to SAR 415,000,000 to finance indirect costs, which includes any costs other than the direct costs mentioned above, as approved by the Board of Directors of Alinma First Development Company Limited and/or Alinma Second Development Company Limited. The parties have concluded a number of agreements and documents governing the terms of the financing, including two Ijarah (lease) agreements, two Musharaka (joint partnership) agreements, two construction agency agreements, two service agency agreements, two mortgage and account assignment agreements, two undertakings to the fund manager, and two letters of commitment.
Amounts Utilized as of 30 June 2024G	Three billion, two hundred and fifty-one million, four hundred and thirty-six thousand, four hundred and eight Saudi Riyals (SAR 3,251,436,408).
Purpose	The purpose of the facility is for Alinma First Development Company Limited or Alinma Second Development Company Limited to finance the costs associated with the project. These costs include the total land acquisition costs, consisting of 166,585 square meters of land and Musharaka (joint partnership) assets.
Guarantees	The guarantees under these agreements consist of the following: • Alinma First Development Company Limited and Alinma Second Development Company Limited each undertake to deliver to Alinma Bank (1) one or more promissory notes in the amount of three billion and two hundred and fifty million Saudi Riyals (SAR 3,250,000,000); and (2) one promissory note in an amount equal to the maximum of Alinma Bank's projected profits from each of the Credit Facility Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Bank, which Alinma Bank reasonably estimates is likely to be realized for the first 12-month period of the Credit Facility Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II; • Alinma First Development Company Limited and Alinma Second Development Company Limited each undertake to pledge their bank accounts as security for the Credit Facility Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II as detailed in each of the Alinma Bank Account Pledge Agreements. The amount recoverable by each of Alinma First Development Company Limited and Alinma Second Development Company Limited from Alinma Bank under the above shall not exceed the total amount of SAR 3,250,000,000; and • Mortgage of real estate properties title deeds owned by Alinma First Development Company Limited and Alinma Second Development Company Limited in favor of Alinma Bank.

Termination and Default	Alinma Bank may terminate these agreements and demand immediate payment of any outstanding amounts due and payable and terminate the granted facilities upon the occurrence of any of the following default events: • Failure by Alinma First Development Company Limited or Alinma Second Development Company Limited to pay any amounts due on the due date, unless such payment is made within ten (10) business days of the due date; • Failure by Alinma First Development Company Limited or Alinma Second Development Company Limited to execute any of the provisions or comply with any of the terms of these agreements. Unless otherwise specified, a breach shall not be deemed to have occurred if any breach as aforesaid is remedied within ninety (90) days of Alinma Bank's notice to Alinma First Development Company Limited or Alinma Second Development Company Limited or from the date Alinma First Development Company Limited or Alinma Second Development Company Limited become aware of that breach; • Any representation or warranty made by Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II in any material documents to which it is a party and which is subsequently shown to be materially inaccurate or misleading at the time made shall not be deemed a default if such representation or warranty is capable to cure and is cured within sixty (60) days of Alinma Bank's notice to Alinma First Development Company Limited or Alinma Second Development Company Limited of such inaccurate or misleading representation or warranty or Alinma First Development Company Limited or Alinma Second Development Company Limited becoming aware of the same; • The insolvency of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II; • Any corporate action, legal proceeding or step taken in connection with bankruptcy proceedings for Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II, except for any action or step that is malicious and is vacated, stayed or denied within sixty (60) days of its commencement; • Any seizure, attachment, forfeiture or execution affecting any asset or assets of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II with a total value of SAR 10,000,000 and which is not released within 60 days; • The cessation or threat of cessation by Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II of implementing any further changes to its business that could have a material adverse effect; • If it becomes or is illegal for Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II to perform any of its material obligations under these agreements; • If any obligation of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II under any agreement entered into pursuant to these agreements is or becomes illegal, invalid, unenforceable, or incapable of performance, and, in each case, has, or is likely to have, individually or cumulatively, a material adverse effect; • If the power or ability of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II to carry on its business is wholly or largely limited or restricted by any seizure, confiscation, nationalization, interference or any similar action taken or imposed by or on behalf of any Government or regulatory authority in respect of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II or any of their material assets or the project; • If Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II cancels, or intends to cancel, or repudiates any of the material documents under these agreements to which it is a party, or indicates its intention to cancel any material documents to which it is a party; • In the event that any part of the project land is compulsorily acquired or the competent local authority issues an order for the compulsory acquisition of all or part of the project land, and in each case, taking into account the amount and timing of any compensation payable, such compulsory acquisition has or is likely to have a material adverse effect; • The destruction or damage of any part of the project, taking into account the amount and timing of the receipt of any relevant insurance proceeds, and such destruction or damage has or is likely to have a material adverse effect, except where such destruction or damage is caused by a force majeure event; • If there is a total loss of all or a substantial part of the project unless the loss is the result of a force majeure event;

Termination and Default	• The commencement or threat of any legal, arbitration, administrative, Government or regulatory proceedings in relation to the project or any material documents under these agreements or against Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II or any of their assets which may have a material adverse effect; • Any material consent or approval necessary to enable Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II to carry out the project, exercise their rights or comply with their obligations under the material documents pursuant to these agreements to which they are a party, or the enforceability of any material transactional documents is amended, revoked, withheld, not granted, or ceases to be in effect, and has a material adverse effect; • The insurance sought to be obtained ceases to be in full force and effect (other than by way of expiration); • Alinma Bank is no longer be the primary loss payee or, as the case may be, an additional insured under the insurance policy so named, other than upon the expiration of time; • Any change in the ownership or management of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II without the prior written consent of Alinma Bank, which could have a material adverse effect on its ability to fulfill its obligations under any of the project documents; • Any cancellation, invalidity, illegality, ineffectiveness, unenforceability or material modification of any of the project documents or any party thereto failing to comply with its material obligations, in each case having, or be likely to have, a material adverse effect, unless the relevant document is replaced by an agreement within 90 days that is substantially similar in form and substance, and with an entity satisfactory to Alinma Bank; • In the event that Alinma Bank becomes subject to any material liability or obligation under any environmental law in connection with the project, except to the extent that any such liability arises as a result of a gross negligence or willful misconduct of Alinma Bank or its breach of any of its obligations under the documents executed pursuant to this agreement; • If the rights of Alinma Bank under any agreement entered into pursuant to this agreement are subordinated to the rights of any other party or adversely affected by environmental law, such subordination or adverse effect shall not constitute a default if such subordination or adverse effect (1) arises as a result of a gross negligence or willful misconduct of Alinma Bank or its breach of its obligations; or (2) does not and is not reasonably likely to have a material adverse effect; • The project completion date does not fall on or earlier than the date four years from the date of these agreements or such other date as may be agreed upon in writing between Alinma Bank and Alinma Makkah Development Fund I or Alinma Makkah Development Fund II, except as a result of force majeure; • The completion date of the project does not occur on or before 20/06/1446H (corresponding to 31/12/2024G) unless as a result of force majeure; • If any of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II fails to satisfy a final judgment or court order within 90 days of the date of such final judgment; • In the event of any event or circumstance that results in a material adverse effect; • Any financial indebtedness of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II that is not paid when due or within any applicable original grace period; • Any financial indebtedness of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II that is declared due or becomes due prior to its stated maturity date as a result of an event of default (however described); • Any cancellation or suspension of any financial indebtedness of any member of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II by any creditor of any member of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II as a result of an event of default (however described); or • Any creditor of any member of Alinma First Development Company Limited, Alinma Second Development Company Limited, Alinma Makkah Development Fund I or Alinma Makkah Development Fund II has the right to declare any financial indebtedness due and payable prior to its stated maturity date as a result of an event of default (however described). • No breach shall be deemed to have occurred under the last four paragraphs if the total amount of financial indebtedness is less than SAR 10,000,000.
Jurisdiction	• This agreement shall be subject to and interpreted in accordance with the provisions of Islamic Sharia law and the laws and regulations in force in the Kingdom without prejudice to the Islamic Sharia law. • Any dispute that arises between the two parties that cannot be resolved amicably shall be settled by the competent judicial authorities in the Kingdom.

Source: The Company

c- Credit Facility Agreement with Bank AlJazira

Table (12.88): Summary of Key Terms of the Credit Facility Agreement with Bank AlJazira

Parties	The Company and Bank AlJazira
Date	01/03/1441H (corresponding to 29/10/2019G), as amended on 26/04/1441H (corresponding to 20/11/2022G) and 21/03/1446H (corresponding to 24/09/2024G).
Total Financing	Two billion and nine hundred million Saudi Riyals (SAR 2,900,000,000).
Type of Financing	• Deferred sale financing (Tawarruq) for financing invoices approved by Bank AlJazira, with a maximum limit of two billion and nine hundred million Saudi Riyals (SAR 2,900,000,000).
Amounts Utilized as of 30 June 2024G	One billion, eight hundred and seventy-five million, nine hundred and forty-nine thousand, four hundred and three Saudi Riyals (SAR 1,875,949,403).
Term	This agreement shall expire on 16/10/1450H (corresponding to 29/02/2029G).
Purpose	Financing the development of the infrastructure of Masar Destination, land purchase financing and/or refinancing of real estate properties not purchased by the Company that forms part of Masar Destination.
Guarantees	The guarantees under this agreement consist of the following: • A promissory note in the amount of three billion and one hundred and ninety million Saudi Riyals (SAR 3,190,000,000), signed by the Company; • A pledge of the title deeds as specified in this agreement in favor of Bank AlJazira to cover the total facility amount at a percentage specified in the agreement.
Termination and Default	Bank AlJazira may terminate this agreement and demand payment of all amounts due immediately upon breach of any of the following obligations: • The Company's obligation to pledge the title deeds to real estate properties acceptable to Bank AlJazira; • Conformity of the terms of the facilities and guarantees currently provided to Bank AlJazira to the terms and guarantees provided by the Company to other banks in the Kingdom and the Company's undertaking not to pledge any of its assets whereby such pledging is likely to reduce the value of the guarantees provided to Bank AlJazira; • The Company's obligation to provide Bank AlJazira with a cash flow statement relating to the project to be financed by Bank AlJazira, which shall be prepared by one of the top five (5) consulting firms in the Saudi market in a manner satisfactory to Bank AlJazira; and • The Company's obligation to open a bank account into which all transactions related to the guarantees provided to Bank AlJazira shall be deposited in accordance with this agreement. Furthermore, Bank AlJazira may, at its sole discretion, terminate the facilities and demand immediate repayment of all sums due upon the occurrence of any of the following events: • Failure of the Company to pay any or all of the amounts due; • Failure of the Company to fulfill any of the terms of this agreement; • If any of the information provided by the Company to Bank AlJazira prior to or after entering into this agreement is found to be incorrect; • Any change to the legal form of the Company without the prior knowledge and consent of Bank AlJazira (such consent shall not be unreasonably withheld); or • Failure by the Company to utilize all or part of the facilities within the availability period.
Material Restrictions	• In case of failure to pay the amounts due to the bank on the agreed dates or in case of delay in paying any of the due installments within a year, the Company shall not withdraw or distribute dividends; • Furthermore, in the event of the Company's default in paying the due installments, Bank AlJazira shall have the right to deduct 20% of the proceeds from the sale of land plots financed by the sub-facilities provided by Bank AlJazira in the amount of one billion and seven hundred million Saudi Riyals (SAR 1,700,000,000), and to deduct 15% of the proceeds from the sale of land plots financed by the sub-facilities provided by Bank AlJazira in the amount of one billion and two hundred million Saudi Riyals (SAR 1,200,000,00).
Jurisdiction	• This agreement shall be subject to the terms and conditions of the financing agreements to be agreed and concluded between the parties. • This agreement shall be governed by the laws of the Kingdom and the commercial norms in force in the Kingdom in a manner that does not conflict with the provisions of Islamic Sharia law. • Any dispute between the parties regarding the interpretation or implementation of this agreement or any of its clauses that cannot be resolved amicably shall be decided by the Banking Dispute Resolution Committee.

Source: The Company

d- Credit Facility Agreement with Riyad Bank

Table (12.89): Summary of Key Terms of the Credit Facility Agreement with Riyad Bank

Parties	The Company and Riyad Bank.
Date	19/07/1445H (corresponding to 31/01/2024G).
Total Financing	Eight hundred million Saudi Riyals (SAR 800,000,000).
Type of Financing	Profit rate swap Tawarruq in the amount of eight hundred million Saudi Riyals (SAR 800,000,000).
Amounts Utilized as of 30 June 2024G	Six hundred million, two hundred and fourteen thousand and fifty-five Saudi Riyals (SAR 600,214,055).
Term	This agreement shall expire four (4) years after the first drawdown on 04/09/1449H (corresponding to 31/01/2028G).
Purpose	N/A.
Guarantees	The guarantees under this agreement consist of the following: • A promissory note for the amount of one billion and four hundred and twenty million Saudi Riyals (SAR 1,420,000,000), signed by the Company; and • A mortgage of real estate properties.
Termination and Default	The following events shall be considered breaches under Riyad Bank Facility Agreement: • The Company's failure to pay any amount due or to perform any of its obligations under Riyad Bank Facility Agreement or the representations and warranties made by the Company, or if it is found that the representations and warranties made by the Company are incorrect for a period of seven (7) days; • In the event of any legal proceedings or legal action being instituted, or if any judgment, court order or resolution is issued for the dissolution of the Company, its guarantors, its sister companies or subsidiaries (except for any change in legal form or mergers previously approved in writing by Riyad Bank); • If the Company fails to pay or ceases to pay any of its other obligations or gives a written notice to Riyad Bank of its intention to cease all or a substantial part of its activities or becomes unable to pay its debts or enters into a preventive settlement with its creditors; • The Company or the guarantor is declared insolvent, unable to pay its debts or is subject to any similar action; • Failure of any of the Company's guarantors to fulfill their obligations under Riyad Bank Facility Agreement or any other agreements; • If the Company breaches any applicable law or regulation in a manner which affects its obligations under Riyad Bank Facility Agreement; • The issuance of any judgment against any subsidiary or sister company of the Company/guarantor/mortgagor or any other company in which the Company/guarantor/mortgagor has an interest, which, in the opinion of Riyad Bank, may have a material adverse effect on the ability of the Company or any of its subsidiaries, affiliates, or any company in which it has an interest, or any guarantor to fulfill its obligations under the documentation; or • If the Company breaches any applicable rules or regulations affecting its obligations under Riyad Bank Facility Agreement. • Riyad Bank Facility Agreement also includes a mutual breach provision, with the following being considered breaches: - If the Company, its subsidiaries or sister companies fail to fulfill their obligations, representations and warranties under any agreements, contracts or financial arrangements with Riyad Bank or any other creditor; - If the Company or its subsidiaries or sister companies fail to fulfill their obligations under any agreement, or if any guarantees provided by them or others are affected by financial obligations with Riyad Bank or any other creditor; or - Any changes in the legal form, ownership or management of the Company, its guarantors, subsidiaries or sister companies or any decisions that would affect their obligations towards Riyad Bank or the guarantees without the prior written consent of Riyad Bank.

Material Restrictions	• The Company undertakes that any change in the Company's legal form or Shareholders, or the extent of their liability, their ownership, their obligations towards third parties or legal representatives and the powers or activities thereof, or any other change shall not affect the continued validity of Riyad Bank Facility Agreement and that Riyad Bank shall be immediately notified of any such change. In addition, there shall be no change in the Company's legal form or ownership structure without Riyad Bank's prior written consent.
Jurisdiction	• This agreement shall be subject to the terms and conditions of the financing agreements to be agreed and concluded between the parties. • This agreement shall be governed by the laws of the Kingdom and the commercial norms in force in the Kingdom in a manner that does not conflict with the provisions of Islamic Sharia law. • Any dispute between the parties regarding the interpretation or implementation of this agreement or any of its clauses that cannot be resolved amicably shall be decided by the Banking Dispute Resolution Committee.

Source: The Company

12.4 Material Agreements with Related Parties

Transactions with Related Parties amounted to SAR 199.1 million, SAR 387.0 million, SAR 2.1 billion and SAR 507.8 million for the financial years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G, respectively. This section sets out a summary of the material agreements with the Board Members which the Board Members believe to be material with respect to the Company's business or which may affect investors' decisions to subscribe for the Offer Shares. The summary of the agreements and contracts presented below does not include all of the terms and conditions thereof and should not be considered a substitute for the terms and conditions contained in such agreements.

The Board Members of the Company declare that none of the agreements with Related Parties described in this section include any preferential terms and that all such agreements have been concluded in a legal and regular manner and on an arm's length basis. Except as mentioned in this section of the Prospectus, the Company is not bound by any transactions, agreements, commercial relations or real estate properties deals with any Related Party.

The Board Members further declare they will comply with Articles 27 and 71 of the Companies' Law and Articles 42 and 44 of the CGRs issued by the CMA with respect to Related Party agreements.

12.4.1 Transactions with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)

The Company executed a land plot sale and purchase agreement on behalf of Alinma Makkah Development Fund II with SAKHF (with Alinma Makkah Development Fund II as the owner of the land plot), dated 05/05/1445H (corresponding to 19/11/2023G) (for further information regarding this agreement, please refer to Section 12.3.7 (e) "**Land Plot Sale and Purchase Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)**" of this Prospectus). The Company also concluded a service agreement with SAKHF, dated 05/05/1445H (corresponding to 19/11/2023G) (for further information regarding this agreement, please refer to Section 12.3.7 (e) "**Land Plot Sale and Purchase Agreement with Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)**" of this Prospectus).

The Board Member Abdullah Saleh Kamel has an indirect interest in these agreements, as he is the chairman of SAKHF. Accordingly, the Extraordinary General Assembly approved this transaction and the related interest on 05/05/1445H (corresponding to 19/11/2023G) in accordance with Article 27 of the Companies' Law.

12.4.2 Transactions with the General Authority for Awqaf

The Company entered into a settlement agreement dated 13/06/1445H (corresponding to 26/12/2023G) and a facilities service agreement dated 13/06/1445H (corresponding to 26/12/2023G) with the General Authority for Awqaf (for further information regarding this agreement, please refer to Section 12.8.3 "**General Authority for Awqaf Claim**" of this Prospectus).

The Board Members Abdulaziz Mutaib Al-Rasheed and Haitham Mohammed Al-Fayez have indirect interest in these two agreements concluded with the General Authority for Awqaf, given that the Board Member Abdulaziz Mutaib Al-Rasheed is a board member of Awqaf Investment Company, which is the investment arm of the General Authority for Awqaf. Furthermore, the Board Member Haitham Mohammed Al-Fayez is the CEO of Awqaf Investment Company. Accordingly, the Extraordinary General Assembly approved the relevant agreements, transactions and interests on 05/05/1445H (corresponding to 19/11/2023G) in accordance with Article 27 of the Companies' Law.

12.4.3 Transactions with Alinma Investment Company

The Company entered into the agreements set out below with Alinma Investment Company in connection with the establishment of two real estate funds:

1- Establishment Agreement for Alinma Makkah Development Fund I between the Company and Alinma Investment Company, dated 17/02/1441H (corresponding to 16/10/2019G);
2- Establishment Agreement for Alinma Makkah Development Fund II between the Company and Alinma Investment Company, dated 17/02/1441H (corresponding to 16/10/2019G);
3- Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund I between the Company and Alinma Investment Company, dated 02/03/1441H (corresponding to 30/10/2019G); and
4- Land Sale Agreement with the Purchaser's Conditional Option in Relation to Alinma Makkah Development Fund II between the Company and Alinma Investment Company, dated 02/03/1441H (corresponding to 30/10/2019G).

The Board Member Abdulrahman Mohammed Al-Rashid has an indirect interest in the agreements, given that at the time the agreements were concluded, he was the chairman of Alinma Investment Company, which manages the funds. Accordingly, the Extraordinary General Assembly approved the related agreements, transactions and interest on 26/11/1444H (corresponding to 15/06/2023G) in accordance with Article 27 of the Companies' Law.

12.5 Real Estate

12.5.1 Land Expropriation

Resolution No. 6, dated 10/02/1433H (corresponding to 02/02/2012G), was issued by the Governor of the Makkah Region in his capacity as chairman of Makkah Province Development Authority, based on the Real Estate Expropriation Law for the Public Benefit and Temporary Seizure of Real Estate issued by Royal Decree No. M/15, dated 11/03/1424H (corresponding to 12/05/2003G). The aforementioned resolution stipulated the following:

1- Approval of the expropriation of real estate properties located within Masar Destination in Makkah in accordance with the data thereof contained in the expropriation sheets and the minutes of the Real Estate Valuation Committee;
2- Approval of the expropriation of real estate properties located within the vicinity of King Abdullah Mosque on King Abdulaziz Road in accordance with the data thereof contained in the ownership sheets and the minutes of the Real Estate Valuation Committee;
3- Compensation for the real estate properties referred to in Paragraph 1 above from the Company's budget and the annotation of the title deeds of the expropriated real estate properties to indicate receipt of compensation and title deed transfer to the Company. As of 30 June 2024G, the Company had not paid the compensation due for one hundred and twenty-six (126) of the properties, amounting to SAR 431 million, referred to in Paragraph 1 above due to incompletion of the administrative procedures for transferring deed ownership. It is expected that all such compensations will be paid within two (2) to three (3) years from the date of this Prospectus;
4- Compensation for the real estate properties referred to in Paragraph 2 above from the Masar Destination budget that was expropriated for the benefit of King Abdullah Mosque, and the annotation of the title deeds of the expropriated real estate properties to indicate receipt of compensation and title deed transfer for the public benefit to the King Abdullah Mosque Project;
5- The concerned parties, each within its competence, shall complete the regulatory procedures; and
6- The resolution shall be communicated to the Secretariat of Makkah Province Development Authority for the implementation thereof.

In addition, Resolution No. 1305/MMH, dated 14/05/1434H (corresponding to 26/03/2013G), was issued by the Governor of the Makkah Region, after the completion of the first phase of demolition of real estate properties located within Masar Destination, to implement the Company's intention to proceed with the second phase of demolition, comprising of five hundred and fifty-five (555) real estate properties, and proceed with the fifth phase of demolition of one hundred and thirty-five (135) real estate properties, with the aim of building the infrastructure of Masar Destination. In addition, Resolution No. 2099/MMH, dated 26/07/1434H (corresponding to 05/06/2013G), was issued by the Governor of the Makkah Region, after the completion of the first phase of demolition of real estate properties located within Masar Destination, to implement the Company's intention to proceed with the third phase of demolition, comprising eight hundred and seventy-seven (877) real estate properties, and proceed with the fourth phase of demolition of seven hundred and twenty (720) real estate properties, with the aim of building the infrastructure of Masar Destination. The aforementioned resolutions stipulate the following regarding the relevant demolition phases:

1- The Makkah Police Chief shall notify all residents to vacate their properties located within Masar Destination within the agreed period;
2- Suspension of all services in the relevant real estate properties within the agreed period; and
3- The Secretariat of Makkah Province Development Authority shall coordinate with all relevant Governmental Entities and issue a report including all works being implemented by the relevant Governmental Entities.

12.5.2 Real Estate Owned by the Company

Approximately three thousand, six hundred and thirty-one (3,631) real estate properties in Makkah were expropriated, and their ownership was transferred to the Company. These real estate properties form part of Masar Destination.

High Order No. 44133, issued on 05/08/1442H (corresponding to 18/03/2021G), stipulates the following:

- Instructing the Ministry of Justice to issue comprehensive title deeds for the entire Masar Destination in Makkah in favor of the Company and the annotation of the title deed registers indicating the total areas allocated for streets, public utilities and services, amounting to two hundred and ninety-six thousand, seven hundred and twenty-four point sixty-six square meters (296,724.66 m^2) as per the surveys and data attached to Letter No. 2754 of the State Properties General Authority (SPGA), dated 14/03/1442H (corresponding to 31/10/2020G). Thereupon, the Ministry of Justice issued comprehensive certificates to the Company; and
- Processing the real estate properties referred to in the Company's Letter No. 20/1565/IA, dated 28/12/1441H (corresponding to 18/08/2020G), as per the following:
  - The shares issued against real estate properties expropriated from private ownership (i.e., Government real estate properties) and real estate properties for which there are no title deeds, including real estate properties owned by the Ministry of Islamic Affairs, Dawah and Guidance, amounting to one thousand and fifty-six (1,056) real estate properties with a total area of one hundred and sixty thousand, two hundred and sixty-one point seventy five square meters (160,261.75 m^2), shall be registered in the name of the SPGA. The Company's Extraordinary General Assembly approved the in-kind capital increase on 17/09/1443H (corresponding to 18/04/2022G);
  - The shares issued against real estate properties with title deeds owned by absent individuals, amounting to ninety-eight (98) real estate properties with a total area of thirty-four thousand, eight hundred and eighty-one point eighty-seven square meters (34,881.87 m^2), shall be registered in the names of these absentees under the supervision of the General Commission for the Guardianship of Trust Funds for Minors and their Counterparts. These shares shall be transferred to the General Commission for the Guardianship of Trust Funds for Minors and their Counterparts to exercise its powers in accordance with the applicable laws. The Company's Extraordinary General Assembly approved the in-kind capital increase on 17/09/1443H (corresponding to 18/04/2022G);

- The Company is following up on the real estate properties still under process, which amount to one hundred and sixty-seven (167) real estate properties with a total area of seventy thousand, four hundred and eighty-seven point ninety five square meters (70,487.95 m²). As of the date of this Prospectus, forty-one (41) of these real estate properties have been processed and work is underway to complete the procedures for one hundred and twenty-six (126) real estate properties valued at SAR 431.4 million with a total area of fifty-seven thousand, four hundred and twenty-three point thirty-two square meters (57,423.32 m²); and
- Annotation of the registers for the real estate properties title deeds owned by the Company and the deeds related to the above-mentioned real estate properties to indicate the issuance of comprehensive title deeds and the transfer of their ownership to the Company.

Pursuant to High Order No. 44133, dated 05/08/1442H (corresponding to 18/03/2021G), the Company's Extraordinary General Assembly approved the in-kind capital increase on 17/09/1443H (corresponding to 18/04/2022G).

The Company sorted the comprehensive deeds in accordance with the master plan of Masar Destination approved by the Company. As of the date of this Prospectus, all of the project's land plots title deeds, amounting to two hundred and twenty-two (222) subsidiary title deeds, have been issued for the comprehensive deeds. The sorting of four (4) comprehensive deeds is completed, namely the following deeds: (1) 320109007023; (2) 320109007020; (3) 320109007021; and (4) 720109007024. Also, it should be noted that among the real estate properties covered by the comprehensive title deeds issued by the Ministry of Justice, there are one hundred and twenty-six (126) primary project properties which have been expropriated for the benefit of the Company with a total area of approximately fifty-seven thousand, four hundred and twenty-three point thirty two square meters (57,423.32 m²) owned by the Company. However, administrative procedures are underway to settle the expropriation amounts for these properties, which represent liabilities for the Company of SAR 431.4 million. These are expected to be settled through cash or in-kind payments, and the Company is still in the process of finalizing payment procedures with the former owners of these properties as of the date of this Prospectus. Although such real estate properties is included in the comprehensive title deeds issued to the Company, the Company is still working to finalize payment procedures to the former owners thereof. The finalization of such payments is contingent upon the completion of administrative procedures related to the transfer and annotation of the original title deeds. This is due to factors such as the inaccurate boundaries of such real estate properties in the title deeds and issues related to the heirs of some of the former owners of the relevant real estate properties.

The following is a summary of the comprehensive title deeds issued by the Ministry of Justice:

Table (12.90): Summary of the Comprehensive Title Deeds for Masar Destination

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
1.	320109007020 18/08/1442H (corresponding to 31/03/2021G)	The Company	Second District, King Abdulaziz Road, Makkah	Part of Masar Destination	304,340.73
2.	320109007023 18/08/1442H (corresponding to 31/03/2021G)	The Company	First District, King Abdulaziz Road, Makkah	Part of Masar Destination	300,999.85
3.	320109007021 18/08/1442H (corresponding to 31/03/2021G)	The Company	Third District, King Abdulaziz Road, Makkah	Part of Masar Destination	207,857.09
4.	720109007024 18/08/1442H (corresponding to 31/03/2021G)	The Company	Fourth District, King Abdulaziz Road, Makkah	Part of Masar Destination	406,045.59

Source: The Company

The following is a summary of the sorted deeds for Masar Destination as of the date of this Prospectus:

Table (12.91): Summary of Real Estate Title Deeds for Masar Destination

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
1.	460001333256[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,953.48
2.	360001333272[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	6,893.41
3.	460001333274[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,639.45
4.	360001333249[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,157.88
5.	320110017612 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,684.28
6.	360001421925[1] 11/02/1446H (corresponding to 15/08/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,684.22
7.	320129008280 01/01/1445H (corresponding to 19/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,291.46
8.	220128006115 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,603.16
9.	920113011743 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,703.50
10.	320129008268 30/12/1444H (corresponding to 18/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,625.81
11.	320113011744 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,933.22
12.	420128006189 13/01/1445H (corresponding to 31/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,904.16
13.	320129008196 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,131.35
14.	960001333533[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,610.15
15.	460001333532[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	6,893.54
16.	360001333509[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,650.16
17.	360001332415[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,157.88
18.	460001333511[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,682.03
19.	494133008655[5] 09/05/1445H (corresponding to 23/11/2023G)	Alpha Elite Investment Company	Masar Destination in Makkah	Part of Masar Destination	2,436.71
20.	260001422154[1] 11/02/1446H (corresponding to 15/08/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,684.27
21.	360001421991[1] 11/02/1446H (corresponding to 15/08/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,346.87
22.	960001332413[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,533.57
23.	720113011745 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,500.11

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
24.	320129008271 30/12/1444H (corresponding to 18/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,500.07
25.	360001332410[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,500.43
26.	460001332402[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,948.12
27.	420110017639 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,975.58
28.	760001333510[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	4,916.96
29.	481880001128[6] 24/04/1446H (corresponding to 27/10/2024G)	Itqan Alpha Real Estate Company	Masar Destination in Makkah	Part of Masar Destination	2,969.39
30.	360001333257[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	4,129.18
31.	760001333268[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,554.98
32.	360001333569[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,805.46
33.	860001333525[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,795.55
34.	894133009003[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,905.60
35.	760001333567[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,775.86
36.	960001333518[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,815.35
37.	960001333544[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,739.60
38.	460001332420[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,873.98
39.	394133009015[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,517.44
40.	320129008493 28/01/1445H (corresponding to 15/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	5,000.00
41.	394133009001[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,893.49
42.	220128006012 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,635.36
43.	860001333552[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,181.05
44.	420110017640 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,496.45
45.	394133008982[8] 23/10/1445H (corresponding to 02/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,337.66
46.	994133008983[8] 23/10/1445H (corresponding to 02/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,430.56

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
47.	720129008210 28/12/1444H (corresponding to 16/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	5,689.54
48.	320111016072 13/01/1445H (corresponding to 31/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,676.04
49.	520113011687 01/01/1445H (corresponding to 19/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,256.26
50.	394133009002[6] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,813.71
51.	460001333526[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,931.60
52.	794133009017[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,889.07
53.	720113011688 01/01/1445H (corresponding to 19/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,933.40
54.	320113011689 01/01/1445H (corresponding to 19/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,397.70
55.	994133009016[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,035.42
56.	320113011741 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,756.47
57.	920129008265 30/12/1444H (corresponding to 18/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,379.36
58.	720129008273 30/12/1444H (corresponding to 18/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,971.41
59.	994133009014[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,861.79
60.	394133009013[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,654.80
61.	494133009012[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,621.58
62.	794133009011[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,568.31
63.	220113011751 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,444.33
64.	920128006461 08/02/1445H (corresponding to 24/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,709.12
65.	620113011752 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
66.	260001332421[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,500.00
67.	220129008574 08/02/1445H (corresponding to 24/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,291.60
68.	920113011753 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,386.02
69.	520113011786 15/01/1445H (corresponding to 02/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,500.00

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
70.	920111016048 12/01/1445H (corresponding to 30/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,334.98
71.	320129008325 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,681.10
72.	320113011697 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
73.	960001332427[(1)(2)] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,500.00
74.	520128006113 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,291.60
75.	420128006112 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,397.63
76.	720111016046 09/01/1445H (corresponding to 27/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,500.00
77.	320113011698 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,323.39
78.	320129008338 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	787.50
79.	320111016028 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	787.50
80.	860001332433[(1)(2)] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	5,033.10
81.	320128006111 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,082.98
82.	960001333503[(3)(4)] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,683.73
83.	520128006110 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,170.95
84.	220113011699 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,000.57
85.	520111016045 09/01/1445H (corresponding to 27/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,985.67
86.	320113011700 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,000.00
87.	620113011701 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,000.00
88.	720128006109 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,000.09
89.	394133009010[(7)] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,732.52
90.	820129008302 05/01/1445H (corresponding to 23/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,796.07
91.	320111016073 13/01/1445H (corresponding to 31/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,236.47
92.	420111016043 09/01/1445H (corresponding to 27/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,236.62

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
93.	220129008303 05/01/1445H (corresponding to 23/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,286.20
94.	520113011702 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	30,035
95.	220129008304 05/01/1445H (corresponding to 23/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	7,183.72
96.	720128005997 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,436.37
97.	320110017573 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,199.03
98.	420129008177 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
99.	620128005964 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
100.	420129008178 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
101.	320111016079 15/01/1445H (corresponding to 02/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
102.	920128005962 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
103.	520129008179 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
104.	820110017568 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
105.	720129008180 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,650.00
106.	720111016081 15/01/1445H (corresponding to 02/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,486.01
107.	994133009009[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,900.00
108.	994133009008[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,042.44
109.	394133009007[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,900.00
110.	620113011703 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,703.97
111.	220129008403 15/01/1445H (corresponding to 02/08/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,200.00
112.	420110017569 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
113.	420129008128 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
114.	320129008129 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
115.	320128005978 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
116.	320129008130 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
117.	620110017570 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
118.	320110017571 22/12/1444H (corresponding to 10/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
119.	920128005975 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,583.33
120.	320129008131 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,455.83
121.	994133009006[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,900.00
122.	694133009005[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,042.44
123.	994133009004[7] 04/11/1445H (corresponding to 12/05/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,900.00
124.	320111016075 13/01/1445H (corresponding to 31/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,870.59
125.	520128005972 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,568.47
126.	320128006134 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	900.00
127.	360001333553[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,546.06
128.	960001332435[1][2] 06/11/1445H (corresponding to 14/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,965.16
129.	960001333124[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,362.98
130.	320128006002 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,057.81
131.	420129008289 02/01/1445H (corresponding to 20/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,124.82
132.	360001333123[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,472.61
133.	320110017618 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,307.19
134.	920128006001 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,061.58
135.	360001333517[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,915.80
136.	620128006000 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,370.76
137.	320128005999 24/12/1444H (corresponding to 12/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,137.82
138.	460001333502[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,496.65

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
139.	460001333131[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,261.32
140.	320507000131[9] 08/06/1446H (corresponding to 09/12/2024G)	Saleh Abdullah Kamel Humanitarian Foundation (SAKHF)	Masar Destination in Makkah	Part of Masar Destination	2,287.18
141.	360001333220[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,641.83
142.	360001333519[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,217.21
143.	960001333538[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,859.29
144.	420111016039 09/01/1445H (corresponding to 27/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,830.58
145.	720128006106 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,820.17
146.	820129008320 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,569.65
147.	320129008132 23/12/1444H (corresponding to 11/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,383.75
148.	320111016032 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,350.25
149.	720128006105 06/01/1445H (corresponding to 24/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,196.36
150.	320111016031 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,187.00
151.	320111016030 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,177.65
152.	420111016029 08/01/1445H (corresponding to 26/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,443.99
153.	420128006135 07/01/1445H (corresponding to 25/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,189.43
154.	360001333539[3][4] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,936.46
155.	320110017609 25/12/1444H (corresponding to 13/07/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,967.30
156.	560001333218[1][2] 07/11/1445H (corresponding to 15/05/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	5,012.26
157.	862009001427 04/06/1445H (corresponding to 17/12/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,597.49
158.	762012000371 04/06/1445H (corresponding to 17/12/2023G)	The Company	Masar Destination in Makkah	Part of Masar Destination	1,050.00
159.	660001479532 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
160.	994133010437[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,750.00
161.	581880001226[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,750.00

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
162.	760001479537 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
163.	460001479538 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
164.	360001479539 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,500.00
165.	360001479540 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,452.28
166.	594133010438[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,250.17
167.	360001479543 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,991.76
168.	660001479544 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,979.02
169.	360001479545 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
170.	481880001228[3][4] 27/03/1446H (corresponding to 30/09/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,750.00
171.	381880001229[3][4] 08/06/1446H (corresponding to 09/12/2024G))	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,750.00
172.	460001479549 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,134.82
173.	360001479551 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,749.99
174.	460001479552 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,750.00
175.	760001479553 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,697.11
176.	781880001230[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	2,250.17
177.	760001479571 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,697.76
178.	260001479572 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,824.09
179.	760001479573 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	6,124.98
180.	960001479559 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,640.12
181.	360001479560 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,670.89
182.	981880001232[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,060.48
183.	781880001233[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	1,836.46
184.	481880001234[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	1,834.09

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
185.	260001479528 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	3,462.25
186.	960001479530 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,712.53
187.	360001479568 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,671.21
188.	960001479567 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,390.79
189.	860001479562 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,246.66
190.	360001479512 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	2,362.50
191.	394133010447[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	2,997.52
192.	381880001236[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	4,487.38
193.	294133010448[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	3,835.31
194.	381880001237[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Makkah	Part of Masar Destination	3,177.70
195.	994133010449[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Makkah	Part of Masar Destination	4,859.99
196.	760001479514 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	4,646.98
197.	360001479513 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Makkah	Part of Masar Destination	5,190.75
198.	320101002997 18/05/1446H (corresponding to 20/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	2,979.02
199.	381880001227[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	2,933.68
200.	420101002995 18/05/1446H (corresponding to 20/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	2,891.56
201.	494133010439[1][2] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	3,154.38
202.	920101003001 18/05/1446H (corresponding to 20/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	2,749.99
203.	481880001231[3][4] 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	2,250.00
204.	520101002987 01/05/1446H (corresponding to 03/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	1,154.01
205.	720101002986 01/05/1446H (corresponding to 03/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	4,315.61
206.	720101002988 01/05/1446H (corresponding to 03/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	1,518.61
207.	620101002985 01/05/1446H (corresponding to 03/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	4,649.10

#	Title Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (m²)
208.	994133010440(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,439.60
209.	394133010441(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,359.27
210.	794133010442(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,413.92
211.	794133010443(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	3,198.63
212.	394133010444(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,388.87
213.	920101003005 18/05/1446H (corresponding to 20/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	1,987.41
214.	294133010407(3) 26/05/1446H (corresponding to 28/11/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	3,270.75
215.	294133010408(3) 26/05/1446H (corresponding to 28/11/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	2,736.56
216.	481880001235(3)(4) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	2,479.78
217.	394133010446(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,516.59
218.	394133010418(3) 02/06/1446H (corresponding to 03/12/2024G)	Alinma Makkah Development Fund II	Masar Destination in Mecca	Part of Masar Destination	2,673.99
219.	260001479563 27/03/1446H (corresponding to 30/09/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	2,694.98
220.	320101003004 18/05/1446H (corresponding to 20/11/2024G)	The Company	Masar Destination in Mecca	Part of Masar Destination	2,000.00
221.	394133010445(1)(2) 08/06/1446H (corresponding to 09/12/2024G)	Alinma Makkah Development Fund I	Masar Destination in Mecca	Part of Masar Destination	2,250.00
222.	394133010510(10) 24/06/1446H (corresponding to 25/12/2024G)	Masar Alitqan Real Estate Company	Masar Destination in Mecca	Part of Masar Destination	2,558.02

(1) This title deed was transferred to Alinma Makkah Development Fund I pursuant to the Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company.

(2) This title deed has been pledged to Alinma Bank pursuant to the First Credit Facility Agreement with Alinma Fund, Alinma Bank, Alinma First Development Company Limited and Alinma Makkah Development Fund I.

(3) This title deed was transferred to Alinma Makkah Development Fund II pursuant to the Establishment Agreements for Alinma Makkah Development Fund I and Alinma Makkah Development Fund II with Alinma Investment Company.

(4) This title deed has been pledged to Alinma Bank pursuant to the Second Credit Facility Agreement with Alinma Fund, Alinma Bank, Alinma Second Development Company Limited and Alinma Makkah Development Fund II.

(5) This deed was transferred to Alpha Elite Investment Company in accordance with the Land Plot Sale Agreement with Alpha Elite Investment.

(6) This deed was transferred to Itqan Alpha Real Estate Company in accordance with the Land Plot Sale Agreement with Itqan Alpha Real Estate Company.

(7) This title deed has been pledged to Bank AlJazira pursuant to the Bank AlJazira Facility Agreement.

(8) This title deed has been pledged to Riyad Bank pursuant to the Riyad Bank Facility Agreement.

(9) This deed was transferred to SAKHF in accordance with the Plot Sale Agreement with SAKHF.

(10) This deed was transferred to Masar Alitqan Real Estate Company in accordance with the Land Plot Sale Agreement with Zamil Company, whereby Zamil Company established Masar Alitqan Real Estate Company as a real estate investment fund for the purpose of the land transfer in accordance with Land Plot Sale Agreement with Zamil Company.

Source: The Company

The Board Members of the Company declare that the Company does not own any other real estate properties except as mentioned above.

12.5.3 Real Estate Properties Leased by the Company

The Company has entered into eight (8) leases for its offices, parking lots and accommodation for its employees. The following table sets out the details of the real estate properties leased by the Company and the key terms of the leases:

Table (12.92): Real Estate Properties Leased by the Company

#	Lessee	Lessor	Location	Effective Date of the Lease	Lease Term
1.	The Company	Individual	Office No. 14, Al Rawdah District, Jeddah (with an area of 460 square meters).	28/05/1443H (corresponding to 01/01/2022G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
2.	The Company	Individual	Office No. 62, Al Rawdah District, Jeddah (with an area of 460 square meters).	28/05/1443H (corresponding to 01/01/2022G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
3.	The Company	Individual	Office No. 63-64, Al Rawdah District, Jeddah (with an area of 920 square meters).	28/05/1443H (corresponding to 01/01/2022G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
4.	The Company	Individual	Office No. 83, Abdullah Aba Al Khail Street, Jeddah (with an area of 300 square meters).	08/06/1444H (corresponding to 01/01/2023G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
5.	The Company	Individual	Office No. 72, Al Rawdah District, Jeddah (with an area of 300 square meters).	28/05/1443H (corresponding to 01/01/2022G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
6.	The Company	Individual	Office No. 74, Al Rawdah District, Jeddah (with an area of 300 square meters).	28/05/1443H (corresponding to 01/01/2022G)	Three years, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 90 days prior to the expiry of the term.
7.	The Company	Individual	Offices No. 5, 6, and 7-8 on Al Shajaah Street, Al-Rusayfah District, Makkah	08/06/1444H (corresponding to 01/01/2023G). The current term commenced on 19/06/1445H (corresponding to 01/01/2024G).	One year, automatically renewable for an additional year unless either party notifies the other party of its intention not to renew 60 days prior to the expiry of the term.
8.	The Company	Individual	Residential villa in Abdulrahman bin Khamis, Jeddah	22/09/1445H (corresponding to 01/04/2024G)	One year

Source: The Company

12.5.4 Real Estate Properties Leased from the Company

a- Investment Agreements

The Company has entered into seven (7) investment agreements with third parties, pursuant to which the Company leases or grants concessions on certain real estate properties or areas in Masar Destination for the development and operation thereof (for further information regarding this agreement, please refer to Section 12.3 "**Material Agreements**" of this Prospectus).

b- Infrastructure Lease Agreement with Saudi Readymix Concrete Company Ltd

The Company entered into an agreement with Saudi Readymix Concrete Company Ltd on 10/10/1444H (corresponding to 01/05/2023G), pursuant to which the Company, as a lessor, leases three (3) land plots located within Masar Destination with a total area of eleven thousand, eight hundred and fifty-five point twenty-five square meters (11,855.25 m^2) for the construction of a ready mix concrete plant (two concrete mixers).

The term of this agreement is one year, commencing from 10/10/1444H (corresponding to 01/05/2023G). The agreement term has been renewed for an additional year commencing from 22/10/1445H (corresponding to 01/05/2024G).

The Company is entitled to an annual lease amount and insurance fees as stipulated in the agreement, payable upon execution of this agreement by Saudi Readymix Concrete Company Ltd.

This agreement is subject to the applicable laws in the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent judicial authorities in the Kingdom.

c- Lease Agreement with Advanced Communications & Electronic Systems Company (ACES)

The Company entered into an agreement with ACES, dated 28/05/1443H (corresponding to 01/01/2022G), whereby the Company, as lessor, leases land plots for the installation of communications facilities consisting of a communications center for services, excluding Wi-Fi.

The term of this agreement is fifteen (15) years, ending on 13/11/1458H (corresponding to 31/11/2036G).

ACES shall pay to the Company the annual lease amount due as specified in the agreement per lease location, in addition to utility fees.

This agreement is subject to the applicable laws in the Kingdom, and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent judicial authorities in the Kingdom.

12.6 Intangible Assets

12.6.1 Trademarks

The Company has registered eighteen (18) trademarks in the Kingdom. The Company relies on its trademarks in its business and for the marketing of its services. If the Company is unable to protect its trademarks, or if it is required to take legal action to protect such trademarks, this may have a material adverse impact on its ability to use these trademarks, which in turn would affect its business and results of operations (for further information regarding the relevant risks, please refer to Section 2.1 "**Risks Related To the Company's Business**" of this Prospectus). The following table sets out the key details of the trademarks registered by the Company:

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Table (12.93): Key Details of the Trademarks Registered by the Company

#	Trademark	Country of Registration	Owner	Registration No.	Protection Start Date	Protection Expiration Date	Category
1.	مسار MASAR	The Kingdom	The Company	1441014290	13/05/1441H (corresponding to 08/01/2020G)	12/05/1451H (corresponding to 21/09/2029G)	37
2.	مسار MASAR	The Kingdom	The Company	1441014289	13/05/1441H (corresponding to 08/01/2020G)	12/05/1451H (corresponding to 21/09/2029G)	36
3.	مسار MASAR	The Kingdom	The Company	1441014288	13/05/1441H (corresponding to 08/01/2020G)	12/05/1451H (corresponding to 21/09/2029G)	35
4.	وجهة_مسار MasarDestination	The Kingdom	The Company	1444014513	21/04/1444H (corresponding to 15/11/2022G)	20/04/1454H (corresponding to 28/07/2032G)	37
5.	وجهة_مسار MasarDestination	The Kingdom	The Company	1444014510	21/04/1444H (corresponding to 15/11/2022G)	20/04/1454H (corresponding to 28/07/2032G)	36
6.	وجهة_مسار MasarDestination	The Kingdom	The Company	1444014742	21/04/1444H (corresponding to 15/11/2022G)	20/04/1454H (corresponding to 28/07/2032G)	35
7.	Masar Park مسار بارك	The Kingdom	The Company	1444024093	02/07/1444H (corresponding to 24/01/2023G)	01/07/1454H (corresponding to 06/10/2032G)	35
8.	Masar Park مسار بارك	The Kingdom	The Company	1444024097	02/07/1444H (corresponding to 24/01/2023G)	01/07/1454H (corresponding to 06/10/2032G)	36
9.	Masar Park مسار بارك	The Kingdom	The Company	1444024099	02/07/1444H (corresponding to 24/01/2023G)	01/07/1454H (corresponding to 06/10/2032G)	37
10.	MASARMAKKAH	The Kingdom	The Company	1442011977	14/04/1442H (corresponding to 29/11/2030G)	01/07/1454H (corresponding to 13/08/2030G)	35
11.	اكتشف مسار Discover MASAR	The Kingdom	The Company	TM -01-00-14542-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	35
12.	حيّاك بـ مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14532-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	35
13.	حيّاك بـ مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14533-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	36
14.	حيّاك بـ مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14534-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	39

#	Trademark	Country of Registration	Owner	Registration No.	Protection Start Date	Protection Expiration Date	Category
15.	روح مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14537-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	35
16.	روح مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14538-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	36
17.	روح مسار Visit MASAR	The Kingdom	The Company	TM -01-00-14541-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	43
18.	اكتشف مسار Discover MASAR	The Kingdom	The Company	TM -01-00-14542-24	13/10/1445H (corresponding to 22/04/2024G)	13/10/1455H (corresponding to 04/01/2034G)	36

Source: The Company

In addition, the Company has finalized the registration of three (3) trademarks in the Kingdom, which are currently undergoing a publication period. The following table sets out the details of the trademarks under registration:

Table (12.94): Key Details of the Company's Trademarks Under Registration

#	Trademark	Registered Owner	Registration No.	Application Date	Category
1.	شركة أم القرى للتنمية والإعمار	The Company	TM-01-00-20875-24	25/11/1445H (corresponding to 02/06/2024G)	37
2.	شركة أم القرى للتنمية والإعمار	The Company	TM-01-00-20876-24	25/11/1445H (corresponding to 02/06/2024G)	36
3.	شركة أم القرى للتنمية والإعمار	The Company	TM-01-00-20905-24	25/11/1445H (corresponding to 02/06/2024G)	35

Source: The Company

12.6.2 Trademarks Licensed for Use by the Company

Pursuant to the Hilton Garden Inn Brand License Agreement with Hilton, the Embassy Suites by Hilton Brand License Agreement with Hilton, the Kempinski Brand License Agreement with Kempinski and the Hyatt Brand License Agreement with Hyatt (for further information regarding these agreements, please refer to Section 12.3.4(a) 1 "**Hilton Garden Inn Brand License Agreement with Hilton**", Section 12.3.4(b) 1 "**Embassy Suites by Hilton Brand License Agreement with Hilton**", Section 12.3.4(d) 1 "**Kempinski Brand License Agreement with Kempinski and Section 12.3.4(e) 1 "Hyatt Brand License Agreement with Hyatt**" of this Prospectus), the Company shall have the right to use the Hilton, Kempinski and Hyatt trademarks in order to operate the relevant hotels within Masar Destination.

12.7 Insurance

The Company maintains three (3) insurance policies. The following table sets out the key details of the insurance policies maintained by the Company:

Table (12.95): Insurance Policies of the Company

#	Type of Coverage	Insurance Company	Insured	Policy No.	End Date of Coverage	Insured Value/Maximum Compensation
1.	Medical Insurance	Bupa Arabia for Cooperative Insurance	Company employees	45566000	04/12/1446H (corresponding to 31/05/2025G)	SAR 1,000,000 annually per person
2.	Fleet Insurance	Allianz Saudi Fransi Cooperative Insurance	The Company	MFP/3301629	27/03/1447H (corresponding to 19/09/2025G)	A maximum of SAR 10,000,000 per event of damage during the period of coverage to compensate for material damage, death, or bodily injury
3.	Directors & Officers Liability Insurance	Company for Cooperative Insurance (Tawuniya)	The Company	619702	08/03/1447H (corresponding to 31/08/2025G)	USD 30,000,000

Source: The Company

12.8 Litigation and Claims

Except as set forth below, the Board Members confirm that, as of the date of this Prospectus, the Company is not a party to any legal, arbitration, administrative or investigative proceedings that could, individually or collectively, have an adverse effect on its financial position or results of operations. Moreover, the Board Members declare that they are not aware of any threatened claims or demands against the Company.

12.8.1 Lawsuits and Claims to which the Company is a Party

The following table sets out a summary of the lawsuits and claims filed by or against the Company as of the date of this Prospectus. The Company has made a provision for the following amounts.

Table (12.96): Summary of Lawsuits and Claims filed by or against the Company as of the date of this Prospectus

#	Plaintiff	Defendant	Summary of the Dispute	Status	Claim Value (SAR)
1.	Individual	The Company	The Plaintiff claims ownership of the land under title deed No. 620126004382 as this land was expropriated in favor of the Company. The Plaintiff requests the Company to pay the lease fees for this land for the period during which the Plaintiff was unable to use or benefit from such land, amounting to 1,658 days.	A ruling was issued requiring the Company to pay SAR 568,434. The Company has appealed to the Supreme Court.	568,434
2.	Individual	The Company	The Plaintiff claims ownership of the land under title deed No. 320126004381 as this land was expropriated in favor of the Company. The Plaintiff requests the Company to pay the lease fees for this land for the period during which the Plaintiff was unable to use or benefit from such land, amounting to 1,219 days.	The case is under review by the court.	370,576
Total Value of Claims against the Company					**939,010**

Source: The Company

12.8.2 Lawsuits and Claims in which the Company is required to cooperate

Resolution No. 6, dated 20/10/1433H (corresponding to 02/02/2012G), issued by the Governor of the Makkah Region in his capacity as chairman of Makkah Province Development Authority, pursuant to the Law of Expropriation of Real Estate for the Public Benefit and Compulsory Temporary Ownership of Real Estate issued by Royal Decree No. M/15, dated 11/03/1424H (corresponding to 12/05/2003G), resolved, inter alia, to expropriate the real estate properties that forms part of Masar Destination in accordance with the expropriation documents and the decisions of the Real Estate Valuation Committee. Furthermore, the aforementioned resolution stipulates that compensation for the aforementioned real estate properties shall be issued from the budget allocated to the Company, that a marginal note shall be made on the relevant title deeds regarding this compensation, and the ownership of such real estate properties shall be transferred to the Company.

Accordingly, the Company shall bear all costs associated with the expropriation of the relevant real estate properties, including any legal fees related to any lawsuits filed against Makkah Province Development Authority and the RCMC in relation to the land plots that form part of Masar Destination.

In accordance with a memorandum of understanding between the Company and Makkah Province Development Authority, the Company shall assist Makkah Province Development Authority with respect to any claims or lawsuits filed against it connection with the real estate properties forming part of Masar Destination by bearing the costs associated with such claims or litigation. As of the date of this Prospectus, Makkah Province Development Authority is a defendant in five (5) ongoing lawsuits related to real estate properties forming part of Masar Destination. As of the date of this Prospectus, the total potential impact of these lawsuits cannot be determined. RCMC is a party to one ongoing lawsuit as a defendant in relation to real estate properties forming part of Masar Destination. As of the date of this Prospectus, the total potential impact of this claim cannot be determined.

The following table provides a summary of the lawsuits and legal claims filed against Makkah Province Development Authority as of the date of this Prospectus.

Table (12.97): Summary of the Lawsuits and Legal Claims Filed Against Makkah Province Development Authority as of the Date of this Prospectus

#	Plaintiff	Defendant	Summary of the Dispute	Status	Claim Value (SAR)
1.	Individual	Makkah Province Development Authority	The Plaintiff challenged the validity of the report issued by the valuation committee that included their real estate among the real estate to be expropriated and disputed the value of the real estate after the valuation. The Plaintiff's real estate was valued at nine thousand Saudi Riyals (SAR 9,000) per square meter, while the Plaintiff claims that the actual value of the real estate is four hundred thousand Saudi Riyals (SAR 400,000) per square meter. The Plaintiff argued on the basis of the following: (1) That real estate similar to the Plaintiff's real estate has been valued at a similar amount; (2) That the Plaintiff has sold a neighboring real estate property for less than nine thousand Saudi Riyals (SAR 9,000) per square meter; (3) The issuance of a report by a Government committee consisting of seven (7) members is indicative of the validity thereof; and (4) There is no legal justification for valuation of the real estate at a higher price since the real estate is located in a remote area and has not been previously developed. Furthermore, the valuation report was issued pursuant to High Order No. MB/6258, dated 05/05/1426H (corresponding to 12/06/2005G).	A preliminary ruling was issued by a committee at the Makkah Chamber of Commerce annulling the valuation report and assessing the real estate at thirty-five thousand Saudi Riyals (SAR 35,000). However, the Court of Appeal overturned such ruling. The Plaintiff appealed to the Supreme Court and the appeal is now pending before the Supreme Court. A hearing has been set for 22/06/1446H (corresponding to 23/12/2024G).	Unspecified

#	Plaintiff	Defendant	Summary of the Dispute	Status	Claim Value (SAR)
2.	Individual	Makkah Province Development Authority	The Plaintiff challenged the validity of the report issued by the valuation committee.	A preliminary ruling was issued annulling the validity of the inventory report. Makkah Province Development Authority appealed the preliminary ruling, however the appellate court upheld the original decision. Makkah Province Development Authority has appealed to the Supreme Court, and the appeal is now pending before the Supreme Court.	Not specified
3.	Individual	Makkah Province Development Authority	The Plaintiff challenged the validity of the report issued by the valuation committee	A preliminary ruling was issued canceling the property valuation report. Makkah Province Development Authority appealed the ruling to the court of appeal, which reversed the preliminary ruling. The Plaintiff appealed to the Supreme Court and the appeal is now pending before the Supreme Court.	Not specified
4.	Individuals	Makkah Province Development Authority	The Plaintiffs challenged the validity of the report issued by the valuation committee.	The administrative court ruled in favor of the Plaintiffs by canceling the real estate valuation report. The deadline for appeal has expired. Notwithstanding this, Makkah Province Development Authority submitted a request for reconsideration but the request was rejected. Makkah Province Development Authority has appealed the decision rejecting the request for reconsideration, arguing that the criteria for a request for reconsideration have been met and are applicable to Makkah Province Development Authority's request. The appeal is under consideration.	Not specified
Total value of claims against Makkah Province Development Authority					**Not specified**

Source: The Company

The following table sets out a summary of the lawsuits and legal claims against the RCMC as of the date of this Prospectus.

Table (12.98): Summary of the Lawsuits and Legal Claims Filed Against Makkah Province Development Authority as of the Date of this Prospectus

#	Plaintiff	Defendant	Summary of the Dispute	Status	Claim Value (SAR)
1.	The Company	RCMC	The Plaintiff challenged the validity of the report issued by the valuation committee	The Plaintiff is requesting, for the second time, the annulment of the real estate valuation report. The court has already ruled twice in favor of annulling the re-evaluation report. The ruling was appealed and the case was registered with the Administrative Court of Appeal in Riyadh. The Court of Appeal upheld the original court's decision. Subsequently, the judgment was appealed to the Supreme Court by way of cassation.	Not specified
Total value of claims against RCMC					**Not specified**

Source: The Company

12.8.3 Lawsuit with the General Authority for Awqaf (General Authority for Awqaf)

The Company, as a defendant, was a party to a real estate valuation dispute initiated by the General Authority for Awqaf. The claim pertains to a land plot that constitutes part of Masar Destination, which is an endowment on which three hotel towers, formerly known as "Grand Coral," were previously located. All the aforementioned towers have now been demolished. The General Authority for Awqaf oversees this land plot pursuant to Resolution No. 4/428 of the Supreme Judicial Council, dated 23/06/1423H (corresponding to 02/08/2002G) and High Order No. 9135/MB20, dated 20/07/1426H (corresponding to 25/08/2005G).

The General Authority for Awqaf filed a lawsuit demanding the following: (1) a restriction on intervention with respect to the first and second towers; (2) a re-evaluation of the third tower, and (3) immediate action to restrict any further action on the land until a judgment is reached in relation to the claim. The Company defended these assertions based on the following arguments: (1) the documents submitted by the General Authority for Awqaf, which assert a restriction on interventions in connection with the first and second towers, are invalid; and (2) the Company was excluded from the valuation process since the entity responsible for the valuation is Makkah Province Development Authority. Thereafter, the General Authority for Awqaf abandoned its initial claim and requested that the Company restrict interventions in the first and second towers. Subsequently, it made another claim requesting a complete re-evaluation of the entire land plot comprising the three towers.

After reviewing the real estate valuations submitted by the General Authority for Awqaf, the court determined that the value of the real estate is one billion, two hundred and sixty-one million, three hundred thousand Saudi Riyals (SAR 1,261,300,000), and that the discrepancy in the previous valuation was 56.07%. In light of the above, the court ordered the Company to pay an amount of five hundred and sixty three million, seven hundred and ninety six thousand Saudi Riyals (SAR 563,796,000) to the General Authority for Awqaf. The court's decision was presented to the Board of Directors, which decided to accept that decision and not to appeal it, and to compensate the General Authority for Awqaf by offering alternative land plots within Masar Destination.

Pursuant to the lawsuit, the Company and the General Authority for Awqaf entered into an agreement to settle the court's decision as follows:

1- Settlement Agreement with the General Authority for Awqaf (GAA)

The Company entered into a settlement agreement with the General Authority for Awqaf on 13/06/1445H (corresponding to 26/12/2023G), pursuant to which the two parties agreed on the mechanism for settlement of the court's decision.

The Company has agreed to provide the following compensation to the General Authority for Awqaf:

1- In-kind compensation by transferring certain land plots of Masar Destination as set out below to the General Authority for Awqaf with a total value of one billion, one hundred and twenty-four million, nine hundred and seventy-one thousand, four hundred Saudi Riyals (SAR 1,124,971,400); and

2- Monetary compensation in the total amount of one hundred and thirty-six million, three hundred and twenty-eight thousand, six hundred Saudi Riyals (SAR 136,328,600).

The Company owns (1) Land Plot No. 1BS-01A with an area of three thousand, nine hundred and four point sixteen square meters (3,904.16 m^2) and (2) Land Plot No. 1BS-01B with an area of four thousand, one hundred and thirty-four point thirty-five square meters (4,134.35 m^2) with a total value of one billion, one hundred and twenty-four million, nine hundred and seventy-one thousand, four hundred Saudi Riyals (SAR 1,124,971,400). The Company shall transfer the title deeds for the two land plots to the General Authority for Awqaf within two months from the date of this agreement as a requirement of the settlement agreement. The expected date for completion of the transfer process is 30/06/1446H (corresponding to 31/12/2024G). Furthermore, the Company shall compensate the General Authority for Awqaf with an amount of one hundred and thirty-six million, three hundred and twenty-eight thousand, six hundred Saudi Riyals (SAR 136,328,600) in quarterly installments. This monetary compensation represents the remaining balance of the total valuation of the two land plots after deduction of the value of the transferred land plots. The compensation to be paid by the Company to the General Authority for Awqaf on a quarterly basis shall be as follows:

- The value of the first installment is thirty-four million, eighty-two thousand, one hundred and fifty Saudi Riyals (SAR 34,082,150), due on 13/06/1445H (corresponding to 26/12/2023G), which the Company has paid in full;
- The value of the second installment is thirty-four million, eighty-two thousand, one hundred and fifty Saudi Riyals (SAR 34,082,150), due on 16/09/1445H (corresponding to 26/03/2024G), which the Company has paid in full;
- The value of the third payment is thirty-four million eighty-two thousand, one hundred and fifty Saudi Riyals (SAR 34,082,150), due on 20/12/1445H (corresponding to 26/06/2024G), which the Company has paid in full; and
- The value of the fourth installment is thirty-four million eighty-two thousand, one hundred and fifty Saudi Riyals (SAR 34,082,150), due on 23/03/1446H (corresponding to 26/09/2024G), which the Company has paid in full.

Accordingly, all cash payments have been made under the settlement agreement as of the date of this Prospectus.

Upon transfer of the title deeds and prior to 20/07/1445H (corresponding to 01/02/2024G), the Company shall transfer the pedestrian walkway located between the land plots subject to the terms of this agreement. This walkway shall form part of the real estate properties to be transferred to the General Authority for Awqaf , thereby increasing the area of the land to be transferred pursuant to this agreement by three hundred and seventy-four point seventy six square meters (374.76 m^2). Accordingly, the total area of Land Plot No. 1BS-01A is four thousand and eighty-seven point eighteen square meters (4,087.18 m^2), and the area of Land Plot No. 1BS-01B is four thousand, three hundred and twenty-six point zero nine square meters (4,326.09 m^2). Based on the above, the Company shall update the title deeds accordingly no later than 22/11/1445H (corresponding to 30/05/2024G) and shall deliver the updated title deeds to the General Authority for Awqaf. Furthermore, the Company undertakes to remove the temporary walkway located between Land Plot No. 1BS-01B and the west side of the Jabal Omar project. On 18/12/1445H (corresponding to 24/06/2024G), the Company obtained approval from the RCMC to update the master plan for Masar Destination in order to fulfill the terms of the settlement agreement with the General Authority for Awqaf. The Company is currently updating the title deeds after receiving approval from the RCMC. The Company obtained approval of the General Authority for Awqaf to extend the deadline for updating the title deeds, provided that the update thereof shall be completed before 30/06/1446H (corresponding to 31/12/2024G).

In addition, the Company undertakes to issue a promissory note in the amount of fifty million, one hundred and ten thousand, six hundred and thirty-three Saudi Riyals (SAR 50,110,633) in favor of the General Authority for Awqaf as a guarantee for its aforementioned obligations.

Upon the Company's fulfillment of its obligations, the General Authority for Awqaf shall compensate the Company for the costs incurred in relocating the aforementioned walkway and shall pay the Company the sum of seven million Saudi Riyals (SAR 7,000,000) within sixty (60) days of receiving the updated title deeds. The General Authority for Awqaf will document the relevant title deeds and return them to the Company.

If either party breaches any of its obligations under the General Authority for Awqaf Settlement Agreement, the breaching party shall rectify such breach within thirty (30) days from the date of notice of the non-breaching party. The non-breaching party shall have the right to seek compensation from the breaching party if it suffers any losses as a result of such breach.

The Company shall be responsible for the payment of all applicable taxes, fees, approvals and costs incurred as a result of the execution of this agreement.

The General Authority for Awqaf Settlement Agreement is governed by the laws of the Kingdom and any dispute arising therefrom that cannot be resolved amicably shall be referred to the competent courts in the Kingdom.

Under this agreement, the Company entered into an additional agreement with the General Authority for Awqaf for the provision of maintenance services within Masar Destination as follows:

2- Services Agreement with the General Authority for Awqaf

The Company entered into a Facilities Services Agreement with the General Authority for Awqaf , dated 13/06/1445H (corresponding to 26/12/2023G), pursuant to which the Company shall be the exclusive provider of cooling, waste management, operation, maintenance, security and cleaning services within Masar Destination. These services shall be provided in relation to the land purchased by the General Authority for Awqaf.

The term of the agreement is ninety-nine (99) years commencing from the date thereof. In the event of termination of the Settlement Agreement with the General Authority for Awqaf, dated 13/06/1445H (corresponding to 26/12/2023G), this agreement shall automatically terminate.

The General Authority for Awqaf shall pay an annual fee as specified in the agreement, in addition to the fees for cooling services and all waste as specified in the agreement.

12.8.4 Arbitration Dispute

The Company is subject to an arbitration dispute regarding a commercial contract concluded with a contractor. This commercial contract is deemed a subject of dispute between the parties, but as of the date of this Prospectus, the arbitration committee procedures have not been initiated. The following is a summary of the dispute:

a- Dispute with Service Provider 5

The Company entered into an agreement with Service Provider 5, whereby Service Provider 5 acts as a contractor for the design and construction of centers and exhibitions located within Masar Destination, under which it carries out all the necessary works to support the above.

A dispute arose between the Company and Service Provider 5 regarding a time extension claim due to delays arising from change orders to the Agreement. On the other hand, the delay is due to Service Provider 5 not adhering to the agreed schedule. In addition, Service Provider 5 denied any liability for damages resulting from the subcontractors' work, which included insulation and civil works. Due to these shortcomings, the Company was compelled to appoint another contractor to address the issues and complete the backlog of work. As of the date of this Prospectus, the Company and the Contractor have appointed arbitrators to determine the subject of this dispute, pending the commencement of the arbitration committee proceedings. As of the date of this Prospectus, the expected financial impact arising from this dispute (if applicable to the Company) does not exceed three million Saudi riyals (SAR 3,000,000).

12.9 Zakat and Tax Status of the Company

Zakat is calculated in accordance with the rules and regulations of ZATCA applicable in the Kingdom. The Group's Zakat provision and the Zakat attributable to the Group's ownership in the Kingdom are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any additional amounts, if any, that may fall due upon finalization of the Zakat assessment shall be accounted for in the same financial year in which the Zakat assessment is approved.

The Group has filed its Zakat declarations for the years ended 31 December 2014G to 2016G and has obtained the Zakat certificate for the year ended 31 December 2016G. ZATCA issued a Zakat assessment for the years 2014G to 2016G, which revealed an additional Zakat liability of SAR 5.5 million. The Group disputed the aforementioned Zakat assessment after settling the Zakat due on the undisputed items, which ZATCA rejected. The Group escalated the said objection to the General Secretariat of Zakat, Tax and Customs Committees. The Group withdrew its case from ZATCA in implementation of Ministerial Resolution No. 13597 with respect to the aforementioned years. The aforementioned application has been accepted by ZATCA, which issued a Zakat assessment for the year 2014G amounting to SAR 4.6 million. The Company filed an objection thereto, which was partially accepted. Consequently, the dispute between the parties was resolved, and the assessment amount was canceled on 01/01/1446H (corresponding to 07/07/2024G).

The Group submitted its Zakat declaration for the financial year ended 31 December 2017G and obtained a Zakat certificate for the said year. However, ZATCA has not issued its final assessment for 2017G to date.

The Group submitted its Zakat declaration for the financial year ended 31 December 2018G and obtained the Zakat certificate therefor. ZATCA issued its Zakat assessment for the year in question and demanded additional Zakat differences of SAR 31.9 million. The Group objected to the said assessment. Thereafter, ZATCA issued an amended assessment for the aforementioned year, according to which the due Zakat liability became 31.0 million. The Group submitted the aforementioned objection to the General Secretariat of Zakat, Tax and Customs Committees, and the Secretariat's decision was issued accepting certain items. The Group filed an appeal against the Secretariat's decision before the Appellate Committee for Zakat, Tax, and Customs Violations and Dispute Resolution with respect to rejected items. The Appellate Committee issued its decision and rejected the Group's appeal. The Committee's decision is final and the additional Zakat differences due have been paid by the Company.

The Group submitted its Zakat declaration based on its audited financial statements for the year ended 31 December 2019G and obtained a Zakat certificate therefor. ZATCA has not issued the Zakat assessment for the aforementioned year as of the date hereof. The Group successfully obtained approval from ZATCA to submit consolidated Zakat declarations for the Company and its two wholly-owned subsidiary funds (Alinma Makkah Development Fund I and Alinma Makkah Development Fund II) for the years ended 31 December 2020G to 2022G. The Group submitted its consolidated Zakat declarations based on its consolidated audited financial statements for the years ended 31 December 2020G to 2022G and obtained a Zakat certificate therefor. ZATCA has not issued any Zakat assessments for the aforementioned years as of the date hereof.

12.10 Summary of the Company's Bylaws

12.10.1 Objects, Term and Head Office of the Company

a- Objects of the Company

The main objects for which the Company was established are:

1- Manufacturing: manufacture of furniture.
2- Construction: construction of buildings.
3- Construction: construction of roads and railways.
4- Wholesale and retail trade and repair of motor vehicles and motorcycles: retail sale of other new goods in specialized stores.
5- Lodging and food services: short-term accommodation activities.
6- Real estate activities: real estate activities in owned or leased properties.
7- Education: other types of education not classified elsewhere.

The Company conducts its business in accordance with applicable regulations and after obtaining the necessary licenses from the competent authorities, if any.

b- Participation and Ownership in Companies

The Company may establish companies (limited liability or closed joint stock) on its own, inside or outside the Kingdom, in accordance with the regulations stipulated in the Companies Law. The Company may also own stocks and shares in other existing companies or merge therewith and may participate with others in the establishment of joint stock companies or limited liability companies upon fulfillment of the requirements of the relevant regulations and directives. The Company may also dispose of such stocks or shares, provided that trading thereof shall not include brokerage. The Company may also hold interests or participate in any manner with individuals, companies, organizations, investment funds or Government funds.

c- Head Office of the Company

The Company's head office is located in Makkah, Saudi Arabia. The Company's head office may be transferred to another city by a decision of the Company's Board and with the approval of the competent official authorities. The Chairman of the Board (and the Vice Chairman of the Board in the absence of the Chairman) may establish branches, offices or agencies within the Kingdom after the approval of the concerned authorities. The Board may establish branches, offices or agencies outside the Kingdom upon the approval of the competent authorities.

d- Term of the Company

The term of the Company shall be ninety-nine (99) calendar years, commencing from the date of issuance of the Ministerial Resolution announcing its incorporation. This term may always be extended for a similar or shorter period or periods by a resolution passed by the Extraordinary General Assembly at least one year prior to the expiry of the Company's term.

12.10.2 Administrative and Supervisory Affairs of the Company and its Oversight Committees

a- Management of the Company

The Company shall be managed by a Board of Directors consisting of nine (9) Board Members who shall be natural persons elected by the Ordinary General Assembly of Shareholders for a term not exceeding four years.

b- Termination of Board Membership

Board membership shall expire upon the lapse of its term or if a Board Member becomes ineligible for Board membership in accordance with any applicable laws or regulations in the Kingdom. Notwithstanding the foregoing, the General Assembly may, upon the recommendation of the Board, terminate the membership of any Board Member who is absent for three (3) consecutive meetings or five (5) nonconsecutive meetings during their membership term without a legitimate excuse accepted by the Board.

c- Board Vacancies

1- If the position of a Board Member becomes vacant, the Board may temporarily appoint a sufficiently qualified and experienced board member to the vacant position. The Ministry shall be informed within five (5) business days from the appointment date, provided that such an appointment shall be presented to the Ordinary General Assembly at its first meeting. The newly appointed Board Member shall complete the term of his/her predecessor.

2- If the number of Board Members falls below the minimum number prescribed in the Companies' Law or these Bylaws, the remaining Board Members shall call for an Ordinary General Assembly meeting within sixty (60) days to elect the required number of Board Members.

d- Powers of the Board of Directors

Without prejudice to the powers conferred on the General Assembly, the Board shall be vested with full powers to manage the Company in order to achieve its objectives. To this end, the Board may: issue, renew and write off main and subsidiary commercial registers, purchase the establishment, sign all documents at the Chamber of Commerce, sell the establishment, refer to the Registers Department, extract registers, transfer commercial registers, manage registers, cancel registers, supervise registers, subscribe for the Chamber of Commerce, approve signatures at the Chamber of Commerce, cancel signatures at the Chamber of Commerce, enter into tenders, receive forms, transfer the entity branch, refer to GOSI, refer to ZATCA, open branches for registrations, manage the commercial register, cancel the commercial register, refer to the Civil Defense, amend registers, add an activity, reserve a trade name, renew subscriptions at the Chamber of Commerce, amend the commercial register, transfer the commercial register, extract a replacement for a damaged or lost register, register a trademark, waive trademarks, waive trade names, extract licenses, purchase boats, extract a replacement for a damaged or lost fishing permit, import boats, cancel boat licenses, renew licenses, amend licenses, add an activity, reserve names, cancel licenses, renew subscriptions at the Chamber of Commerce, open branches, refer to GOSI, refer to the Civil Defense, refer to ZATCA, obtain a fishing permit, obtain a boat license, transfer a boat license, sell a boat, renew a fishing permit, cancel a fishing permit, obtain a replacement for a damaged or lost boat license, open a sub-license, transfer licenses, establish a company, sign memoranda of association and amendment of annexes, cancel memoranda of association and amendment of annexes, sign partners' resolutions, appoint and dismiss board members, amend the Company's objects, liquidate the Company, convert the Company from a joint-stock company to a limited liability company, convert the Company from a limited liability company to a joint-stock company, convert the Company from a joint liability company to a limited liability company, increase the share capital, decrease the share capital, add and remove partners, enter into existing companies, transfer shares, stocks and bonds, determine the share capital, receive surplus allocation, sell shares, stocks and bonds and receive the value thereof, transfer shares and stocks from the share capital, sell a Company branch, amend the nationality of one of the partners in a contract, accept the transfer of shares, stocks and share capital, purchase shares, stocks and pay the price, close accounts at banks in the name of the Company, open accounts at banks in the name of the Company, sign agreements, register the Company, register agencies and trademarks, attend general assemblies, open branches for the Company, open Company files, sign memoranda of association and amendment annexes at notaries public, extract and renew commercial registers for the Company, subscribe to the Chamber of Commerce and renew subscriptions, refer to the General Investment Authority and sign before it, refer to the Quality and Standards Department and the Saudi Standards, Metrology and Quality Organization, refer to the Capital Market Authority, extract and renew licenses for the Company, enter into tenders, convert establishments into companies, convert Company branches into establishments, publish the memoranda of association, amendment annexes and summaries thereof, as well as the Bylaws in the official gazette, add and remove Saudis, activate the Saudi portal, recruit workers from the private sector, complete labor procedures at the GOSI, convert an establishment into a company, convert a company branch into an establishment, convert a company branch into a company, assign or cancel trademarks, amend the Company's name, obtain visas, cancel visas, recover visa amounts, amend nationalities, extract family visit visas, extract family visas, refer to embassies, extend reentry visas, extend visit visas, obtain a data sheet (printout), cancel visas, recover visa amounts, amend the destination of arrival and companies in which the Company is a partner, purchase shares, liquidate the Company, sell shares, represent the Company within a company in which it is a shareholder, establish companies in the Company's name, represent it before notaries public, sign Company contracts, sign partners' resolutions and commercial registers, determine cancellation and issuance of residencies, renew residencies, obtain reentry visas, obtain final exit visas, transfer sponsorships, issue a replacement for lost or damaged residence permits, complete procedures for deceased workers, report abscondment, cancel abscondment reports, transfer information, update data, enter into settlements, transfer workers, refer to the Department of Deportation and Expatriates, obtain a workers' data sheet (printout), remove workers, manage business, transfer workers' sponsorship to self, add a newborn, complete procedures for a deceased worker, manage port affairs, obtain repatriation certificates, add dependents, add children to the father's or mother's passport, separate children from the father's or mother's passport, cancel reentry visas, cancel final exit visas, extract replacements for damaged or lost travel visas, extract extensions for visit visas, amend professions, issue Hajj permits, refer to housemaid affairs offices, enroll in electronic services, open accounts, open credits, deposit and withdraw, issue checks, update accounts, extract account statements, request facilities, request guarantees, sign loan contracts, sign commercial papers, sign promissory notes, submit any application or apply for any service from among the applications or services falling under the jurisdiction of the Communications, Space & Technology Commission (CST), have the power to delegate any person according to the relevant laws to submit any of the applications or apply for any of the services falling under the jurisdiction of the CST, refer to MEWA and the Agriculture Directorate regarding referring to notaries public or the court and accepting the transfer thereof, assign agricultural resolutions, transfer agricultural resolutions, receive salaries, receive retirement salaries, receive end-of-service benefits and compensation for holidays, transfer salaries, receive benefits, extract a salary statement, receive dues, open Sharia-compliant accounts, close and settle accounts, withdraw from accounts, extract ATM cards, extract Sharia-compliant credit cards, receive and disburse remittances, cash checks, extract certified checks, extract check books, extract a transfer statement from accounts, request Sharia-compliant bank loans, open a Sharia-compliant account, deposit in accounts, renew subscriptions to safe deposit boxes, open safe deposit boxes, subscribe to safe deposit boxes, request exemption from loans, object to checks, update data, activate accounts, receive checks, recover safe deposit box units, review installment rescheduling, request points of sale, request bank credit, request bank guarantees, subscribe for joint stock companies, receive shareholding certificates, purchase Sharia-complaint shares, sell Sharia-complaint shares, receive the value of shares, receive profits, receive surplus, open Sharia-complaint investment portfolios, modify, amend and cancel subscription orders, purchase shares, sell shares, redeem investment fund units, transfer shares from portfolios, subscribe to Sharia-complaint investment fund units, manage investment portfolios, extract proof of debt, liquidate investment portfolios, buy, sell and transfer property, purchase land plots and real estate properties, manage property, sell and transfer land plots, sell and transfer shares, sell mortgaged property, release mortgages, receive, open a store, extract health cards, convert agricultural land plots into residential land plots, refer to the General Department of Urban Planning, open stores, extract licenses, renew licenses, cancel licenses, transfer licenses, obtain building and restoration permits, plan land plots, extract building completion certificates, extract fencing licenses, extract demolition licenses, change the legal form, approve partners' resolutions, amend the contracts of companies in which the Company is a partner, increase or decrease the share capital, accept the assignment of shares, purchase shares, add and remove partners, sign partners' resolutions for merger, amend the remaining terms of the memoranda of association, liquidate the Company, convert the Company into an establishment, sign leases, assign contracts, make plans for owned land plots, refer to the secretariat for converting agricultural land plots into residential land plots, supervise construction, sign contracts with construction establishments and contractors, enter into tenders, receive forms, appoint arbitrators, appoint lawyers, represent before notaries public, hear and respond to claims, conclude reconciliation, reject and accept arbitration, reject and accept reconciliation, represent before Sharia courts and the judiciary, declare, deny, waive, plead, defend, claim and litigate, use and implement all the Ministry of Justice e-services, authorize/delegate third parties to implement the Ministry of Justice e-services, sign loan contract agreements, their amendments and annexes and all related documents, sign follow-up agreements, sign consulting agreements, sign before notaries public regarding industrial mortgages for all the Company's property, receive loans, waive loans, request a loan exemption, repay loans, sign documentary credit agreements, sign corporate guarantees, sign agreements to transfer obligations, amend loan contracts, sign agreements to arrange debts for the Company and partners, issue, amend, cancel and announce waivers, sell and transfer to buyers, purchase, accept transfers, pay the price, receive deeds, lease, receive rent, sign lease contracts, renew lease contracts, cancel and rescind lease contracts, mortgage and release mortgages, divide and sort, amend borders, lengths, areas, land plot numbers, plans, deeds and dates thereof as well as land plot names, sell mortgaged property, update deeds and register them within the comprehensive system, sell a share in a leased property, amend owners' names, civil registry numbers and ID numbers, grant, convey and accept grants and conveyances, waive deficiencies in areas, merge deeds, accept waivers and transfers, extract a set of deeds in place of lost deeds and data, extract a set of deeds in place of a damaged sets of deeds and data, sell and transfer to heirs, waive shares in registered properties, extract a deed in place of a damaged deed for existing real estate properties, convert agricultural land plots into residential land plots, build on land plots, rent land plots, change the legal form of the Company, convert the Company from a simple limited partnership to a limited liability company, divide shares among heirs and transfer such share to their portfolios.

The Board must obtain the approval of the General Assembly before selling the Company assets that worth more than fifty percent (50%) of the value of its total assets, regardless of whether such sale is made through a single transaction or several transactions. In the latter case, the transaction that results in the sale of more than (50%) of the value of the total assets shall require the General Assembly's approval, and such a percentage shall be calculated from the date of the first transaction that occurred during the previous twelve (12) months. The Board may also, within the limits of its competence, authorize one or more Board Members or a third party to undertake a specific work or works.

e- Remuneration of Board Members

1- The remuneration of the Board Members shall consist of either a fixed amount or an attendance allowance for meetings, or shall be determined by the Ordinary General Assembly, provided that the remuneration of Board Members shall not exceed five hundred thousand Saudi Riyals (SAR 500,000).

2- The Board report to the Ordinary General Assembly shall include a comprehensive statement of all remuneration, attendance and meeting allowances and other benefits which Board Members received or were entitled to during the financial year. Such a report shall also include a statement of the amounts received by Board Members in their capacities as employees or executives, or in consideration of technical, administrative, or consultative services. The aforementioned report shall also include a statement of the number of Board meetings and the number of meetings attended by each Board Member.

f- Powers of the Chairman, Vice Chairman, Managing Director and Secretary

1- The Board shall appoint a Chairman and Vice Chairman from among its members. The Board may also appoint a Managing Director from among its members.

2- The Vice Chairman of the Board shall replace the Chairman in his/her absence.

3- The Chairman (and the Vice Chairman in the absence of the Chairman) shall be responsible for:

- With respect to claims before courts: Representing the Company in its relations with third parties, the judiciary, Government and private entities, notaries public, courts including the enforcement courts, labor and employment offices, dispute resolution committees of various types, including tax committees, arbitration and civil rights bodies, police stations, chambers of commerce and industry, private bodies, companies and institutions of various types, issuing powers of attorney, appointing and dismissing attorneys and lawyers, claiming, filing a claim, pleading, defending, hearing and responding to claims, handling litigation, reconciliation, waivers, acquittal, acknowledgment, denial, requesting, rejecting and refraining from an oath, bringing witnesses and evidence and challenging the same, answering, responding, amending, challenging for forgery, denying opponents, stamps and signatures, requesting a travel ban and lifting the same, referring to the attachment and execution departments, requesting attachment and execution, requesting arbitration, appointing experts and arbitrators, accepting, denying and objecting to judgments on behalf of the Company, challenging and rejecting reports of experts and arbitrators, as well as replacing them, demanding the implementation of judgments, accepting, denying and objecting to judgments, requesting appeals and reconsideration, annotating judgment deeds, requesting exoneration and pre-emption and completing what is necessary for the same, attending hearings in all claims at all courts, receiving amounts by certified check made in the Company's name, receiving judgment deeds and requesting referral of claims and recusal of judges, requesting entry and intervention in Sharia courts and administrative courts (the Board of Grievances) and before labor committees, financial dispute resolution committees, banking dispute settlement committees and commercial paper dispute settlement offices, commercial dispute resolution committees, insurance dispute and violation settlement committees, the Control and Investigation Board, the Bureau of Investigation and Public Prosecution and the Supreme Judicial Council, and requesting the cassation of judgments at the Supreme Court, as well as surrendering and handing over.
- Signing all types of contracts, documents and papers, including, but not limited to, the memoranda of association of companies in which the Company holds shares, along with all their amendments, annexes and amendment resolutions, which include, but are not limited to, raising or reducing the share capital, amending the management clause, transferring the legal form, or waiving part or all of the shares or any other amendments before notaries public.
- Signing agreements, deeds and transfers before notaries public and official bodies, loan agreements with Government financing funds and institutions, banks, investment companies and financial houses, as well as signing guarantees, bonds and mortgages, releasing the same, collecting the Company's dues and paying its liabilities.

- With respect to real estate properties and land plots: Sale, transfer, receipt, handover and receipt of the price with a certified check made to the owner, and purchase, acceptance of transfer and payment of the price. Accepting mortgages, releasing mortgages, merging deeds, dividing, sorting, updating deeds and entering them into the comprehensive system, receiving deeds and waiving area deficiencies, amending borders, lengths, areas, land plot numbers, plans, deeds, dates thereof and land plot names and extracting a replacement for lost and damaged deeds. Leasing from others, leasing own property, signing lease contracts, renewing lease contracts, paying and receiving lease amounts by certified checks made to the owner, and canceling and terminating lease contracts for real estate properties located in the Kingdom.

g- Board Meetings

1- The Board shall meet at the invitation of its Chairman, or the Vice Chairman in his/her absence. The Chairman shall invite the Board to convene whenever any Board Member requests him/her to do so in writing to discuss one or more matters. The Board shall meet at least four (4) times per year, not less than once every three (3) months. The invitation shall be in writing and may be delivered by hand or sent by mail, fax, email or any other modern technological means. The invitation to hold a Board meeting shall be sent at least five (5) days prior to the scheduled date of the meeting. The invitation may also be sent within a period of less than five (5) days if the meeting is urgently required.

2- The Board shall determine the location of its meetings and may hold its meetings through modern technological means.

3- Board Members may attend Board meetings, either in person or by proxy, through modern technological means and in accordance with the controls set by the competent authority.

h- Quorum for Board Meetings and Board Resolutions

1- Board meetings shall only be valid if attended by at least five (5) Board Members in person, including the Chairman or Vice Chairman. A Board Member may delegate another Board Member to attend Board meetings on his/her behalf in accordance with the following controls:

- A Board Member may not represent more than one Board Member in the same meeting;
- The delegation shall be made in writing and shall be for a specific meeting; and
- A Board Member acting by proxy may not vote on resolutions on which their principal is prohibited by law from voting on.

2- Board resolutions shall be issued by an absolute majority of the votes of the Board Members present or represented at the meeting. In the event of a tie vote, the chairman of the meeting shall have the casting vote.

3- Board resolutions shall be effective from the date they are passed, unless they provide for entry into force at another time or when certain terms are met.

i- Deliberations of the Board

Deliberations and resolutions of the Board shall be recorded in minutes prepared and signed by the Board Secretary and signed by the Chairman of the meeting, the attending Board Members and the Secretary. The minutes shall be recorded in a dedicated register to be signed by the Board Chairman and Board Secretary. Modern technological means may be used to obtain signatures, record deliberations and resolutions, and prepare meeting minutes.

j- Appointment of the Auditor

The Company shall have one or more auditors from among those licensed to work in the Kingdom who shall be appointed by the General Assembly, which shall determine their fees, the term and scope of their work. The auditor(s) may be reappointed, provided that the term of their appointment shall not exceed seven (7) consecutive or nonconsecutive financial years, and the CMA may amend this term. The aforementioned term shall be recalculated after the passage of no less than three (3) consecutive financial years from the end of the last financial year in which they audited the Company's accounts.

k- Powers of the Auditor

The Auditor shall, at all times, have access to the Company's documents, accounting records and supporting documents. The Auditor may also request information and clarification, as it deems necessary, to verify the Company's assets, liabilities and other matters that fall within the scope of their work. The Board shall enable the Auditor to perform its duties. If the Auditor encounters difficulties in this regard, it shall document the same in a report to be submitted to the Board. If the Board does not facilitate the work of the Auditor, the Auditor shall request the Board to invite the General Assembly to convene in order to consider the matter. The Auditor may send such invitation if the Board fails to do so within thirty (30) days from the date of the Auditor's request.

l- Financial Year

The Company's financial year shall begin on 1 January and end on 31 December of each year, provided that the first financial year following incorporation shall begin on the date of the Ministerial Resolution declaring the Company's incorporation and shall end on 31 December of the following year.

m- Financial Documents

1- At the end of each financial year, the Board of Directors shall prepare the Company's financial statements and a report of its activities and financial position for that financial year, including the proposed method for dividend distribution. The Board shall place these documents at the disposal of the Auditor at least forty-five (45) days prior to the date set for the annual General Assembly.
2- The Chairman, CEO and CFO shall sign the documents referred to in the preceding paragraph, copies of which shall be deposited at the Company's head office at the disposal of the Shareholders.
3- The Chairman shall provide Shareholders with the Company's financial statements, the Board report and the Auditor's report unless they are published using modern technological means at least twenty-one (21) days prior to the date set for the annual Ordinary General Assembly. The Chairman shall also deposit such documents in accordance with the Implementing Regulations of the Companies' Law.

12.10.3 Rights and Restrictions Related to Securities

a- Share Capital of the Company

The Company's capital is set at thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190), divided into one billion, three hundred and seven million, eight hundred and sixty-one thousand, four hundred and nineteen (1,307,861,419) nominal Shares with an equal nominal value of ten Saudi Riyals (SAR 10), all of which are ordinary Shares issued in consideration for both cash and in-kind contributions. The total value of the in-kind contributions, amounting to three billion, one hundred and seventeen million, four hundred ninety-nine thousand, nine hundred and sixty Saudi Riyals (SAR 3,117,499,960), has been fully paid up as per an accredited valuer's report. The paid cash amounts have been deposited with an authorized bank in the name of the Company under incorporation, totaling thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190).

b- Subscription to Shares

The Shareholders have subscribed in full to the issued share capital of the Company, amounting to thirteen billion, seventy-eight million, six hundred and fourteen thousand, one hundred and ninety Saudi Riyals (SAR 13,078,614,190).

c- Sale of Non-Paid-Up Shares

Each Shareholder undertakes to pay the value of the Shares on the dates set for such payment. Should a Shareholder fail to make payment on the due date, the Board of Directors may, after notifying the Shareholder via email, registered mail, modern technological means or through an announcement on the website of the Exchange (Tadawul), sell such shares at a public auction or on the Exchange, as the case may be, in accordance with the controls set by the competent authority. The Company shall collect the amounts due thereto from the proceeds of the sale and return the remaining balance to the Shareholder. If the proceeds of the sale fall short of the amounts due, the Company shall have a claim on the entire assets of the Shareholder with respect to the unpaid balance. The rights associated with defaulted shares shall be suspended until such shares are sold or the due amount is paid in accordance with the provision of this Article. These rights include the right to receive dividends, attend the Shareholder's Assemblies and vote on resolutions thereof. In such a case, the relevant Shareholder shall be entitled to request their portion of the dividends to be distributed. The Company shall cancel the share sold in accordance with the provisions of this Article and shall grant the purchaser a new share bearing the same serial number as the canceled share. The sale shall be recorded in the Shareholders' register, along with the details of the new holder.

d- Trading of Shares

The Company's Shares may be traded upon registration in the Shareholders' register. Transfer of ownership of Shares shall only be effective vis-à-vis the Company or third parties from the date of registration.

e- Shareholders' Register and Share Certificates

The Company shall prepare a dedicated Shareholders' register which shall include the names, nationalities, details, places of residence and occupations of the Shareholders as well as the number of shares owned by each Shareholder, along with the serial numbers and the amount paid thereof. The Company may outsource the preparation of such register, which shall be maintained in the Kingdom. The Company shall provide the Commercial Register with the information contained in the register referred to in the above paragraph along with any amendment thereto within 15 days from the date of the Company's registration in the Commercial Register or from the date of the amendment, as the case may be.

12.10.4 Amendment of Share Rights and Classes

a- Share Capital Increase

1- The Extraordinary General Assembly may resolve to increase the Company's share capital, provided that the original share capital shall have been paid up in full. However, it shall not be a condition that the share capital has been paid in full if the unpaid portion thereof is due to shares that have been issued in exchange for converting debt instruments or financing instruments into shares and the term prescribed for the conversion of such instruments has not yet expired.

2- The Extraordinary General Assembly may suspend the pre-emption rights of Shareholders to subscribe for a share capital increase in exchange for cash contributions or grant pre-emptive rights to non-Shareholders in the cases it deems appropriate for the interest of the Company.

b- Share Capital Reduction

1- The Extraordinary General Assembly may resolve to reduce the share capital if it exceeds the Company's needs or if the Company sustains losses. In the latter case only. the Company may reduce its share capital below the limit specified in Article 59 of the Companies Law. Such a resolution shall only be issued after reading a statement prepared by the Board of Directors before the General Assembly with respect to the reasons for such reduction, the Company's obligations and the effect of the reduction on the fulfillment thereof, provided that a report from the Company's Auditor shall be attached to this statement.

2- If the reduction of the share capital is due to its being in excess of the Company's needs, the Company's creditors shall be invited to express their objections thereto, if any, at least forty-five (45) days before the date specified for the Extraordinary General Assembly meeting to decide on the reduction. The invitation shall be accompanied by a statement specifying the amount of the share capital before and after the reduction, the date of the meeting and the effective date of the reduction. Should any creditor object and present to the Company documents evidencing such debt within the time limit set above, then the Company shall pay such debt if it is due or provide sufficient guarantee to satisfy the debt if it is due on a later date.

3- In the event of a share capital reduction, Shareholders that own shares of the same type and class shall be treated on an equal footing.

c- Purchase, Sale and Mortgage of the Company's Shares

1- The Company may purchase, mortgage or sell its ordinary, preferred or redeemable shares in accordance with regulations set by the competent authority. Any shares purchased by the Company shall not have votes in the Shareholders' Assemblies.

2- The Company may purchase its shares for the purpose of allocating them to its employees within the employee share scheme and in accordance with the regulations issued by the competent authority.

3- The Company may sell treasury shares in one or more stages in accordance with the regulations set by the competent authority.

4- The Company may mortgage its shares in accordance with the regulations set by the competent authority. Mortgagee creditors shall have the right to receive dividends and exercise the rights related to such shares unless otherwise agreed in the mortgage contract. Mortgagee creditors may not attend or vote at the meetings of the Shareholders' General Assemblies.

12.10.5 General Assemblies

a- Attendance of Assemblies

Each Shareholder shall have the right to attend the Shareholders' General Assemblies, and he/she may delegate another person, other than Board Members or employees of the Company, to attend and vote at General Assemblies on he/she behalf.

b- Competencies of the Ordinary General Assembly

Except for matters reserved for the Extraordinary General Assembly, the Ordinary General Assembly shall be competent in all matters related to the Company. The Ordinary General Assembly shall convene at least once a year, during the six (6) months following the end of the Company's financial year. Additional Ordinary General Assembly meetings may be convened as necessary.

c- Competencies of the Extraordinary General Assembly

The Extraordinary General Assembly shall be competent to amend the Company's Bylaws, except for such provisions which may not be amended by law. The Extraordinary General Assembly shall also have the power to approve the Company's buyback of its shares, consider the extension or shortening of the Company's term, or the dissolution of the Company prior to the expiration of its term for any reason. Moreover, it may issue resolutions on matters that originally fall within the competency of the Ordinary General Assembly.

d- Convening of Assemblies

1- General and Special Assemblies of Shareholders shall be convened at the invitation of the Board of Directors. The Board of Directors shall invite the Ordinary General Assembly to convene within thirty (30) days if requested to do so by the Auditor or a number of Shareholders representing at least 10% of the Company's voting shares. The Auditor may invite the Ordinary General Assembly to convene if the Board of Directors fails to do so within thirty (30) days of Auditor's request.

2- The request referred to in Paragraph 1 of this Article shall state the matters for which the Shareholders are required to vote.

3- The invitation shall be sent at least twenty-one (21) days before the date set for the Assembly in accordance with the provisions of the law, provided that:

  a- Shareholders shall be notified through registered mail sent to their addresses listed in the Shareholders' register, or by announcement of the invitation through modern technological means; and

  b- A copy of the invitation and the agenda shall be sent to the Commercial Register and, if the Company is listed on the Exchange on the date of the invitation announcement, a copy shall also be sent to the CMA.

4- The invitation to the Assembly meeting shall include the following as a minimum:

  a- An indication of the person entitled to attend the Assembly meeting and their right to delegate anyone other than a Board Member, a statement of the Shareholder's right to discuss the topics on the Assembly's agenda and ask questions, as well as how to exercise voting rights;

  b- The location, date and time of the meeting;

  c- The type of assembly, whether it is a General or Special Assembly; and

  d- The meeting agenda, including the items on which the Shareholders are required to vote.

e- Quorum of the Ordinary General Assembly

1- Ordinary General Assembly meetings shall not be valid unless attended by one or more Shareholders—in person, by proxy, or through any modern technological means—representing at least one-quarter of the Company's voting shares.

2- If such quorum is not met in accordance with Paragraph 1 of this Article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law within thirty (30) days following the date specified for the original meeting. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall mention the possibility of holding such a second meeting. In all cases, the second meeting shall be valid regardless of the number of shares with voting rights represented therein.

3- In all cases, the second meeting shall be valid regardless of the number of shares represented therein.

f- Quorum of the Extraordinary General Assembly

1- Extraordinary General Assembly meetings shall not be valid unless attended by one or more Shareholders—in person, by proxy or through any modern technological means—representing at least half of the Company's voting shares.

2- If such quorum is not met in accordance with Paragraph 1 of this Article, an invitation shall be sent for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation for the first meeting shall mention the possibility of holding such a second meeting being held. In all cases, the second meeting shall be deemed valid if attended by Shareholders representing at least one-quarter of the Company's shares with voting rights.

3- If the quorum for the second meeting is not met, an invitation shall be sent for a third meeting to be held under the same conditions stipulated in Article 91 of the Companies' Law. The third meeting shall be valid regardless of the number of shares with voting rights represented therein.

g- Voting at Assemblies

Ordinary voting shall be used to elect the Board Members. Board Members may not participate in voting on Assembly resolutions pertaining to business and contracts in which they have a direct or indirect interest, or that involve a conflict of interest.

h- Assembly Resolutions

1- Resolutions of the Constituent Assembly shall be issued by an absolute majority of the shares represented therein. Resolutions of the Ordinary General Assembly shall also be issued by an absolute majority of the shares represented at the meeting,

2- Resolutions of the Extraordinary General Assembly shall be issued by a two-thirds majority of the shares represented in the meeting, unless the resolution relates to increasing or reducing the share capital, extending the term of the Company, dissolving the Company prior to expiry of the term specified in its Bylaws, or merging the Company with another company or institution, in which case the resolution shall only be valid if issued by a three-quarters majority of the shares represented in the meeting.

i- Deliberations at Assemblies

Each Shareholder shall have the right to discuss the items on the Assembly agenda and to direct questions in respect thereof to the Board Members and the Auditor. The Board Members or the Auditor shall answer the Shareholder's questions to the extent that they do not harm the Company's interests. If the Shareholder deems the answer to be unsatisfactory, he/she may refer the issue to the General Assembly, whose decision in this regard shall be binding.

j- Chairing of Assemblies

General Assemblies shall be chaired by the Board Chairman, or in he/she absence, the Vice Chairman. If both are absent, the Board may appoint one of its Board Members to chair the meeting. If this is not possible, the General Assembly shall appoint a chairman from among the Board Members or others by vote. Each Shareholder shall have the right to attend General Assembly meetings and may appoint a proxy who is not a Board Member to attend on their behalf. The General Assembly may convene, and Shareholders may participate in deliberations and vote on resolutions thereof using means of modern technology.

k- Preparation of Assembly Meeting Minutes

Minutes shall be prepared for Assembly meetings, indicating the number of Shareholders present in person or by proxy, the number of shares held thereby, the number of votes attached to such shares, the resolutions adopted, the number of consenting and dissenting votes, and a summary of the deliberations that took place within the meeting. Minutes shall be recorded on a regular basis after each meeting in a dedicated register signed by the Assembly chairman and secretary and the canvassers.

12.10.6 Termination and Liquidation of the Company

a- Dissolution of the Company

The Company shall be dissolved for any of the reasons for termination stipulated in Article 243 of the Companies Law. Upon dissolution, it shall enter into a liquidation stage in accordance with the provisions of Chapter 12 of the Companies Law. If the Company is dissolved and its assets are insufficient to settle its debts or if it is insolvent pursuant to the Bankruptcy Law, it shall apply the competent judicial authority to initiate any of the liquidation procedures under the Bankruptcy Law.

12.11 Description of the Rights of Shareholders

12.11.1 Voting Rights

Each Subscriber shall have one vote for each share represented by them in the Constituent Assembly. And each Shareholder shall have one vote per share held in the General Assemblies. Cumulative voting shall be used in the election of Board Members.

12.11.2 Entitlement to Dividends

Shareholders shall be entitled to their share of dividends in accordance with the resolution adopted by the General Assembly in this regard. The said resolution shall indicate the date of entitlement and the date of distribution. Eligibility for dividends shall be for the Shareholders whose names appear in the Shareholders' registers at the end of the entitlement date.

12.11.3 Redemption Rights and Share Repurchases

The Company may purchase, mortgage or sell its ordinary or preferred shares in accordance with the controls set by the competent regulatory authorities. The shares purchased by the Company shall not have votes in Shareholders' Assemblies.

12.11.4 Rights to Surplus Assets upon Liquidation or Dissolution

Pursuant to the provisions of Article 163 of the Companies' Law, Shares shall entail equal rights in the net profits and asset surplus upon liquidation, unless the Company's Bylaws provide otherwise.

12.11.5 Approvals Necessary for the Amendment of Voting Rights

The Company's Bylaws shall be amended to change the rights and mechanism of voting at the Company's General Assembly meetings. The Extraordinary General Assembly shall be competent to amend the Bylaws pursuant to the provisions of Article 32 of the Bylaws. Extraordinary General Assembly meetings shall not be deemed valid unless attended by Shareholders representing at least 50% of the share capital. If the quorum for the first meeting is not met, a second meeting shall be held with the Shareholders present, provided that they shall represent at least one-quarter of the share capital. If the quorum for the second meeting is not met, an invitation shall be sent for a third meeting to be held under the same conditions stipulated in Article 33 of the Company's Bylaws. The third meeting shall be valid regardless of the number of shares represented therein after obtaining the approval of the competent authority. Extraordinary General Assembly resolutions pertaining to the amendment of the Bylaws shall be adopted by a two-thirds majority of the shares represented at the meeting.

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13. Underwriting

The Company and the Underwriters (GIB Capital, Albilad Investment Company, Al Rajhi Capital and Alinma Investment Company) have entered into an Underwriting Agreement with respect to the Offering, dated 00/00/0000H (corresponding to 00/00/0000G) (hereinafter referred to as the "**Underwriting Agreement**"), pursuant to which the Underwriters have agreed to underwrite the entire Offer Shares amounting to one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) shares, subject to certain terms and conditions contained in the Underwriting Agreement. The name and address of the Underwriters are set out below:

13.1 Names and Addresses of the Underwriters

GIB Capital
Low Rise Building 1, Granada Business & Residential Park
Eastern Ring Road
P.O. Box 89589
Riyadh 11692
Kingdom of Saudi Arabia
Tel: +966 11 511 2200
Fax: +966 11 511 2201
Website: www.gibcapital.com
E-mail: uaq.ipo@gibcapital.com

Albilad Investment Company
8162 King Fahad Road - Al Olaya
Riyadh 12313-3701
Kingdom of Saudi Arabia
Tel: +966 920003636
Fax: +966 11 290 6299
Website: www.albilad-capital.com
E-mail: investmentbanking@albilad-capital.com

Al Rajhi Capital
King Fahad Road P.O. Box 5561
Riyadh 11432
Kingdom of Saudi Arabia
Tel: +966 (11) 920005856
Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
E-mail: ProjectMaqamARC@alrajhi-capital.sa

Alinma Investment Company
Al Anoud Tower 2 - King Fahad Road
Riyadh
Kingdom of Saudi Arabia
Tel: +966 (11) 218 5999
Fax: +966 (11) 218 5970
Website: www.alinmainvestment.com
E-mail: info@alinmainvestment.com

13.2 Summary of the Underwriting Agreement

Pursuant to the terms and conditions of the Underwriting Agreement:

a- The Company undertakes to the Underwriters that, on the first business day following the allocation of the Offer Shares upon completion of the Offering Period, it shall:

1- Sell and allocate the Offer Shares to the Individual Subscribers or Participating Parties whose subscription applications have been accepted by the Receiving Agents; and

2- Sell and allocate the Offer Shares which have not been purchased by the Individual Subscribers or Participating Parties to the Underwriters.

b- The Underwriters undertake to the Company and the Selling Shareholders to purchase any Offer Shares that have not been subscribed for by Individual Subscribers or Participating Parties as follows:

Table (13.1): Underwritten Shares

Underwriters	Number of Offer Shares to be Underwritten	Percentage of Offer Shares to be Underwritten
GIB Capital	42,505,496	32.5%
Albilad Investment Company	42,505,496	32.5%
Al Rajhi Capital	26,157,229	20%
Alinma Investment Company	19,617,921	15%

Source: The Company

The Company undertakes to comply with all the provisions of the Underwriting Agreement.

13.3 Underwriting Costs

The Company shall pay to the Underwriters underwriting fees based on the total value of the Offering. The Company has also agreed to pay the expenses and costs related to the Offering as set out in Section 14 "**Offering Expenses**" of this Prospectus.

14. Offering Expenses

The Company shall bear all expenses and costs related to the Offering, which are estimated to be approximately [•] Saudi Riyals (SAR [•]). Such expenses include the fees of the Financial Advisors, Underwriters, Lead Manager, Bookrunners, Legal Advisor, Legal Advisor to the Underwriters, Auditor, Market Consultant, Financial Due Diligence Advisor and Receiving Agents, as well as marketing, printing, distribution, translation and other related expenses. The Offering Expenses shall be deducted from the Offering Proceeds.

15. Company's Post-Listing Undertakings

Upon listing, the Company undertakes to:

- Notify the CMA of the date of the first post-Listing General Assembly meeting so that a representative thereof may attend;
- Submit transactions and contracts in which any Board Member has a direct or indirect interest to the General Assembly for approval (in accordance with the Companies' Law, the CGRs and the Listed Companies Regulations), provided that the interested Board Member refrains from participating in voting on the resolution issued in this regard by the Board of Directors and the General Assembly;
- Comply with all mandatory provisions set out in the CGRs immediately after Listing;
- Fill out Form 8 related to compliance with the CGRs and provide the relevant justifications if it fails to comply with any of the requirements set out in the CGRs;
- Comply with the provisions of the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules in relation to the Company's continuing obligations immediately after Listing;
- Call for a General Assembly meeting to update the Company's Bylaws immediately after Listing, including updating the Company's Bylaws to comply with the Companies' Law and the Corporate Governance Regulations issued by the CMA as well as other relevant laws and regulations within the specified statutory period;
- The Company undertakes that, upon listing and at the first General Assembly, it will update its legal status in the Company's statutory documents (including the Commercial Registration and the Bylaws) to become a public joint-stock company.

Accordingly, upon Listing, the Board Members undertake to:

- Record all resolutions and deliberations in the form of written meeting minutes signed by the Board Chairman and Secretary;
- Disclose the details of any Related Party transactions in accordance with the requirements set out in the Companies' Law and the CGRs.

16. Waivers

The Issuer has obtained an exemption from the CMA with respect to disclosing certain information in the Prospectus under Article 32, Paragraph (e) of the Rules for the Offering of Securities and Continuing Obligations regarding the information that the Issuer believes that disclosing thereof would cause undue harm to the Company and its ability to compete, while failure to disclose such information is unlikely to mislead investors with respect to facts and circumstances the knowledge of which is necessary for the valuation of the Company's shares. The requirements that the Company filed to the CMA for a waiver therefrom in accordance with the aforementioned are detailed below:

a- The requirements of Annex 12 (14)(6)(d) of the Rules on the Offer of Securities and Continuing Obligations with respect to the disclosure of a breakdown of the provisions the Company has made for any contingent liabilities;

b- The requirements of Annex 12 (14)(5)(a) of the Rules on the Offer of Securities and Continuing Obligations with respect to the disclosure of a breakdown of the total value and identities of lessors under lease agreements concluded by the Company in its capacity as a lessee;

c- The requirements of Annex 12 (19)(5)(b) of the Rules on the Offer of Securities and Continuing Obligations relating to the disclosure of names of plaintiffs and defendants in connection with existing and threatened lawsuits and claims in which the Company is a party or in which the Company must cooperate; and

d- The requirements of Annex 12 (19)(3) of the Rules on the Offer of Securities and Continuing Obligations relating to the disclosure of financial details and identities of certain of the Company's clients and suppliers under the Company's material and financing agreements.

17. Subscription Terms and Conditions

The Company has submitted an application to the CMA for the registration and offer of the securities, and an application to the Exchange for the listing of the Shares in accordance with the Rules on the Offer of Securities and Continuing Obligations and the Listing Rules. All Subscribers should read the subscription terms and conditions carefully prior to filling out the Subscription Application Form. Signing the Subscription Application Form and submitting it to any of the Receiving Agents or the Bookrunners is deemed as acknowledgment and acceptance of the subscription terms and conditions.

17.1 Subscription for the Offer Shares

The Offering will consist of one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares at an Offer Price of [•] Saudi Riyals (SAR [•]) per share, with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. The Offer Shares represent 9.09% of the Company's share capital after the capital increase (which is equivalent to 10.0% of the Company's share capital before the capital increase). The total value of the Offering is [•] Saudi Riyals (SAR [•]). The Offering to Individual Subscribers and the subsequent listing of the Company's Shares is contingent upon the successful subscription of the Participating Parties for all of the Offer Shares. The Offering shall be canceled if the Offering is not covered during such a period. The CMA shall also have the right to suspend the Offering if, after its approval of this Prospectus and before the registration and admission of the Shares to listing on the Exchange, a material change occurs that could adversely and materially affect the Company's operations.

The Offering shall be limited to two tranches of investors as follows:

Tranche (A): Participating Parties: This tranche comprises the parties entitled to participate in the book-building process as specified under the Book Building Instructions (for further information, please refer to Section 1 "**Definitions and Abbreviations**" of this Prospectus). Participating Parties will provisionally be allocated one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) Offer Shares, representing 100% of the total Offer Shares. In the event that Individual Subscribers (as defined in Tranche (B) below) subscribe for all of the Offer Shares allocated thereto, the Lead Manager shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of one hundred and seventeen million, seven hundred and seven thousand, five hundred and twenty-eight (117,707,528) Offer Shares, representing 90% of the total Offer Shares. [•] ordinary Shares, representing [•] of the Offer Shares, will provisionally be allocated to public funds. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Lead Manager shall have the right to reduce the number of shares allocated to public funds to a minimum of [•] ordinary Shares, representing [•] of the total Offer Shares, upon completion of the subscription period for Individual Subscribers. The Financial Advisors, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Company and the Financial Advisors.

Tranche (B): Individual Subscribers: This tranche comprises Saudi natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi individual, who is entitled to subscribe for her own benefit in the names of her minor children, provided that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom, or GCC nationals, in each case, who have an investment account and an active portfolio with one of the Receiving Agents and are entitled to open an investment account with a Capital Market Institution. A subscription for shares made by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void, and only the first subscription will be accepted. A maximum of thirteen million, seventy-eight thousand, six hundred and fourteen (13,078,614) Offer Shares, representing 10% of the total Offer Shares, shall be allocated to Individual Subscribers. If Individual Subscribers do not subscribe for all of the Offer Shares allocated thereto, the Lead Manager may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares to which they subscribed.

The Law of Real Estate Ownership and Investment by Non-Saudis prohibits non-Saudi from acquiring ownership, easement or usufruct over real property located within the boundaries of the cities of Makkah and Madinah. This includes natural persons who are not nationals of Saudi Arabia, non-Saudi companies and Saudi companies that he establishes, participates in establishing, or owns shares in, any natural or legal person who does not hold Saudi nationality with some limited exceptions. However, under the special controls excluding the companies listed in the Saudi Stock Exchange, the phrase (non-Saudi) has the meaning as per the Non-Saudi Ownership and Investment Law issued by the Authority on 27/07/1446H (corresponding to 27/01/2025G). It allows foreigners to invest in Saudi companies listed in the Saudi Stock Exchange that own properties within the boundaries of the cities of Makkah and Madinah, provided that: (i) the foreign strategic investor does not own shares in the Listed Company and (ii) at all times does not exceed 49% of the shares of the Listed Company, which are not jointly owned by persons of natural and legal capacity. Accordingly, the foreign strategic investor is excluded from the investors targeted for the Offering, and the ownership of natural and legal persons who do not collectively hold Saudi citizenship shall not exceed 49% of the Company's shares at all times.

17.2 Offering Period

Three (3) business days, commencing on Wednesday 05/09/1446H (corresponding to 05/03/2025G) and ending on Sunday 09/09/1446H (corresponding to 09/03/2025G).

17.3 Subscription Method and Terms for Each Category of Subscribers

17.3.1 Book-Building for Participating Parties

a- The price range will be determined during the book-building process and made available to all Participating Parties by the Company's Financial Advisors, in consultation with the Company, using the discretionary allocation mechanism. It is possible that certain Participating Parties will not be allocated any Offer Shares, as deemed appropriate by the Financial Advisors, in coordination with the Company.

b- Participating Parties must submit applications to participate in the book-building by filling out Bid Forms that will be made available by the Bookrunners. Participating Parties may change or cancel their applications at any time during the book-building period by submitting an amended or supplemental Bid Form (as applicable) before determination of the Offer Price, which will take place before the start of the Offering Period. Participating Parries may not subscribe for less than one hundred thousand (100,000) Shares or more than seventy-one million, nine hundred and thirty-two thousand, three hundred and seventy-seven (71,932,377) Shares. With respect to public funds only, the number of Offer Shares subscribed for must not exceed the maximum limit per participating public fund, as determined in accordance with the Book-Building Instructions. The number of Offer Shares requested must be allocable. The Bookrunner shall notify the Participating Parties of the Offer Price and the number of Offer Shares provisionally allocated thereto. Subscriptions by Participating Parties shall commence during the Offering Period, which also includes Individual Subscribers, in accordance with the subscription terms and conditions detailed in the Subscription Application Forms.

c- Following completion of the book-building process for Participating Parties, the Financial Advisors will announce the percentage of coverage by Participating Parties.

d- The Financial Advisors and the Company shall have the authority to determine the Offer Price based on the forces of supply and demand, provided that it shall not exceed the price specified in the Underwriting Agreement and the subscription price shall be in accordance with the tick size applied by the Exchange.

17.3.2 Subscription by Individual Subscribers

Each Individual Subscriber must subscribe for a minimum of ten (10) Offer Shares and a maximum of two million, five hundred thousand (2,500,000) Offer Shares. Once submitted, Subscription Application Forms may not be amended or withdrawn.

Individual Subscribers wishing to subscribe for the Offer Shares must submit Subscription Applications electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents, through which Individual Subscribers will be able to subscribe to the Company's shares during the Offering Period, provided that:

- The Individual Subscriber has an investment account and active portfolio at the Receiving Agent that offers such services; and
- There have been no changes in the personal information or data of the Individual Subscriber (the removal or addition of a family member) since their last subscription in a recent IPO.

Subscription Applications must be completed in accordance with the instructions contained in the Prospectus. Each applicant must complete all relevant items of the Subscription Application. The Company and Lead Manager reserve the right to reject any Subscription Application, in part or in whole, if it does not meet any of the terms and conditions of the subscription. Subscription Applications may not be amended or withdrawn once submitted. Upon submission, a Subscription Application is considered a binding agreement between the Subscriber and the Company.

Excess subscription monies, if any, will be refunded to the Individual Subscriber's investment account at the Receiving Agent that initially debited the subscription amount therefrom, without any commissions or amounts being withheld by the Bookrunners or the Receiving Agents. Subscription monies may not be refunded in cash or to third party accounts.

Individual Subscribers may obtain a copy of this Prospectus from the websites of the following Receiving Agents (copies of the Prospectus are also available on the websites of the CMA, the Financial Advisors and the Company):

Receiving Agents
Albilad Investment Company Riyadh P.O. Box 140 Kingdom of Saudi Arabia Tel: +966 800 116 0002 Fax: +966 11 290 6299 Website: www.albilad-capital.com E-mail: clientservices@albilad-capital.com
GIB Capital Building B1, Granada Business & Residential Park Eastern Ring Road P.O. Box 89589 Kingdom of Saudi Arabia Tel.: +966 800 124 0121 Fax: +966 11 460 0625 Website: www.gibcapital.com E-mail: ipo@gibcapital.com
Al Rajhi Capital Head Office, King Fahad Road, Al Murooj District P.O. Box 5561, Riyadh 12263 Kingdom of Saudi Arabia Tel: +966 92 000 5856 Fax: +966 11 460 0625 Website www.alrajhi-capital.com E-mail: ARCIPO@alrajhibank.com.sa

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Receiving Agents
SNB Capital King Saud Road P.O. Box 22216 Riyadh Kingdom of Saudi Arabia Tel: +966 800 244 0123 International Call Center: +966 (11) 40600052 Website: www.alahlicapital.com E-mail: alahlitadawul@alahlicapital.com
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Alistithmar for Financial Securities and Brokerage Company King Fahd Road, Riyadh P.O. Box 6888, Riyadh 11452 Kingdom of Saudi Arabia Tel.: +966 11 254 7666 Fax: +966 11 489 6253 Website: www.icap.com.sa/ar E-mail: WebEcare@icap.com.sa

The Receiving Agents shall commence receiving Subscription Application electronically through the websites and platforms of the Receiving Agents that provide this service to subscribers or through any other means provided by the Receiving Agents, commencing Wednesday 05/09/1446H (corresponding to 05/03/2025G) until Sunday 09/09/1446H (corresponding to 09/03/2025G). If the information provided in the Subscription Application Form is incomplete or inaccurate, the Subscription Application shall be considered void and the Individual Subscriber may not claim any compensation for any damages resulting from such cancellation.

Each Individual Subscriber is required to specify the number of shares applied for in the Subscription Application, and the total subscription amount shall be the number of Offer Shares applied for multiplied by the Offer Price of [•] Saudi Riyals (SAR [•]) per Share.

Subscriptions by Individual Subscribers for less than ten (10) shares or for fractional shares will not be accepted. Increments are to be made in multiples of such number. The maximum number of Offer Shares that may be applied for is two million, five hundred thousand (2,500,000) Offer Shares.

Subscribers must fulfill and complete all the subscription requirements set forth in this Prospectus, and agree to all relevant terms and conditions. The Company and Lead Manager reserve the right to reject any Subscription Application, in part or in whole, in the event that any of the subscription terms and conditions are not met or the necessary instructions are not followed. Amendments may be made to the Subscription Application or it may be withdrawn following receipt with the approval of the Lead Manager.

If a Subscription Application is not in compliance with the Subscription Terms and Conditions, the Company and the Lead Manager shall have the right to reject such an application in full or in part. The Individual Subscriber shall accept any number of shares allocated thereto, unless the allocated shares exceed the number of Offer Shares applied for by the applicant.

17.4 Allocation of Shares and Refund of Excess Subscription Monies

The Bookrunners, Lead Manager and the Receiving Agents shall open and manage an escrow account for the purpose of depositing and holding the subscription amounts collected from Participating Parties and the Receiving Agents (on behalf of Individual Subscribers). The Receiving Agents shall deposit all amounts received from Individual Subscribers into the aforementioned escrow account.

The Lead Manager and the relevant Receiving Agents, as applicable, shall notify Subscribers of the final number of Offer Shares allocated to each of them along with the amounts to be refunded. Excess subscription monies (if any) will be refunded to Subscribers in full, without any commissions or deductions, and will be deposited in the Subscribers' accounts specified in the Subscription Application. Announcement of the final allocation will be made no later than Thursday 13/09/1446H (corresponding to 13/03/2025G) and refund of excess subscription monies (if any) will be made no later than Sunday 16/09/1446H (corresponding to 16/03/2025G). Subscribers should communicate with the Lead Manager or the Receiving Agent (as applicable) through which they submitted their Subscription Application for further information.

17.4.1 Allocation of Offer Shares to Participating Parties

Allocation of the Offer Shares to Participating Parties shall be made through the Financial Advisors, as they deem appropriate, in coordination with the Company. Allocation of the Offer Shares to Participating Parties will take place after the allocation of the Offer Shares to Individual Subscribers is completed. The number of Offer Shares that will be provisionally allocated to the Participating Parties shall not be less than one hundred and thirty million, seven hundred and eighty-six thousand, one hundred and forty-two (130,786,142) ordinary Shares, representing 100% of the Offer Shares, while the number of Offer Shares that will be finally allocated to Participating Parties shall not be less than one hundred and seventeen million, seven hundred and seven thousand, five hundred and twenty-eight (117,707,528) ordinary Shares, representing 90% of the Offer Shares. [•] ordinary Shares, representing [•] of the Offer Shares, will provisionally be allocated to public funds. If there is sufficient demand from Individual Subscribers for the Offer Shares, the Lead Manager shall have the right to reduce the number of shares allocated to public funds to a minimum of [•] ordinary Shares, representing [•] of the total Offer Shares, upon completion of the subscription period for Individual Subscribers.

17.4.2 Allocation of Offer Shares to Individual Subscribers

A maximum of thirteen million, seventy-eight thousand, six hundred and fourteen (13,078,614) ordinary Offer Shares, representing 10% of the total Offer Shares, shall be allocated to Individual Subscribers. The minimum allocation per Individual Subscriber is ten (10) shares. The balance of Offer Shares (if any) will be allocated pro-rata, based on the ratio of the number of Offer Shares requested by each Individual Subscriber to the total number of Offer Shares applied for. In the event that the number of Individual Subscribers exceeds one million, three hundred and seven thousand, eight hundred and sixty-one (1,307,861) Individual Subscribers, the Company shall not guarantee the minimum allocation. In such a case, the allocation will be determined at the discretion of the Company and the Financial Advisors. Excess subscription monies (if any) shall be refunded to Individual Subscribers without any charge or commission being withheld by the Receiving Agents.

17.5 Listing Suspension and Cancellation

17.5.1 Power to Suspend or Cancel the Listing

a- The CMA may suspend the trading of shares or cancel their listing at any time it deems fit in any of the following circumstances:

  1- The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.

  2- The Company fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange Rules.

  3- The Company fails to pay any fees due to the CMA or the Exchange or any penalties due to the CMA on time.

  4- The CMA deems that the Company, its business, the level of its operations or its assets are no longer suitable to warrant the continued listing of the shares on the Exchange.

  5- When a reverse takeover announcement does not contain sufficient information regarding the proposed transaction. In the event that the Company provides sufficient information regarding the target and the CMA is convinced, after the Company's announcement, that sufficient public information will be available regarding the proposed reverse takeover transaction, the CMA may decide not to suspend trading at this stage.

  6- When information regarding a proposed reverse takeover is leaked and the Company is unable to accurately assess its financial position and the Exchange cannot be informed accordingly.

  7- When an application to commence the Company's financial reorganization is registered with the court if its accumulated losses amount to 50% or more of its share capital in accordance with the Bankruptcy Law.

  8- When an application to commence a liquidation proceeding or administrative liquidation of the Company is registered with the court in accordance with the Bankruptcy Law.

  9- Upon the issuance of a final court ruling terminating a financial reorganization procedure and initiating an administrative liquidation procedure of the Company under the Bankruptcy Law.

  10- Upon the issuance of a final court ruling initiating a liquidation procedure or administrative liquidation procedure of the Company before the Court under the Bankruptcy Law.

b- The Exchange shall suspend the trading of the Company's securities in any of the following cases:

  1- When the Company fails to comply with the deadlines set for the disclosure of its periodic financial information in accordance with the requirements of the Rules on the Offer of Securities and Continuing Obligations, until the disclosure thereof.

  2- When the Auditor's report on the financial statements of the Company contains an opposing opinion or an abstention from expressing an opinion, until the opposing opinion or abstention is removed.

  3- If the liquidity requirements specified in Chapters 2 and 8 of the Listing Rules are not met post-Listing within the deadline set by the Exchange for the Company to rectify its position, unless the CMA agrees otherwise.

  4- When a resolution is issued by the Company's Extraordinary General Assembly to reduce its share capital, for the two trading days following the issuance of such a resolution.

c- The Exchange shall lift the suspension referred to in Sub-paragraphs 1 and 2 above after the lapse of one trading session following the resolution of the matter that caused the suspension. In the event that over-the-counter trading of the Company's shares is permitted, the Exchange shall lift the suspension within a period not exceeding five (5) trading sessions following the resolution of the matter that caused the suspension.

d- The Exchange may at any time propose that the CMA suspends the trading of any listed security or cancels the listing thereof where, in its opinion, any of the circumstances mentioned in Paragraph (a) above is likely to occur.

e- If the securities of the Company are subject to a trading suspension, it must continue to abide by the Capital Market Law, its Implementing Regulations and the Exchange Rules.

f- In the event that the listing suspension continues for six (6) months with no appropriate procedure taken by the Company to correct such a suspension, the CMA may cancel the listing of the Company's securities.

g- Upon the Company's completion of a reverse takeover, the listing of its shares shall be canceled. If the Company wishes to relist its shares, it must submit a new application for listing in accordance with the Listing Rules and comply with the requirements stipulated in the Rules on the Offer of Securities and Continuing Obligations.

h- The above paragraphs shall not prejudice the suspension of trading or cancellation of listing resulting from the Company's losses pursuant to the relevant Implementing Regulations and Exchange Rules.

17.5.2 Voluntary Cancellation of Listing

a- Once its securities have been listed on the Exchange, the Company may not cancel the listing of its securities without the prior approval of the CMA. To obtain CMA approval, the Company must submit a cancellation request to the CMA, along with a simultaneous notice to the Exchange. The request shall include the following information:

  1- The specific reasons for the cancellation request;

  2- A copy of the disclosure referred to in Paragraph (d) below;

  3- A copy of the relevant documentation and a copy of each related communication sent to Shareholders if the cancellation is to take place as a result of a takeover or other corporate action taken by the Company; and

  4- The names and contact details of the Financial Advisors and the Legal Advisor appointed in accordance with the Rules on the Offer of Securities and Continuing Obligations.

b- The CMA may, at its discretion, accept or reject the cancellation request.

c- The Company must obtain the approval of the Extraordinary General Assembly for the cancellation of the listing after obtaining the CMA's approval.

d- Where cancellation is made at the Company's request, the Company must disclose the same to the public as soon as possible. The disclosure must include, at a minimum, the reason for the cancellation, the nature of the event resulting in the cancellation, and how it affects the Company's activities.

17.5.3 Temporary Trading Suspension

a- The Company may request the Exchange to temporarily suspend trading of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the Capital Market Law, its Implementing Regulations or the Exchange Rules, where the Company cannot maintain the confidentiality of such information until the end of the trading session. The Exchange shall suspend the trading of the securities of the Company immediately upon receiving such a request.

b- When trading is temporarily suspended at the Company's request, the Company shall disclose to the public, as soon as possible, the reason for the suspension, its anticipated period, the nature of the event resulting in the suspension and how it affects the Company's activities.

c- The CMA may impose a temporary trading suspension without a request from the Company when the CMA has information or there are circumstances that affect the Company's activities which the CMA deems likely to interrupt the operation of the Exchange or jeopardize the protection of investors. If the Company's securities are subject to a temporary trading suspension, it must continue to abide by the Capital Market Law, its Implementing Regulations and the Exchange Rules.

d- The temporary trading suspension will be lifted following the lapse of the period referred to in Paragraph (b) above, unless the CMA or the Exchange decide otherwise.

e- The Exchange may propose that the CMA exercise its authority under Paragraph (c) above if it finds that there is information or circumstances that may affect the Company's activities and that are likely to interrupt the operation of the Exchange or affect the protection of investors.

17.5.4 Lifting of Suspension

A suspension of trading imposed in accordance with Paragraph (a) of Section 17.5.1 "**Power to Suspend or Cancel the Listing**" of this Prospectus may be lifted based on the following:

a- Adequately addressing the conditions that led to the suspension and the lack of a need to continue the suspension for the protection of investors.

b- The lifting of suspension being unlikely to have any impact on the normal activity of the Exchange.

c- The Company's compliance with any other conditions that the CMA may require.

In the event that the listing suspension continues for six (6) months with no appropriate procedure taken by the Company to correct such a suspension, the CMA may cancel the Company's listing.

17.6 Resolutions and Approvals for the Offering

The resolutions and approvals pursuant to which the Offer Shares will be offered are as follows:

a- The Company's Board of Directors' resolution recommending to the General Assembly approval of the Offering, dated 24/08/1445H (corresponding to 05/03/2024G).

b- The Extraordinary General Assembly resolution approving the Offering, dated 21/10/1445H (corresponding to 30/04/2024G).

c- The CMA's approval of the Offering, dated 24/06/1446H (corresponding to 24/12/2024G).

d- The conditional approval of Tadawul to list the shares, dated 07/06/1446H (corresponding to 08/12/2024G).

17.7 Lock-up Period

The Substantial Shareholders listed on page (xiv) of this Prospectus and the Shareholders Acting in Concert shall be prohibited from disposing of their shares for a period of six (6) months from the date on which trading of the Company's Shares commences on the Exchange. Following the Lock-up Period, they may dispose of their shares without the prior approval of the CMA.

17.8 Subscription Undertakings

By completing and submitting the Subscription Application Form, each Subscriber:

a- Agrees to subscribe for the Company's Shares in the number of such Shares specified in the Subscription Application Form submitted thereby;

b- Declares that he/she has carefully read this Prospectus and understood all its contents;

c- Accepts the Company's Bylaws and all instructions and terms related to the Offering which are mentioned in this Prospectus and the Subscription Application Form and subscribes for the Shares accordingly;

d- Declares that neither him/her nor any of his/her family members included in the Subscription Application Form have previously subscribed for the Company's Shares and that the Company shall have the right to reject all duplicate applications;

e- Accepts the number of the Offer Shares allocated thereto (up to the maximum of the amount subscribed for) according to the Subscription Application Form; and

f- Undertakes not to cancel or amend the Subscription Application Form after submission thereof to the Lead Manager or Receiving Agent.

17.9 Shares' Register and Trading Arrangements

The Securities Depository Center (Edaa) maintains a Shareholders' register containing the names, nationalities, addresses and professions of the Shareholders, the shares they own, and the amounts paid for such shares.

17.10 Saudi Exchange (Tadawul)

In 1990G, full electronic trading of shares in the Kingdom was introduced. Tadawul system was founded in 2001G as the successor to the Electronic Securities Information System. Trading in shares occurs on the Tadawul system through a fully integrated trading system that covers the entire trading process from execution of the trade through settlement thereof. Trading occurs on each business day of the week in one period, between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. Outside these times, orders may be entered, amended or canceled between 9:30 a.m. and 10:00 a.m. These times may be changed during the month of Ramadan as announced by Tadawul. Transactions take place through the automatic matching of orders. Each valid order is accepted and executed according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that, if several orders are generated at the same price, they are executed according to the time of entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website and Tadawul Information Link, which supplies trading data in real time to information providers such as Reuters. Transactions are settled on a T+2 basis, i.e., share ownership transfer takes place two business days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information of importance to investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the Exchange to ensure fair trading and an orderly market.

17.11 Trading of the Company's Shares

Trading of the Company's Shares is expected to commence after the final allocation thereof and the announcement of the commencement date of trading by Tadawul. Following Listing, Saudi nationals and Saudi companies, banks and investment funds will be permitted to trade in the Offer Shares once they are traded on the Exchange.

The Offer Shares can only be traded after they have been allocated and credited to Subscribers' accounts at Tadawul, the Company has been registered and its Shares have been listed on the Exchange. Pre-trading in the Company's Shares is strictly prohibited and Subscribers engaging in pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

17.12 Miscellaneous

The Subscription Application and all related terms, conditions and undertakings shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto are delegated by any of the parties to the subscription without the prior written approval of the other party.

These instructions, articles and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been issued in Arabic and English. Only the Arabic Prospectus is approved by the CMA. In the event of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

It is expressly prohibited to distribute this Prospectus or sell the Offer Shares to any person in any country other than the Kingdom, provided that the regulations and instructions organizing the same are taken into account. Recipients of the Prospectus must inform themselves of all regulatory restrictions related to the Offering and the sale of Offer Shares and observe all such restrictions.

Subject to the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary prospectus to the CMA at any time after the publication of the Prospectus and before the completion of the Offering if the Company becomes aware that: (a) there has been a significant change in any material information contained in this Prospectus or any document required by the Rules on the Offer of Securities and Continuing Obligations or the Listing Rules; or (b) the occurrence of additional significant matters which would have been required to be included in this Prospectus. Except in the two aforementioned cases, the Company does not intend to update or amend any information related to the sector, market, or forward-looking statements contained in this Prospectus, whether as a result of new information, future events, or otherwise. As a result of the foregoing and other risks, assumptions and uncertainties, the forward-looking events and circumstances discussed in this Prospectus may not occur in the way the Company expects, or at all. Accordingly, prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

18. Documents Available for Inspection

The following documents will be available for inspection at the Company's head office between 9:00 a.m. and 5:00 p.m. from Sunday 03/08/1446H (corresponding to 02/02/2025G) until Sunday 09/09/1446H (corresponding to 09/03/2025G), for a period of no less than 20 days before the end of the Offering Period:

a- The CMA's approval of the Offering.

b- Tadawul Group's conditional approval of the Offering dated 07/06/1446H (corresponding to 08/12/2024G).

c- The Company's Board of Directors' resolution recommending to the General Assembly approval of the Offering, dated 24/08/1445H (corresponding to 05/03/2024G).

d- The Company's General Assembly's resolution approving the Offering, dated 21/10/1445H (corresponding to 30/04/2024G).

e- The Company's Bylaws, along with any amendments thereto.

f- The Company's Articles of Association, along with any amendments thereto.

g- The Company's commercial registration certificate issued by the MoC.

h- The audited consolidated financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G, and the unaudited consolidated interim financial statements of the Company for the six-month period ended 30 June 2024G.

i- The Market Report prepared by the Market Consultant.

j- All reports, letters and other documents, estimates of value and statements prepared by any expert or any part thereof that is included or referred to in this Prospectus.

k- The contracts and agreements disclosed in Section 12.3 "**Material Agreements**" and Section 12.4 "**Material Agreements with Related Parties**" of this Prospectus.

l- The terms and conditions of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II disclosed in Section 12.3.8(c) "**Terms and Conditions of Alinma Makkah Development Fund I and Alinma Makkah Development Fund II**" of this Prospectus.

m- Letters of Consents from:

1- The Financial Advisor, Bookrunner and Underwriter (GIB Capital), for the inclusion of its name and logo within this Prospectus;

2- The Financial Advisor, Bookrunner and Underwriter (Albilad Investment Company), for the inclusion of its name and logo within this Prospectus;

3- The Financial Advisor, Bookrunner and Underwriter (Al Rajhi Capital), for the inclusion of its name and logo within this Prospectus;

4- The Bookrunner and Underwriter (Alinma Investment Company), for the inclusion of its name and logo within this Prospectus;

5- The Lead Manager (Albilad Investment Company), for the inclusion of its name and logo within this Prospectus;

6- The Legal Advisor to the Issuer (The Law Firm of Latham & Watkins), for the inclusion of its name, logo and statements within this Prospectus;

7- The Legal Advisor to the Underwriters (White & Case for Advocacy and Legal Consultations), for the inclusion of its name, logo and statements within this Prospectus;

8- The Financial Due Diligence Advisor (Ernst & Young & Co. (Certified Public Accountants)), for the inclusion of its name, logo and statements within this Prospectus;

9- The Auditor (KPMG for Professional Services), for the inclusion of its name, logo, statements, and audit reports for the financial years ended 31 December 2021G, 2022G and 2023G and the interim report for the six-month period ended 30 June 2024G within this Prospectus; and

10- The Market Consultant (Professional Realtors Company LLC (Colliers)), for the inclusion of its name, logo and statements within this Prospectus.

n- The Underwriting Agreement.

19. Financial Statements and Auditor's Report

This section contains the audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the accompanying notes thereto, which were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA), as well as the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G and the accompanying notes thereto, which were prepared in accordance with IAS 34 (Interim Financial Reporting) as approved in the Kingdom. The audited consolidated financial statements for the financial years ended 31 December 2021G, 2022G and 2023G were audited and the unaudited consolidated interim financial statements for the six-month period ended 30 June 2024G were reviewed by the Auditor, KPMG for Professional Services.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021
with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021

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KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص.ب ٥٥٠٧٨
جده ٢١٥٣٤
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Umm Al-Qura Development and Construction Company ("the Company") and its investment funds (collectively referred to as the "Group")**, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with the 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 professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 24 May 2021.

KPMG

Independent Auditor's Report (continued)

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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 judgement 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.

Independent Auditor's Report (continued)

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 of **Umm Al-Qura Development and Construction Company (the "Company") and its investment funds (collectively referred to as the "Group").**

For KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 23 March 2022
Corresponding to 20 Shaaban 1443H

كي بي إم جي للإستشارات المهنية
Lic No. 46
C.R. 4030290792
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KPMG
ترخيص رقم ٤٦
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KPMG Professional Services

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	**31 December 2021**	31 December 2020
Assets			
Investment properties	6	**18,201,657,289**	16,842,944,616
Property, plant and equipment	7	**8,827,865**	12,941,006
Right-of-use assets	8	**12,232,054**	7,305,931
Intangible assets	9	**43,263**	107,676
Non-current assets		**18,222,760,471**	16,863,299,229
Investment at fair value through profit or loss	10	**--**	1,049,957
Prepaid expenses and other receivables	11	**105,506,679**	615,727,799
Cash and cash equivalents	12	**2,769,894,105**	68,421,148
Current assets		**2,875,400,784**	685,198,904
Total assets		**21,098,161,255**	17,548,498,133
Equity and liabilities			
Equity			
Share capital	13	**11,873,065,360**	8,873,065,360
Accumulated losses		**(904,585,558)**	(740,114,893)
Total equity		**10,968,479,802**	8,132,950,467
Liabilities			
Long-term loans	14	**6,859,600,364**	6,040,347,830
Lease liabilities	8	**11,564,988**	5,566,800
Employee benefits	15	**14,610,659**	14,496,821
Retention payables	17	**238,405,486**	181,913,139
Non-current liabilities		**7,124,181,497**	6,242,324,590
Short-term loan	14	**94,999,430**	204,298,774
Liabilities against lands	16	**2,434,787,114**	2,435,842,524
Lease liabilities	8	**1,405,082**	1,739,131
Trade payables	18	**17,033,909**	113,407,094
Accrued expenses and other liabilities	19	**441,143,362**	404,714,874
Zakat provision	20	**16,131,059**	13,220,679
Current liabilities		**3,005,499,956**	3,173,223,076
Total liabilities		**10,129,681,453**	9,415,547,666
Total equity and liabilities		**21,098,161,255**	17,548,498,133

The accompanying notes from 1 to 33 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	**2021**	2020
General and administrative expenses	21	**(138,462,030)**	(151,120,738)
Selling and marketing expenses	22	**(15,780,904)**	(9,617,772)
Operating loss		**(154,242,934)**	(160,738,510)
Financial charges	23	**(13,914,909)**	(22,985,244)
Other income	24	**12,875,936**	4,425,206
Loss before zakat		**(155,281,907)**	(179,298,548)
Zakat	20	**(10,619,344)**	(7,709,419)
Loss for the year		**(165,901,251)**	(187,007,967)
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Re-measurement of provision for employees' benefits		**1,430,586**	(538,385)
Total comprehensive loss		**(164,470,665)**	(187,546,352)
Loss per share			
Weighted average number of ordinary shares outstanding	25	**1,012,306,536**	887,306,536
Basic and diluted loss per share attributable to equity holders of the Company (in SR per share)	25	**(0.16)**	(0.21)

The accompanying notes from 1 to 33 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Share Capital	Accumulated losses	Total equity
Balance at 1 January 2021	**8,873,065,360**	**(740,114,893)**	**8,132,950,467**
Loss for the year	**--**	**(165,901,251)**	**(165,901,251)**
Other comprehensive income	**--**	**1,430,586**	**1,430,586**
Total comprehensive loss for the year	**--**	**(164,470,665)**	**(164,470,665)**
Additional paid in capital (Note 13)	**3,000,000,000**	**--**	**3,000,000,000**
Balance at 31 December 2021	**11,873,065,360**	**(904,585,558)**	**10,968,479,802**
Balance at 1 January 2020	8,873,065,360	(552,568,541)	8,320,496,819
Loss for the year	--	(187,007,967)	(187,007,967)
Other comprehensive loss	--	(538,385)	(538,385)
Total comprehensive loss for the year	--	(187,546,352)	(187,546,352)
Balance as at 31 December 2020	8,873,065,360	(740,114,893)	8,132,950,467

The accompanying notes from 1 to 33 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2021	2020
Cash flows from operating activities			
Loss before Zakat		**(155,281,907)**	(179,298,548)
Adjustments for the following items:			
Depreciation on property, plant and equipment	7	**5,300,797**	5,075,219
Depreciation on right-of-use of assets	8	**1,529,007**	1,840,000
Amortization of intangible assets	9	**162,913**	512,179
Amortization of loan arrangement fees		**8,131,962**	--
Financial charges		**13,914,909**	22,985,244
Zakat provision adjustments		**--**	5,483,448
Gains from sale of property, plant and equipment		**(3,910)**	--
Income from short-term deposits		**(2,751,672)**	--
Net change in investment at fair value through profit or loss		**--**	(1,558,307)
Employees' benefits provision		**3,522,702**	3,285,692
		(125,475,199)	(141,675,073)
Change in current assets and liabilities:			
Prepaid expenses and other receivables		**512,972,795**	(581,615,909)
Trade payables		**(96,373,185)**	(34,408,316)
Accrued expenses and other liabilities		**(97,497,676)**	(23,626,790)
Employees benefits paid		**(1,978,278)**	(1,068,446)
Zakat paid		**(7,708,964)**	(3,486,366)
Net cash generated from / (used in) operating activities		**183,939,493**	(785,880,900)
Cash flow from investing activities			
Additions to property, plant and equipment		**(1,351,171)**	(8,902,647)
Proceeds from sale of property, plant and equipment		**70,130**	--
Net change in investment property		**(997,990,657)**	(1,536,756,293)
Net change in liabilities against lands		**(1,055,410)**	267,013,901
Investments in real estate funds		**--**	200,000,000
Investment at fair value through profit or loss		**1,049,957**	508,350
Net cash used in investing activities		**(999,277,151)**	(1,078,136,689)
Cash flows from financing activities			
Proceeds from share capital increase	13	**3,000,000,000**	--
Proceeds from long-term loans		**814,848,321**	1,935,000,000
Net change in short-term loans		**(109,299,344)**	(100,006,474)
Payment of lease liabilities		**(1,855,600)**	--
Payments of finance charges from long-term loans		**(178,708,501)**	(236,081,564)
Payments of finance charges from short-term loan		**(8,174,261)**	(15,236,002)
Net cash generated from financing activities		**3,516,810,615**	1,583,675,960
Net change in cash and cash equivalents		**2,701,472,957**	(280,341,629)
Cash and cash equivalents at the beginning of the year		**68,421,148**	348,762,777
Cash and cash equivalents at the end of the year	12	**2,769,894,105**	68,421,148

The accompanying notes from 1 to 33 form an integral part of
of these consolidated financial statements.

1. GENERAL INFORMATION

Umm Al Qura For Development and Construction Company (the "Company") is Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued on 21 March 2012 (corresponding to 28 Rabie Al-Thani 1433H). The Ministerial Resolution No. 163/S was issued announcing the establishment of the company on 20 March 2012 (corresponding to 27 Rabea Al-Thani 1433H).

The Company's head office is located on the following address:

Makkah Al-Mukarramah, Al-Rusaifa Street
P. O. Box 16786
Postal code 21955
Kingdom of Saudi Arabia

The Company is engaged in real estate activities represented in purchasing, selling and dividing of lands and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

As at 31 December 2021, the Company is still in the stage of developing its main project "Masar Destination" in Makkah (the "Project"), where the Company owns lands and real estate in the area on which the project will be built, through Makkah Region Development Authority, and excavation works, rock-cutting and infrastructure works in the project have begun.

These consolidated financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 9 November 2020 (corresponding to 23 Rabi' Awal 1442H).

Furthermore, these consolidated financial statements of the attached consolidated group include the financial statements of Umm Al-Qura for Development and Construction Company (the "Company") and its investment funds (collectively referred to as the "Group"). The investment funds comprise the following:

Name of subsidiary fund	Country of incorporation	Main business	Effective holding percentage	
			2021	2020
Alinma Makkah 1st Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%
Alinma Makkah 2nd Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated, except for employee benefits which are recognized at the present value of future obligations using the projected unit credit method, and investments which are measured at fair value through profit or loss. These consolidated financial statements are prepared using the accrual basis of accounting and the going concern concept.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals ("SR"), which represent the Group's functional and presentation currency. All amounts have been rounded to the nearest Riyal, unless otherwise stated.

2.4 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 in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on 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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a significant adjustment to the carrying amount of the asset or liability affected in the future periods.

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

The key judgements, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are as stated below:

1) Classification of investment properties

The Group determines whether a property qualifies as an investment property in accordance with IAS 40 "Investment Property". In making this judgement, the Group considers whether the property generates cash flows largely independent of other assets held by the Group.

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

2) *Defined benefit plans*

The cost of the defined benefit plan and the present value of the obligation 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 employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note 15.

3) *Useful lives, residual value and method of depreciation for property and equipment*

The Group determines the estimated useful lives of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the asset or physical wear and tear. The Group believes that residual may not result in significant change to depreciation charge and carrying amount of the assets. Accordingly, the residual value is assumed to be zero. Management also believes that the straight-line depreciation reflects the pattern of consumption of economic benefits.

Management reviews the useful lives, residual value and method of depreciation annually for any significant changes from previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

4) *Extension option*

In case of lease contracts which offers the extension option, the Group assess if there is reasonably certainty to exercise the option when commencing the contract. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

5) *Impairment of non-financial assets*

At each reporting date, the Group reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

6) Discount Rate for lease contract

The management uses estimates to determine the incremental borrowing rate for calculating the present value of the minimum lease payments.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its investment funds as at 31 December 2021. 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 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, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result 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 investees;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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 of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of the subsidiary, without the loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary entity, it derecognizes the related assets (including goodwill if existed), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

The financial statements of subsidiaries are prepared for the same reporting period using the same accounting framework as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

4.2 Current versus non-current classification

4.2.1 Assets

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when:

- 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 realized 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Current versus non-current classification (continued)

4.2.2 Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- 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.

4.3 Expenses

Selling and marketing, general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and marketing expenses are those arising from the Group's efforts underlying the sales and marketing functions. All expenses, excluding financial charges, are classified as general and administrative expenses. Allocations of provisions for common expenses between cost of revenue, selling and marketing, and general and administrative expenses, when required, are made on a consistent basis.

4.4 Zakat

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Company and Zakat related to the Company's ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

4.5 Value Added Tax and Real Estate Transaction Tax

During the year 2020, the Zakat, Tax and Customs Authority ("ZATCA") announced that pursuant to the Royal Decree No. (A/84) dated 1 October 2020, the disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be Value Added Tax ("VAT") exempt and subject to a 5% Real Estate Transaction Tax (RETT). RETT is applicable on the transactions that took place on or after 4 October 2020. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020.

Other than disposal of real estate transactions covered under RETT law, the Group is subject to VAT for the supply of other goods and services in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases that are not claimable under Real Estate Transaction Tax (RETT) law ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. However, Input VAT related to exempt supplies, is added to the cost of purchases whereas Input VAT related to mixed supplies is claimed using the Proportional Default Rate Formula.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items that are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.7 Property, plant and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost also includes the borrowing costs for long-term construction projects if the recognition criteria are met.

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

The cost of replacing a major part of an item of property, plant 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

An item of property, plant and equipment is derecognized upon sale or when no future economic benefits are expected from its use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Property, plant and equipment (continued)

Recognition and measurement (continued)

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its sale at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

Depreciation
The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Freehold land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

The estimated useful lives of assets is as follow:

Categories	Useful life in years
Furniture & equipment	3 – 4
Vehicles	4
Computers	3 – 5
Leasehold improvements	5 or the contract term, whichever is less

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress
Capital work-in-progress are carried at cost less any recognised impairment loss. When the capital work are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:
The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of use assets are determined on the same basis as those of property and equipment. The recognised right-of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

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. The lease payments include fixed payments (including 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.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group enters into leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with the terms of the leases over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefits are derived from the leased assets.

Lease incentives or any escalation in the lease rental are recognized as an integral part of the total lease receivable and accounted for on a straight-line basis over the term of the lease. Contingent rents are recognized as revenue in the period in which they are earned.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Incremental borrowing rate

The Company cannot immediately determine the interest rate that is included in the lease contracts, therefore, the Company uses the incremental borrowing rate in measuring its lease liabilities. The incremental borrowing rate is the rate of interest that the company should pay in order to borrow the amounts necessary to obtain an asset of similar value to the right of use asset in a similar economic environment for a similar period and with a similar security. Thus, the incremental borrowing rate reflects the “amount to be paid by the company” which requires an estimate when observable rates are not available or when adjustment is needed in line with the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable data (ex. interest rates in the market) available and necessary to make certain estimates of the entity.

4.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the construction of an asset, other than development properties, are capitalized using capitalization rate up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the consolidated statement of profit or loss and other comprehensive income. In case of specific borrowings, all such costs, directly attributable to the acquisition or construction of an asset, other than development properties, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occurred.

4.10 Investment property

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use as investment properties. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties are depreciated on a straight line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss and other comprehensive income in the period of derecognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Investment property (continued)

Expenses incurred for replacing component of investment properties items, which are accounted for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

Transfers are made from investment property to development property only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

4.11 Fair value measurement

The Group discloses the fair value of the non-financial assets such as investment properties as part of its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

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

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with definite lives is recognized in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The assessment of indefinite useful life is reviewed annually to determine whether useful life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is disposed.

4.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit (CGU’s) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows into the Group that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Impairment of non-financial assets (continued)

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 cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit ("CGU") level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

4.14 Initial recognition – Financial assets and financial liabilities

Financial assets

A Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Initial Measurement
At initial recognition, except for the trade receivables which do not contain a significant financing component, the Group measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value of the respective financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income, if any.

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price as per IFRS 15.

Classification and subsequent measurement

The Group classifies its financial assets into the following measurement categories:

a) those to be measured subsequently at fair value (either through consolidated statement of other comprehensive income, or through consolidated statement of profit or loss); and
b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The category most relevant to the Group is financial assets measured at amortized cost.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate ("EIR") method, less impairment (if any). Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are recognized in consolidated statement of profit or loss and other comprehensive income.

Reclassifications
When and only when, a Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

De-recognition
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 Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and a loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as economic conditions that correlate with defaults.

IFRS 9 requires the Group to follow an expected credit loss model for the impairment of financial assets. It is no longer necessary for a credit event to have occurred for the recognition of credit losses. Instead, the Group, uses the expected credit loss model, always to account for expected credit losses and changes therein at each reporting date. 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Expected credit losses shall be measured and provisioned either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for the amounts that result from default events that are possible within the next 12-months (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. Commission income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the consolidated statement of profit or loss and other comprehensive income.

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group considers a financial asset to be in default when the debtor is unlikely to repay the outstanding balance to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Financial liabilities

Initial measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income, and as loans and borrowings and payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of long term loans and payables, net of directly attributable transaction costs. The Group’s financial liabilities include accounts payable, lease liabilities, accruals and term loans.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial liabilities (continued)

Classification and subsequent measurement
A Group shall classify all financial liabilities as subsequently measured at amortized cost, except for:

a) Financial liabilities at fair value through statement of profit or loss
b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
c) financial guarantee contracts.
d) commitments to provide a loan at a below-market commission rate.

All of the Group's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method, if applicable. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

De-recognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the consolidated statement of profit or loss and other comprehensive 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 the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Provisions
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 profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and 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 in the consolidated statement of profit or loss and other comprehensive income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

4.15 Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 benefit plans
The Group maintains an unfunded defined benefit plan for employees' terminal / end of service benefits in accordance with the Saudi Arabian Labor Law.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations ("DBO") is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in the consolidated statement of other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss and other comprehensive income.

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

For the liability relating to employees' terminal benefits, the actuarial valuation process takes into account the provisions of the Saudi Arabian Labour Law as well as the Group's policy.

5. NEW STANDARDS, INTERPETATON AND AMENDMENTS

5.1 New Standards, interpretations and amendments adapted

There are no new standards issued that apply to the Group, however, there are a number of new amendments to the standards that entered into force on 1 January 2021, and do not have a material impact on the consolidated financial statements.

5.2 New standards, interpretations and amendments issued but not adopted

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

Standard / Interpretation	Description	Effective from periods beginning on or after the following date
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS	Annual improvements to IFRS standards 2018 – 2020	1 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current (Amendments on IAS 1)	1 January 2023
IAS 8	Definition of Accounting Estimate (Amendments on IAS 8)	1 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments on IAS 1)	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments on IAS 12)	1 January 2023
IFRS 10 and IAS 2	Sale or contribution of assets between investor and its associate or joint venture (Amendments on IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The Group is assessing the implications of adopting the above-mentioned standards, amendments or interpretations on the Group's consolidated financial statements when applied.

6. INVESTMENT PROPERTIES

6.1 The movement in investment properties during the year ended 31 December is analysed as follows:

	31 December 2021	31 December 2020
Project lands		
Cost:		
As at 1 January	**9,956,080,573**	9,621,277,218
Additions during the year (Note 6.4)	**14,326,949**	334,803,355
Balance as at 31 December	**9,970,407,522**	9,956,080,573
Capital work in progress		
Cost:		
As at 1 January	**6,886,864,043**	5,219,829,694
Additions during the year (Note 6.5)	**1,344,385,724**	1,667,034,349
Balance as at 31 December	**8,231,249,767**	6,886,864,043
Total	**18,201,657,289**	16,842,944,616

6.2 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Company. Accordingly, 4 comprehensive title deeds for the project were issued in favor of the Company on 31 March 2021 (corresponding to 18 Shaban 1442H). The project land is currently held for undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project lands are classified as investment properties. Project lands include lands that are pledged to a commercial bank against long-term loans (note 14).

6.3 The fair value of the Group's investment property, as at 31 December 2021, has been arrived on the basis of the valuation exercise carried out by Jones Lang LaSalle Saudi Arabia for Real Estate Appraisal (JLL), an independent valuer not related to the Group. JLL, registered in the Kingdom of Saudi Arabia under the Commercial Registration number 1010931286, is a firm licensed by the Saudi Authority for Accredited Valuers ("Taqeem") and is also regulated by the Royal Institution of Chartered Surveyors ("RICS"). JLL holds appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of the market approach, which reflects recent transaction prices for similar properties. The valuation assumes that the plots of land in the master plan are fully developed services, which include all infrastructure works including streets, electrical networks, water and sewage networks, and land uses, and that they can be sold in this case on the evaluation date. Management expects that the costs of completing the infrastructure work will not exceed the fair value of the project land.

6. INVESTMENT PROPERTIES (continued)

The Group uses the following hierarchy for determining and disclosing the fair values of its investment properties by valuation techniques:

	Level 1 SAR '000	Level 2 SAR '000	Level 3 SAR '000	Total SAR '000
31 December 2021	**--**	**40,146,540**	**--**	**40,146,540**
31 December 2020	--	40,172,593	--	40,172,593

Any significant movement in the assumptions used for fair valuation of investment properties such as discount rate, yield, rental growth etc. would result in significantly lower / higher fair value of these assets.

6.4 As at 31 December 2021, the amount of the increase in the value of the project lands represents SR 14 million (31 December 2020: SR 334 million) the value of additional compensation to the owners of real estate as a result of the re-evaluation of the property.

6.5 The capital work in progress represents the works of demolition, rock excavation and infrastructure, in addition to the costs of engineering consultancy and project building designs. During the year ending 31 December 2021, an amount of SR 257 million (2020: SR 286 million) was capitalized as cost of borrowing for the construction of investment properties included in capital work in progress.

As at 31 December 2021, the infrastructure works are still under construction and are expected to be completed in the third quarter of 2023. Upon completion of the infrastructure works, the project will include 205 developed plots of land.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 The movement in property, plant and equipment during the year ended 31 December 2021 is analysed as under:

	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Total
Cost:					
Balance as at 1 January 2021	8,254,462	3,931,958	7,077,343	12,296,187	31,559,950
Additions during the year	520,318	--	352,947	477,906	1,351,171
Disposals	(194,495)	(227,051)	(32,094)	(1,580,491)	(2,034,131)
Balance as at 31 December 2021	8,580,285	3,704,907	7,398,196	11,193,602	30,876,990
Accumulated depreciation:					
Balance as at 1 January 2021	5,345,909	3,324,064	5,839,575	4,109,396	18,618,944
Charge for the year	1,589,089	607,864	943,104	2,160,740	5,300,797
Disposals	(95,970)	(227,047)	(20,109)	(1,527,490)	(1,870,616)
Balance as at 31 December 2021	6,839,028	3,704,881	6,762,570	4,742,646	22,049,125

7. PROPERTY, PLANT AND EQUIPMENT (continued)

7.2 The movement in property, plant and equipment during the year ended 31 December 2020 is analysed as under:

	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Total
Cost:					
Balance as at 1 January 2020	5,715,591	3,931,958	6,565,313	6,444,441	22,657,303
Additions during the year	2,538,871	--	512,030	5,851,746	8,902,647
Balance as at 31 December 2020	8,254,462	3,931,958	7,077,343	12,296,187	31,559,950
Accumulated depreciation:					
Balance as at 1 January 2020	3,932,668	2,670,992	4,631,814	2,308,251	13,543,725
Charge for the year	1,413,241	653,072	1,207,761	1,801,145	5,075,219
Balance as at 31 December 2020	5,345,909	3,324,064	5,839,575	4,109,396	18,618,944
Net book value:					
As at 31 December 2021	**1,741,257**	**26**	**635,626**	**6,450,956**	**8,827,865**
As at 31 December 2020	2,908,553	607,894	1,237,768	8,186,791	12,941,006

7. PROPERTY, PLANT AND EQUIPMENT (continued)

7.3 Depreciation charge for the year ended 31 December has been allocated as follows:

	2021	2020
General and administration expenses (Note 21)	**4,511,107**	4,285,529
Selling and marketing expenses (Note 22)	**789,690**	789,690
	5,300,797	5,075,219

8. LEASES

a) Right-of-use assets

1) Reconciliation of lease liability

	31 December 2021	31 December 2020
Cost:		
Balance as at the beginning of the year	**9,145,931**	--
Additions	--	9,145,931
Re-measurement during the year	**6,455,130**	--
Balance as at the end of the year	**15,601,061**	9,145,931
Accumulated depreciation:		
Balance as at the beginning of the year	**1,840,000**	--
Charge for the year	**1,529,007**	1,840,000
Balance as at the end of the year	**3,369,007**	1,840,000
Net book value:		
Balance as at the end of the year	**12,232,054**	7,305,931

During the year ended 31 December 2021, the management re-measured the lease term for the branch office in Jeddah from 5 to 10 years.

2) Depreciation charge for the year ended 31 December has been allocated as follows:

	2021	2020
General and administration expenses (Note 21)	**1,529,007**	1,840,000
	1,529,007	1,840,000

8. LEASES (continued)

b) Lease contracts liabilities

	31 December 2021	31 December 2020
Balance as at the beginning of the year	**7,305,931**	--
Additions during the year	**--**	9,145,931
Re-measurement during the year	**7,014,485**	--
Interest expense	**505,254**	--
Payments during the year	**(1,855,600)**	(1,840,000)
Balance as at the end of the year	**12,970,070**	7,305,931

The weighted average rate of discount applied is 4.05%.

The lease contracts liabilities are presented in the consolidated statement of financial position as follows:

	31 December 2021	31 December 2020
Lease liabilities – non-current portion	**11,564,988**	5,566,800
Lease liabilities – current portion	**1,405,082**	1,739,131
	12,970,070	7,305,931

9. INTANGIBLE ASSETS

	31 December 2021	31 December 2020
Cost:		
Balance as at the beginning of the year	**6,384,759**	6,384,759
Additions during the year	**98,520**	--
Disposals during the year	**(1,075,230)**	--
Balance as at the end of the year	**5,408,049**	6,384,759
Amortization:		
Balance as at the beginning of the year	**6,277,083**	5,764,904
Amortization (note 21)	**162,913**	512,179
Disposals during the year	**(1,075,210)**	--
Balance as at the end of the year	**5,364,786**	6,277,083
Net book value	**43,263**	107,676

10. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2021	31 December 2020
Alinma Saudi Riyal Liquidity Fund	--	1,049,957

10.1 This represents an investment in the units of Alinma Saudi Riyal Liquidity Fund (the "Fund"), a fund managed by Alinma Investment Company. The principal activity of the Fund is to invest in Murabaha contracts that are compliant with the rules of Islamic Sharia.

10.2 At 1 July 2021, the Group sold all its investments in the Fund, which resulted in gains of SR 667,210.

The movement of the investment in the Fund is as follows:

	31 December 2021	31 December 2020
Balance as at the beginning of the year	**1,049,957**	--
Addition during the year	**555,445,999**	219,250,000
Disposal during the year	**(557,163,166)**	(219,758,350)
Net gain from investment at fair value through profit or loss (Note 10-3)	**667,210**	1,558,307
Balance as at the end of the year	**--**	1,049,957

10.3 The movement in net gain from investment at fair value through profit or loss is as follows:

	31 December 2021	31 December 2020
Unrealized gains at fair value for the year	**--**	781,100
Realized gains at fair value for the year	**667,210**	777,207
Net gain from investment at fair value through profit Or loss	**667,210**	1,558,307

11. PREPAID EXPENSES AND OTHER RECEIVABLES

Prepaid expenses and other receivables consist of the following:

	31 December 2021	31 December 2020
VAT	**83,267,491**	602,352,807
Prepaid expenses	**16,842,473**	10,791,652
Fees and licenses	**2,432,282**	2,413,340
Others	**2,964,433**	170,000
	105,506,679	615,727,799

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	31 December 2021	31 December 2020
Cash at banks	**367,894,105**	68,421,148
Short-term deposits (Note 12-1)	**2,402,000,000**	--
	2,769,894,105	68,421,148

12.1 The amount represents short-term deposits with commercial banks, compliant with Islamic Sharia, and yield commission at prevailing market rates.

12.2 According to Musharaka then Ijarah agreements with a commercial bank, the company opens restricted accounts, in which the proceeds of the public subscription are deposited in these accounts, in addition to the proceeds of revenue. The balances of these accounts are not pledged.

13. SHARE CAPITAL

The authorized, issued and fully paid up share capital of the Company as at 31 December 2021 consists of 1,187,306,536 shares (31 December 2020: 887,306,536 shares) the value of each share is SR 10, part of which is in kind and part is cash as follows:

	31 December 2021	31 December 2020
Value of issued shares	**11,873,065,360**	8,873,065,360

The Company's Board of Directors has decided to increase the share capital on 22 December 2020, from SR 8,873,065,360 to SR 11,873,065,360 through the right to subscribe for shares amounting to SR 3 billion. which was approved by the members of the Extraordinary General Assembly on 19 April 2021. During the year ended 31 December 2021, the Company completed the legal procedures of share capital increase, and the commercial register and the amended articles of association were issued on 1 August 2021 (corresponding to 22 Dhul Hejja 1442H).

14. LOANS

Long-term loans

	31 December 2021	31 December 2020
Liabilities under Musharaka then Ijara agreements (Note (14.1))	**6,232,076,041**	6,100,000,000
Liabilities under Tawarruq agreement (Note (14.2))	**682,772,280**	--
Structuring and arrangements fees (Note (14.3))	**(55,247,957)**	(59,652,170)
	6,859,600,364	6,040,347,830

14. LOANS (continued)

14.1 At 13 October 2019, the Company renewed the financing agreement concluded on 23 June 2012 with a commercial bank to finance the purchase of some lands in King Abdulaziz Road project and the costs of developing the infrastructure of the project lands. The new credit limit of the financing agreement amounted to SR 4,100 million, divided into the following:

The financing agreement concluded with the bank includes a long-term Musharaka then Ijara financing for a period of eight years, with a credit limit not exceeding SR 2,600 million, to finance the compensation of lands and real estate in the project area, and the Company is not entitled to use it for any other purpose. During the year ended 31 December 2013, the Company withdrew an amount of SR 2,600 million to compensate lands in the project and issue checks for this purpose. The financing is paid in one installment on 3 July 2025, and the financing charges are paid annually. The Company has secured all the guarantees required by the agreement, including the mortgage of the project lands, the value of which has been paid through the bank in favor of the bank or its representative.

During the year ended 31 December 2017, the Company withdrew an amount of SR 1,500 million in order to finance the infrastructure development work of the project lands. The financing is due in one installment on 3 July 2025, and the financing charges are paid annually.

In addition to the above, on 25 February 2020 (corresponding to 1 Rajab 1441H), the Group entered into Musharaka then Ijara financing agreement of SR 6,500 million with the bank to finance the development of investment properties. The financing charges are paid annually, and the financing is secured by the title deeds of the real estate which are pledged to the Bank.

14.2 During the year ended on 31 December 2019, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of seven years, with a credit limit not exceeding SR 1,700 million, for the purpose of financing the infrastructure development work on the project lands, and the Company has no right to use it for any other purpose. The Company withdrew an installment of SR 682.8 million during the year ended 31 December 2021. The principal is due to be repaid in 4 equal annual installments, the first installment of which is due at the end of the grace period, which is a maximum of 36 months starting from the first use of the financing, and a maximum of 7 years including the grace period. Finance charges are paid annually.

14.3 The Group bears a structuring and arrangement fee from 1% to 1.5% of each financing installment drawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

14.4 The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

Short-term loan

The Group obtained a short-term deferred sale financing from a commercial bank for a period of one year, with a credit limit not exceeding SR 300 million, used to finance the payment of expenses and general expenses of the project. During the year ended 31 December 2021, the Company withdrew financing installments amounting to SR 94,999,430 (31 December 2020: SR 204,298,774).

15. EMPLOYEE BENEFITS

	2021	2020
Employees' end of service benefits	**14,610,659**	14,496,821

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. The benefit is based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and the amounts that are recognized in the consolidated statement of financial position.

Net benefit expense recognised in the statement of profit or loss:

	2021	2020
Current service costs	**3,103,964**	2,884,186
Interest costs on benefit obligations	**418,738**	401,506
Net benefit expense	**3,522,702**	3,285,692

Movement in the present value of defined benefit obligations recognized in the statement of financial position

	2021	2020
Defined benefit obligations as at 1 January	**14,496,821**	11,741,190
Current service costs	**3,103,964**	2,884,186
Interest cost	**418,738**	401,506
Actuarial (gain) / loss on the obligation recognized in the other comprehensive income (OCI)	**(1,430,586)**	538,385
Benefits paid	**(1,978,278)**	(1,068,446)
Defined benefit obligations as at 31 December	**14,610,659**	14,496,821

Significant assumptions used in determining the defined benefit obligation includes the following:

	2021	2020
Discount rate	**3.10%**	3.10%
Future salary increases or rate	**5%**	5%
Mortality rate	**60 years**	60 years
Rates of employees' turnover	**14.44%**	14.44%

15. EMPLOYEE BENEFITS (continued)

Defined benefit obligation sensitivity

The following is a sensitivity analysis of employees' end of service benefits as at December 31, against changes in the weighted principal assumptions:

		2021	2020
Rate of change in salaries	Increase by 1%	**16,581,958**	16,613,937
	Decrease by 1%	**12,939,046**	12,715,924
Discount rate	Increase by 1%	**12,988,279**	12,701,811
	Decrease by 1%	**16,562,004**	16,679,679

Actuarial assumptions

The following were the principal actuarial assumptions applied at the reporting date:

	2021	2020
Membership data		
Number of employees	**98**	90
Average age of employees (years)	**40.96**	43.64
Average years of past experience	**6.26**	6.63
Employees' age average when work started (years)	**34.68**	37.01

The sensitivity analyses have been determined based on a method that extrapolates the impact on the end of service benefit as a result of changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the end of service benefit as it is unlikely that changes in assumptions would occur in isolation of one another.

16. LIABILITIES AGAINST LANDS

The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah in favor of the Company with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and the properties that do not have title deeds which are 1056 properties and register the corresponding shares in the name of the State Properties General Authority. And the properties that have title deeds and their owners are not existent, and they are 98 properties, and the corresponding shares are registered in the name of the not existent under the supervision of the General Authority for The Guardianship of Trust Funds for Minors and Their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to the 167 properties under procedure, the Company is transferring its ownership. As at 31 December 2021, the transfer of ownership of 14 properties to the Company was completed.

16. LIABILITIES AGAINST LANDS (continued)

As at 31 December 2021, the Company recorded the value of the properties separated from the private ownership, the properties that do not have title deeds which are 1056 properties, and the 98 properties that have title deeds and their owners are not existent, as liabilities amounting to SR 1,193,026,775 (31 December 2020: SR 1,208,858,238) until their value is recorded as in-kind shares in the Company's capital, and the properties under procedure are registered as liabilities amounting to 1,241,760,339 (31 December 2020: SR 1,226,984,286).

17. RETENTION PAYABLES

Retention payables represent amounts retained by the company from the main contractor of the project from each payment according to the agreed terms as a guarantee of good performance and will be paid upon completion of the contract works.

18. TRADE PAYABLES

	2021	2020
Payables to project contractor	**15,074,800**	111,736,467
Others	**1,959,109**	1,670,627
	17,033,909	113,407,094

19. ACCRUED EXPENSE AND OTHER LIABILITIES

	2021	2020
Unbilled completed development works	**208,164,353**	223,112,898
Accrued financial charges	**156,423,191**	139,254,148
Management fee payable to manager of investment funds	**58,000,000**	29,000,000
Accrued employees' expenses and bonuses	**11,090,923**	7,865,013
Remunerations and meeting attendance allowances (note 26)	**2,679,232**	2,635,000
Retention – current portion	**2,568,869**	743,815
Others	**2,216,794**	2,104,000
	441,143,362	404,714,874

20. ZAKAT PROVISION

a) Zakat charge for the year

	31 December 2021	31 December 2020
Provision for the year	**10,619,344**	7,709,419

19. ZAKAT PROVISION (continued)

b) Zakat base

The Group's significant components of Zakat base for the year ended 31 December comprise of the following:

Adjusted profit

	31 December 2021	31 December 2020
Net loss before zakat	**(155,281,907)**	(179,298,548)
Provision for end of service benefits	**3,522,702**	3,285,692
Tax withholding	**433,939**	351,833
Adjusted loss	**(151,325,266)**	(175,661,023)
Book value of non-current assets	**(18,222,760,471)**	(16,863,299,228)
Shareholders' equity	**9,505,092,118**	8,320,496,819
Loans	**6,954,599,795**	6,304,298,774
Liabilities against lands	**2,434,787,114**	2,435,842,524
Provisions and payables	**568,391,168**	770,323,700
Zakat base subject to zakat	**1,240,109,724**	967,662,589
Zakat before carried forward loss at 2.578%	**31,966,105**	25,011,618
Zakat on adjusted loss at 2.5%	**(3,783,132)**	(4,391,526)
Accrued zakat	**28,182,973**	20,620,092
Prior years adjustments	**--**	--
Less: Zakat charged on government agencies	**(17,563,629)**	(12,910,673)
Zakat provision for the year	**10,619,344**	7,709,419

c) Movement in Zakat provision during the year is as follows:

	31 December 2021	31 December 2020
Balance at 1 January	**13,220,679**	3,514,179
Charge for the year	**10,619,344**	7,709,419
Prior years adjustments	**--**	5,483,447
Paid during the year	**(7,708,964)**	(3,486,366)
Balance at 31 December	**16,131,059**	13,220,679

19. ZAKAT PROVISION (continued)

Zakat assessments status of the Group

20.1 The Group submitted its zakat returns for the years from 2014 to 2016 and obtained a restricted zakat certificate for the financial year ended 31 December 2016. The Zakat, Tax and Customs Authority ("ZATCA") has issued its zakat assessments for the years from 2014 to 2016, claiming the Group for zakat dues with a total amount of SR 5,520,439. The Group objected to the zakat assessment after settling the zakat due on the unobjected items, and the Group's objection was rejected by the ZATCA. The Group escalated the above-mentioned objection to the General Secretariat of Zakat, Tax, and Customs Committees ("GSZTCC"). The Tax Committees for Resolution of Tax Violations and Disputes ("TCRTVD") issued its decision, which supported the ZATCA's viewpoint on the majority of the items objected to by the Group. The Group submitted its appeal against the aforementioned decision to the Appeal Committee for Tax Violations and Disputes ("ACTVD"), which is still under study by the ACTVD to date.

20.2 The Group submitted its zakat return for the financial year ended 31 December 2017, and obtained a restricted zakat certificate for the aforementioned year, and ZATCA has not issued its final assessment for the year 2017 to date.

20.3 The Group submitted its zakat return for the financial year ended 31 December 2018, and obtained a restricted zakat certificate. ZATCA issued its zakat assessment for the aforementioned year claiming the Company for additional zakat dues with a total of SR 31,884,675. The Group had filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued its revised assessment for the aforementioned year, whereby the zakat dues were reduced to SR 26,330,636. The Group escalated the above-mentioned objection to the General Secretariat of Zakat, Tax, and Customs Committees ("GSZTCC"), which is still under consideration to date.

20.4 The Group submitted its zakat returns for the years 2019 and 2020, and obtained the final zakat certificate for the mentioned years. ZATCA has not issued zakat assessments for those years to date.

21. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprise of the following:

	31 December 2021	31 December 2020
Investments funds' management and structuring fees	**58,190,000**	78,340,063
Staff costs	**49,395,027**	42,960,393
Consultancy fees	**12,992,840**	13,090,124
Depreciation on property, plant and equipment (note 7)	**4,511,107**	4,285,529
Depreciation on Right-of-Use assets (Note 8)	**1,529,007**	1,840,000
Amortisation of intangible assets (note 9)	**162,913**	512,179
Remunerations and meeting attendance allowances (note 26)	**4,335,732**	4,559,167
IT related expenses	**2,433,003**	1,656,167
Others	**4,912,401**	3,877,116
Balance as at 31 December	**138,462,030**	151,120,738

22. SELLING AND MARKETING EXPENSES

The selling and marketing expenses for the year ended 31 December comprise the following:

	31 December 2021	31 December 2020
Marketing campaigns	**13,629,436**	8,054,207
Advertising and promotion	**1,361,778**	773,875
Depreciation on property, plant and equipment (note 7)	**789,690**	789,690
Balance as at 31 December	**15,780,904**	9,617,772

23. FINANCIAL CHARGES

	31 December 2021	31 December 2020
Financial charges from Loans	**(13,914,909)**	(22,985,244)
	(13,914,909)	(22,985,244)

24. OTHER INCOME

	31 December 2021	31 December 2020
Income from short-term deposits	**9,135,450**	714,725
Property rental income (note 2٤.1)	**3,000,000**	1,750,000
Others	**740,486**	1,960,481
Balance at 31 December	**12,875,936**	4,425,206

2٤.1 Property rental income represents a property that the Group has leased within the project area to a contractor in order to complete concrete works.

25. LOSS PER SHARE

Basic loss per share for the year has been calculated by dividing the net loss for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Company does not have any convertible shares, therefore, the basic loss per share equals the diluted loss per share. Moreover, no separate loss per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

25. LOSS PER SHARE (continued)

The basic and diluted loss per share calculation is given below:

	31 December 2021	31 December 2020
Net loss attributable to shareholders of the Group	**(164,470,665)**	(187,546,352)
Weighted average number of ordinary shares	**1,012,306,536**	887,306,536
Basic and diluted loss (in SR per share)	**(0.16)**	(0.21)

26. TRANSACTIONS WITH RELATED PARTIES

The Group has entered into a renewable credit facility with Alinma Bank to finance the purchase of some lands in King Abdulaziz Road project (note 14).

In the ordinary course of its activities, the funds deal with related parties, and the transactions of the related parties are in accordance with the terms and conditions of the funds. All related party transactions are approved by the Fund's Board of Directors (BOD), and the related parties include the BOD, the Fund manager, Alinma Bank (the Fund manager's Parent Company) and their related entities.

A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the consolidated financial statements lists, as follows:

Related parties	Relationship	Nature of transaction	Amount of transactions for the year ended		Closing balances	
			2021	2020	**31 December 2021**	31 December 2020
Alinma Investment Company	Fund Manager	Management fees	**58,000,000**	48,340,063		
		Fund structuring fees	**--**	30,000,000	**58,000,000**	29,000,000
Alinma Bank	Parent Company of the Fund	Loans	**72,767,944**	2,000,000,000		
		Payment of loan arrangement fees	**--**	65,000,000	**2,144,394,790**	1,969,690,932
		Accrued interest	**63,962,281**	29,466,428		
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting attendance fees	**4,335,732**	4,559,167	**2,679,232**	2,635,000
					2,205,074,022	2,001,325,932

27. FINANCIAL RISK MANAGEMENT

Overview
The Group's activities may expose it to a variety of financial risks. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

The Group may expose to the following risks from its use of financial instruments:

a) Credit risks;
b) Interest rate risk; and
c) Liquidity risk.

This note presents information about the Group's possible exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on their activities.

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's main financial liabilities comprise of accounts payable, lease liabilities, other liabilities and loans. The main purpose of these financial liabilities is to finance the Group's operations. The Group's main financial assets include accounts receivable and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarised below:

2٧. FINANCIAL RISK MANAGEMENT (continued)

a) Credit risk

Credit risk arising from the other financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia. The following is the impact of the total credit risk that the Group is exposed to at the date of the consolidated financial statements:

	31 December 2021	31 December 2020
Cash at banks	**2,769,894,105**	68,421,148
	2,769,894,105	68,421,148

b) Interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prevailing interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term borrowing which exposes the Company to cash flow interest rate risk.

The exposure of the Company's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	2021	2020
Variable interest rate borrowings	**6,859,600,364**	6,040,347,830

Interest rate sensitivity analysis

Non-current assets are impacted by the increase and decrease in interest costs resulting from long-term loans as a result of changes in interest rates, and when the construction works of the project are completed, the impact will be on the profit before Zakat Non-current assets are affected by:

	2021	2020
Interest rate - increase by 100 basis points	**68,596,004**	60,403,478
Interest rate - decrease by 100 basis points	**(68,596,004)**	(60,403,478)

c) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has not carried out significant transactions in currencies other than the Saudi Riyal, and therefore the Group is not exposed to significant currency risk.

2٧. FINANCIAL RISK MANAGEMENT (continued)

d) 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 sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of the Group's companies are monitored on a centralised basis, under the control of the Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the Management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity dates of financial assets and liabilities.

Management has assessed the Group's ability to meet its obligations and is satisfied that the Group has sufficient resources to meet its future obligations, if they fall due (refer note 2-4).

The table below summarises the maturity dates of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2021	**Less than 12 months Saudi Riyal**	**More than 12 months Saudi Riyal**	**Total Saudi Riyal**
Loans	**94,999,430**	**6,859,600,364**	**6,954,599,794**
Lease liabilities	**1,405,082**	**11,564,988**	**12,970,070**
Accounts payable and accruals	**2,898,476,100**	**253,016,145**	**3,151,492,245**
	2,994,880,612	**7,124,181,497**	**10,119,062,109**

31 December 2020	Less than 12 months Saudi Riyal	More than 12 months Saudi Riyal	Total Saudi Riyal
Loans	204,298,774	6,040,347,830	6,244,646,604
Lease liabilities	1,739,131	5,566,800	7,305,931
Accounts payable and accruals	2,967,185,171	196,409,960	3,163,595,131
	3,173,223,076	6,242,324,590	9,415,547,666

28. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to maintain investors and the confidence of lenders and market and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain and adjust the capital, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

The ratio of net liability to equity as at 31 December is as follows:

	2021	2020
Total liabilities	**10,129,681,453**	9,415,547,666
Less: Cash and cash equivalents	**(2,769,894,105)**	(68,421,148)
Net liabilities	**7,359,787,348**	9,347,126,518
Total equity	**10,968,479,802**	8,132,950,467
Net liabilities to equity	**0.67**	1.15

29. FAIR VALUE OF ASSETS AND LIABILITIES

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 market or, in its absence, in the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in 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 the asset or liability that are not based on observable market data (unobservable inputs).

29. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is classified under the lowest input level that is significant to the entire measurement.

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 the Group's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group’s financial assets and liabilities are not materially different from their carrying values as none of the financial assets and liabilities are exposed to market price risk or fair value risk or interest rate risk.

30. FUTURE CONTINGENCIES AND COMMITMENTS

The total value of the infrastructure works, rock cutting and consultancy contracts concluded by the Company regarding the project as at 31 December 2021, amounted to SR 7,931 million (31 December 2020: SR 7,111 million) remain as future liabilities as at 31 December 2021, an amount of SR 2,606 million (31 December 2020: SR 3.291 million).

31. IMPORTANT MATTERS

The coronavirus (“COVID-19”), which was declared a pandemic by the World Health Organization during March 2020, has spread across various geographies globally, causing disruption to business and economic activities. COVID-1٩ has brought uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The management continues to monitor the unfavorable economic conditions. The Group considered potential impacts of the current economic volatility in the determination of the reported amounts of the Group's financial and non-financial assets. These are considered to represent management's best assessment based on observable information. Markets, however, remain volatile, and the recorded amounts remain sensitive to market fluctuations

However, the outbreak is evolving continuously, due to which there is a material uncertainty around the expected duration and its potential impact on the overall economy and also on the operations of the Group. Consequently, it is challenging to assess the impact of such an evolving condition with certainty at this stage, considering the limited economic information available to determine the impact of the outbreak on the economy and on the real estate sector.

32. SUBSEQUENT EVENTS

There have been no material subsequent events since the end of the year ended 31 December 2021 until the date of approval of these consolidated financial statements by the Board of Directors that may have a material impact on these consolidated financial statements.

33. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 7 March 2022 (corresponding to 4 Shaban 1443H).

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Umm Al-Qura Development and Construction Company ("the Company") and its investment funds (collectively referred to as the "Group")**, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory 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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) 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 are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

KPMG

Independent Auditor's Report (continued)

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

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

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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 judgement 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 of **Umm Al-Qura Development and Construction Company (the "Company") and its investment funds (collectively referred to as the "Group").**

For KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 9 May 2023
Corresponding to 19 Shawwal 1444H

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2022	2021
Assets			
Investment properties	6	**20,619,922,703**	18,201,657,289
Property and equipment	7	**363,341,959**	8,827,865
Trade receivable - non-current portion	13	**120,065,909**	--
Right-of-use assets	8	**11,472,288**	12,232,054
Intangible assets	9	**6,896,403**	43,263
Non-current assets		**21,121,699,262**	18,222,760,471
Trade receivable	13	**266,281,278**	--
Investment at fair value through profit or loss	10	**11,495,530**	--
Assets held for sale	6	**94,820,155**	--
Prepaid expenses and other receivables	11	**228,834,097**	105,506,679
Cash and cash equivalents	12	**922,272,956**	2,769,894,105
Current assets		**1,523,704,016**	2,875,400,784
Total assets		**22,645,403,278**	21,098,161,255
Equity and liabilities			
Equity			
Share capital	14	**13,078,614,190**	11,873,065,360
Accumulated losses		**(924,458,517)**	(904,585,558)
Total equity		**12,154,155,673**	10,968,479,802
Liabilities			
Long-term loans	15	**7,089,205,525**	6,859,600,364
Lease liabilities	8	**10,502,952**	11,564,988
Employee benefits	16	**16,092,321**	14,610,659
Retention payable	17	**128,801,427**	238,405,486
Non-current liabilities		**7,244,602,225**	7,124,181,497
Short-term loan	15	**--**	94,999,430
Lease liabilities	8	**1,850,054**	1,405,082
Accounts payable - purchase of lands	18	**1,771,728,727**	2,434,787,114
Accounts payables	19	**137,511,931**	17,033,909
Accrued expenses and other liabilities	20	**1,322,449,628**	441,143,362
Zakat provision	21	**13,105,040**	16,131,059
Current liabilities		**3,246,645,380**	3,005,499,956
Total liabilities		**10,491,247,605**	10,129,681,453
Total equity and liabilities		**22,645,403,278**	21,098,161,255

The accompanying notes from 1 to 34 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	**2022**	2021
Revenue	22	**429,399,522**	--
Cost of revenue	6	**(248,820,672)**	--
Gross profit		**180,578,850**	--
General and administrative expenses	23	**(161,474,373)**	(138,462,030)
Selling and marketing expenses	24	**(45,007,189)**	(15,780,904)
Operating loss		**(25,902,712)**	(154,242,934)
Financial charges	25	**(19,252,535)**	(13,914,909)
Other income	26	**30,649,503**	12,875,936
Loss before zakat		**(14,505,744)**	(155,281,907)
Zakat	21	**(7,590,461)**	(10,619,344)
Loss for the year		**(22,096,205)**	(165,901,251)
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Re-measurement of provision for employees' benefits	16	**2,223,246**	1,430,586
Total comprehensive loss		**(19,872,959)**	(164,470,665)
Loss per share			
Weighted average number of ordinary shares outstanding	27	**1,250,721,707**	1,012,306,536
Basic and diluted loss per share attributable to equity holders of the Company (in SR per share)	27	**(0.01)**	(0.16)

The accompanying notes from 1 to 34 form an integral part of of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Share capital	**Accumulated losses**	**Total equity**
Balance at 1 January 2022	**11,873,065,360**	**(904,585,558)**	**10,968,479,802**
Loss for the year	**--**	**(22,096,205)**	**(22,096,205)**
Other comprehensive income	**--**	**2,223,246**	**2,223,246**
Total comprehensive loss for the year	**--**	**(19,872,959)**	**(19,872,959)**
Capital increase from transferring land obligations into equity (note 14)	**1,205,548,830**	**--**	**1,205,548,830**
Balance at 31 December 2022	**13,078,614,190**	**(924,458,517)**	**12,154,155,673**
Balance at 1 January 2021	8,873,065,360	(740,114,893)	8,132,950,467
Loss for the year	--	(165,901,251)	(165,901,251)
Other comprehensive income	--	1,430,586	1,430,586
Total comprehensive loss for the year	--	(164,470,665)	(164,470,665)
Additional paid in capital (Note 14)	3,000,000,000	--	3,000,000,000
Balance at 31 December 2021	11,873,065,360	(904,585,558)	10,968,479,802

The accompanying notes from 1 to 34 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2022	2021
Cash flows from operating activities			
Loss before Zakat		**(14,505,744)**	(155,281,907)
Adjustments for the following items:			
Depreciation on property and equipment	7	**3,738,794**	5,300,797
Depreciation on right-of-use of assets	8	**1,913,626**	1,529,007
Amortization of intangible assets	9	**776,525**	162,913
Amortization of loan arrangement fees		**--**	8,131,962
Expected credit loss on trade receivables	13	**845,005**	--
Financial charges	25	**19,252,535**	13,914,909
Gains from sale of property and equipment		**(8,093)**	(3,910)
Income from short-term deposits		**(1,682,462)**	(2,751,672)
Employee benefits provision	16	**3,771,634**	3,522,702
		14,101,820	(125,475,199)
Change in current assets and liabilities:			
Trade receivables		**(387,192,192)**	--
Prepaid expenses and other receivables		**(121,644,956)**	512,972,795
Trade payables		**120,478,022**	(96,373,185)
Accrued expenses and other liabilities		**(197,388,536)**	(97,497,676)
Employee benefits paid		**(66,726)**	(1,978,278)
Zakat paid		**(10,616,480)**	(7,708,964)
Net cash (used in) / generated from operating activities		**(582,329,048)**	183,939,493
Cash flow from investing activities			
Additions to property and equipment	7	**(2,812,420)**	(1,351,171)
Additions to intangible assets	9	**(7,629,665)**	--
Proceeds from sale of property and equipment		**9,002**	70,130
Net change in investment property		**(1,614,635,976)**	(997,990,657)
Net change in liabilities against lands		**542,490,444**	(1,055,410)
Investment at fair value through profit or loss		**(11,495,530)**	1,049,957
Net cash used in investing activities		**(1,094,074,145)**	(999,277,151)
Cash flows from financing activities			
Proceeds from share capital increase	14	**--**	3,000,000,000
Proceeds from long-term loans		**229,605,159**	814,848,321
Net change in short-term loans		**(94,999,430)**	(109,299,344)
Payment of lease liabilities	8	**(2,255,600)**	(1,855,600)
Payments of finance charges from long-term loans		**(300,257,774)**	(178,708,501)
Payments of finance charges from short-term loan and leases		**(3,310,311)**	(8,174,261)
Net cash (used in) / generated from financing activities		**(171,217,956)**	3,516,810,615
Net change in cash and cash equivalents		**(1,847,621,149)**	2,701,472,957
Cash and cash equivalents at the beginning of the year		**2,769,894,105**	68,421,148
Cash and cash equivalents at the end of the year	12	922,272,956	2,769,894,105
Disclosure for non-cash transactions:			
Unbilled completed development works		**908,983,647**	208,164,353

The accompanying notes from 1 to 34 form an integral part of
of these consolidated financial statements.

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1. GENERAL INFORMATION

Umm Al Qura For Development and Construction Company (the "Company") is Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued on 21 March 2012 (corresponding to 28 Rabie Al-Thani 1433H). The Ministerial Resolution No. 163/S was issued announcing the establishment of the company on 20 March 2012 (corresponding to 27 Rabea Al-Thani 1433H).

The Company's head office is located on the following address:

Makkah Al-Mukarramah, Al-Rusaifa Street
P. O. Box 16786, Postal code 21955
Kingdom of Saudi Arabia

The Group is engaged in real estate activities represented in purchasing, selling and dividing of lands and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

The Group has earned revenue from the sale of 3 plots during the year ended 31 December 2022, however, the Group is still in the stage of developing its main project "Masar Makkah" destination in Makkah Al-Mukarramah (the "Project"), where the Group owns land and real estate in the area on which the project will be built, through Makkah Region Development Authority, and excavation work and rock-cutting and infrastructure works in the project are still under progress.

These consolidated financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 9 November 2020 (corresponding to 23 Rabi' Awal 1442H).

Furthermore, these consolidated financial statements of the attached consolidated group include the financial statements of Umm Al-Qura for Development and Construction Company (the "Company") and its investment funds (collectively referred to as the "Group"). The investment funds comprise the following:

Name of subsidiary fund	Country of incorporation	Main business	Effective holding percentage	
			2022	2021
Alinma Makkah 1st Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%
Alinma Makkah 2nd Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated, except for employee benefits which are recognized at the present value of future obligations using the projected unit credit method, and investments which are measured at fair value through profit or loss. These consolidated financial statements are prepared using the accrual basis of accounting and the going concern concept.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals ("SR"), which represent the Group's functional and presentation currency. All amounts have been rounded to the nearest Riyal, unless otherwise stated.

2.4 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 in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on 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. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a significant adjustment to the carrying amount of the asset or liability affected in the future periods.

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

The key judgements, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are as stated below:

1) Classification of investment properties

The Group determines whether a property qualifies as an investment property in accordance with IAS 40 "Investment Property". In making this judgement, the Group considers whether the property generates cash flows largely independent of other assets held by the Group.

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

2) Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation 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 employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note 16.

3) Useful lives, residual value and method of depreciation for property and equipment

The Group determines the estimated useful lives of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the asset or physical wear and tear. The Group believes that residual may not result in significant change to depreciation charge and carrying amount of the assets. Accordingly, the residual value is assumed to be zero. Management also believes that the straight-line depreciation reflects the pattern of consumption of economic benefits.

Management reviews the useful lives, residual value and method of depreciation annually for any significant changes from previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

4) Extension option of lease

In case of lease contracts which offers the extension option, the Group assess if there is reasonably certainty to exercise the option when commencing the contract. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

5) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

6) Discount Rate for lease contract

The management uses estimates to determine the incremental borrowing rate for calculating the present value of the minimum lease payments.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its investment funds as at 31 December 2022. 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 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, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result 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 investees;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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 of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of the subsidiary, without the loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary entity, it derecognizes the related assets (including goodwill if existed), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

The financial statements of subsidiaries are prepared for the same reporting period using the same accounting framework as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

4.2 Current versus non-current classification

4.2.1 Assets

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when:

- 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 realized 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Current versus non-current classification (continued)

4.2.2 Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- 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.

4.3 Expenses

Selling and marketing, general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and marketing expenses are those arising from the Group's efforts underlying the sales and marketing functions. All expenses, excluding financial charges, are classified as general and administrative expenses. Allocations of provisions for common expenses between cost of revenue, selling and marketing, and general and administrative expenses, when required, are made on a consistent basis.

4.4 Zakat

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Group and Zakat related to the Group's ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

4.5 Value Added Tax and Real Estate Transaction Tax

During the year 2020, the Zakat, Tax and Customs Authority ("ZATCA") announced that pursuant to the Royal Decree No. (A/84) dated 1 October 2020, the disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be Value Added Tax ("VAT") exempt and subject to a 5% Real Estate Transaction Tax (RETT). RETT is applicable on the transactions that took place on or after 4 October 2020. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020.

Other than disposal of real estate transactions covered under RETT law, the Group is subject to VAT for the supply of other goods and services in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases that are not claimable under Real Estate Transaction Tax (RETT) law ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. However, Input VAT related to exempt supplies, is added to the cost of purchases whereas Input VAT related to mixed supplies is claimed using the Proportional Default Rate Formula.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items that are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.7 Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost also includes the borrowing costs for long-term construction projects if the recognition criteria are met.

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

The cost of replacing a major 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. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

An item of property and equipment is derecognized upon sale or when no future economic benefits are expected from its use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Property and equipment (continued)

Recognition and measurement (continued)

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its sale at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

Depreciation
The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Freehold land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

The estimated useful lives of assets is as follow:

Categories	Useful life in years
Furniture & equipment	3 – 4
Vehicles	4
Computers	3 – 5
Leasehold improvements	5 or the contract term, whichever is less

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital work-in-progress
Capital work-in-progress are carried at cost less any recognised impairment loss. When the capital work are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category.

4.8 Leases

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:
The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of use assets are determined on the same basis as those of property and equipment. The recognised right-of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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.

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. The lease payments include fixed payments (including 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

Lease liabilities (continued):
The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group enters into leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with the terms of the leases over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefits are derived from the leased assets.

Lease incentives or any escalation in the lease rental are recognized as an integral part of the total lease receivable and accounted for on a straight-line basis over the term of the lease. Contingent rents are recognized as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Incremental borrowing rate
The Group cannot immediately determine the interest rate that is included in the lease contracts, therefore, the Group uses the incremental borrowing rate in measuring its lease liabilities. The incremental borrowing rate is the rate of interest that the Group should pay in order to borrow the amounts necessary to obtain an asset of similar value to the right of use asset in a similar economic environment for a similar period and with a similar security. Thus, the incremental borrowing rate reflects the "amount to be paid by the Group" which requires an estimate when observable rates are not available or when adjustment is needed in line with the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable data (ex. interest rates in the market) available and necessary to make certain estimates of the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the construction of an asset, other than development properties, are capitalized using capitalization rate up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the consolidated statement of profit or loss and other comprehensive income. In case of specific borrowings, all such costs, directly attributable to the acquisition or construction of an asset, other than development properties, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occurred.

4.10 Investment property

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use as investment properties. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties are depreciated on a straight line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss and other comprehensive income in the period of derecognition.

Expenses incurred for replacing component of investment properties items, which are accounted for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

Transfers are made from investment property to development property only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Fair value measurement

The Group discloses the fair value of the non-financial assets such as investment properties as part of its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

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

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with definite lives is recognized in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The assessment of indefinite useful life is reviewed annually to determine whether useful life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is disposed.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit (CGU’s) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows into the Group that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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 cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit (“CGU”) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

4.14 Initial recognition – Financial assets and financial liabilities

Financial assets

A Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Initial Measurement
At initial recognition, except for the trade receivables which do not contain a significant financing component, the Group measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value of the respective financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income, if any.

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price as per IFRS 15.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Classification and subsequent measurement
The Group classifies its financial assets into the following measurement categories:

a) those to be measured subsequently at fair value (either through consolidated statement of other comprehensive income, or through consolidated statement of profit or loss); and
b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The category most relevant to the Group is financial assets measured at amortized cost.

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (“EIR”) method, less impairment (if any). Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are recognized in consolidated statement of profit or loss and other comprehensive income.

Reclassifications
When and only when, a Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

De-recognition
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 Group’s consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and a loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as economic conditions that correlate with defaults.

IFRS 9 requires the Group to follow an expected credit loss model for the impairment of financial assets. It is no longer necessary for a credit event to have occurred for the recognition of credit losses. Instead, the Group, uses the expected credit loss model, always to account for expected credit losses and changes therein at each reporting date. 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.

Expected credit losses shall be measured and provisioned either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for the amounts that result from default events that are possible within the next 12-months (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the consolidated statement of profit or loss and other comprehensive income.

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group considers a financial asset to be in default when the debtor is unlikely to repay the outstanding balance to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial liabilities

Initial measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income, and as loans and borrowings and payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of long term loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payable, lease liabilities, accruals and term loans.

Classification and subsequent measurement
A Group shall classify all financial liabilities as subsequently measured at amortized cost, except for:

a) Financial liabilities at fair value through statement of profit or loss
b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
c) financial guarantee contracts.
d) commitments to provide a loan at a below-market commission rate.

All of the Group's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method, if applicable. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

De-recognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the consolidated statement of profit or loss and other comprehensive 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 the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Provisions
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 profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and 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 in the consolidated statement of profit or loss and other comprehensive income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

4.15 Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 benefit plans
The Group maintains an unfunded defined benefit plan for employees' terminal / end of service benefits in accordance with the Saudi Arabian Labor Law.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations ("DBO") is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in the consolidated statement of other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss and other comprehensive income.

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

For the liability relating to employees' terminal benefits, the actuarial valuation process takes into account the provisions of the Saudi Arabian Labour Law as well as the Group's policy.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognized in the consolidated statement of profit or loss and other comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from contracts with customers for sale of properties

The Group recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation:

If the consideration promised in a contract includes a variable amount, the Group shall estimate the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer.

The promised consideration can vary if the Group's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. The variability relating to the consideration promised by a customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the amount of variable consideration by using the most likely amount in accordance with the terms of the contract.

The Group recognizes revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligations. The Group considers the below mentioned indicators to assess the transfer of control of the promised asset:
- The Group has a present right to payment for the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Revenue Recognition (continued)

For performance obligations where one of the above conditions are not met, revenue is recognized at over time at which the performance obligation is satisfied.

Cost of revenue

Cost of revenue includes the cost of land, development and other service-related costs. The cost of revenue is proportionate to sold units and is based on the cost incurred to-date to the estimated total costs for each project. The costs of revenues in respect of hospitality business, services and rental income is based on the cost of providing the services.

5. NEW STANDARDS, INTERPETATON AND AMENDMENTS

5.1 New Standards, interpretations and amendments adapted

There are no new standards issued that apply to the Group, however, there are a number of new amendments to the standards that entered into force on 1 January 2022, and do not have a material impact on the consolidated financial statements.

5.2 New standards, interpretations and amendments issued but not adopted

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the consolidated financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current (Amendments on IAS 1)	1 January 2023
IAS 8	Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments on IAS 12)	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (Amendments on IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The Group is assessing the implications of adopting the above-mentioned standards, amendments or interpretations on the Group's consolidated financial statements when applied.

6. INVESTMENT PROPERTIES

6.1 The movement in investment properties during the year ended 31 December is analysed as follows:

	31 December 2022	31 December 2021
Project lands		
Cost:		
As at 1 January	**9,970,407,522**	9,956,080,573
Additions during the year (Note 6.4)	**587,991,696**	14,326,949
Disposals during the year (note 6.5)	**(114,382,945)**	--
Transferred to property and equipment (note 6.6)	**(178,612,106)**	--
Transferred to assets held for sale (note 6.7)	**(47,647,879)**	--
Balance as at 31 December	**10,217,756,289**	9,970,407,522
Capital work in progress		
Cost:		
As at 1 January	**8,231,249,767**	6,886,864,043
Additions during the year (Note 6.9)	**2,507,892,557**	1,344,385,724
Disposals during the year (note 6.5)	**(112,974,363)**	--
Transferred to property and equipment (note 6.6)	**(176,829,270)**	--
Transferred to assets held for sale (note 6.7)	**(47,172,276)**	--
Balance as at 31 December	**10,402,166,414**	8,231,249,767
Total	**20,619,922,703**	18,201,657,289

6.2 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Company. Accordingly, 4 comprehensive title deeds for the project were issued in favor of the Company on 31 March 2021 (corresponding to 18 Shaban 1442H). The project land is held for undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project lands were classified as investment properties which included 205 plots of invested lands as at 31 December 2021. Project lands include lands that are pledged to a commercial bank against long-term loans (note 14).

6.3 The fair value of the Group's investment property, as at 31 December 2022, has been arrived on the basis of the valuation exercise carried out by Jones Lang LaSalle Saudi Arabia for Real Estate Appraisal (JLL), an independent valuer not related to the Group. JLL, registered in the Kingdom of Saudi Arabia under the Commercial Registration number 1010931286, is a firm licensed by the Saudi Authority for Accredited Valuers (“Taqeem”) and is also regulated by the Royal Institution of Chartered Surveyors (“RICS”). JLL holds appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of the market approach, which reflects recent transaction prices for similar properties. The valuation assumes that the plots of land in the master plan are fully developed services, which include all infrastructure works including streets, electrical networks, water and sewage networks, and land uses, and that they can be sold in this case on the evaluation date. Management expects that the costs of completing the infrastructure work will not exceed the fair value of the project land.

6. INVESTMENT PROPERTIES (continued)

6.4 As at 31 December 2022, the additions represent the increase in the value of the project lands of SR 587 million (31 December 2021: SR 14 million), which mainly represents an additional compensation value of SR 563 million for one of the real estate owners according to a decision of the General Court in Makkah.

6.5 During the period ended 31 December 2022, the Group disposed of 3 land plots with a total cost of SAR 248 million, which represents an actual cost of SAR 227 million in addition to estimated cost which is yet to be incurred at a value of SR 21 million where the Group classifies it as liabilities for project-related future cost (Note 20).

6.6 The Group has transferred the cost of 6 plots to property and equipment as the management has determined the future use of these plots which will be used for management purposes (note 7.3).

6.7 The Group has transferred the cost of 2 plots to assets held for sale -work in progress- as the management has the intention to sell 2 plots in the year 2023.

6.8 During the period ended 31 December 2022, the Group was able to reliably measure its right to benefit from the car parks, boulevard kiosks and information and communication technology (“ICT”) in the project area destination. The ICT has been classified under capital work in progress in property and equipment whereas the other elements are classified under investment property.

6.9 The capital work in progress represents the works of demolition, rock excavation and infrastructure, in addition to the costs of engineering consultancy and project building designs. During the period ended 31 December 2022, an amount of SR 340 million (31 December 2021: SR 257 million) was capitalized as cost of borrowing for the construction of investment properties included in capital work in progress.

6.10 As at 31 December 2022, the infrastructure works are still under construction and are expected to be completed in the second half of 2023.

6.11 The Group uses the following hierarchy for determining and disclosing the fair values of its investment properties by valuation techniques:

	Level 1 SAR '000	Level 2 SAR '000	Level 3 SAR '000	Total SAR '000
31 December 2022	**--**	**39,537,409**	**--**	**39,537,409**
31 December 2021	--	40,146,540	--	40,146,540

Any significant movement in the assumptions used for fair valuation of investment properties such as discount rate, yield, rental growth etc. would result in significantly lower / higher fair value of these assets.

7. PROPERTY AND EQUIPMENT

7.1 The movement in property and equipment during the year ended 31 December 2022 is analyzed as under:

	Lands	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Capital work in progress	Total
Cost:							
Balance as at 1 January 2022	--	8,580,285	3,704,907	7,398,196	11,193,602	--	30,876,990
Additions during the year	--	1,989,612	--	420,758	402,050	--	2,812,420
Reclassification	172,064,510	--	--	--	--	183,376,866	355,441,376
Disposals	--	(735,429)	--	(11,672)	--	--	(747,101)
Balance as at 31 December 2022	172,064,510	9,834,468	3,704,907	7,807,282	11,595,652	183,376,866	388,383,685
Accumulated depreciation:							
Balance as at 1 January 2022	--	6,839,028	3,704,881	6,762,570	4,742,646	--	22,049,125
Charge for the year	--	1,127,959	--	383,711	2,227,124	--	3,738,794
Disposals	--	(734,904)	--	(11,289)	--	--	(746,193)
Balance as at 31 December 2022	--	7,232,083	3,704,881	7,134,992	6,969,770	--	25,041,726

7. PROPERTY AND EQUIPMENT (continued)

7.2 The movement in property and equipment during the year ended 31 December 2021 is analysed as under:

	Lands	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Capital work in progress	Total
Cost:							
Balance as at 1 January 2021	--	8,254,462	3,931,958	7,077,343	12,296,187	--	31,559,950
Additions during the year	--	520,318	--	352,947	477,906	--	1,351,171
Disposals	--	(194,495)	(227,051)	(32,094)	(1,580,491)	--	(2,034,131)
Balance as at 31 December 2021	--	8,580,285	3,704,907	7,398,196	11,193,602	--	30,876,990
Accumulated depreciation:							
Balance as at 1 January 2021	--	5,345,909	3,324,064	5,839,575	4,109,396	--	18,618,944
Charge for the year	--	1,589,089	607,864	943,104	2,160,740	--	5,300,797
Disposals	--	(95,970)	(227,047)	(20,109)	(1,527,490)	--	(1,870,616)
Balance as at 31 December 20221	--	6,839,028	3,704,881	6,762,570	4,742,646	--	22,049,125
Net book value:							
As at 31 December 2022	**172,064,510**	**2,602,385**	**26**	**672,290**	**4,625,882**	**183,376,866**	**363,341,959**
As at 31 December 2021	--	1,741,257	26	635,626	6,450,956	--	8,827,865

7. PROPERTY AND EQUIPMENT (continued)

7.3 Capital work in progress consist the cost of infrastructure of the following:

	2022	2021
UAQ head quarter land (note 6.6)	**170,347,028**	--
ICT	**13,029,838**	--
	183,376,866	--

7.4 Depreciation charge for the year ended 31 December has been allocated as follows:

	2022	2021
General and administration expenses (Note 23)	**3,738,794**	4,511,107
Selling and marketing expenses (Note 24)	**--**	789,690
	3,738,794	5,300,797

8. LEASES

a) Right-of-use assets

1) Reconciliation of right-of-use assets for the year ended 31 December:

	31 December 2022	31 December 2021
Cost:		
Balance as at the beginning of the year	**15,601,061**	9,145,931
Additions	**1,153,860**	--
Re-measurement during the year	**--**	6,455,130
Balance as at the end of the year	**16,754,921**	15,601,061
Accumulated depreciation:		
Balance as at the beginning of the year	**3,369,007**	1,840,000
Charge for the year	**1,913,626**	1,529,007
Balance as at the end of the year	**5,282,633**	3,369,007
Net book value:		
Balance as at the end of the year	**11,472,288**	12,232,054

During the year ended 31 December 2021, the management re-measured the lease term for the branch office in Jeddah from 5 to 10 years.

2) Depreciation charge for the year ended 31 December has been allocated as follows:

	2022	2021
General and administration expenses (Note 23)	**1,913,626**	1,529,007

8. LEASES (continued)

b) Lease contracts liabilities

	31 December 2022	31 December 2021
Balance as at the beginning of the year	**12,970,070**	7,305,931
Additions during the year	**1,153,861**	--
Re-measurement during the year	**--**	7,014,485
Interest expense	**484,675**	505,254
Payments during the year	**(2,255,600)**	(1,855,600)
Balance as at the end of the year	**12,353,006**	12,970,070

The weighted average rate of discount applied is 4.05%.

The lease contracts liabilities are presented in the consolidated statement of financial position as follows:

	31 December 2022	31 December 2021
Lease liabilities – non-current portion	**10,502,952**	11,564,988
Lease liabilities – current portion	**1,850,054**	1,405,082
	12,353,006	12,970,070

9. INTANGIBLE ASSETS

	31 December 2022	31 December 2021
Cost:		
Balance as at the beginning of the year	**5,408,049**	6,384,759
Additions during the year	**7,629,665**	98,520
Disposals during the year	**--**	(1,075,230)
Balance as at the end of the year	**13,037,714**	5,408,049
Amortization:		
Balance as at the beginning of the year	**5,364,786**	6,277,083
Amortization (note 23)	**776,525**	162,913
Disposals during the year	**--**	(1,075,210)
Balance as at the end of the year	**6,141,311**	5,364,786
Net book value	**6,896,403**	43,263

10. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022	31 December 2021
Alinma Saudi Riyal Liquidity Fund	**11,495,530**	--

10.1 This represents an investment in the units of Alinma Saudi Riyal Liquidity Fund (the "Fund"), a fund managed by Alinma Investment Company. The principal activity of the Fund is to invest in Murabaha contracts that are compliant with the rules of Islamic Sharia.

10.2 At 1 July 2021, the Group sold all its investments in the Fund, which resulted in gains of SR 667,210.

The movement of the investment in the Fund is as follows:

	31 December 2022	31 December 2021
Balance as at the beginning of the year	**--**	1,049,957
Addition during the year	**13,000,000**	555,445,999
Disposal during the year	**(1,600,000)**	(557,163,166)
Net gain from investment at fair value through profit or loss (Note 10.3)	**95,530**	667,210
Balance as at the end of the year	**11,495,530**	--

10.3 The movement in net gain from investment at fair value through profit or loss is as follows:

	31 December 2022	31 December 2021
Unrealized gains at fair value for the year	**93,816**	--
Realized gains at fair value for the year	**1,714**	667,210
Net gain from investment at fair value through profit Or loss	**95,530**	667,210

11. PREPAID EXPENSES AND OTHER RECEIVABLES

Prepaid expenses and other receivables consist of the following:

	31 December 2022	31 December 2021
VAT	**164,678,519**	83,267,491
Prepaid expenses	**59,230,132**	16,842,473
Fees and licenses	**2,768,609**	2,432,282
Others	**2,156,837**	2,964,433
	228,834,097	105,506,679

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	31 December 2022	31 December 2021
Cash at banks	**232,772,956**	367,894,105
Short-term deposits (Note 12.1)	**689,500,000**	2,402,000,000
	922,272,956	2,769,894,105

12.1 The amount represents short-term deposits with commercial banks, compliant with Islamic Sharia, and yield commission at prevailing market rates.

12.2 According to Musharaka then Ijarah agreements with a commercial bank, the Group opens restricted accounts, in which the proceeds of the public subscription are deposited in these accounts, in addition to the proceeds of revenue. The balances of these accounts are not pledged.

13. TRADE RECEIVABLE

	31 December 2022	31 December 2021
Trade receivables	**387,192,192**	--
Less: Allowance for expected credit losses	**(845,005)**	--
	386,347,187	--

Following is the movement of allowance for expected credit losses:

	31 December 2022	31 December 2021
Balance at beginning of year	**--**	--
Charge for the year	**845,005**	--
Balance at the end of the year	**845,005**	--

Trade receivable have been presented in the consolidated statement of financial position as follows:

	31 December 2022	31 December 2021
Trade Receivable – non-current portion	**120,065,909**	--
Trade Receivable – current portion	**266,281,278**	--
	386,347,187	--

14. SHARE CAPITAL

The authorized, issued and fully paid up share capital of the Group as at 31 December 2022 consists of 1,307,861,419 shares (31 December 2021: 1,187,306,53 shares) the value of each share is SR 10, part of which is in kind and part is cash as follows:

	31 December 2022	31 December 2021
Value of issued shares	**13,078,614,190**	11,873,065,360

The Group's Board of Directors has decided to increase the share capital on 22 December 2020, from SR 8,873,065,360 to SR 11,873,065,360 through the right to subscribe for shares amounting to SR 3 billion. which was approved by the members of the Extraordinary General Assembly on 19 April 2021. During the year ended 31 December 2021, the Group completed the legal procedures of share capital increase, and the commercial register and the amended articles of association were issued on 1 August 2021 (corresponding to 22 Dhul Hejja 1442H).

On 7 March 2022, the Board of Directors recommended increasing the Group's capital from the amount of SR 11,873,065,360 to the amount of SR 13,078,614,190, from capitalizing part of the Group's obligations to the State Properties General Authority, the General Commission for The Guardianship of Trust Funds for Minors and Their Counterparts, and the Endowment of Othman Bin Affan, according to the issuance of new shares with 120,554,883 shares, the value of SR 10 each as follows:

	No. of shares	Value of shares
State Properties General Authority	63,482,946	634,829,460
General Commission for The Guardianship of Trust Funds for Minors and Their Counterparts	56,990,942	569,909,420
Endowment of Othman Bin Affan	80,995	809,950
	120,554,883	**1,205,548,830**

On 18 April 2022, the shareholders in the Company's extraordinary general assembly approved the Board of Directors' recommendation to increase the Group's capital from SR 11,873,065,360 to SR 13,078,614,190. The Group completed the legal capital increase procedures, and the amended by-law were issued on 23 June 2022.

15. LOANS

Long-term loans

	31 December 2022	31 December 2021
Liabilities under Musharaka then Ijara agreements (Note 15.1)	**6,452,258,088**	6,232,076,041
Liabilities under Tawarruq agreement (Note 15.2)	**682,772,280**	682,772,280
Structuring and arrangements fees (Note 15.3)	**(45,824,843)**	(55,247,957)
	7,089,205,525	6,859,600,364

15. LOANS (continued)

15.1 At 13 October 2019, the Group renewed the financing agreement concluded on 23 June 2012 with a commercial bank to finance the purchase of some lands in King Abdulaziz Road project and the costs of developing the infrastructure of the project lands. The new credit limit of the financing agreement amounted to SR 4,100 million, divided into the following:

The financing agreement concluded with the bank includes a long-term Musharaka then Ijara financing for a period of eight years, with a credit limit not exceeding SR 2,600 million, to finance the compensation of lands and real estate in the project area, and the Group is not entitled to use it for any other purpose. During the year ended 31 December 2013, the Group withdrew an amount of SR 2,600 million to compensate lands in the project and issue checks for this purpose. The financing is paid in one installment on 3 July 2025, and the financing charges are paid annually. The Group has secured all the guarantees required by the agreement, including the mortgage of the project lands, the value of which has been paid through the bank in favor of the bank or its representative.

During the year ended 31 December 2017, the Group withdrew an amount of SR 1,500 million in order to finance the infrastructure development work of the project lands. The financing is due in one installment on 3 July 2025, and the financing charges are paid annually.

In addition to the above, on 25 February 2020 (corresponding to 1 Rajab 1441H), the Group entered into Musharaka then Ijara financing agreement of SR 6,500 million with the bank to finance the development of investment properties. The financing charges are paid annually, and the financing is secured by the title deeds of the real estate which are pledged to the Bank.

15.2 During the year ended on 31 December 2019, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of seven years, with a credit limit not exceeding SR 1,700 million, for the purpose of financing the infrastructure development work on the project lands, and the Group has no right to use it for any other purpose. The Group withdrew an installment of SR 682.8 million up till the year ended 31 December 2022. The principal is due to be repaid in 4 equal annual installments, the first installment of which is due at the end of the grace period, which is a maximum of 36 months starting from the first use of the financing, and a maximum of 7 years including the grace period. Finance charges are paid annually.

15.3 The Group bears a structuring and arrangement fee from 1% to 1.5% of each financing installment drawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

15.4 The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

Short-term loan

The Group obtained a short-term deferred sale financing from a commercial bank for a period of one year, with a credit limit not exceeding SR 300 million, used to finance the payment of expenses and general expenses of the project. During the year ended 31 December 2022, the Group did not make further withdrawal and repaid the remaining outstanding balance (31 December 2021: SR 94,999,430).

16. EMPLOYEE BENEFITS

	2022	2021
Employees' end of service benefits	**16,092,321**	14,610,659

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. The benefit is based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and the amounts that are recognized in the consolidated statement of financial position.

Net benefit expense recognised in the statement of profit or loss:

	2022	2021
Current service costs	**3,319,738**	3,103,964
Interest costs on benefit obligations	**451,896**	418,738
Net benefit expense	**3,771,634**	3,522,702

Movement in the present value of defined benefit obligations recognized in the statement of financial position

	2022	2021
Defined benefit obligations as at 1 January	**14,610,659**	14,496,821
Current service costs	**3,319,738**	3,103,964
Interest cost	**451,896**	418,738
Actuarial gain on the obligation recognized in the other comprehensive income (OCI)	**(2,223,246)**	(1,430,586)
Benefits paid	**(66,726)**	(1,978,278)
Defined benefit obligations as at 31 December	**16,092,321**	14,610,659

Significant assumptions used in determining the defined benefit obligation includes the following:

	2022	2021
Discount rate	**4.70%**	3.10%
Future salary increases or rate	**5%**	5%
Mortality rate	**60 years**	60 years
Rates of employees' turnover	**6.12%**	14.44%

Defined benefit obligation sensitivity

The following is a sensitivity analysis of employees' end of service benefits as at December 31, against changes in the weighted principal assumptions:

		2022	2021
Rate of change in salaries	Increase by 1%	**18,522,261**	16,581,958
	Decrease by 1%	**14,054,981**	12,939,046
Discount rate	Increase by 1%	**14,134,362**	12,988,279
	Decrease by 1%	**18,466,737**	16,562,004

16. EMPLOYEE BENEFITS (continued)

Actuarial assumptions

The following were the principal actuarial assumptions applied at the reporting date:

	2022	2021
Membership data		
Number of employees	**113**	98
Average age of employees (years)	**41.34**	40.96
Average years of past experience	**6.33**	6.26
Employees' age average when work started (years)	**35.01**	34.68

The sensitivity analyses have been determined based on a method that extrapolates the impact on the end of service benefit as a result of changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the end of service benefit as it is unlikely that changes in assumptions would occur in isolation of one another.

17. RETENTION PAYABLE

Retention payables represent amounts retained by the Group from the main contractor of the project against each payment according to the agreed terms as a guarantee of good performance and will be paid in two instalments upon completion of the contract works.

18. ACCOUNTS PAYABLE – PURCHASE OF LANDS

	2022	2021
Payables for properties owners (18.1)	**1,771,728,727**	2,434,787,114

18.1 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah in favor of the Company with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and the properties that do not have title deeds which are 1056 properties and register the corresponding shares in the name of the State Properties General Authority. And the properties that have title deeds and their owners are not existent, and they are 98 properties, and the corresponding shares are registered in the name of the not existent under the supervision of the General Authority for The Guardianship of Trust Funds for Minors and Their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to the 167 properties under procedure, the Group is transferring its ownership. As at 31 December 2022, the transfer of ownership of 26 properties to the Group was completed.

During the year ended 31 December 2022, the Group was informed that there are two properties (the unknown owner of which is supposed to register the corresponding shares in the name of absent persons under the supervision of the General Commission For The Guardianship of Trust Funds for Minors And Their Counterparts in accordance with the supreme order) that were expropriated and compensated by a committee of development of the spaces surrounding the Holy Mosque of Mecca (Al Haram), and the ownership of the property and the compensation mechanism are currently being considered. Accordingly, these two properties were excluded from the properties of the absent persons referred to in the Supreme Order.

18. ACCOUNTS PAYABLE – PURCHASE OF LANDS (continued)

As at 31 December 2022, payables for land purchase amounted to SR 1,771,728,727 (31 December 2021: SR 2,434,787,114) where the Group's capital was increased by transferring part of the Group's obligations to the State Properties General Authority and the General Commission For The Guardianship of Trust Funds for Minors And Their Counterparts, pursuant to the issuance of in-kind shares in the Group's capital against these real estate as directed by the Royal Decree (note 14).

19. ACCOUNTS PAYABLES

	2022	2021
Payables to project contractor	**132,411,275**	15,074,800
Others	**5,100,656**	1,959,109
	137,511,931	17,033,909

20. ACCRUED EXPENSE AND OTHER LIABILITIES

	2022	2021
Unbilled completed development works	**908,983,647**	208,164,353
Accrued financial charges	**212,463,600**	156,423,191
Retention – current portion	**127,186,946**	2,568,869
Management fee payable to manager of investment funds	**29,000,000**	58,000,000
Costs against sold land (note 6.5)	**21,463,364**	--
Accrued employees' expenses and bonuses	**17,133,317**	11,090,923
Remunerations and meeting attendance allowances (note 28)	**2,780,000**	2,679,232
Others	**3,438,754**	2,216,794
	1,322,449,628	441,143,362

21. ZAKAT PROVISION

a) Zakat charge for the year

	31 December 2022	31 December 2021
Provision for the year	**7,590,461**	10,619,344

b) Zakat base

The Group's significant components of Zakat base for the year ended 31 December comprise of the following:

21. ZAKAT PROVISION (continued)

b) Zakat base (continued)

Adjusted profit

	31 December 2022	31 December 2021
Net loss before zakat	**(14,505,744)**	(155,281,907)
Provision for end of service benefits	**3,771,634**	3,522,702
Tax withholding	**365,033**	433,939
Adjusted loss	**(10,369,077)**	(151,325,266)
Book value of non-current assets	**(21,001,633,353)**	(18,222,760,471)
Shareholders' equity	**11,602,631,515**	9,505,092,118
Loans	**7,089,205,525**	6,954,599,795
Liabilities against lands	**1,771,728,727**	2,434,787,114
Provisions and payables	**1,408,890,898**	568,391,168
Zakat base subject to zakat	**870,823,312**	1,240,109,724
Zakat before carried forward loss at 2.578%	**22,447,070**	31,966,105
Zakat on adjusted loss at 2.5%	**(259,227)**	(3,783,132)
Accrued zakat	**22,187,843**	28,182,973
Less: Zakat charged on government agencies	**(14,597,382)**	(17,563,629)
Zakat provision for the year	**7,590,461**	10,619,344

c) Movement in Zakat provision during the year is as follows:

	31 December 2022	31 December 2021
Balance at 1 January	**16,131,059**	13,220,679
Charge for the year	**7,590,461**	10,619,344
Paid during the year	**(10,616,480)**	(7,708,964)
Balance at 31 December	**13,105,040**	16,131,059

Zakat assessments status of the Group

21.1 The Group submitted its zakat returns for the years from 2014 to 2016 and obtained a restricted zakat certificate for the financial year ended 31 December 2016. The Zakat, Tax and Customs Authority ("ZATCA") has issued its zakat assessments for the years from 2014 to 2016, claiming the Group for zakat dues with a total amount of SR 5,520,439. The Group objected to the zakat assessment after settling the zakat due on the undisputed items, and the Group's objection was rejected by the ZATCA. The Group escalated the above-mentioned objection to the General Secretariat of Zakat, Tax, and Customs Committees ("GSZTCC"). The Group withdrew its case from the GSTC in order to apply the Ministerial Resolution (MR) No. (13597) on the said years. The application of the said MR has been accepted by ZATCA and the relevant returns are still under review by ZATCA till date.

21. ZAKAT PROVISION (continued)

Zakat assessments status of the Group (continued)

21.2 The Group submitted its zakat return for the financial year ended 31 December 2017, and obtained a restricted zakat certificate for the aforementioned year, and ZATCA has not issued its final assessment for the year 2017 to date.

21.3 The Group submitted its zakat return for the financial year ended 31 December 2018, and obtained a restricted zakat certificate. ZATCA issued its zakat assessment for the aforementioned year claiming the Group for additional zakat dues with a total of SR 31,884,675. The Group had filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued its revised assessment for the aforementioned year, whereby the zakat dues were reduced to SR 26,330,636. The Group escalated the above-mentioned objection to the General Secretariat of Zakat, Tax, and Customs Committees ("GSZTCC"), The CRTVD issued its decision and rejected the Group's objection except for the Accumulated losses and Salaries for shareholders. The Group filed an appeal against CRTVD decision with by Appellate Committee for Zakat, Tax, and Customs Violations and Disputes Resolution (ACTVDR), which is still under review by (ACTVDR) till to date.

21.4 The Group submitted its zakat returns for the years 2019, 2020 and 2021 and obtained the unrestricted zakat certificate for the mentioned years. ZATCA has not issued zakat assessments for those years to date.

22. REVENUE

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Revenue by nature		
Income from sale of lands (note 22.1)	**429,399,522**	--

22.1 During the period ended 31 December 2022, the Group sold 3 lands with a total value of SR 429 million and a cost of SR 248 million (note 6.5).

23 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprise of the following:

	31 December 2022	31 December 2021
Salaries and employee related costs	**60,509,927**	49,395,027
Investments funds' management and structuring fees	**58,940,018**	58,190,000
Consultancy fees	**20,336,046**	12,992,840
Remunerations and meeting attendance allowances (note 28)	**4,824,562**	4,335,732
IT related expenses	**3,818,494**	2,433,003
Depreciation on property and equipment (note 7)	**3,738,794**	4,511,107
Depreciation on Right-of-Use assets (note 8)	**1,913,626**	1,529,007
Allowance for expected credit losses	**845,005**	--
Amortisation of intangible assets (note 9)	**776,525**	162,913
Others	**5,771,376**	4,912,401
Balance as at 31 December	**161,474,373**	138,462,030

24. SELLING AND MARKETING EXPENSES

The selling and marketing expenses for the year ended 31 December comprise the following:

	31 December 2022	31 December 2021
Marketing campaigns	**16,336,392**	13,629,436
Advertising and promotion	**28,670,797**	1,361,778
Depreciation on property and equipment (note 7)	**--**	789,690
Balance as at 31 December	**45,007,189**	15,780,904

25. FINANCIAL CHARGES

	31 December 2022	31 December 2021
Financial charges from Loans	**19,252,535**	13,914,909

26. OTHER INCOME

	31 December 2022	31 December 2021
Income from short-term deposits	**26,089,052**	9,135,450
Property rental income (note 26.1)	**2,125,000**	3,000,000
Others	**2,435,451**	740,486
	30,649,503	12,875,936

26.1 Property rental income represents a property that the Group has leased within the project area to a contractor in order to complete concrete works.

27. LOSS PER SHARE

Basic loss per share for the year has been calculated by dividing the net loss for the year attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Group does not have any convertible shares, therefore, the basic loss per share equals the diluted loss per share. Moreover, no separate loss per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

The basic and diluted loss per share calculation is given below:

	31 December 2022	31 December 2021
Comprehensive loss attributable to shareholders of the Group	**(19,872,959)**	(164,470,665)
Weighted average number of ordinary shares	**1,250,721,707**	1,012,306,536
Basic and diluted loss (in SR per share)	**(0.01)**	(0.16)

28. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the Group's shareholders, associates and affiliated companies, other entities related to certain consolidated subsidiaries and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's management.

The Group has entered into a renewable credit facility with Alinma Bank to finance the purchase of some lands in King Abdulaziz Road project (note 15).

In the ordinary course of its activities, the funds deal with related parties, and the transactions of the related parties are in accordance with the terms and conditions of the funds. All related party transactions are approved by the Fund's Board of Directors (BOD), and the related parties include the BOD, the Fund manager, Alinma Bank (the Fund manager's Parent Company) and their related entities.

28. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

28.1 A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the consolidated financial statements lists, as follows:

Related parties	Relationship	Nature of transaction	Amount of transactions for the year ended		Closing balances	
			2022	2021	**31 December 2022**	31 December 2021
Alinma Investment Company	Fund Manager	Management fees	**58,000,000**	58,000,000	**29,000,000**	58,000,000
Alinma Bank	Parent Company of the Fund	Loans	**--**	72,767,944	**2,352,258,087**	2,144,394,790
		Accrued interest	**82,171,715**	63,962,281		
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting attendance fees	**4,824,562**	4,335,732	**2,780,000**	2,679,232
					2,384,038,087	2,205,074,022

28.2 Key management personnel remuneration and compensation comprised of the following:

	31 December 2022	31 December 2021
Salaries and other allowances	**16,154,400**	14,499,360

29. FINANCIAL RISK MANAGEMENT

Overview
The Group's activities may expose it to a variety of financial risks. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

The Group may expose to the following risks from its use of financial instruments:

a) Credit risks;
b) Interest rate risk; and
c) Liquidity risk.

This note presents information about the Group's possible exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on their activities.

29. FINANCIAL RISK MANAGEMENT (continued)

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's main financial liabilities comprise of accounts payable, lease liabilities, other liabilities and loans. The main purpose of these financial liabilities is to finance the Group's operations. The Group's main financial assets include trade receivable and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarised below:

a) Credit risk

Credit risk arising from the other financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia. The following is the impact of the total credit risk that the Group is exposed to at the date of the consolidated financial statements:

	31 December 2022	31 December 2021
Trade receivable	**266,281,278**	--
Other receivables	**2,156,837**	2,964,433
Cash at banks	**922,272,956**	2,769,894,105
	1,190,711,071	2,772,858,538

b) Interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prevailing interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which exposes the Group to cash flow interest rate risk.

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	2022	2021
Variable interest rate borrowings	**7,089,205,525**	6,859,600,364

29. FINANCIAL RISK MANAGEMENT (continued)

b) Interest rate risks (continued)

Interest rate sensitivity analysis

Non-current assets are impacted by the increase and decrease in interest costs resulting from long-term loans as a result of changes in interest rates, and when the construction works of the project are completed, the impact will be on the profit before Zakat Non-current assets are affected by:

	2022	2021
Interest rate - increase by 100 basis points	**70,892,055**	68,596,004
Interest rate - decrease by 100 basis points	**(70,892,055)**	(68,596,004)

c) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has not carried out significant transactions in currencies other than the Saudi Riyal, and therefore the Group is not exposed to significant currency risk.

d) 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 sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of the Group's companies are monitored on a centralised basis, under the control of the Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the Management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity dates of financial assets and liabilities.

Management has assessed the Group's ability to meet its obligations and is satisfied that the Group has sufficient resources to meet its future obligations, if they fall due (refer note 2.4).

The table below summarises the maturity dates of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2022	**Less than 12 months Saudi Riyal**	**More than 12 months Saudi Riyal**	**Total Saudi Riyal**
Loans	**--**	**7,089,205,525**	**7,089,205,525**
Lease liabilities	**1,850,054**	**10,502,952**	**12,353,006**
Accounts payable and accruals	**3,231,690,286**	**144,893,748**	**3,376,584,034**
	3,233,540,340	**7,244,602,225**	**10,478,142,565**

29. FINANCIAL RISK MANAGEMENT (continued)

d) Liquidity risk (continued)

31 December 2021	Less than 12 months Saudi Riyal	More than 12 months Saudi Riyal	Total Saudi Riyal
Loans	94,999,430	6,859,600,364	6,954,599,794
Lease liabilities	1,405,082	11,564,988	12,970,070
Accounts payable and accruals	2,892,964,385	253,016,145	3,145,980,530
	2,989,368,897	7,124,181,497	10,113,550,394

30. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to maintain investors and the confidence of lenders and market and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain and adjust the capital, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 31 December 2021.

The ratio of net liability to equity as at 31 December is as follows:

	2022	2021
Total liabilities	**10,491,247,605**	10,129,681,453
Less: Cash and cash equivalents	**(922,272,956)**	(2,769,894,105)
Net liabilities	**9,568,974,649**	7,359,787,348
Total equity	**12,154,155,673**	10,968,479,802
Net liabilities to equity	**0.79**	0.67

31. FAIR VALUE OF ASSETS AND LIABILITIES

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 market or, in its absence, in the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is classified under the lowest input level that is significant to the entire measurement.

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 the Group's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group’s financial assets and liabilities are not materially different from their carrying values as none of the financial assets and liabilities are exposed to market price risk or fair value risk or interest rate risk.

32. FUTURE CONTINGENCIES AND COMMITMENTS

The total value of the infrastructure works, rock cutting and consultancy contracts concluded by the Group regarding the project as at 31 December 2022, amounted to SR 9,658 million (31 December 2021: SR 7,931 million) remain as future liabilities as at 31 December 2022, an amount of SR 2,065 million (31 December 2021: SR 2.606 million).

33. SUBSEQUENT EVENTS

During the subsequent period, the new Companies Law issued through Royal Decree M/132 on 30 June 2022 (corresponding to 1 Dhul Hijjah 1443H) (hereinafter referred as "the Law”) came into force on 19 January 2023 (corresponding to 26 Jummada Al Thani 1444H). For certain provisions of the Law, full compliance is expected not later than two years from 19 January 2023 (corresponding to 26 Jummada Al Thani 1444H). The management is in process of assessing the impact of the New Companies Law and will amend its Bylaw for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended Bylaw to the shareholders in their Annual General Assembly meeting for their ratification.

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 21 March 2023 corresponding to 29 Shaaban 1444H.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص.ب ٥٥٠٧٨
جده ٢١٥٣٤
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Umm Al-Qura Development and Construction Company ("the Company") and its investment funds ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) 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 are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 issued by SOCPA, the applicable requirements of the Regulations for Companies, Company'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.

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

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

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 judgement 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

To the Shareholders of Umm Al Qura For Development and Construction Company
(A Saudi Closed Joint Stock Company)

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

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 of Umm Al-Qura Development and Construction Company ("the Company") (and its investment funds) ("the Group").

For KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 16 April 2024
Corresponding to 7 Shawwal 1445H

كي بي إم جي للإستشارات المهنية
Lic No. 46
C.R. 4030290792
J : 1
KPMG
ترخيص رقم ٤٦
س.ت: ٤٠٣٠٢٩٠٧٩٢
KPMG Professional Services

3

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2023	2022
Assets			
Investment properties	6	**20,692,784,106**	20,619,922,703
Property and equipment	7	**395,239,010**	363,341,959
Trade receivable - non-current portion	8	**614,364,413**	120,065,909
Right-of-use assets	9	**9,855,171**	11,472,288
Intangible assets	10	**10,780,142**	6,896,403
Investment in associate		**500,000**	--
Non-current assets		**21,723,522,842**	21,121,699,262
Investment at fair value through profit or loss	11	**7,392,966**	11,495,530
Trade receivable	8	**414,807,644**	266,281,278
Advances and other receivables	12	**316,450,528**	228,834,097
Cash and cash equivalents	13	**538,512,311**	922,272,956
Assets held for sale	6	**212,209,142**	94,820,155
Current assets		**1,489,372,591**	1,523,704,016
Total assets		**23,212,895,433**	22,645,403,278
Equity and liabilities			
Equity			
Share capital	14	**13,078,614,190**	13,078,614,190
Accumulated losses		**(605,770,513)**	(924,458,517)
Total equity		**12,472,843,677**	12,154,155,673
Liabilities			
Loans	15	**8,633,935,961**	7,089,205,525
Lease liabilities	9	**8,250,948**	10,502,952
Employee benefits	16	**18,307,959**	16,092,321
Retention payable	17	**133,497,776**	128,801,427
Non-current liabilities		**8,793,992,644**	7,244,602,225
Lease liabilities	9	**2,558,000**	1,850,054
Accounts payable - compensation of lands	18	**460,557,613**	1,771,728,727
Accounts payables	19	**75,142,964**	137,511,931
Accrued expenses and other liabilities	20	**1,327,158,209**	1,322,449,628
Zakat provision	21	**80,642,326**	13,105,040
Current liabilities		**1,946,059,112**	3,246,645,380
Total liabilities		**10,740,051,756**	10,491,247,605
Total equity and liabilities		**23,212,895,433**	22,645,403,278

The accompanying notes from 1 to 35 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	**2023**	2022
Revenue	22	**988,143,756**	429,399,522
Cost of revenue	6	**(688,857,300)**	(248,820,672)
Gross profit		**299,286,456**	180,578,850
Other operating income	23	**408,342,487**	30,649,503
General and administrative expenses	24	**(218,510,066)**	(159,692,797)
Selling and marketing expenses	25	**(60,419,529)**	(45,007,189)
Allowance for expected credit losses	8	**(2,345,233)**	(845,005)
Operating profit		**426,354,115**	5,683,362
Financial charges	26	**(34,222,640)**	(20,189,106)
Profit / (loss) before zakat		**392,131,475**	(14,505,744)
Zakat	21	**(75,134,974)**	(7,590,461)
Profit / (loss) for the year		**316,996,501**	(22,096,205)
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss in subsequent periods:			
Re-measurement of employee benefits	16	**1,691,503**	2,223,246
Total comprehensive income/ (loss)		**318,688,004**	(19,872,959)
Basic and diluted earnings / (loss) per share attributable to equity holders of the Company (in SR per share)	27	**0.24**	(0.02)

The accompanying notes from 1 to 35 form an integral part of of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Share capital	Accumulated losses	Total equity
Balance at 1 January 2023	**13,078,614,190**	**(924,458,517)**	**12,154,155,673**
Profit for the year	**--**	**316,996,501**	**316,996,501**
Other comprehensive income	**--**	**1,691,503**	**1,691,503**
Total comprehensive income for the year	**--**	**318,688,004**	**318,688,004**
Balance at 31 December 2023	**13,078,614,190**	**(605,770,513)**	**12,472,843,677**
Balance at 1 January 2022	11,873,065,360	(904,585,558)	10,968,479,802
Loss for the year	--	(22,096,205)	(22,096,205)
Other comprehensive income	--	2,223,246	2,223,246
Total comprehensive loss for the year	--	(19,872,959)	(19,872,959)
Capital increase from transferring land obligations into equity (note 14)	1,205,548,830	--	1,205,548,830
Balance at 31 December 2022	13,078,614,190	(924,458,517)	12,154,155,673

The accompanying notes from 1 to 35 form an integral part of
of these consolidated financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2023	2022
Cash flows from operating activities			
Profit / (loss) before Zakat		**392,131,475**	(14,505,744)
Adjustments for the following items:			
Depreciation on property and equipment	7	**4,237,131**	3,738,794
Depreciation on right-of-use of assets	9	**2,210,137**	1,913,626
Amortization of intangible assets	10	**1,913,874**	776,525
Allowance for expected credit losses	8	**2,345,233**	845,005
Financial charges	26	**33,473,814**	19,252,535
Gains from sale of property and equipment		**--**	(8,093)
Income from short-term deposits		**(21,764,334)**	(26,089,052)
Employee benefits provision	16	**4,249,053**	3,771,634
		418,796,383	(10,304,770)
Change in current assets and liabilities:			
Trade receivables		**(645,170,103)**	(387,192,192)
Advances and other receivables		**(87,430,788)**	(121,644,956)
Trade payables		**(62,368,967)**	120,478,022
Accrued expenses and other liabilities		**(138,987,378)**	(197,388,536)
Cash used in from operating activities		**(515,160,853)**	(596,052,432)
Employee benefits paid		**(341,912)**	(66,726)
Finance income received		**21,578,691**	24,406,590
Zakat paid		**(7,597,688)**	(10,616,480)
Net cash used in operating activities		**(501,521,762)**	(582,329,048)
Cash flow from investing activities			
Additions to property and equipment	7	**(43,189,948)**	(2,812,420)
Additions to intangible assets	10	**(5,797,613)**	(7,629,665)
Proceeds from sale of property and equipment		**--**	9,002
Net change in investment property		**378,822,651**	(1,614,635,976)
Liabilities against lands		**(1,311,171,114)**	542,490,444
Investment at fair value through profit or loss		**4,102,564**	(11,495,530)
Net cash used in investing activities		**(977,233,460)**	(1,094,074,145)
Cash flows from financing activities			
Proceeds from long-term loans		**1,537,721,912**	229,605,159
Net change in short-term loans		**--**	(94,999,430)
Payment of lease liabilities	9	**(2,558,000)**	(2,255,600)
Payments of finance charges from long-term loans		**(440,169,335)**	(300,257,774)
Payments of finance charges from short-term loan and leases		**--**	(3,310,311)
Net cash generated from / (used in) financing activities		**1,094,994,577**	(171,217,956)
Net change in cash and cash equivalents		**(383,760,645)**	(1,847,621,149)
Cash and cash equivalents at the beginning of the year		**922,272,956**	2,769,894,105
Cash and cash equivalents at the end of the year	13	**538,512,311**	922,272,956

The accompanying notes from 1 to 35 form an integral part of
of these consolidated financial statements.

1. GENERAL INFORMATION

Umm Al Qura For Development and Construction Company (the "Company") is Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued on 21 March 2012 (corresponding to 28 Rabie Al-Thani 1433H). The Ministerial Resolution No. 163/S was issued announcing the establishment of the company on 20 March 2012 (corresponding to 27 Rabea Al-Thani 1433H).

The Company's head office is located on the following address:

Makkah Al-Mukarramah, Al-Rusaifa Street
P. O. Box 16786, Postal code 21955
Kingdom of Saudi Arabia

The Group is engaged in real estate activities represented in purchasing, selling and dividing of lands and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

The Group has earned revenue from the sale of 5 plots during the year ended 31 December 2023, however, the Group is still in the stage of developing its main project "Masar Makkah" destination in Makkah Al-Mukarramah (the "Project"), where the Group owns land and real estate in the area on which the project will be built, through Makkah Region Development Authority, and excavation work and rock-cutting and infrastructure works in the project are still under progress.

These consolidated financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 9 November 2020 (corresponding to 23 Rabi' Awal 1442H).

Furthermore, these consolidated financial statements of the attached consolidated group include the financial statements of Umm Al-Qura for Development and Construction Company (the "Company") and its investment funds ("subsidiary funds") (collectively referred to as the "Group"). The subsidiary funds comprise the following:

Name of subsidiary funds	Country of incorporation	Main business	Effective holding percentage	
			2023	2022
Alinma Makkah 1st Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%
Alinma Makkah 2nd Development Fund	Kingdom of Saudi Arabia	Investment properties	**100%**	100%

During the year of 2023, the company established Masar Interface Company Limited in partnership with Kaden Investment Company to develop and manage Masar Interface under Commercial Registration No. 4031276869, with an ownership percentage of 50% for each partner.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated, except for employee benefits which are recognized at the present value of future obligations using the projected unit credit method, and investments which are measured at fair value through profit or loss. These consolidated financial statements are prepared using the accrual basis of accounting and the going concern concept.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals ("SR"), which represent the Group's functional and presentation currency. All amounts have been rounded to the nearest Riyal, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a significant adjustment to the carrying amount of the asset or liability affected in the future periods.

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

The key judgements, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are as stated below:

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

3.1 Judgements

1) 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 in business 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 a going concern basis.

2) Classification of investment properties

The Group determines whether a property qualifies as an investment property in accordance with IAS 40 "Investment Property". In making this judgement, the Group considers whether the property generates cash flows largely independent of other assets held by the Group.

3) 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.

4) Consolidation of subsidiaries

The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters 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 occur. Information about the assumptions and estimation uncertainties is included in the following areas:

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

3.2 Estimates and assumptions (continued)

a) Employee benefits

The cost of the defined benefit plan and the present value of the obligation 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 employee turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note 16.

b) Useful lives, residual value and method of depreciation for property and equipment

The Group determines the estimated useful lives of property and equipment for calculating depreciation. These estimates are determined after considering expected usage of the asset or physical wear and tear. The Group believes that residual may not result in significant change to depreciation charge and carrying amount of the assets. Accordingly, the residual value is assumed to be zero. Management also believes that the straight-line depreciation reflects the pattern of consumption of economic benefits.

Management reviews the useful lives, residual value and method of depreciation annually for any significant changes from previous estimate and any resultant changes in depreciation charges are adjusted in current and future periods.

c) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

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

3.2 Estimates and assumptions (continued)

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

The Group has selected a simplified approach for all lease trade receivables. The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated, and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in note 13.

e) 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 observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following material accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

4.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its investment funds as at 31 December 2023. 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 only if the Group has:

4. MATERIAL ACCOUNTING POLICIES (continued)

4.1 Basis of consolidation (continued)

- 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, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result 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 investees;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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 of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of the subsidiary, without the loss of control, is accounted for as equity transactions. If the Group loses control over a subsidiary entity, it derecognizes the related assets (including goodwill if existed), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in consolidated statement of profit or loss and other comprehensive income.

The financial statements of subsidiaries are prepared for the same reporting period using the same accounting framework as the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Current versus non-current classification

4.2.1 Assets

The Group presents assets and liabilities in the consolidated statement of financial position based on current and non-current classification. An asset is current when:

- 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 realized 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.

4.2.2 Liabilities

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- Due to be settled within twelve months after the reporting period; or
- 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.

4.3 Expenses

Selling and marketing, general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and marketing expenses are those arising from the Group's efforts underlying the sales and marketing functions. All expenses, excluding financial charges, are classified as general and administrative expenses. Allocations of provisions for common expenses between cost of revenue, selling and marketing, and general and administrative expenses, when required, are made on a consistent basis.

4.4 Zakat

Zakat is provided for in accordance with the Saudi Arabian fiscal regulations. Provision for Zakat for the Group and Zakat related to the Group's ownership in the Saudi Arabian subsidiaries is charged to the consolidated statement of profit or loss and other comprehensive income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which the assessment is finalized.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.5 Value Added Tax and Real Estate Transaction Tax

During the year 2020, the Zakat, Tax and Customs Authority ("ZATCA") announced that pursuant to the Royal Decree No. (A/84) dated 1 October 2020, the disposal of real estate in the Kingdom of Saudi Arabia by way of certain transactions resulting in a transfer of legal ownership or possession will be Value Added Tax ("VAT") exempt and subject to a 5% Real Estate Transaction Tax (RETT). RETT is applicable on the transactions that took place on or after 4 October 2020. However, as per the RETT law, the licensed real estate developer can recover input VAT on the property sold after 4 October 2020.

Other than disposal of real estate transactions covered under RETT law, the Group is subject to VAT for the supply of other goods and services in accordance with the VAT regulations prevailing in the Kingdom of Saudi Arabia. The amount of VAT liability is determined by applying the applicable tax rate to the value of supply ("Output VAT") less VAT paid on purchases that are not claimable under Real Estate Transaction Tax (RETT) law ("Input VAT"). The Group reports revenue and purchases net of VAT for all the periods presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. However, Input VAT related to exempt supplies, is added to the cost of purchases whereas Input VAT related to mixed supplies is claimed using the Proportional Default Rate Formula.

4.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items that are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

4.7 Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost also includes the borrowing costs for long-term construction projects if the recognition criteria are met.

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

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Property and equipment (continued)

Recognition and measurement (continued)

The cost of replacing a major 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. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

An item of property and equipment is derecognized upon sale or when no future economic benefits are expected from its use or sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property and equipment may not be recoverable. Whenever the carrying amount of property and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property and equipment and from its sale at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property and equipment no longer exist or have reduced.

Depreciation

The depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. Freehold land is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Depreciation methods, useful lives and residual values are reviewed periodically and adjusted if required.

The estimated useful lives of assets is as follow:

Categories	Useful life in years
Furniture & equipment	3 – 4
Vehicles	4
Computers	3 – 5
Leasehold improvements	5 or the contract term, whichever is less

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Property and equipment (continued)

Capital work-in-progress
Capital work-in-progress are carried at cost less any recognised impairment loss. When the capital work are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category.

4.8 Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets:
The Group recognises a right-of-use asset and lease liability at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. Subsequently, it is measured at cost less accumulated depreciation and impairment losses, if any, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentive received. The estimated useful life of right-of use assets are determined on the same basis as those of property and equipment. The recognised right-of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

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. The lease payments include fixed payments (including 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.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate ("IBR") is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. The Group enters into leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Lease income is recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with the terms of the leases over the lease term on a systematic basis as this method is more representative of the time pattern in which use of benefits are derived from the leased assets.

Lease incentives or any escalation in the lease rental are recognized as an integral part of the total lease receivable and accounted for on a straight-line basis over the term of the lease. Contingent rents are recognized as revenue in the period in which they are earned.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.8 Leases (continued)

Lease liabilities (continued):

Incremental borrowing rate
The Group cannot immediately determine the interest rate that is included in the lease contracts, therefore, the Group uses the incremental borrowing rate in measuring its lease liabilities. The incremental borrowing rate is the rate of interest that the Group should pay in order to borrow the amounts necessary to obtain an asset of similar value to the right of use asset in a similar economic environment for a similar period and with a similar security. Thus, the incremental borrowing rate reflects the "amount to be paid by the Group" which requires an estimate when observable rates are not available or when adjustment is needed in line with the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable data (ex. interest rates in the market) available and necessary to make certain estimates of the entity.

4.9 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the construction of an asset, other than development properties, are capitalized using capitalization rate up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the consolidated statement of profit or loss and other comprehensive income. In case of specific borrowings, all such costs, directly attributable to the acquisition or construction of an asset, other than development properties, that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occurred.

4.10 Investment property

Investment properties are non-current assets held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use as investment properties. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties are depreciated on a straight line basis over the estimated useful life of the respective assets. No depreciation is charged on land and capital work-in-progress.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss and other comprehensive income in the period of derecognition.

Expenses incurred for replacing component of investment properties items, which are accounted for separately are capitalized, and carrying value of replaced component is written off. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of the related investment properties. All other expenses are recognized in the consolidated statement of profit or loss and other comprehensive income when incurred.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.10 Investment property (continued)

Transfers are made from investment property to development property only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

4.11 Fair value measurement

The Group discloses the fair value of the non-financial assets such as investment properties as part of its financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

4.12 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles are not capitalized and the related expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

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

4. MATERIAL ACCOUNTING POLICIES (continued)

4.12 Intangible assets(continued)

Intangible assets with definite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a definite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with definite lives is recognized in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The assessment of indefinite useful life is reviewed annually to determine whether useful life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss and other comprehensive income when the asset is disposed.

4.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit (CGU’s) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows into the Group that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate that reflects current market assessments of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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 cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit (“CGU”) level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities

Financial assets

A Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Initial Measurement
At initial recognition, except for the trade receivables which do not contain a significant financing component, the Group measures a financial asset at its fair value. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value of the respective financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income, if any.

The trade receivables that do not contain a significant financing component or which have a maturity of less than 12 months are measured at the transaction price as per IFRS 15.

Classification and subsequent measurement
The Group classifies its financial assets into the following measurement categories:

a) those to be measured subsequently at fair value (either through consolidated statement of other comprehensive income, or through consolidated statement of profit or loss); and
b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The category most relevant to the Group is financial assets measured at amortized cost.

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (“EIR”) method, less impairment (if any). Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are recognized in consolidated statement of profit or loss and other comprehensive income.

Reclassifications
When and only when, a Group changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above mentioned classification requirements.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

De-recognition
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 Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and a loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter into bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as economic conditions that correlate with defaults.

IFRS 9 requires the Group to follow an expected credit loss model for the impairment of financial assets. It is no longer necessary for a credit event to have occurred for the recognition of credit losses. Instead, the Group, uses the expected credit loss model, always to account for expected credit losses and changes therein at each reporting date. 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.

Expected credit losses shall be measured and provisioned either at an amount equal to (a) 12 month expected losses; or (b) lifetime expected losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for the amounts that result from default events that are possible within the next 12-months (a12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The carrying amount of the financial asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in the consolidated statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial assets (continued)

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The Group considers a financial asset to be in default when the debtor is unlikely to repay the outstanding balance to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Financial liabilities

Initial measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the consolidated statement of profit or loss and other comprehensive income, and as loans and borrowings and payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of long term loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include accounts payable, lease liabilities, accruals and term loans.

Classification and subsequent measurement
A Group shall classify all financial liabilities as subsequently measured at amortized cost, except for:

a) Financial liabilities at fair value through statement of profit or loss
b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
c) financial guarantee contracts.
d) commitments to provide a loan at a below-market commission rate.

All of the Group's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method, if applicable. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on purchase and fees or costs that are an integral part of the effective interest rate. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.14 Initial recognition – Financial assets and financial liabilities (continued)

Financial liabilities (continued)

De-recognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. 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 recognized in the consolidated statement of profit or loss and other comprehensive 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 the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Provisions
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 profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a discount rate that reflects current market assessments of the time value of money and 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 in the consolidated statement of profit or loss and other comprehensive income.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

4.15 Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.15 Employee benefits (continued)

Defined benefit plans
The Group maintains an unfunded defined benefit plan for employees' terminal / end of service benefits in accordance with the Saudi Arabian Labor Law.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefits that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations ("DBO") is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in the consolidated statement of other comprehensive income. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Net interest expense and other expenses related to defined benefit plans are recognized in consolidated statement of profit or loss and other comprehensive income.

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

For the liability relating to employees' terminal benefits, the actuarial valuation process takes into account the provisions of the Saudi Arabian Labour Law as well as the Group's policy.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognized in the consolidated statement of profit or loss and other comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from contracts with customers for sale of properties

The Group recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.16 Revenue recognition(continued)

Revenue from contracts with customers for sale of properties (continued)

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation:

If the consideration promised in a contract includes a variable amount, the Group shall estimate the amount of consideration to which the Group will be entitled in exchange for transferring the promised goods or services to a customer.

The promised consideration can vary if the Group's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event. The variability relating to the consideration promised by a customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the amount of variable consideration by using the most likely amount in accordance with the terms of the contract.

The Group recognizes revenue at the point in time at which the customer obtains control of a promised asset and the entity satisfies the performance obligations. The Group considers the below mentioned indicators to assess the transfer of control of the promised asset:

- The Group has a present right to payment for the asset.
- The Group has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

For performance obligations where one of the above conditions are not met, revenue is recognized at over time at which the performance obligation is satisfied.

Cost of revenue

Cost of revenue includes the cost of land, development and other service-related costs. The cost of revenue is proportionate to sold units and is based on the cost incurred to-date to the estimated total costs for each project. The costs of revenues in respect of hospitality business, services and rental income is based on the cost of providing the services.

5. NEW STANDARDS, INTERPETATON AND AMENDMENTS (Continued)

Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2023.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IFRS 17	Insurance contracts	1 January 2023
IAS 1 and IFRS Practice statement 2	Disclosure of accounting policies	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from as single transactions	1 January 2023
IAS 12	International Tax reforms – Pillar Two Models Rules	23 January 2023

Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, interpretations and amendments if applicable, when they become effective.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	1 January 2024
IAS 7 and IFRS 7	Supplier Finance arrangements	1 January 2024
IFRS 16	Lease liability on sales and lease back	1 January 2024
IAS 21	Lack of exchangeability	1 January 2025

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

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IFRS S1	General requirements for disclosure of sustainability-related financial information	1 January 2024
IFRS S2	Climate-related disclosures	1 January 2024

The Group is currently assessing the implications on the financial statements on adoption of the above standards.

6. INVESTMENT PROPERTIES

6.1 The movement in investment properties during the year ended 31 December is analysed as follows:

	2023	2022
Project lands		
Cost:		
As at 1 January	**10,217,756,289**	9,970,407,522
Additions during the year (note 6.4)	**17,029,308**	587,991,696
Disposals during the year (note 6.5 and 6.6)	**(598,240,309)**	(114,382,945)
Transferred to property and equipment (note 6.7)	**--**	(178,612,106)
Transferred to assets held for sale (note 6.8)	**(56,195,403)**	(47,647,878)
Balance as at 31 December	**9,580,349,885**	10,217,756,289
Capital work in progress		
Cost:		
As at 1 January	**10,402,166,414**	8,231,249,767
Additions during the year (note 6.10)	**1,395,756,230**	2,507,892,557
Disposals during the year (note 6.5 and 6.6)	**(624,294,839)**	(112,974,363)
Transferred to property and equipment (note 6.7)	**--**	(176,829,270)
Transferred to assets held for sale (note 6.8)	**(61,193,584)**	(47,172,277)
Balance as at 31 December	**11,112,434,221**	10,402,166,414
Total	**20,692,784,106**	20,619,922,703

6.2 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue title deeds for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Group. Accordingly, four comprehensive title deeds for the project were issued in favor of the Group on 18 Shaban 1442H (corresponding to 31 March 2021). The project lands are held for a currently undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project plots are classified as investment properties (except if specified below). The project lands include lands mortgaged in favor of a commercial bank against long-term loans (note 15).

6.3 The fair value of the Group's investment property, as at 31 December 2023, has been arrived on the basis of the valuation exercise carried out by Jones Lang LaSalle Saudi Arabia for Real Estate Appraisal (JLL), an independent valuer not related to the Group. JLL, registered in the Kingdom of Saudi Arabia under the Commercial Registration number 1010931286, is a firm licensed by the Saudi Authority for Accredited Valuers ("Taqeem") and is also regulated by the Royal Institution of Chartered Surveyors ("RICS"). JLL holds appropriate qualifications and relevant experience in assessing the valuation for the relevant land and properties. The fair value has been determined primarily on the basis of the market approach, which reflects recent transaction prices for similar properties. The valuation assumes that the plots of land in the master plan are fully developed services, which include all infrastructure works including streets, electrical networks, water and sewage networks, and land uses, and that they can be sold in this case on the evaluation date. Management expects that the costs of completing the infrastructure work will not exceed the fair value of the project land.

6. INVESTMENT PROPERTIES (continued)

6.4 As at 31 December 2023, the additions represent the increase in the value of the project lands, which mainly represents an additional compensation value in the amount of SR 17.03 million (2022: SR 587 million) for the real estate owners according to a decision of the General Court in Makkah Al-Mukarramah.

6.5 During the period ended 31 December 2023, the Group disposed of 5 land plots (2022: 3 land plots) with a total cost of SAR 688.86 million (2022: SR 248.82 million), which represents an actual cost of SAR 620.06 million (2022: SR 227.36 million) in addition to estimated cost which is yet to be incurred at a value of SR 68.80 million (2022: SR 21.46 million) where the Group classifies it as liabilities for project-related future cost (Note 20).

6.6 During the period ended 31 December 2023, the Group disposed of 2 land plots under settlement agreement with a total cost of SAR 769.33 million, which represents an actual cost of SAR 602.48 million in addition to estimated cost which is yet to be incurred at a value of SR 166.85 million where the Group classifies it as liabilities for project-related future cost (Note 20).

6.7 During the year ended 31 December 2023, the Group has not undertaken any transfers of cost of investment property land plots to the property, plant, and equipment (2022: The Group has transferred the cost of 6 plots to property and equipment) (note 7.3)

6.8 During the year ended 31 December 2023, the group transferred the cost of 6 plots of land (2022: 2 plots of land) to assets available for sale at a value of SR 117.39 million (2022: SR 94.82 million) as the management has the intension to sell the plots of land during the year 2024.

6.9 During the year ended 31 December 2023, the Group was able to reliably measure its right to benefit from the car parks, boulevard kiosks, information and communication technology ("ICT"), Media and bus rapid transit ("BRT") in the project area destination. The ICT has been classified under capital work in progress in property and equipment.

6.10 The capital work in progress represents the works of demolition, rock excavation and infrastructure, in addition to the costs of engineering consultancy and project designs. During the year ended 31 December 2023, an amount of SR 544 million (2022: SR 340 million) was capitalized as cost of borrowing for the construction of investment properties included in capital work in progress.

6.11 As at 31 December 2023, the infrastructure works are still under construction and are expected to be completed in the second half of 2024.

6.12 The Group uses the following hierarchy for determining and disclosing the fair values of its investment properties by valuation techniques:

	Level 1 SAR '000	Level 2 SAR '000	Level 3 SAR '000	Total SAR '000
31 December 2023	**--**	**38,169,097**	**--**	**38,169,097**
31 December 2022	--	39,537,409	--	39,537,409

6. INVESTMENT PROPERTIES (continued)

The fair value of investment properties as of December 31, 2023, was SR 38.17 billion (SR 39.54 billion in 2022). As a result of group's exclusion of certain lands from investment properties, as disclosed in note 6.1. These lands were excluded for the purpose of sale or reclassification. Consequently, fewer lands were valued in 2023 compared to 2022. Additionally, the valuation disclosed above has been determined based on the assumption that proposed masterplan have been implemented and completed at the date of valuation, comprising all infrastructure works, including, but not limited to, roads, landscaping, electricity, water, sewage, land uses, topography, bridge connecting masterplan to and any other facilities offered in the master plan. (refer note 33).

Any significant movement in the assumptions used for fair valuation of investment properties such as discount rate, yield, rental growth etc. would result in significantly lower / higher fair value of these assets.

7. PROPERTY AND EQUIPMENT

7.1 The movement in property and equipment during the year ended 31 December 2023 is analyzed as under:

	Lands	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Capital work in progress	Total
Cost:							
Balance as at 1 January 2023	172,064,510	9,834,468	3,704,907	7,807,282	11,595,652	183,376,866	388,383,685
Additions during the year	63,158	3,295,010	--	352,996	--	39,478,784	43,189,948
Disposals	--	--	--	--	--	(7,055,766)	(7,055,766)
Balance as at 31 December 2023	172,127,668	13,129,478	3,704,907	8,160,278	11,595,652	215,799,884	424,517,867
Accumulated depreciation:							
Balance as at 1 January 2023	--	7,232,083	3,704,881	7,134,992	6,969,770	--	25,041,726
Charge for the year	--	1,629,755	--	422,750	2,184,626	--	4,237,131
Balance as at 31 December 2023	--	8,861,838	3,704,881	7,557,742	9,154,396	--	29,278,857

7. PROPERTY AND EQUIPMENT (continued)

7.2 The movement in property and equipment during the year ended 31 December 2022 is analysed as under:

	Lands	Furniture and fixtures	Vehicles	Computers	Leasehold improvement	Capital work in progress	Total
Cost:							
Balance as at 1 January 2022	--	8,580,285	3,704,907	7,398,196	11,193,602	--	30,876,990
Additions during the year	--	1,989,612	--	420,758	402,050	--	2,812,420
Reclassification	172,064,510	--	--	--	--	183,376,866	355,441,376
Disposals	--	(735,429)	--	(11,672)	--	--	(747,101)
Balance as at 31 December 2022	172,064,510	9,834,468	3,704,907	7,807,282	11,595,652	183,376,866	388,383,685
Accumulated depreciation:							
Balance as at 1 January 2022	--	6,839,028	3,704,881	6,762,570	4,742,646	--	22,049,125
Charge for the year	--	1,127,959	--	383,711	2,227,124	--	3,738,794
Disposals	--	(734,904)	--	(11,289)	--	--	(746,193)
Balance as at 31 December 2022	--	7,232,083	3,704,881	7,134,992	6,969,770	--	25,041,726
Net book value:							
As at 31 December 2023	**172,127,668**	**4,267,640**	**26**	**602,536**	**2,441,256**	**215,799,884**	**395,239,010**
As at 31 December 2022	172,064,510	2,602,385	26	672,290	4,625,882	183,376,866	363,341,959

7. PROPERTY AND EQUIPMENT (continued)

7.3 Capital work in progress consist the cost of infrastructure of the following:

	2023	2022
UAQ head quarter land (note 6.7)	**209,646,110**	170,347,028
ICT	**6,153,774**	13,029,838
	215,799,884	183,376,866

7.4 Depreciation charge for the year ended 31 December has been allocated as follows:

	2023	2022
General and administration expenses (Note 24)	**4,108,132**	3,738,794
Selling and marketing expenses (Note 25)	**128,999**	--
	4,237,131	3,738,794

8. TRADE RECEIVABLE

	2023	2022
Trade receivables	**1,032,362,295**	387,192,192
Less: Allowance for expected credit losses	**(3,190,238)**	(845,005)
	1,029,172,057	386,347,187

Following is the movement of allowance for expected credit losses:

	2023	2022
Balance at beginning of year	**845,005**	--
Charge for the year	**2,345,233**	845,005
Balance at the end of the year	**3,190,238**	845,005

Trade receivable have been presented in the consolidated statement of financial position as follows:

	2023	2022
Trade Receivable – non-current portion	**614,364,413**	120,065,909
Trade Receivable – current portion	**414,807,644**	266,281,278
	1,029,172,057	386,347,187

9. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

a) Right-of-use assets

1) Reconciliation of right-of-use assets for the year ended 31 December:

	2023	2022
Cost:		
Balance as at the beginning of the year	**16,754,921**	15,601,061
Additions	**593,020**	1,153,860
Balance as at the end of the year	**17,347,941**	16,754,921
Accumulated depreciation:		
Balance as at the beginning of the year	**5,282,633**	3,369,007
Charge for the year	**2,210,137**	1,913,626
Balance as at the end of the year	**7,492,770**	5,282,633
Net book value:		
Balance as at the end of the year	**9,855,171**	11,472,288

2) Depreciation charge for the year ended 31 December has been allocated as follows:

	2023	2022
General and administration expenses (note 24)	**2,210,137**	1,913,626

b) Lease liabilities

	2023	2022
Balance as at the beginning of the year	**12,353,006**	12,970,070
Additions during the year	**593,020**	1,153,861
Interest expense	**420,922**	484,675
Payments during the year	**(2,558,000)**	(2,255,600)
Balance as at the end of the year	**10,808,948**	12,353,006

The weighted average rate of discount applied is 4.05%.

The lease contracts liabilities are presented in the consolidated statement of financial position as follows:

	2023	2022
Lease liabilities – non-current portion	**8,250,948**	10,502,952
Lease liabilities – current portion	**2,558,000**	1,850,054
	10,808,948	12,353,006

10. INTANGIBLE ASSETS

	2023	2022
Cost:		
Balance as at the beginning of the year	**13,037,714**	5,408,049
Additions during the year	**5,797,613**	7,629,665
Balance as at the end of the year	**18,835,327**	13,037,714
Amortization:		
Balance as at the beginning of the year	**6,141,311**	5,364,786
Amortization (note 24)	**1,913,874**	776,525
Balance as at the end of the year	**8,055,185**	6,141,311
Net book value	**10,780,142**	6,896,403

11. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
Alinma Saudi Riyal Liquidity Fund	**7,392,966**	11,495,530

11.1 This represents an investment in the units of Alinma Saudi Riyal Liquidity Fund (the "Fund"), a fund managed by Alinma Investment Company. The principal activity of the Fund is to invest in Murabaha contracts that are compliant with the rules of Islamic Sharia.

11.2 The movement of the investment in the Fund is as follows:

	2023	2022
Balance as at the beginning of the year	**11,495,530**	--
Addition during the year	**--**	13,000,000
Disposal during the year	**(4,450,000)**	(1,600,000)
Net gain from investment at fair value through profit or loss (note 11.3)	**347,436**	95,530
Balance as at the end of the year	**7,392,966**	11,495,530

11.3 The movement in net gain from investment at fair value through profit or loss is as follows:

	2023	2022
Unrealized gains at fair value for the year	**41,059**	93,816
Realized gains at fair value for the year	**306,377**	1,714
Net gain from investment at fair value through profit Or loss	**347,436**	95,530

12. ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of the following:

	2023	2022
Advances to supplier	**182,968,090**	59,230,132
VAT	**126,566,881**	164,678,519
Fees and licenses	**4,573,078**	2,768,609
Others	**2,342,479**	2,156,837
	316,450,528	228,834,097

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2023	2022
Cash at banks	**94,212,311**	232,772,956
Short-term deposits (note 13.1)	**444,300,000**	689,500,000
	538,512,311	922,272,956

13.1 The amount represents short-term deposits with commercial banks, compliant with Islamic Sharia, and yield commission at prevailing market rates.

13.2 According to Musharaka then Ijarah agreements with a commercial bank, the Group opens restricted accounts, in which the proceeds of the public subscription are deposited in these accounts, in addition to the proceeds of revenue. The balances of these accounts are not pledged.

14. SHARE CAPITAL

The authorized, issued and fully paid up share capital of the Group as at 31 December 2023 consists of 1,307,861,419 shares (31 December 2022: 1,307,861,419 shares) the value of each share is SR 10, part of which is in kind and part is cash as follows:

	2023	2022
Value of issued shares	**13,078,614,190**	13,078,614,190

On 7 March 2022, the Board of Directors recommended increasing the Group's capital from the amount of SR 11,873,065,360 to the amount of SR 13,078,614,190, from capitalizing part of the Group's obligations to the State Properties General Authority, the General Commission for The Guardianship of Trust Funds for Minors and Their Counterparts, and the Endowment of Othman Bin Affan, according to the issuance of new shares with 120,554,883 shares, the value of SR 10 each as follows:

14. SHARE CAPITAL (continued)

	No. of shares	Value of shares
State Properties General Authority	63,482,946	634,829,460
General Commission for The Guardianship of Trust Funds for Minors and Their Counterparts	56,990,942	569,909,420
Endowment of Othman Bin Affan	80,995	809,950
	120,554,883	**1,205,548,830**

On 18 April 2022, the shareholders in the Company's extraordinary general assembly approved the Board of Directors' recommendation to increase the Group's capital from SR 11,873,065,360 to SR 13,078,614,190. The Group completed the legal capital increase procedures, and the amended by-law were issued on 23 June 2022.

15. LOANS

Long-term loans

	2023	2022
Liabilities under Musharaka then Ijara agreements (note 15.1)	**6,972,752,380**	6,452,258,088
Liabilities under Tawarruq agreement (note 15.2)	**1,699,999,900**	682,772,280
Structuring and arrangements fees (note 15.3)	**(38,816,319)**	(45,824,843)
	8,633,935,961	7,089,205,525

15.1 At 13 October 2019, the Group renewed the financing agreement concluded on 23 June 2012 with a commercial bank to finance the purchase of some lands in King Abdulaziz Road project and the costs of developing the infrastructure of the project lands. The new credit limit of the financing agreement amounted to SR 4,100 million, divided into the following:

The financing agreement concluded with the bank includes a long-term Musharaka then Ijara financing for a period of eight years, with a credit limit not exceeding SR 2,600 million, to finance the compensation of lands and real estate in the project area, and the Group is not entitled to use it for any other purpose. During the year ended 31 December 2013, the Group withdrew an amount of SR 2,600 million to compensate lands in the project and issue checks for this purpose. The financing is paid in one installment on 3 July 2025, and the financing charges are paid annually. The Group has secured all the guarantees required by the agreement, including the mortgage of the project lands, the value of which has been paid through the bank in favor of the bank or its representative.

During the year ended 31 December 2017, the Group withdrew an amount of SR 1,500 million in order to finance the infrastructure development work of the project lands. The financing is due in one installment on 3 July 2025, and the financing charges are paid annually.

In addition to the above, on 25 February 2020, (corresponding to 1 Rajab 1441H), the Group entered into a Musharaka financing contract and then a carry-over lease in the amount of SR 6,500 million with the Bank to finance the development of investment properties. Financing charges are paid annually, and financing is secured from real estate ownership deeds and mortgaged to the Bank. As at 31 December 2023, the Group has withdrawn an additional amount of SR 528 million.

15. LOANS (continued)

15.2 During the year ended on 31 December 2023, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of seven years, with a credit limit not exceeding SR 2,900 million, for the purpose of financing the infrastructure development work on the project lands, and the Group has no right to use it for any other purpose. The Group withdrew an installment of SR 1,699 million up till the year ended 31 December 2023 (31 December 2022: SR 682.8 million). The principal is due to be repaid in 4 equal annual installments, the first installment of which is due at the end of the grace period, which is a maximum of 36 months starting from the first use of the financing, and a maximum of 7 years including the grace period. Finance charges are paid annually.

15.3 The Group bears a structuring and arrangement fee for each financing installment drawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

15.4 The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

16. EMPLOYEE BENEFITS

	2023	2022
Employees' end of service benefits	**18,307,959**	16,092,321

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. The benefit is based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and the amounts that are recognized in the consolidated statement of financial position.

Net benefit expense recognised in the statement of profit or loss:

	2023	2022
Current service costs	**3,500,227**	3,319,738
Interest costs on benefit obligations	**748,826**	451,896
Net benefit expense	**4,249,053**	3,771,634

Movement in the present value of defined benefit obligations recognized in the statement of financial position

	2023	2022
Defined benefit obligations as at 1 January	**16,092,321**	14,610,659
Current service costs	**3,500,227**	3,319,738
Interest cost	**748,826**	451,896
Actuarial gain on the obligation recognized in the other comprehensive income (OCI)	**(1,691,503)**	(2,223,246)
Benefits paid	**(341,912)**	(66,726)
Defined benefit obligations as at 31 December	**18,307,959**	16,092,321

16. EMPLOYEE BENEFITS (continued)

Significant assumptions used in determining the defined benefit obligation includes the following:

	2023	2022
Discount rate	**4.70%**	4.70%
Future salary increases or rate	**5%**	5%
Mortality rate	**22.16%**	22.16%
Rates of employees' turnover	**%9.73**	6.12%

Defined benefit obligation sensitivity

The following is a sensitivity analysis of employees' end of service benefits as at December 31, against changes in the weighted principal assumptions:

		2023	2022
Rate of change in salaries	Increase by 1%	**20,180,537**	18,522,261
	Decrease by 1%	**16,557,569**	14,054,981
Discount rate	Increase by 1%	**16,647,349**	14,134,362
	Decrease by 1%	**20,109,403**	18,466,737

Actuarial assumptions

The following were the principal actuarial assumptions applied at the reporting date:

	2023	2022
Membership data		
Number of employees	**119**	113
Average age of employees (years)	**41.25**	41.34
Average years of past experience	**6.68**	6.33
Employees' age average when work started (years)	**34.57**	35.01

The sensitivity analyses have been determined based on a method that extrapolates the impact on the end of service benefit as a result of changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the end of service benefit as it is unlikely that changes in assumptions would occur in isolation of one another.

The weighted average duration of the defined benefit obligation is 9.49 years.

The following payments are expected for the defined benefit plan in future years:

	2023	2022
Within the next 12 months (next annual reporting period)	**2,211,131**	1,111,036
Between 2 and 5 years	**4,213,653**	1,858,294
Between 5 and 10 years	**5,828,208**	4,247,710
Beyond 10 years	**18,411,934**	25,881,703
Total expected payments	**30,664,926**	33,098,743

17. RETENTION PAYABLE

Retention payables represent amounts retained by the Group from the main contractor of the project against each payment according to the agreed terms as a guarantee of good performance and will be paid in two instalments upon completion of the contract works.

18. ACCOUNTS PAYABLE – COMPENSATION OF LANDS

	2023	2022
Payables for properties owners (18.1)	**460,557,613**	1,771,728,727

18.1 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah in favor of the Company with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and the properties that do not have title deeds which are 1056 properties and register the corresponding shares in the name of the State Properties General Authority. The properties that have title deeds and their owners are not existent, and they are 98 properties, and the corresponding shares are registered in the name of the not existent under the supervision of the General Authority for The Guardianship of Trust Funds for Minors and Their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to the 167 properties under procedure, Which the Group is completing the procedures of transferring its ownership. As at 31 December 2023, the transfer of ownership of 39 properties to the Group was completed.

During the year ended 31 December 2023, the company was able to sort and issue 157 individual deeds for the project plots of land from the comprehensive title deeds, and it is expected that the sorting of all deeds for the project plots of land will be completed during the year 2024.

During the year ended 31 December 2022, the Group was informed that there are two properties (the unknown owner of which is supposed to register the corresponding shares in the name of absent persons under the supervision of the General Commission For The Guardianship of Trust Funds for Minors And Their Counterparts in accordance with the supreme order) that were expropriated and compensated by a committee of development of the spaces surrounding the Holy Mosque of Mecca (Al Haram), and the ownership of the property and the compensation mechanism are currently being considered. Accordingly, these two properties were excluded from the properties of the absent persons referred to in the Supreme Order.

As at 31 December 2023, the account payables for land purchase amounted to SR 460.56 million (2022: SR 1,771.73 million), and during the year ended 31 December 2022, the Group's capital was increased by transferring part of the Group's obligations to the General Authority for State Real Estate, and the General Authority For The Guardianship of Trust Funds for Minors And Their Counterparts, by issuing in-kind shares against these real estate as referred in the supreme. (Note 14).

19. ACCOUNTS PAYABLES

	2023	2022
Payables to project contractor	**73,265,639**	132,411,275
Others	**1,877,325**	5,100,656
	75,142,964	137,511,931

20. ACCRUED EXPENSE AND OTHER LIABILITIES

	2023	2022
Unbilled completed development works	**470,643,464**	908,983,647
Accrued financial charges	**350,174,520**	212,463,600
Costs against sold land (note 6.5 and 6.6)	**252,105,698**	21,463,364
Retention – current portion	**132,671,985**	127,186,946
litigation and claims	**60,402,465**	--
Management fee payable to manager of investment funds	**29,000,000**	29,000,000
Accrued employees' expenses and bonuses	**23,832,857**	17,133,317
Remunerations and meeting attendance allowances (note 28)	**2,765,000**	2,780,000
Others	**5,562,220**	3,438,754
	1,327,158,209	1,322,449,628

21. ZAKAT PROVISION

a) Zakat charge for the year

	2023	2022
Provision for the year	**75,134,974**	7,590,461

b) Zakat base

The Group's significant components of Zakat base for the year ended 31 December comprise of the following:

21. ZAKAT PROVISION (continued)

b) Zakat base (continued)

Adjusted profit

	2023	2022
Net profit / (loss) before zakat	**389,904,153**	(14,505,744)
Provision for end of service benefits	**6,722,260**	3,771,634
Tax withholding	**894,371**	365,033
litigation and claims expense	**60,402,465**	--
Adjusted profit / (loss)	**457,923,249**	(10,369,077)
Book value of non-current assets	**(21,125,046,636)**	(21,001,633,353)
Shareholders' equity	**12,154,155,673**	11,602,631,515
Loans	**8,633,935,961**	7,089,205,525
Liabilities against lands	**460,557,613**	1,771,728,727
Provisions and payables	**1,170,438,227**	1,408,890,898
Zakat base subject to zakat	**1,294,040,838**	870,823,312
Zakat before carried forward loss at 2.578%	**33,356,279**	22,447,070
Zakat on adjusted profit / (loss) at 2.5%	**11,448,081**	(259,227)
Zakat for the year	**44,804,360**	22,187,843
Zakat expenses for prior years	**30,330,614**	--
Accrued zakat	**75,134,974**	22,187,843
Less: other deductions	**--**	(14,597,382)
Zakat provision for the year	**75,134,974**	7,590,461

c) Movement in Zakat provision during the year is as follows:

	2023	2022
Balance at 1 January	**13,105,040**	16,131,059
Charge for the year	**75,134,974**	7,590,461
Paid during the year	**(7,597,688)**	(10,616,480)
Balance at 31 December	**80,642,326**	13,105,040

21. ZAKAT PROVISION (continued)

Zakat assessments status of the Group

Zakat status from 2014 to 2016:

21.1 The Group submitted its zakat returns for the years ended December 31, 2014 to 2016, and obtained a zakat certificate for the year ended December 31, 2016. The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the years 2014 to 2016 which claimed additional zakat dues with a total amount of SAR 5,520,439. The Group objected to the zakat assessment, after settling the zakat due on the undisputed items, which was rejected by ZATCA. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"). The Group withdrew its case from the ZATCA to apply the Ministerial Resolution No. (13597) for the mentioned years. The aforementioned request was accepted by the Zakat, Tax and Customs Authority (ZATCA), and the authority issued a zakat assessment of SAR 4,648,647 for the year 2014. The company is currently working on objecting the assessment.

Zakat status for 2017 and 2018:

21.2 The Group submitted its zakat return for the year ended December 31, 2017 and obtained a zakat certificate for 2017, the Zakat and Tax Authority has not yet issued the final zakat assessment for the year.

The Group submitted its zakat return for the year ended December 31, 2018 and obtained a zakat certificate for the year 2018, The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the year and demanded additional zakat of SAR 31,884,675. The Group had filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued the revised zakat assessment for the year 2018, which the zakat dues were reduced to SAR 30,996,350. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"), which accepted some of the group's items objections. The group appealed the General Secretariat's decision to the Zakat, Tax and Customs Appeals and Dispute Resolution Committee for the items not accepted, The Appeals Committee rejected the group's appeal. The Appeals Committee's decision consider final and the additional zakat is due.

Zakat status from 2019 to 2022:

21.3 The Group submitted its zakat returns based on its unaudited consolidated financial statements for the year ended December 31, 2019 and obtained a zakat certificate for the mentioned years. The ZATCA has not yet issued the zakat assessment for those years. The company succeeded in obtaining the approval of the Zakat, Tax and Customs Authority to submit consolidated zakat declarations for the company and its two affiliated funds (Alinam Makkah Development 1st Fund for Development and Alinma Makkah 2nd Fund for Development), which are 100% owned by it, for the years ended December 31, 2020 to 2022. The Group submitted its consolidated zakat declarations based on the audited consolidated financial statements for the years ended December 31, 2020 to 2022, and obtained a zakat certificate. The ZATCA has not issued zakat assessments for those years to date.

22. REVENUE

	2023	2022
Revenue by nature		
Income from sale of lands (note 22.1)	**988,143,756**	429,399,522

22. REVENUE (continued)

22.1 During the year ended 31 December 2023, the Group sold 5 plots of land for a total amount of SR 1,084 million, and its total revenues were recorded at an amount of SR 988 million and a cost of SR 689 million. (2022: the group sold 3 plots of land for a total amount of SR 447 million. The total revenues were recorded at an amount of SR 429 million and a cost of SR 249 million) (Note 6.5 and 6.6). The revenue is recognized at point in time amounts to SR 988 million (2022: 429 million)

23. OTHER OPERATING INCOME

	2023	2022
Income from lands settlement (note 23.1)	**355,641,200**	--
Income from short-term deposits	**21,764,334**	26,089,052
Interest income from sale of plot	**20,287,176**	--
Property rental income (note 23.2)	**8,500,765**	2,125,000
Others	**2,149,012**	2,435,451
Balance as at 31 December	**408,342,487**	30,649,503

23.1 During the year ended 31 December 2023, the company settled a liability totaling to SR 1.26 billion related to land compensation, partly through cash settlement. This transaction yielded a gain of SR 355 million during the year.

23.2 During the year ended 31 December 2023, property rental income represents two parts, The first part pertains to the lease of a portion of ICT to Advanced Communications and Electronics Company (ACES), with a lease rental income amounting to SR 7.5 million. The second part represents leasing another property within the project area to a contractor for completing concrete works.

24. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the year ended 31 December comprise of the following:

	2023	2022
Salaries and employee related costs	**72,798,446**	60,058,031
litigation and claims	**60,402,465**	--
Consultancy fees	**53,599,109**	20,336,046
Investments funds' management and structuring fees	**9,085,679**	58,940,018
Remunerations and meeting attendance allowances (note 28)	**5,355,547**	4,824,562
Depreciation on property and equipment (note 7)	**4,108,132**	3,738,794
IT related expenses	**2,626,698**	3,818,494
Depreciation on Right-of-Use assets (note 9)	**2,210,137**	1,913,626
Amortisation of intangible assets (note 10)	**1,913,874**	776,525
Others	**6,409,979**	5,286,701
Balance as at 31 December	**218,510,066**	159,692,797

25. SELLING AND MARKETING EXPENSES

The selling and marketing expenses for the year ended 31 December comprise the following:

	2023	2022
Advertising and promotion	**38,449,231**	28,670,797
Marketing campaigns	**21,841,299**	16,336,392
Depreciation on property and equipment (note 7)	**128,999**	--
Balance as at 31 December	**60,419,529**	45,007,189

26. FINANCIAL CHARGES

	2023	2022
Financial charges from Loans	**33,052,892**	19,252,535
Interest costs on benefit obligations (Note 16)	**748,826**	451,896
Interest lease expense (Note 9)	**420,922**	484,675
Balance as at 31 December	**34,222,640**	20,189,106

27. EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share for the year has been calculated by dividing the net profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings / (loss) per share is calculated by dividing the net profit / (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Company does not have any convertible shares, therefore, the basic earnings / (loss) per share equals the diluted earnings / (loss) per share. Moreover, no separate earnings / (loss) per share calculation from continuing operations has been presented since there were no discontinued operations during the year.

The basic and diluted earnings / (loss) per share calculation is given below:

	2023	2022
Profit / (loss) attributable to shareholders of the Company	**316,996,501**	(22,096,205)
Weighted average number of ordinary shares	**1,307,861,419**	1,250,721,707
Basic and diluted earning / (loss) (in SR per share)	**0.24**	(0.02)

28. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the Group's shareholders, associates and affiliated companies, other entities related to certain consolidated subsidiaries and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's management.

The Group has entered into a renewable credit facility with Alinma Bank to finance the purchase of some lands in King Abdulaziz Road project (note 15).

In the ordinary course of its activities, the funds deal with related parties, and the transactions of the related parties are in accordance with the terms and conditions of the funds. All related party transactions are approved by the Fund's Board of Directors (BOD), and the related parties include the BOD, the Fund manager, Alinma Bank (the Fund manager's Parent Company) and their related entities.

A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the consolidated financial statements lists, as follows:

Related parties	Relationship	Nature of transaction	Amount of transactions for the year ended 2023	2022	Closing balances 2023	2022
Alinma Investment Company	Fund Manager	Management fees	**58,000,000**	58,000,000	**29,000,000**	29,000,000
Alinma Bank	Parent Company of the Fund	Loans	**528,626,252**	207,863,297	**2,837,372,770**	2,308,746,518
		Accrued interest	**192,141,450**	116,001,946	**147,273,231**	82,171,715
The General Authority for Awqaf	Shareholder	settlement of payables	**1,261,300,000**	--	**102,246,450**	--
The Saleh Abdullah Kamel Humanitarian Foundation	Common Shareholder	sale	**85,142,473**	--	**68,113,978**	--
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting attendance fees	**5,355,547**	4,824,562	**2,765,000**	2,780,000
					3,186,771,429	2,422,698,233

28.1 Key management personnel remuneration and compensation comprised of the following:

	2023	2022
Salaries and other allowances including the long term allowances	**14,975,064**	16,154,400

29. FINANCIAL RISK MANAGEMENT

Overview
The Group's activities may expose it to a variety of financial risks. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

The Group may expose to the following risks from its use of financial instruments:

a) Market risk
b) Credit risks; and
c) Liquidity risk.

This note presents information about the Group's possible exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on their activities.

The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's main financial liabilities comprise of accounts payable, lease liabilities, other liabilities and loans. The main purpose of these financial liabilities is to finance the Group's operations. The Group's main financial assets include trade receivable, Investment at fair value through profit or loss and cash and cash equivalents.

The Board of Directors reviews and agrees policies for managing each of the following risks which are summarised below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of below risk:

- Foreign currency exchange risk,
- Commission (interest) rate risk
- Other price risk

29. FINANCIAL RISK MANAGEMENT (continued)

a) Market risk (continued)

The Group's overall risk management program focuses on the unpredictability of the financial market and seeks to minimize potential adverse effects on the Group's financial performance.

- **Foreign currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's functional and reporting currency is in Saudi Arabian Riyals. The Group's transactions are principally in Saudi Arabian Riyals. Management monitors the fluctuations in currency exchange rates and believes that the currency risk is not significant. The Group is not exposed to any significant foreign currency risk from Saudi Arabian Riyals, and US Dollars denominated financial instruments. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly.

- **Interest rate risks**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prevailing interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing which exposes the Group to cash flow interest rate risk.

The exposure of the Group's borrowing to interest rate changes and the contractual re-pricing dates of the variable interest rate borrowings at the end of the reporting period are as follows:

	2023	2022
Variable interest rate borrowings	**8,633,935,961**	7,089,205,525

Interest rate sensitivity analysis

Non-current assets are impacted by the increase and decrease in interest costs resulting from long-term loans as a result of changes in interest rates, and when the construction works of the project are completed, the impact will be on the profit before Zakat:

	2023	2022
Interest rate - increase by 100 basis points	**86,339,359**	70,892,055
Interest rate - decrease by 100 basis points	**(86,339,359)**	(70,892,055)

- **Other price risk**

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Company is not affected by price risk as there are no investment of the Group in equity shares or commodities.

29. FINANCIAL RISK MANAGEMENT (continued)

b) Credit risk

Credit risk arising from the other financial assets of the Group, including bank balances and cash, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount as disclosed in the consolidated statement of financial position. The credit risk in respect of bank balances is considered by management to be insignificant, as the balances are mainly held with reputable banks in the Kingdom of Saudi Arabia.

The following is the impact of the total credit risk that the Group is exposed to at the date of the consolidated financial statements:

	2023	2022
Trade receivable	**1,032,362,295**	387,192,192
Other receivables	**2,342,479**	2,156,837
Cash at banks	**538,512,311**	922,272,956
	1,573,217,085	1,311,621,985

Concentration risk
The Group has no significant concentration of credit risk. 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 management also continuously monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profiles and payment history.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third party and market information.

Trade receivables
Customer credit risk is managed by each business unit subject to the Group's established policy, procedures, and control relating to customer credit risk management. The credit quality of a customer is assessed based on an extensive credit rating scorecard, and individual credit limits are defined in accordance with this assessment. The two largest customers account for 44% of outstanding accounts receivable at 31 December 2023 (2022: 100%).

The receivables are shown net of allowance for impairment of trade receivables. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped into low risk, fair risk, doubtful, and loss based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as GDP forecast and industry outlook) affecting the ability of the customers to settle the receivables. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

29. FINANCIAL RISK MANAGEMENT (continued)

c) 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 sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments. The cash flows, funding requirements and liquidity of the Group's companies are monitored on a centralised basis, under the control of the Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the Management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity dates of financial assets and liabilities.

The table below summarises the maturity dates of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2023	**Carrying amount**	**Less than 1 year**	**2 years but less than 5 years**	**More than 5 years**	**Total**
Loans	**8,633,935,961**	**688,332,288**	**8,309,775,858**	**2,003,510,397**	**11,001,618,543**
Lease liabilities	**10,808,948**	**2,893,236**	**6,189,733**	**3,783,680**	**12,866,649**
Retention payable	**133,497,776**	--	--	**133,497,776**	**133,497,776**
Accounts payable-purchase of lands	**460,557,613**	**460,557,613**	--	--	**460,557,613**
Accounts payables	**75,142,964**	**75,142,964**	--	--	**75,142,964**
Accrued expenses and other liabilities	**1,327,158,209**	**1,327,158,209**	--	--	**1,327,158,209**
	10,641,101,471	**2,554,084,310**	**8,315,965,591**	**2,140,791,853**	**13,010,841,754**

31 December 2022	Carrying amount	Less than 1 year	2 years but less than 5 years	More than 5 years	Total
Loans	7,089,205,525	361,489,673	7,408,230,424	727,700,121	8,497,420,218
Lease liabilities	12,353,006	2,664,746	6,783,221	5,781,027	15,228,994
Retention payable	128,801,427	--	--	128,801,427	128,801,427
Accounts payable-purchase of lands	1,771,728,727	1,311,171,114	460,557,613	--	1,771,728,727
Accounts payables	137,511,931	137,511,931	--	--	137,511,931
Accrued expenses and other liabilities	1,322,449,628	1,322,449,628	--	--	1,322,449,628
	10,462,050,244	3,135,287,092	7,875,571,258	862,282,575	11,873,140,925

30. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to maintain investors and the confidence of lenders and market and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain and adjust the capital, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The ratio of net liability to equity as at 31 December is as follows:

	2023	2022
Total liabilities	**10,740,051,756**	10,491,247,605
Less: Cash and cash equivalents	**(538,512,311)**	(922,272,956)
Net liabilities	**10,201,539,445**	9,568,974,649
Total equity	**12,472,843,677**	12,154,155,673
Net liabilities to equity	**0.82**	0.79

31. FAIR VALUE OF ASSETS AND LIABILITIES

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 market or, in its absence, in the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in 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 the asset or liability that are not based on observable market data (unobservable inputs).

31. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is classified under the lowest input level that is significant to the entire measurement.

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 the Group's financial instruments are compiled under the historical cost convention, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values as none of the financial assets and liabilities are exposed to market price risk or fair value risk or interest rate risk.

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities:

	Liabilities		
	Lease liabilities	**Loans and borrowings**	**Total**
Balances as at 1 January 2023	**12,353,006**	**7,135,030,368**	**7,147,383,374**
Changes from financing cash flows			
Proceeds from bank borrowing	--	**1,537,721,912**	**1,537,721,912**
Capital repayment of lease liabilities	**(2,137,078)**	--	**(2,137,078)**
Finance cost paid of lease liabilities	**(420,922)**	--	**(420,922)**
Dividend paid	--	--	--
Total changes from financing cash flows	**(2,558,000)**	**1,537,721,912**	**1,535,163,912**
Other changes			
Liability related			
Reassessment during the year	--	--	--
Additions	**593,020**	--	**593,020**
Accretion of interest	**420,922**	--	**420,922**
Total liability-related other changes	**1,013,942**	--	**1,013,942**
Balance at 31 December 2023	**10,808,948**	**8,672,752,280**	**8,683,561,228**

33. FUTURE CONTINGENCIES AND COMMITMENTS

The total value of the infrastructure works, rock cutting, superstructure and consultancy contracts concluded by the Group regarding the project as at 31 December 2023, amounted to SR 13,401 million (31 December 2022: SR 9,658 million) remain as future liabilities as at 31 December 2023, an amount of SR 5,047 million (31 December 2022: SR 2,065 million).

34. SUBSEQUENT EVENTS

There were no material events as of the year ended 31 December 2023, until the date of approval of these consolidated financial statements for issuance by the Board of Directors, which may necessitate any amendment or disclosure in these consolidated financial statements.

35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 24 March 2024, corresponding to 14 Ramadan1445H.

UMM AL QURA FOR DEVELOPMENT
AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods
ended 30 June 2024 with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2024

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
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ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To Shareholders of Umm Al Qura for Development and Construction Company
(A Closed Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of Umm Al Qura for Development and Construction Company ("the Company") and its subsidiaries ("the Group"), which comprises:

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

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

Scope of Review

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

KPMG

Independent auditor's report on review of condensed consolidated interim financial statements (continued)

To Shareholders of Umm Al Qura for Development and Construction Company
(A Closed Saudi Joint Stock Company)

Conclusion

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

For KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 15 August 2024
Corresponding to 11 Safar 1446H

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UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**30 June 2024 (Unaudited)**	31 December 2023 (Audited)
Assets			
Investments properties	6	**20,888,355,669**	20,692,784,106
Property and equipments	7	**416,538,190**	395,239,010
Trade receivables – non-current portion	8	**1,196,737,737**	614,364,413
Right-of-use assets		**8,750,102**	9,855,171
Intangible assets		**9,436,258**	10,780,142
Investment in associate		**500,000**	500,000
Non-current assets		**22,520,317,956**	21,723,522,842
Development properties		**217,198,295**	212,209,142
Investment at fair value through profit or loss		**7,596,390**	7,392,966
Trade receivables – current	8	**578,850,599**	414,807,644
Advances and other receivables	9	**315,381,666**	316,450,528
Cash and cash equivalents	10	**914,829,985**	538,512,311
Current assets		**2,033,856,935**	1,489,372,591
Total assets		**24,554,174,891**	23,212,895,433
Equity and liabilities			
Equity			
Share capital	11	**13,078,614,190**	13,078,614,190
Accumulated losses		**(413,610,335)**	(605,770,513)
Total equity		**12,665,003,855**	12,472,843,677
Liabilities			
Loans	12	**9,643,287,598**	8,633,935,961
Lease liabilities		**5,860,568**	8,250,948
Employees benefits		**19,754,264**	18,307,959
Retention payables		**128,246,186**	133,497,776
Non-current liabilities		**9,797,148,616**	8,793,992,644
Current portion of loans	12	**150,053,514**	--
Lease liabilities		**2,558,000**	2,558,000
Accounts payable - compensation of lands	13	**431,402,853**	460,557,613
Accounts payable	14	**19,163,927**	75,142,964
Accrued expenses and other liabilities	15	**1,453,488,565**	1,327,158,209
Zakat provision		**35,355,561**	80,642,326
Current liabilities		**2,092,022,420**	1,946,059,112
Total liabilities		**11,889,171,036**	10,740,051,756
Total equity and liabilities		**24,554,174,891**	23,212,895,433

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three-month and six-month period ended 30 June 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the three-month Period ended June 30 2024 (Unaudited)	For the three-month Period ended June 30 2023 (Unaudited)	For the six-month period ended June 30 2024 (Unaudited)	For the six-month period ended June 30 2023 (Unaudited)
Revenue	5	**576,317,458**	647,146,733	**760,747,589**	647,146,733
Cost of revenue		**(322,546,623)**	(492,262,169)	**(434,495,250)**	(492,262,169)
Gross profit		**253,770,835**	154,884,564	**326,252,339**	154,884,564
Other operating income		**12,610,638**	3,866,486	**21,964,115**	3,866,486
General and administration expense		**(39,955,265)**	(23,712,580)	**(84,092,706)**	(60,408,938)
Selling and marketing expenses		**(6,429,334)**	(22,135,234)	**(21,775,424)**	(40,488,061)
Allowance for expected credit losses	8	**(2,299,694)**	(1,719,784)	**(3,260,011)**	(1,719,784)
Operating profit		**217,697,180**	111,183,452	**239,088,313**	56,134,267
Financial income		**3,514,345**	7,199,919	**7,810,449**	13,970,692
Financial charges		**(9,675,884)**	(7,010,024)	**(19,316,696)**	(13,435,141)
profit before zakat		**211,535,641**	111,373,347	**227,582,066**	56,669,818
Zakat	18	**(24,180,530)**	(8,728,398)	**(35,421,888)**	(8,728,398)
profit for the period		**187,355,111**	102,644,949	**192,160,178**	47,941,420
Other comprehensive income		**--**	--	**--**	--
Total comprehensive income for the period		**187,355,111**	102,644,949	**192,160,178**	47,941,420
Earnings per share					
Basic and diluted earnings per share attributable to equity holders of the Company (in SR per share)		**0.14**	0.08	**0.15**	0.04

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended 30 June 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Share capital	Accumulated losses	Total equity
Balance at 1 January 2024	**13,078,614,190**	**(605,770,513)**	**12,472,843,677**
Profit for the period	--	**192,160,178**	**192,160,178**
Other comprehensive income	--	--	--
Total comprehensive income for the period	--	**192,160,178**	**192,160,178**
Balance at 30 June 2024 (unaudited)	**13,078,614,190**	**(413,610,335)**	**12,665,003,855**
Balance at 1 January 2023	13,078,614,190	(924,458,517)	12,154,155,673
Profit for the period	--	47,941,420	47,941,420
Other comprehensive income	--	--	--
Total comprehensive income for the period	--	47,941,420	47,941,420
Balance at 30 June 2023 (unaudited)	13,078,614,190	(876,517,097)	12,202,097,093

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six-month period ended 30 June 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	For the six-month period ended June 30	
	2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities		
Profit before Zakat	**227,582,066**	56,669,818
Adjustments for the following items:		
Depreciation of properties and equipment	**2,852,460**	2,026,581
Depreciation on right of use assets	**1,105,069**	1,469,675
Amortization of intangibles	**1,343,884**	764,127
Financial charges	**19,316,696**	13,218,786
Allowance for expected credit losses	**3,260,011**	1,719,784
Income from short-term deposits	**(7,810,449)**	(6,770,774)
Provision for employees' benefits	**1,596,562**	1,307,494
	249,246,299	70,405,491
Change in current assets and liabilities:		
Trade receivables	**(749,676,290)**	(651,494,086)
Advances and other receivables	**(539,100)**	98,145,792
Development properties	**395,304,758**	444,906,294
Trade Payables	**(55,979,037)**	(64,122,115)
Retention Payables	**(4,273,448)**	13,920,946
Accrued expenses and other liabilities	**48,442,669**	(171,068,467)
Cash used in operating activities	**(117,474,149)**	(259,306,145)
Employees' benefit paid	**(150,257)**	(274,952)
Finance income received	**9,418,411**	6,733,365
Zakat paid	**(80,708,653)**	(7,597,688)
Net cash used in operating activities	**(188,914,648)**	(260,445,420)
Cash flows from investing activities		
Addition to property and equipment	**(24,151,640)**	(310,792)
Addition to investment properties	**(283,147,572)**	(424,928,701)
Investments at fair value through profit or loss	**(203,424)**	4,261,348
Accounts payable - compensation of lands	**(29,154,760)**	(12,450,029)
Net cash used in investing activities	**(336,657,396)**	(433,428,174)
Cash flows from financing activities		
Proceeds from loans	**1,154,847,586**	593,994,754
Repayments of lease liabilities	**(2,558,000)**	(2,558,000)
Payments of finance charges from loans	**(250,399,868)**	(146,905,776)
Net cash generated from financing activities	**901,889,718**	444,530,978
Net change in cash and cash equivalents	**376,317,674**	(249,342,616)
Cash and cash equivalents beginning of the period	**538,512,311**	922,272,956
Cash and cash equivalents at the end of the period	**914,829,985**	672,930,340
Major non-cash supplemental information:		
Transfer to development properties	**400,293,911**	447,582,431
Capitalization of borrowing cost on investment properties	**312,717,902**	224,382,465

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

1. GENERAL INFORMATION

Umm Al Qura for Development and Construction Company (the "Company") is Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued in Riyadh on 28 Rabie Al-Thani 1433H (corresponding to 21 March 2012). The Ministerial Resolution No. 163/S dated 27 Rabea Al-Thani 1433H (corresponding to 20 March 2012).

The Company's Head Office is located at the following address:

Makkah Al-Mukarramah, Al-Rusaifa Street
P. O. Box 16786
Postal code 21955
Kingdom of Saudi Arabia

The Group is engaged in real estate activities represented in purchasing, selling and dividing of lands and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

These condensed consolidated interim financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 23 Rabi' Awal 1442H (corresponding to 9 November 2020).

These condensed consolidated interim financial statements of group include the financial statements of Umm Al Qura for Development and Construction Company (the "Company") and its subsidiaries (collectively referred to as the "Group"). The subsidiaries comprise the following:

Name of subsidiaries	**Country of incorporation**	**Principal business**	**Effective holding percentage**	
			30 June 2024	31 December 2023
Alinma Makkah for Development Fund I	Kingdom of Saudi Arabia	Real estate investments	**100%**	100%
Alinma Makkah for Development Fund II	Kingdom of Saudi Arabia	Real estate investments	**100%**	100%

During the year ended 31 December 2023, the company established Masar Interface Company Limited in partnership with Kaden Investment Company to develop and manage Masar Interface under Commercial Registration No. 4031276869, with an ownership percentage of 50% for each partner.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed consolidated interim financial statements do not include all the information and disclosures required in the full set of annual consolidated financial statements. They should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. In addition, results for the interim period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 Basis of measurement

The condensed consolidated interim financial statements are prepared under the historical cost convention using the accruals basis of accounting and going concern concept, unless otherwise stated.

2.3 Functional and presentational currency

The condensed consolidated interim financial statements are presented in Saudi Arabian Riyal which is the presentational and functional currency of all the entities in the Group. All amounts have been rounded off to the nearest Riyals, unless otherwise stated.

2.4 Significant accounting judgement, estimates and assumption

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, expenses and the associated disclosures and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Actual results may differ from these estimates. The estimates and related assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of amendments and interpretations effective as of 1 January 2024, as mentioned in note 4. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS

4.1 Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 1	Non-current liabilities with covenants – amendments to IAS 1 and Classification of liabilities as current or non-current – Amendments to IAS 1	1 January 2024
IFRS 16	Lease liability in sales and leaseback – amendments to IFRS 16	1 January 2024
IAS 7 and IFRS 7	Supplier finance arrangements – amendments to IAS 7 and IFRS 7	1 January 2024

4.2 Standards, interpretations and amendments issued but not yet effective

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

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 21	Lack of exchangeability – amendments to IAS 21	1 January 2025
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS (continued)

The standards, interpretations and amendments with effective date of 1 January 2024 will not have any material impact on the Group's condensed consolidated interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Group is currently assessing the implications on the Group's consolidated interim financial statements on adoption.

5. REVENUES

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Revenue by nature		
Income from sale of lands (note 5.1)	**756,187,758**	647,146,733
Income from lease of lands	**4,559,831**	--
	760,747,589	647,146,733

5.1 During the period ended June 30, 2024, the Group sold plots of land for a total contract amount of SR 875.20 million, and its total sales were recorded at present value of SR 756.19 million. The income is recognized at point in time amounts to SR 756 million (2023: SR 647).

6. INVESTMENT PROPERTIES

6.1 The movement in investment property is analyzed as under:

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Project lands		
Cost:		
Balance as at January 1	**9,580,349,885**	10,217,756,289
Additions during the period (Note 6.3)	**6,300,060**	12,427,081
Transfer to properties and equipment	**--**	(210,224)
Transfer to development properties (Note 6.4)	**(191,507,806)**	(216,919,473)
Balance as at the end of period	**9,395,142,139**	10,013,053,673
Capital work in progress		
Cost:		
Balance as at January 1	**11,112,434,221**	10,402,166,414
Additions during the period (Note 6.7)	**589,565,414**	646,915,809
Transfer to development properties (Note 6.4)	**(208,786,105)**	(230,662,958)
Transfer to properties and equipment	**--**	(9,821,500)
Balance as at the end of period	**11,493,213,530**	10,808,597,765
Total	**20,888,355,669**	20,821,651,438

6. INVESTMENT PROPERTIES (continued)

6.2 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue title deeds for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Group. Accordingly, four comprehensive title deeds for the project were issued in favor of the Group on 18 Shaban 1442H (corresponding to 31 March 2021). The project lands are held for a currently undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project plots are classified as investment properties (except if specified below). The project lands include lands mortgaged in favor of a commercial bank against long-term loans (note 12).

6.3 As at 30 June 2024, the additions represent the increase in the value of the project lands, which mainly represents an additional compensation value in the amount of SR 6.30 million (30 June 2023: SR 12.43 million) for the real estate owners according to a decision of the General Court in Makkah Al-Mukarramah.

6.4 During the period ended 30 June 2024, the Group transferred plots of land to development property which were there after sold. Such plots had a total cost of SAR 434.50 million (30 June 2023: SAR 492.26 million), which represents an actual cost of SAR 400.30 million (30 June 2023: SAR 441 million) in addition to estimated cost which is yet to be incurred at a value of SR 34.20 million (30 June 2023: SAR 51 million) where the Group classifies it as liabilities for project-related future cost (Note 15).

6.5 The capital work in progress represents the works of demolition, rock excavation and infrastructure, in addition to the costs of engineering consultancy and project designs. During the period ended 30 June 2024, an amount of SR 313 million (30 June 2023: SR 224 million) was capitalized as cost of borrowing for the construction of investment properties included in capital work in progress.

6.6 As at 30 June 2024, the main infrastructure works are still under construction and the completion of the main contractor's work is expected by the end of 2024.

7. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of SR 24.15 million (30 June 2023: SR 10.34 million). Further, depreciation charge for the period amounts to SR 2.85 million (30 June 2023: SR 2.03 million).

8. TRADE RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	**1,782,038,585**	1,032,362,295
Less: Allowance for expected credit losses	**(6,450,249)**	(3,190,238)
Balance as at the end of the period/year	**1,775,588,336**	1,029,172,057
Non-current portion	**1,196,737,737**	614,364,413
Current portion	**578,850,599**	414,807,644

8. TRADE RECEIVABLES (continued)

Following is the movement of allowance for expected credit losses:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of period / year	**3,190,238**	845,005
Charge for the period / year	**3,260,011**	2,345,233
Balance at the end of the period / year	**6,450,249**	3,190,238

9. ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Advances to supplier	**155,721,009**	182,968,090
VAT	**153,834,040**	126,566,881
Fees and licenses	**4,765,142**	4,573,078
Others	**1,061,475**	2,342,479
	315,381,666	316,450,528

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash at bank	**573,229,985**	94,212,311
Short-term deposits (Note 10.1)	**341,600,000**	444,300,000
	914,829,985	538,512,311

10.1 The amount represents short-term deposits with commercial banks, compliant with Islamic Sharia, and yield commission at prevailing market rates.

10.2 According to the Musharaka and then Ijarah financing agreement with a commercial bank, the Group opens restricted accounts, in which the proceeds of the public subscription are deposited, in addition to the proceeds of revenue, and the balances of these accounts are not pledged.

11. SHARE CAPITAL

The authorized, issued and fully paid-up capital of the Company as at 30 June 2024 consists of 1,307,861,419 shares (31 December 2023: 1,307,861,419 shares) the value of each share is SR 10, part of which is in kind and part is cash:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Value of issued shares	**13,078,614,190**	13,078,614,190

12. LOANS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Liabilities under Musharaka agreements then Ijara agreements (Note 12.1)	**7,351,436,408**	6,972,752,380
Liabilities under Tawarroq agreements (Note 12-2)	**2,476,163,458**	1,699,999,900
Structuring and arrangement fees (Note 12.3)	**(34,258,754)**	(38,816,319)
	9,793,341,112	8,633,935,961
Non-current portion-long term	**9,643,287,598**	8,633,935,961
Current portion-short term	**150,053,514**	--

12.1 At 13 October 2019, the Group renewed the financing agreement concluded on 23 June 2012 with a commercial bank to finance the purchase of some lands in King Abdulaziz Road project and the costs of developing the infrastructure of the project lands. The new credit limit of the financing agreement amounted to SR 4,100 million, divided into the following:

The financing agreement concluded with the bank includes a long-term Musharaka then Ijara financing for a period of eight years, with a credit limit not exceeding SR 2,600 million, to finance the compensation of lands and real estate in the project area, and the Group is not entitled to use it for any other purpose. During the year ended 31 December 2013, the Group withdrew an amount of SR 2,600 million to compensate lands in the project and issue checks for this purpose. The financing is paid in one installment on 3 July 2025, and the financing charges are paid annually. The Group has secured all the guarantees required by the agreement, including the mortgage of the project lands, the value of which has been paid through the bank in favor of the bank or its representative.

During the year ended 31 December 2017, the Group withdrew an amount of SR 1,500 million in order to finance the infrastructure development work of the project lands. The financing is due in one installment on 3 July 2025, and the financing charge is paid annually. In addition to the above, on 25 February 2020, (corresponding to 1 Rajab 1441H), the Group entered into a Musharaka financing contract and then a carry-over lease in the amount of SR 6,500 million with the Bank to finance the development of investment properties. Financing charges are paid annually, and financing is secured from real estate ownership deeds and mortgaged to the Bank. As at 30 June 2024, the Group has withdrawn an additional amount of SR 385 million (31 December 2023: SR 528 million).

12. LOANS (continued)

12.2 During the year ended on 31 December 2023, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of seven years, with a credit limit not exceeding SR 2,900 million, for the purpose of financing the infrastructure development work on the project lands, and the Group has no right to use it for any other purpose. The Group withdrew an installment of SR 175 million during the Period ended 30 June 2024 (31 December 2023: SR 1,017 million). The principal is due to be repaid in 4 equal annual installments, the first installment of which is due at the end of the grace period, which is a maximum of 36 months starting from the first use of the financing, and a maximum of 7 years including the grace period. Finance charges are paid annually.

During the period ended on 30 June 2024, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of four years, with a credit limit not exceeding SR 800 million. The Group withdrew an installment of SR 600 million during the period ended 30 June 2024. The principal is due to be repaid in 4 equal annual installments, and Finance charges are paid annually.

12.3 The Group bears a structuring and arrangement fee for each financing installment drawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

13. ACCOUNTS PAYABLE - COMPENSATION OF LANDS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Payables for properties owners (13.1)	**431,402,853**	460,557,613

The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah in favor of the Company with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and the properties that do not have title deeds which are 1056 properties and register the corresponding shares in the name of the State Properties General Authority. The properties that have title deeds (98 properties) and their owners are not existent, the corresponding shares are registered in the name of the not existent owners under the supervision of the General Authority for The Guardianship of Trust Funds for Minors and their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to the 167 properties under procedure, Which the Group is completing the procedures of transferring its ownership. As at 30 June 2024 the transfer of ownership of, 40 properties to the Group was completed (31 December 2023: 39 properties).

13. ACCOUNTS PAYABLE - COMPENSATION OF LANDS (continued)

During the year ended 31 December 2022, the Group was informed that there are two properties (the unknown owner of which is supposed to register the corresponding shares in the name of absent persons under the supervision of the General Commission For The Guardianship of Trust Funds for Minors And Their Counterparts in accordance with the supreme order) that were expropriated and compensated by a committee of development of the spaces surrounding the Holy Mosque of Mecca (Al Haram), and the ownership of the property and the compensation mechanism are currently being considered. Accordingly, these two properties were excluded from the properties of the absent persons referred to in the Supreme Order.

During the period ended 30 June 2024, the company was able to sort and issue 157 individual deeds (31 December 2023: 157) for the project plots of land from the comprehensive title deeds, and it is expected that the sorting of all deeds for the project plots of land will be completed during the year 2024.

13.1 As at 30 June 2024, payables for land purchase amounted to SR 431,402,853 (31 December 2023: SR 460,557,613), as the project's properties owners paid / settlement amount of SR 29.2 million (31 December 2023: SR 1,311 million).

14. ACCOUNTS PAYABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Payables to project contractors	**3,285,233**	73,265,639
Others	**15,878,694**	1,877,325
	19,163,927	75,142,964

15. ACCRUED EXPENSE AND OTHER LIABILITIES

Accrued expenses and other liabilities comprise of the following:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Unbilled completed development works	**509,025,062**	470,643,464
Accrued financial charges	**427,084,065**	350,174,520
Retention payables - current portion	**133,650,127**	132,671,985
Costs against sold lands (note 6.4)	**260,786,232**	252,105,698
litigation and claims	**60,402,465**	60,402,465
Accrued employees' expenses and bonuses	**29,132,298**	23,832,857
Management fee payable to manager of investment funds	**29,000,000**	29,000,000
Remunerations and meeting allowances (note 17)	**1,530,000**	2,765,000
Others	**2,878,316**	5,562,220
	1,453,488,565	1,327,158,209

16. EARNINGS PER SHARE

Basic earnings per share for the year has been calculated by dividing the net profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Company does not have any convertible shares, therefore, the basic earnings per share equals the diluted earnings per share. Moreover, no separate earnings per share calculation from continuing operations has been presented since there were no discontinued operations during the period.

The basic and diluted earning per share calculation is given below:

	30 June 2024	30 June 2023
Net profit attributable to shareholders of the Company	**192,160,178**	47,941,420
Weighted average number of ordinary shares	**1,307,861,419**	1,307,861,419
Basic and diluted earning (in SR per share)	**0.15**	0.04

17. TRANSACTIONS WITH RELATED PARTIES

The Group, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties represents directors, and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. The transactions with related parties are made at approved contractual terms.

The Group has entered into a renewable credit facility with Alinma Bank to finance the purchase of some lands in King Abdulaziz Road project (note 12).

17. TRANSACTIONS WITH RELATED PARTIES (continued)

A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the condensed consolidated interim financial statements lists, as follows:

Related parties	Relationship	Nature of transaction	Amounts of transactions for the period ended		Closing balances	
			30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	**30 June 2024 (Unaudited)**	31 December 2023 (Audited)
Alinma Investment Company	Fund Manager	Administrative and management fees	**29,000,000**	29,000,000	**29,000,000**	29,000,000
Alinma Bank	Parent Company of Fund Manager	Loans	**382,747,921**	124,849,889	**3,220,120,691**	2,837,372,770
		Accrued interest	**93,522,933**	80,721,161	**40,768,869**	147,273,231
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting fees	**2,569,864**	2,641,382	**1,530,000**	2,765,000
					3,291,419,560	3,016,411,001

18. ZAKAT

	30 June 2024	30 June 2023
Charge for the period	**35,421,888**	8,728,398

Movement in Zakat provision during the period / year is as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at beginning of period / year	**80,642,326**	13,105,040
Charge for the period / year	**35,421,888**	75,134,974
Paid during the period / year	**(80,708,653)**	(7,597,688)
Balance at the end of the period / year	**35,355,561**	80,642,326

18. ZAKAT (continued)

Zakat assessments status of the Group

18. The Group submitted its zakat returns for the years ended December 31, 2014 to 2016, and obtained a zakat certificate for the year ended December 31, 2016. The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the years 2014 to 2016 which claimed additional zakat dues with a total amount of SAR 5,520,439. The Group objected to the zakat assessment, after settling the zakat due on the undisputed items, which was rejected by ZATCA. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"). The Group withdrew its case from the ZATCA to apply the Ministerial Resolution No. (13597) for the mentioned years. The aforementioned request was accepted by the Zakat, Tax and Customs Authority (ZATCA), and the authority issued a zakat assessment of SAR 4,648,647 for the year 2014. The ZATCA accepted the Company's PoV partially, by which, the Zakat liability due reduced to become SR 1،617،151. The Company accepted ZATCA's treatment; therefore, the dispute is considered over and the Zakat status for the years from 2014 to 2016 is considered to be finalized.

18.2 The Group submitted its zakat return for the year ended December 31, 2017 and obtained a zakat certificate for 2017, the Zakat and Tax Authority has not yet issued the final zakat assessment for the year.

18.3 The Group submitted its zakat return for the year ended December 31, 2018 and obtained a zakat certificate for the year 2018, The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the year and demanded additional zakat of SAR 31,884,675. The Group had filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued the revised zakat assessment for the year 2018, which the zakat dues were reduced to SAR 30,996,350. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"), which accepted some of the group's items objections. The group appealed the General Secretariat's decision to the Zakat, Tax and Customs Appeals and Dispute Resolution Committee for the items not accepted, The Appeals Committee rejected the group's appeal. The Appeals Committee's decision consider final and the additional zakat is paid and the company status finalized.

18.4 The Group submitted its zakat returns based on its unaudited consolidated financial statements for the year ended December 31, 2019 and obtained a zakat certificate for the mentioned years. The ZATCA has not yet issued the zakat assessment for those years. The company succeeded in obtaining the approval of the Zakat, Tax and Customs Authority to submit consolidated zakat declarations for the company and its two affiliated funds (Alinam Makkah Development 1st Fund for Development and Alinma Makkah 2nd Fund for Development), which are 100% owned by it, for the years ended December 31, 2020 to 2023. The Group submitted its consolidated zakat declarations based on the audited consolidated financial statements for the years ended December 31, 2020 to 2023, and obtained a zakat certificate. The ZATCA has not issued zakat assessments for those years to date.

19. FAIR VALUE OF ASSETS AND LIABILITIES

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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between levels of the fair value hierarchy during the period ended 30 June 2024 and for the year ended 31 December 2023. Additionally, there were no changes in the valuation techniques.

The fair values of financial instruments are not materially different from their carrying values.

	Level 1	Level 2	Level 3	Total
30 June 2024 (Unaudited)				
Investments at FVTPL				
- Investment at fair value through profit or loss	**7,596,390**	--	--	**7,596,390**
31 December 2023 (Audited)				
Investments at FVTPL				
- Investment at fair value through profit or loss	7,392,966	--	--	7,392,966

19. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, where the carrying amount is a reasonable approximation of fair value.

30 June 2024 (Unaudited)	**Carrying amount**			
Description:	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Financial assets not measured at fair value				
Trade receivables	**1,775,588,336**	--	--	**1,775,588,336**
Other receivables	**5,826,617**	--	--	**5,826,617**
Cash and cash equivalents	**914,829,985**	--	--	**914,829,985**
Financial liabilities not measured at fair value				
Loans	**9,793,341,112**	--	--	**9,793,341,112**
Retention payables	**128,246,186**	--	--	**128,246,186**
Accounts payable - compensation of lands	**431,402,853**	--	--	**431,402,853**
Accounts payable	**19,163,927**	--	--	**19,163,927**
Accrued expenses and other liabilities	**1,453,488,565**	--	--	**1,453,488,565**
Lease liabilities	**8,418,568**	--	--	**8,418,568**

31 December 2023 (Audited)	Carrying amount			
Description:	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial assets not measured at fair value				
Trade receivables	1,029,172,057	--	--	1,029,172,057
Other receivables	6,915,557	--	--	6,915,557
Cash and cash equivalents	538,512,311	--	--	538,512,311
Financial liabilities not measured at fair value				
Loans	8,633,935,961	--	--	8,633,935,961
Retention payables	133,497,776	--	--	133,497,776
Accounts payable - compensation of lands	460,557,613	--	--	460,557,613
Accounts payable	75,142,964	--	--	75,142,964
Accrued expenses and other liabilities	1,327,158,209	--	--	1,327,158,209
Lease liabilities	10,808,948	--	--	10,808,948

20. CONTINGENCIES AND COMMITMENTS

As at 30 June 2024 as commitments for capital work in progress amounts to SR 4,707 million (31 December 2023: SR 5,047 million).

21. SEGMENTAL INFORMATION

The Group has one reportable segment, as described below, which is the Group's strategic business unit. The strategic business unit offers one product i.e Sales of land. The Group's Board of Directors and CEO monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group.

The operating segment described below have been prepared in accordance with IFRS 8. The Group operates in one main business segments.

Geographical distribution of sales:

Sale of land	**30 June 2024**	30 June 2023
Kingdom of Saudi Arabia	**756,187,758**	647,146,733
Total	**756,187,758**	647,146,733

Sale of land from one major customer represented approximately 76% (30 June 2023: 100%) of the Group's total income.

22. RECLASSIFICATION IN PRIOR YEAR

During 2024, the management of the Group reassessed the presentation of certain assets amounting to SR 212.21 million which were classified as held for sale in preceding period and reclassified these to development properties to comply with the requirements of IFRS.

23. SUBSEQUENT EVENTS

There were no material events as of the period ended 30 June 2024, until the date of approval of these consolidated financial statements for issuance by the Board of Directors, which may necessitate any amendment or disclosure in these condensed consolidated interim financial statements.

24. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 8 August 2024, corresponding to 4 Safar 1446H.

UMM AL QURA FOR DEVELOPMENT
AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2024
with
INDEPENDENT AUDITOR'S REPORT

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and nine-month periods ended 30 September 2024

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأميرسلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

To Shareholders of Umm Al Qura for Development and Construction Company
(A Closed Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial statements of Umm Al Qura for Development and Construction Company ("the Company") and its subsidiaries ("the Group"), which comprises:

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

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

Scope of Review

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

KPMG

Independent auditor's report on review of condensed consolidated interim financial statements (continued)

To Shareholders of Umm Al Qura for Development and Construction Company
(A Closed Saudi Joint Stock Company)

Conclusion

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

For KPMG Professional Services

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 12 November 2024
Corresponding to 10 Jumada Al-Awwal 1446H

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UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	**30 September 2024 (Unaudited)**	31 December 2023 (Audited)
Assets			
Investments properties	6	**20,839,160,799**	20,692,784,106
Property and equipment	7	**421,191,945**	395,239,010
Trade receivables – non-current portion	8	**1,062,000,003**	614,364,413
Right-of-use assets		**8,197,568**	9,855,171
Intangible assets		**8,764,315**	10,780,142
Investment in associate		**500,000**	500,000
Non-current assets		**22,339,814,630**	21,723,522,842
Development properties	6	**559,016,613**	212,209,142
Investment at fair value through profit or loss		**7,596,390**	7,392,966
Trade receivables – current portion	8	**944,576,508**	414,807,644
Advances and other receivables	9	**360,790,090**	316,450,528
Cash and cash equivalents	10	**257,607,506**	538,512,311
Current assets		**2,129,587,107**	1,489,372,591
Total assets		**24,469,401,737**	23,212,895,433
Equity and liabilities			
Equity			
Share capital	11	**13,078,614,190**	13,078,614,190
Accumulated losses		**(296,714,960)**	(605,770,513)
Total equity		**12,781,899,230**	12,472,843,677
Liabilities			
Loans	12	**9,724,874,741**	8,633,935,961
Lease liabilities		**5,944,376**	8,250,948
Employees benefits		**19,510,106**	18,307,959
Retention payables		**138,199,771**	133,497,776
Non-current liabilities		**9,888,528,994**	8,793,992,644
Loans– current portion	12	**150,053,514**	--
Lease liabilities– current portion		**2,558,000**	2,558,000
Accounts payable - compensation of lands	13	**423,024,649**	460,557,613
Accounts payable	14	**44,053,431**	75,142,964
Accrued expenses and other liabilities	15	**1,142,773,894**	1,327,158,209
Zakat provision	18	**36,510,025**	80,642,326
Current liabilities		**1,798,973,513**	1,946,059,112
Total liabilities		**11,687,502,507**	10,740,051,756
Total equity and liabilities		**24,469,401,737**	23,212,895,433

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three-month and nine-month period ended 30 September 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	For the three-month period ended September 30		For the nine-month period ended September 30	
		2024	2023	**2024**	2023
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	5	**266,683,100**	--	**1,027,430,689**	647,146,733
Cost of revenue		**(111,117,864)**	--	**(545,613,114)**	(492,262,169)
Gross profit		**155,565,236**	--	**481,817,575**	154,884,564
Other operating income		**19,545,517**	13,875,844	**41,509,632**	17,742,330
General and administration expense		**(47,474,421)**	(30,626,968)	**(131,567,137)**	(90,122,251)
Selling and marketing expenses		**(3,804,835)**	(16,354,187)	**(25,580,259)**	(56,842,248)
Reversal/ (charge) for allowance for expected credit losses	8	**1,662**	(4,830)	**(3,258,349)**	(2,530,095)
Operating profit / (loss)		**123,833,159**	(33,110,141)	**362,921,462**	23,132,300
Finance income		**3,262,651**	3,698,679	**11,073,100**	17,669,371
Finance costs		**(10,200,425)**	(9,745,744)	**(29,517,121)**	(23,289,058)
Profit / (loss) before zakat		**116,895,385**	(39,157,206)	**344,477,441**	17,512,613
Zakat	18	**--**	(2,100,869)	**(35,421,888)**	(10,829,267)
Profit / (loss) for the period		**116,895,385**	(41,258,075)	**309,055,553**	6,683,346
Other comprehensive income		**--**	--	**--**	--
Total comprehensive income / (loss) for the period		**116,895,385**	(41,258,075)	**309,055,553**	6,683,346
Earnings per share					
Basic and diluted earnings / (loss) per share attributable to equity holders of the Company (in SR per share)	16	**0.09**	(0.03)	**0.24**	0.01

The accompanying notes from 1 to 24 form an integral part of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine-month period ended 30 September 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Share capital	Accumulated losses	Total equity
Balance at 1 January 2024	**13,078,614,190**	**(605,770,513)**	**12,472,843,677**
Profit for the period	**--**	**309,055,553**	**309,055,553**
Other comprehensive income	**--**	**--**	**--**
Total comprehensive income for the period	**--**	**309,055,553**	**309,055,553**
Balance at 30 September 2024 (unaudited)	**13,078,614,190**	**(296,714,960)**	**12,781,899,230**
Balance at 1 January 2023	13,078,614,190	(924,458,517)	12,154,155,673
Profit for the period	--	6,683,346	6,683,346
Other comprehensive income	--	--	--
Total comprehensive income for the period	--	6,683,346	6,683,346
Balance at 30 September 2023 (unaudited)	13,078,614,190	(917,775,171)	12,160,839,019

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

UMM AL QURA FOR DEVELOPMENT AND CONSTRUCTION COMPANY
(A Saudi Closed Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine-month period ended 30 September 2024
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	For the nine-month period ended September 30	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before Zakat	**344,477,441**	17,512,613
Adjustments for the following items:		
Depreciation of properties and equipment	**4,315,477**	3,065,981
Depreciation on right of use assets	**1,657,603**	1,879,982
Amortization of intangible assets	**2,015,827**	1,242,374
Finance costs	**29,517,121**	23,289,058
Allowance for expected credit losses	**3,258,349**	2,530,095
Gain from sale of property and equipment	**--**	(6,736,861)
Income from short-term deposits	**(11,073,100)**	(17,669,371)
Provision for employees' benefits	**2,471,715**	1,978,498
	376,640,433	27,092,369
Change in current assets and liabilities:		
Trade receivables	**(980,662,803)**	(621,477,683)
Advances and other receivables	**(46,265,191)**	(17,056,898)
Development properties	**500,961,978**	439,367,710
Accounts payable	**(31,089,533)**	(30,561,096)
Retention Payables	**18,155,315**	21,110,096
Accrued expenses and other liabilities	**(135,756,938)**	(235,664,197)
Cash used in operating activities	**(298,016,739)**	(417,189,699)
Employees' benefit paid	**(1,269,568)**	(274,952)
Finance income received	**12,998,729**	19,018,097
Zakat paid	**(79,554,189)**	(7,597,688)
Net cash used in operating activities	**(365,841,767)**	(406,044,242)
Cash flows from investing activities		
Additions to property and equipment	**(30,268,412)**	(8,817,981)
Additions to intangible assets	**--**	(5,771,186)
Additions to investment properties	**(463,284,553)**	(770,789,657)
Investments at fair value through profit or loss	**(203,424)**	4,261,348
Proceeds from sale of property and equipment	**--**	13,473,722
Accounts payable - compensation of lands	**(37,532,964)**	(51,570,580)
Net cash used in investing activities	**(531,289,353)**	(819,214,334)
Cash flows from financing activities		
Proceeds from loans	**1,233,101,943**	1,054,971,507
Repayments of lease liabilities	**(2,558,000)**	(2,558,000)
Payments of finance costs from loans	**(614,317,628)**	(433,372,991)
Net cash generated from financing activities	**616,226,315**	619,040,516
Net change in cash and cash equivalents	**(280,904,805)**	(606,218,060)
Cash and cash equivalents at the beginning of the period	**538,512,311**	922,272,956
Cash and cash equivalents at the end of the period	**257,607,506**	316,054,896
Major non-cash supplemental information:		
Transfer to development properties	**846,503,410**	536,553,559
Capitalization of borrowing cost on investment properties	**530,861,589**	390,212,776

The accompanying notes from 1 to 24 form an integral part
of these condensed consolidated interim financial statements.

1. GENERAL INFORMATION

Umm Al Qura for Development and Construction Company (the "Company") is Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4031225409 issued in Riyadh on 28 Rabie Al-Thani 1433H (corresponding to 21 March 2012). The Ministerial Resolution No. 163/S dated 27 Rabea Al-Thani 1433H (corresponding to 20 March 2012).

The Company's Head Office is located at the following address:

Makkah Al-Mukarramah, Al-Rusaifa District
P. O. Box 2391
Postal code 24232
Kingdom of Saudi Arabia

The Group is engaged in real estate activities represented in purchasing, selling and dividing of lands and real estate, off-plan sales activities, management and leasing of owned or leased (non-residential) properties, in addition to the construction field of public works of residential buildings and non-residential buildings such as schools, hospitals, hotels, etc., and the construction of roads, streets, sidewalks, road supplies, and the construction of bridges and tunnels.

These condensed consolidated interim financial statements include the results, assets and liabilities of the Company's branch in Jeddah under Commercial Registration No. 4030397803 dated 23 Rabi' Awal 1442H (corresponding to 9 November 2020).

These condensed consolidated interim financial statements of group include the financial statements of Umm Al Qura for Development and Construction Company (the "Company") and its subsidiaries (collectively referred to as the "Group"). The subsidiaries comprise the following:

Name of subsidiaries	Country of incorporation	Principal business	Effective holding percentage	
			30 September 2024	31 December 2023
Alinma Makkah for Development Fund I	Kingdom of Saudi Arabia	Real estate investments	**100%**	100%
Alinma Makkah for Development Fund II	Kingdom of Saudi Arabia	Real estate investments	**100%**	100%

During the year ended 31 December 2023, the company established Masar Front Company Limited in partnership with Kaden Investment Company to develop and manage Masar Front under Commercial Registration No. 4031276869, with an ownership percentage of 50% for each partner.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

2.2 Basis of measurement

The condensed consolidated interim financial statements are prepared under the historical cost convention using the accruals basis of accounting and going concern concept, unless otherwise stated.

2.3 Functional and presentational currency

The condensed consolidated interim financial statements are presented in Saudi Arabian Riyal which is the presentational and functional currency of all the entities in the Group. All amounts have been rounded off to the nearest Riyals, unless otherwise stated.

2.4 Significant accounting judgement, estimates and assumption

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, expenses and the associated disclosures and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Actual results may differ from these estimates. The estimates and related assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of amendments and interpretations effective as of 1 January 2024, as mentioned in note 4. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS

4.1 Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January 2024.

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 1	Non-current liabilities with covenants – amendments to IAS 1 and Classification of liabilities as current or non-current – Amendments to IAS 1	1 January 2024
IFRS 16	Lease liability in sales and leaseback – amendments to IFRS 16	1 January 2024
IAS 7 and IFRS 7	Supplier finance arrangements – amendments to IAS 7 and IFRS 7	1 January 2024

4.2 Standards, interpretations and amendments issued but not yet effective

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

Standard / Interpretation	*Description*	*Effective from periods beginning on or after the following date*
IAS 21	Lack of exchangeability – amendments to IAS 21	1 January 2025
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

4. NEW STANDARDS, INTERPETATON AND AMENDMENTS (continued)

The standards, interpretations and amendments with effective date of 1 January 2024 will not have any material impact on the Group's condensed consolidated interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the Group is currently assessing the implications on the Group's consolidated interim financial statements on adoption.

5. REVENUES

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Revenue by nature		
Income from sale of lands (note 5.1)	**1,019,722,403**	647,146,733
Income from lease of lands	**7,708,286**	--
	1,027,430,689	647,146,733

5.1 During the period ended September 30, 2024, the Group sold plots of lands for a total contract amount of SR 1,138.73 million, and its total sales were recorded at present value of SR 1,019.72 million. The income is recognized at point in time amounts to SR 1,019.72 million (2023: SR 647.14 million).

6. INVESTMENT PROPERTIES

6.1 The movement in investment property is analyzed as under:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Project lands		
Cost:		
Balance as at January 1	**9,580,349,885**	10,217,756,289
Additions during the period (Note 6.3)	**6,306,402**	15,283,992
Transfer to development properties (Note 6.4)	**(400,972,815)**	(263,889,521)
Balance as at the end of period	**9,185,683,472**	9,969,150,760
Capital work in progress		
Cost:		
Balance as at January 1	**11,112,434,221**	10,402,166,414
Additions during the period (Note 6.5)	**987,839,740**	1,145,718,441
Transfer to development properties (Note 6.4)	**(446,796,634)**	(272,664,038)
Balance as at the end of period	**11,653,477,327**	11,275,220,817
Total	**20,839,160,799**	21,244,371,577

6. INVESTMENT PROPERTIES (continued)

6.2 The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue title deeds for the entire King Abdulaziz Road project in Makkah Al-Mukarramah in favor of the Group. Accordingly, four comprehensive title deeds for the project were issued in favor of the Group on 18 Shaban 1442H (corresponding to 31 March 2021). The project lands are held for a currently undetermined future use, as the specific distribution of the project lands has not yet been completed. Therefore, all the project plots are classified as investment properties (except if specified below). The project lands include lands mortgaged in favor of a commercial bank against long-term loans (note 12).

6.3 As at 30 September 2024, the additions represent the increase in the value of the project lands, which mainly represents an additional compensation value in the amount of SR 6.30 million (30 September 2023: SR 15.28 million) for the real estate owners according to a decision of the General Court in Makkah Al-Mukarramah.

6.4 During the period ended 30 September 2024, the Group transferred plots of lands to development property which were there after sold. Such plots had a total cost of SAR 545.61 million (30 September 2023: SAR 492.26 million), which represents an actual cost of SAR 508.45 million (30 September 2023: SAR 441 million) in addition to estimated cost which is yet to be incurred at a value of SR 37.16 million (30 September 2023: SAR 52.90 million) where the Group classifies it as liabilities for project-related future cost (Note 15).

6.5 The capital work in progress represents the works of demolition, rock excavation, infrastructure and superstructure, in addition to the costs of engineering consultancy and project designs. During the period ended 30 September 2024, an amount of SR 530.9 million (30 September 2023: SR 390.3 million) was capitalized as cost of borrowing for the construction of investment properties included in capital work in progress.

6.6 As at 30 September 2024, the main infrastructure works are still under construction and the completion of the main contractor's work is expected by the end of 2024.

7. PROPERTY AND EQUIPMENT

During the nine months ended 30 September 2024, the Group acquired assets with a cost of SR 30.27 million (30 September 2023: SR 8.82 million). Further, depreciation charge for the period amounts to SR 4.32 million (30 September 2023: SR 3.07 million).

8. TRADE RECEIVABLES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Trade receivables	**2,013,025,098**	1,032,362,295
Less: Allowance for expected credit losses	**(6,448,587)**	(3,190,238)
Balance as at the end of the period/year	**2,006,576,511**	1,029,172,057
Non-current portion	**1,062,000,003**	614,364,413
Current portion	**944,576,508**	414,807,644

8. TRADE RECEIVABLES (continued)

Following is the movement of allowance for expected credit losses:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Balance at beginning of period	**3,190,238**	845,005
Charge for the period	**3,258,349**	2,530,095
Balance at the end of the period	**6,448,587**	3,375,100

9. ADVANCES AND OTHER RECEIVABLES

Advances and other receivables consist of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
VAT	**203,446,868**	126,566,881
Advances to supplier	**139,179,930**	182,968,090
Fees and licenses	**5,328,027**	4,573,078
Others	**12,835,265**	2,342,479
	360,790,090	316,450,528

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Cash at bank	**164,607,506**	94,212,311
Short-term deposits (Note 10.1)	**93,000,000**	444,300,000
	257,607,506	538,512,311

10.1 The amount represents short-term deposits with commercial banks, compliant with Islamic Sharia, and yield commission at prevailing market rates.

10.2 According to the Ijarah financing agreement with a commercial bank, the Group opens restricted accounts, in which the proceeds of the public subscription are deposited, in addition to the proceeds of revenue, and the balances of these accounts are not pledged.

11. SHARE CAPITAL

The authorized, issued and fully paid-up capital of the Company as at 30 September 2024 consists of 1,307,861,419 shares (31 December 2023: 1,307,861,419 shares) the value of each share is SR 10, part of which is in kind and part is cash:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Value of issued shares	**13,078,614,190**	13,078,614,190

12. LOANS

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Liabilities under Musharaka agreements then Ijara agreements (Note 12.1)	**7,351,428,747**	6,972,752,380
Liabilities under Tawarroq agreements (Note 12.2)	**2,554,425,471**	1,699,999,900
Structuring and arrangement fees (Note 12.3)	**(30,925,963)**	(38,816,319)
	9,874,928,255	8,633,935,961
Non-current portion-long term	**9,724,874,741**	8,633,935,961
Current portion-short term	**150,053,514**	--

12.1 At 13 October 2019, the Group renewed the financing agreement concluded on 23 September 2012 with a commercial bank to finance the purchase of some lands in Masar Destination project and the costs of developing the infrastructure of the project lands. The new credit limit of the financing agreement amounted to SR 4,500 million out of which the Group utilized SR 4,100 million, the financing agreement concluded with the bank includes a long-term Ijara financing with a credit limit not exceeding SR 4,100 million, to finance the compensation of lands, real estate in the project area and infrastructure. During the year ended 31 December 2013, the Group withdrew an amount of SR 2,600 million to compensate lands in the project and issue checks for this purpose. The financing is paid in one installment on 3 July 2026, and the financing charges are paid annually. The Group has secured all the guarantees required by the agreement, including the mortgage of the project lands, the value of which has been paid through the bank in favor of the bank or its representative.

During the year ended 31 December 2017, the Group withdrew an amount of SR 1,500 million in order to finance the infrastructure development work of the project lands. The financing is due in one installment on 3 July 2026, and the financing charge is paid annually. In addition to the above, on 25 February 2020, (corresponding to 1 Rajab 1441H), the Group entered into a Musharaka financing contract and then a carry-over lease in the amount of SR 6,500 million with the Bank to finance the development of investment properties. Financing charges are paid annually, and financing is secured from real estate ownership deeds and mortgaged to the Bank. As at 30 September 2024, the Group has withdrawn an additional amount of SR 385 million (31 December 2023: SR 528 million).

12. LOANS (continued)

12.2 During the year ended on 31 December 2023, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of seven years, with a credit limit not exceeding SR 2,900 million, for the purpose of financing the infrastructure development work on the project lands, and the Group has no right to use it for any other purpose. The Group withdrew an installment of SR 254 million during the period ended 30 September 2024 (31 December 2023: SR 1,699 million). The principal is due to be repaid in 4 equal annual installments, the first installment of which is due at the end of the grace period, which is a maximum of 36 months starting from the first use of the financing, and a maximum of 7 years including the grace period. Finance charges are paid annually.

During the period ended on 30 September 2024, an agreement was concluded with a commercial bank to obtain long-term tawarruq financing for a period of four years, with a credit limit not exceeding SR 800 million. The Group withdrew an installment of SR 600 million during the period ended 30 September 2024. The principal is due to be repaid in 4 equal annual installments, and finance charges are paid annually.

12.3 The Group bears a structuring and arrangement fee for each financing installment drawn. These fees are amortized using the prevailing rate over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to purchase lands and real estate in the project area and to finance infrastructure works.

The Group bears the fees for credit studies expenses that are deducted from the first operation of the facilities utilization according to the agreement. These fees are amortized using the rate prevailing over the financing period. These fees are capitalized on the development of the project lands during the development period, as the financing was used to finance the infrastructure works.

13. ACCOUNTS PAYABLE - COMPENSATION OF LANDS

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Payables for properties owners (13.1)	**423,024,649**	460,557,613

The Royal Decree No. 44133 dated 18 March 2021 (corresponding to 5 Shaban 1442H) was issued directing the Ministry of Justice to issue comprehensive title deeds for the entire King Abdulaziz Road project in Makkah in favor of the Company with the total areas allocated to streets and services, and to treat the properties separated from private ownership, and the properties that do not have title deeds which are 1056 properties and register the corresponding shares in the name of the State Properties General Authority. The properties that have title deeds (98 properties) and their owners are not existent, the corresponding shares are registered in the name of the not existent owners under the supervision of the General Authority for The Guardianship of Trust Funds for Minors and their Counterparts, and these shares are handed over to the Authority to exercise its powers in accordance with its regulations. In addition to the properties under procedure Which the company is completing the procedures of transferring its ownership. As at 30 September 2024 the transfer of ownership for 42 properties to the company was completed (31 December 2023: 39 properties) out of a total of 166 properties under procedure.

13. ACCOUNTS PAYABLE - COMPENSATION OF LANDS (continued)

During the year ended 31 December 2022, the Group was informed that there are two properties (the unknown owner of which is supposed to register the corresponding shares in the name of absent persons under the supervision of the General Commission For The Guardianship of Trust Funds for Minors And Their Counterparts in accordance with the supreme order) that were expropriated and compensated by a committee of development of the spaces surrounding the Holy Mosque of Mecca (Al Haram), and the ownership of the property and the compensation mechanism are currently being considered. Accordingly, these two properties were excluded from the properties of the absent persons referred to in the Supreme Order.

During the period ended 30 September 2024, the company was able to sort and issue 198 individual deeds (31 December 2023: 157) for the project plots of land from the comprehensive title deeds, and it is expected that the sorting of all deeds for the project plots of land will be completed during the year 2024.

13.1 As at 30 September 2024, payables for land purchase amounted to SR 423,024,649 (31 December 2023: SR 460,557,613), Where the net settlement for the project property owners amounted to SR 37.5 million (31 December 2023: SR 1,311 million).

14. ACCOUNTS PAYABLES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Payables to project contractors	**38,126,717**	73,265,639
Others	**5,926,714**	1,877,325
	44,053,431	75,142,964

15. ACCRUED EXPENSE AND OTHER LIABILITIES

Accrued expenses and other liabilities comprise of the following:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Unbilled completed development works	**342,379,765**	470,643,464
Accrued financial charges	**288,093,823**	350,174,520
Costs against sold lands (note 6.4)	**246,719,517**	252,105,698
Retention payables - current portion	**146,125,305**	132,671,985
litigation and claims	**60,402,465**	60,402,465
Accrued employees' expenses and bonuses	**38,688,022**	23,832,857
Management fee payable to manager of investment funds	**14,500,000**	29,000,000
Remunerations and meeting allowances (note 17)	**2,260,000**	2,765,000
Others	**3,604,997**	5,562,220
	1,142,773,894	1,327,158,209

16. EARNINGS PER SHARE

Basic earnings per share for the year has been calculated by dividing the net profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Since the Company does not have any convertible shares, therefore, the basic earnings per share equals the diluted earnings per share. Moreover, no separate earnings per share calculation from continuing operations has been presented since there were no discontinued operations during the period.

The basic and diluted earning per share calculation is given below:

	30 September 2024	30 September 2023
Net profit attributable to shareholders of the Company	**309,055,553**	6,683,346
Weighted average number of ordinary shares	**1,307,861,419**	1,307,861,419
Basic and diluted earning (in SR per share)	**0.24**	0.01

17. TRANSACTIONS WITH RELATED PARTIES AND BALANCES

The Group, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties represents directors, and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. The transactions with related parties are made at approved contractual terms.

The Group has entered into a renewable credit facility with Alinma Bank to finance the purchase of some lands in Masar Destination project (note 12).

17. TRANSACTIONS WITH RELATED PARTIES AND BALANCES (continued)

A summary of the significant transactions and balances with related parties in the normal course of fund business, as shown in the condensed consolidated interim financial statements lists, as follows:

Related parties	Relationship	Nature of transaction	Amounts of transactions for the period ended		Closing balances	
			30 September 2024 (Unaudited)	30 September 2023 (Unaudited)	**30 September 2024 (Unaudited)**	31 December 2023 (Audited)
Alinma Investment Company	Fund Manager	Administrative and management fees	**43,500,000**	43,500,000	**14,500,000**	29,000,000
Alinma Bank	Parent Company of Fund Manager	Loans	**384,775,342**	424,119,625	**3,222,148,113**	2,837,372,770
		Accrued interest	**184,714,990**	75,169,770	**102,340,533**	147,273,231
BOD and affiliate committees	BOD members and affiliate committees	Remuneration and meeting fees	**3,550,000**	4,002,073	**2,260,000**	2,765,000
					3,341,248,646	3,016,411,001

18. ZAKAT

	30 September 2024	30 September 2023
Charge for the period	**35,421,888**	10,829,267

Movement in Zakat provision during the period is as follows:

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Balance at beginning of period	**80,642,326**	13,105,040
Charge for the period	**35,421,888**	10,829,267
Paid during the period	**(79,554,189)**	(7,597,688)
Balance at the end of the period	**36,510,025**	16,336,619

18. ZAKAT (continued)

Zakat assessments status of the Group

18.1 The Group submitted its zakat returns for the years ended December 31, 2014 to 2016, and obtained a zakat certificate for the year ended December 31, 2016. The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the years 2014 to 2016 which claimed additional zakat dues with a total amount of SAR 5,520,439. The Group objected to the zakat assessment, after settling the zakat due on the undisputed items, which was rejected by ZATCA. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"). The Group withdrew its case from the ZATCA to apply the Ministerial Resolution No. (13597) for the mentioned years. The aforementioned request was accepted by the Zakat, Tax and Customs Authority (ZATCA), and the authority issued a zakat assessment of SAR 4,648,647 for the year 2014. The ZATCA accepted the Company's PoV partially, by which, the Zakat liability due reduced to become SR 1,617,151. The Company accepted ZATCA's treatment; therefore, the dispute is considered over and the Zakat status for the years from 2014 to 2016 is considered to be finalized.

18.2 The Group submitted its zakat return for the year ended December 31, 2017 and obtained a zakat certificate for 2017, the Zakat and Tax Authority has not yet issued the final zakat assessment for the year.

18.3 The Group submitted its zakat return for the year ended December 31, 2018 and obtained a zakat certificate for the year 2018, The Zakat, Tax and Customs Authority ("ZATCA") issued the zakat assessment for the year and demanded additional zakat of SAR 31,884,675. The Group had filed its objection against the ZATCA's above-mentioned assessment. ZATCA issued the revised zakat assessment for the year 2018, which the zakat dues were reduced to SAR 30,996,350. the Group escalated its objection to the General Secretariat of Zakat, Tax and Customs Committees ("GSZTCC"), which accepted some of the group's items objections. The group appealed the General Secretariat's decision to the Zakat, Tax and Customs Appeals and Dispute Resolution Committee for the items not accepted, The Appeals Committee rejected the group's appeal. The Appeals Committee's decision consider final and the additional zakat is paid and the company status finalized.

18.4 The Group submitted its zakat returns based on its unaudited consolidated financial statements for the year ended December 31, 2019 and obtained a zakat certificate for the mentioned years. The ZATCA has not yet issued the zakat assessment for those years. The group succeeded in obtaining the approval of the Zakat, Tax and Customs Authority to submit consolidated zakat declarations for the company and its two affiliated funds (Alinam Makkah Development 1st Fund for Development and Alinma Makkah 2nd Fund for Development), which are 100% owned by it, for the years ended December 31, 2020 to 2023. The Group submitted its consolidated zakat declarations based on the audited consolidated financial statements for the years ended December 31, 2020 to 2023, and obtained a zakat certificate. The ZATCA has not issued zakat assessments for those years to date.

19. FAIR VALUE OF ASSETS AND LIABILITIES

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 Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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 the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between levels of the fair value hierarchy during the period ended 30 September 2024 and for the year ended 31 December 2023. Additionally, there were no changes in the valuation techniques.

The fair values of financial instruments are not materially different from their carrying values.

	Level 1	Level 2	Level 3	Total
30 September 2024 (Unaudited)				
Investments at FVTPL				
- Investment at fair value through profit or loss	**7,596,390**	--	--	**7,596,390**
31 December 2023 (Audited)				
Investments at FVTPL				
- Investment at fair value through profit or loss	7,392,966	--	--	7,392,966

19. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, where the carrying amount is a reasonable approximation of fair value.

30 September 2024 (Unaudited)	**Carrying amount**			
Description:	**Amortised cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Total**
Financial assets not measured at fair value				
Trade receivables	**2,006,576,511**	--	--	**2,006,576,511**
Other receivables	**6,204,832**	--	--	**6,204,832**
Cash and cash equivalents	**257,607,506**	--	--	**257,607,506**
Financial liabilities not measured at fair value				
Loans	**9,874,928,255**	--	--	**9,874,928,255**
Retention payables	**138,199,771**	--	--	**138,199,771**
Account payables - compensation of lands	**423,024,649**	--	--	**423,024,649**
Trade payables	**44,053,431**	--	--	**44,053,431**
Accrued expenses and other liabilities	**1,142,773,894**	--	--	**1,142,773,894**
Lease liabilities	**8,502,376**	--	--	**8,502,376**

31 December 2023 (Audited)	Carrying amount			
Description:	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Financial assets not measured at fair value				
Trade receivables	1,029,172,057	--	--	1,029,172,057
Other receivables	6,915,557	--	--	6,915,557
Cash and cash equivalents	538,512,311	--	--	538,512,311
Financial liabilities not measured at fair value				
Loans	8,633,935,961	--	--	8,633,935,961
Retention payables	133,497,776	--	--	133,497,776
Account payables - compensation of lands	460,557,613	--	--	460,557,613
Trade payables	75,142,964	--	--	75,142,964
Accrued expenses and other liabilities	1,327,158,209	--	--	1,327,158,209
Lease liabilities	10,808,948	--	--	10,808,948

20. CONTINGENCIES AND COMMITMENTS

As at 30 September 2024 as commitments for capital work in progress amounts to SR 4,489 million (31 December 2023: SR 5,047 million).

21. SEGMENTAL INFORMATION

The Group has one reportable segment, as described below, which is the Group's strategic business unit. The strategic business unit offers one product i.e Sales of land. The Group's Board of Directors and CEO monitor the results of the Group's operations for the purpose of making decisions about resource allocation and performance assessment. They are collectively the Chief Operating Decision Makers (CODM) for the Group.

The operating segment described below have been prepared in accordance with IFRS 8. The Group operates in one main business segments.

Geographical distribution of sales:

Sale of land	**30 September 2024**	30 September 2023
Kingdom of Saudi Arabia	**1,019,722,403**	647,146,733
Total	**1,019,722,403**	647,146,733

During the period ended 30 September 2024 land sales to one major customer represented approximately 56% (30 September 2023: 100%) of the Group's total income.

22. RECLASSIFICATION IN PRIOR YEAR

During 2024, the management of the Group reassessed the presentation of certain assets amounting to SR 212.21 million which were classified as held for sale in preceding period and reclassified these to development properties to comply with the requirements of IFRS.

23. SUBSEQUENT EVENTS

There were no material events as of the period ended 30 September 2024, until the date of approval of these consolidated financial statements for issuance by the Board of Directors, which may necessitate any amendment or disclosure in these condensed consolidated interim financial statements.

24. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on 7 November 2024 (corresponding to 5 Jumada Al-Awwal 1446H).

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