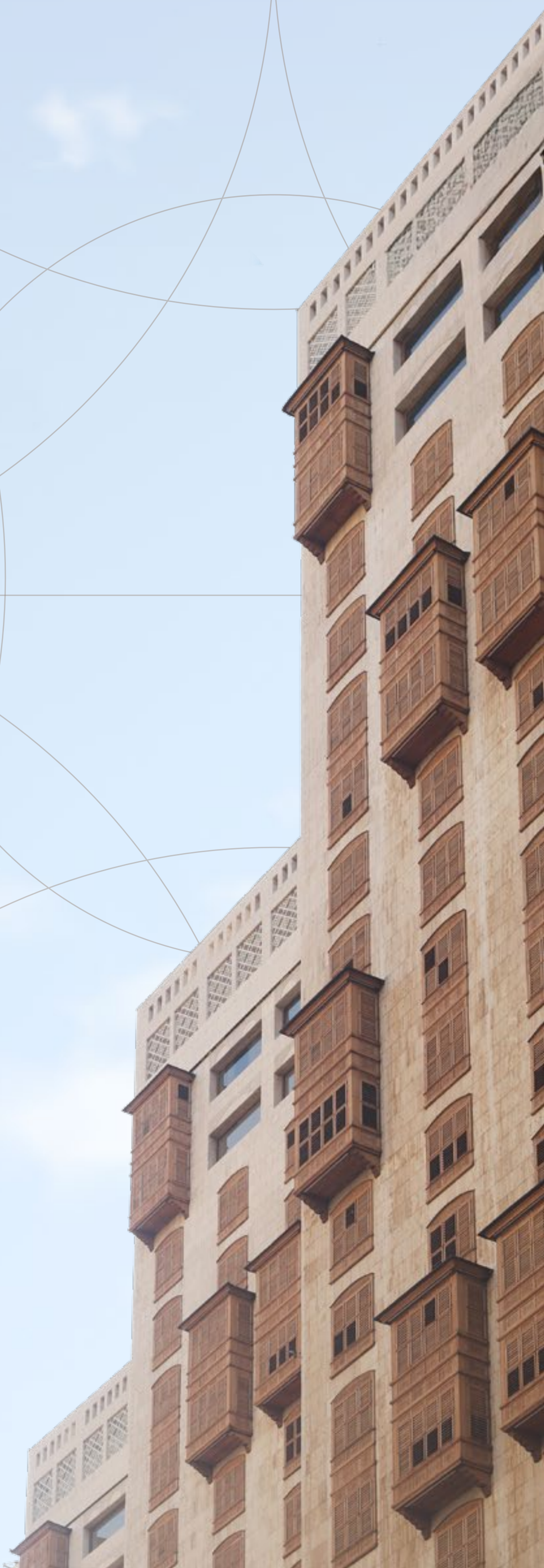
MCDC
شركة مكة
للإنشاء والتعمير

Leading Growth Creating Impact

Annual Report
2025



Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al-Saud

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince, Prime Minister of Saudi Arabia

Theme of the Year

"Leading Growth, Creating Impact"

This theme marks a pivotal chapter in MCDC's evolution. In 2025, the Company transitioned from a single-asset operator into a dynamic, growth-oriented platform guided by a clear and ambitious long-term roadmap.

"Leading Growth" reflects the decisive strategic actions undertaken during the year. These include the launch of a phased renovation program across our hotel and commercial assets, the significant expansion of our Hajj service operations, and the culmination of our land acquisition in Ajyad Street, a landmark investment that is expected to more than double our hotel room capacity by 2030.

The year also marked the launch of MCDC's new corporate identity, signaling a renewed strategic direction and a modern positioning aligned with our long-term growth ambitions.

"Creating Impact" speaks to the broader responsibility that accompanies this growth. Beyond financial performance, our strategy is rooted in elevating the spiritual journey of millions of pilgrims, in alignment with the objectives of Saudi Vision 2030. Through strengthened operational excellence, meaningful community partnerships, and responsible practices, recently recognized by our Bronze Award for Corporate Social Responsibility, we are embedding sustainability into our operating model while safeguarding the sanctity of place.

For MCDC, growth and impact are inseparable. We cannot pursue one without reinforcing the other. Our success is measured not only in expansion and profitability, but in the lasting value we create for pilgrims, the community of Makkah, our employees, and our shareholders.

Together, these initiatives position MCDC on a clear trajectory of sustainable growth and value creation over the coming decade.

Who we are

Makkah Construction & Development Company owns one of the most valuable real estate assets in Makkah, the iconic Makkah Hotel & Towers complex, a destination that combines hospitality, retail, and worship space steps from the Holy Mosque.

The Company's activities extend across Hajj services, and strategic real estate investments, giving us diversified and resilient revenue streams. With a unique location, high and recurring demand driven by millions of visitors and pilgrims to the holy city, MCDC is positioned as both a trusted facilitator of the pilgrim journey and a compelling long-term investment aligned with Saudi Arabia's Vision 2030.

Mission

At Makkah Construction and Development Company, we redefine real estate investment and development through integrated solutions that blend quality and innovation, elevating facilities and services, and delivering exceptional experiences to visitors.

Vision

To solidify our position as the first leader in real estate investment and development in the area surrounding the Holy Mosque, by providing integrated solutions that elevate facilities and services to the highest standards, offering visitors unique experiences that deliver sustainable value to investors.

Values

Excellence

We are committed to the highest standards, from delivering exceptional services to executing landmark projects. This steadfast commitment ensures outstanding quality in hospitality and real estate investment, embodying our spirit of innovation and our enduring legacy of leadership.

Sustainability

With a deep understanding of environmental and social priorities, sustainability lies at the heart of our long-term strategy, through responsible resource management, minimizing our environmental footprint, and creating a lasting positive impact on the community.

Integrity

Integrity is the foundation of our corporate governance and our relationships with stakeholders. It ensures trust, transparency, and accountability, reflecting our unwavering commitment to the highest ethical standards.

Innovation

As pioneers, we continually seek forward-looking solutions in real estate investment and operations management, enhancing our adaptability, improving efficiency, and contributing effectively to the goals of Saudi Vision 2030.

Hospitality

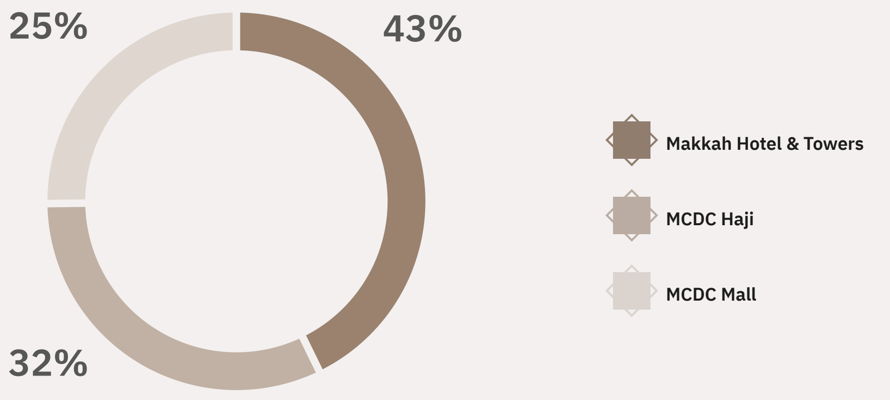
At the heart of our mission lies serving millions of pilgrims and visitors as the "Guests of the Merciful." This value guides our interactions and inspires us to provide a distinguished, seamless experience that enriches their spiritual journey.

At a Glance

Financial Highlights

	2025	2024	2023	Change
Revenue, ⃁ million	1,072	836	731	▲ 28%
EBTIDA, ⃁ million	531	464	383	▲ 14%
Net profit, ⃁ million	474	411	334	▲ 15%
Earnings per share, ⃁/share	2.37	2.05	1.67	▲ 15%

Segment Revenue



Operational Highlights

Makkah Hotel & Towers

	2025	2024
Occupancy, %	81	83
RevPAR, ⃁	742	691
Gross Profit Margin, %	62	62
ADR, ⃁	913	831

MCDC Mall

	2025	2024
Occupancy, %	98.4	97.9
Revenue, ⃁ million	272	229
Av. Lease Rate, ⃁/m²	16,851	15,755
Leasable area, m²	16,183	14,656

Hajj & Umrah Services

	2025	2024
No. of Pilgrims, amount	64,332	8,447
Revenue, ⃁ million	338	159
Gross Profit Margin, %	4.4	10

Sustainability Highlights

1,065
Total Employees

44%
Saudi Workforce

71%
Saudi Workforce (Admin)

11%
Women Representation

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mcdc.com.sa

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Overview

About MCDC

Built on Heritage Evolving for Tomorrow

From the holiest of places, Makkah Construction & Development Company (MCDC) was founded in 1988 with a simple conviction: serving pilgrims is both a responsibility and a driver of Makkah's continued development. One year after its establishment, the Company became one of the earliest companies to be listed on the Saudi Stock Exchange, reflecting its pioneering role in the Kingdom's real estate development and investment. MCDC has built a strong foundation for disciplined expansion and long-term value creation.

Early in its journey, MCDC pioneered a mixed-use development in Makkah, through the simultaneous launch of its landmark Makkah Hotel & Towers and Mall. This integrated approach combined accommodation, retail, and worship within a single place, responding directly to pilgrims' need for proximity, convenience, and essential services within steps of the Grand Mosque.

To deepen its strategic role, MCDC established a dedicated investment arm to manage long-term investments. Through its stake in Jabal Omar Development Company, it aligns with developments that share the same commitment to serving pilgrims and strengthening Makkah's urban landscape, while its investment in First Avenue Real Estate enhances technical and development expertise.

As pilgrimage volumes increased and market expectations shifted, MCDC entered the Pilgrimage sector to integrate service delivery across its portfolio. Building on its proximity and operational expertise, the Company extended its role beyond infrastructure into direct participation in the pilgrim journey.

Today, MCDC's portfolio spans hospitality, retail, pilgrimage services, and strategic investments, yet its economic foundation remains anchored in serving pilgrims and contributing to the development of Makkah. The Company continues to adapt with clarity and invest with discipline, ensuring that progress reinforces both its mission and its capacity for sustained growth.

MCDC History

Legacy of Progress

MCDC's legacy spans more than three decades of service to pilgrims, hospitality excellence, and real estate development in the Holy City. Throughout this period, the Company has evolved through strategic expansions, landmark investments, and operational advancements that strengthened its role in shaping Makkah's ongoing development.

1988 1994

FOUNDATION AND EARLY GROWTH

- Established Makkah Construction & Development Company; foundation stone laid by King Fahd bin Abdulaziz
- Listed on Tadawul and began operations of Makkah Hotel & Shopping Center.
- Opened Saudi workforce training center with Hilton.

2005 2006

FINANCIAL AND INVESTMENT EXPANSION

- Invested ⃁ 757.8 million in Jabal Omar Development Company.
- Announced second capital increase to ⃁ 1.65 billion through rights issue.

2017 2020

DIVERSIFICATION AND SERVICE INTEGRATION

- Established Makkah Company for Umrah Services to serve pilgrims from abroad.
- Partially divested stake in Jabal Omar Development Company.

2023 2024

STRATEGIC EXPANSION

- Formed Makkah Hotel & Towers Company.
- Obtained Hajj & Umrah license for 10,000 pilgrims.
- Acquired 27.72% stake in shares in First Avenue Real Estate Development Company.
- Established Manafea Al Barakah Investment Company and Maad Al Taqwa Hajj Services Company

2025

CORPORATE TRANSFORMATION

- **Raised capital to ⃁ 2 billion.**
- **Introduced a new corporate identity reflecting MCDC's renewed vision, modern positioning, and alignment with Makkah's development future**
- **Acquired the Ajyad land, strengthening MCDC's prime development pipeline in proximity to the Holy Mosque**
- **Executed further divestment of Jabal Omar Development Company shares, reinforcing capital discipline and balance sheet flexibility**
- **Launched a phased asset optimization program across hospitality and retail assets**
- **Strengthened governance, investor relations, stakeholder engagement, and digital communication platforms in line with listed-company best practices**

Our Sectors

Four Sectors
One Integrated Platform

Makkah Construction & Development Company operates across four sectors: Hospitality, Retail, Hajj Services, and Investments. Together, these businesses demonstrate MCDC's focus on disciplined value creation through real estate development and asset management, supporting long-term growth while meeting the demands of pilgrims and visitors to Makkah.

Hospitality

At the core of MCDC's operations stands Makkah Hotel & Towers, a landmark hospitality destination overlooking the Grand Mosque. Owned and managed by MCDC, Makkah Hotel and the adjacent Towers collectively welcome a substantial volume of guests each year, offering accommodation options that cater to different visitor needs while benefiting from immediate proximity to the Holy Mosque.

The Hotel & Towers represent MCDC's primary hospitality asset and a key contributor to serving year-round religious and visitor demand in Makkah.

Under its long-term asset enhancement plan, MCDC has embarked on a phased renovation program focused on upgrading guest rooms, public areas, and core infrastructure to support long-term asset sustainability and maintain competitiveness.

Fully Operational
Since
1996

Total Keys
1,438

824 Towers
614 Hotel

Our Sectors (continued)

Retail

Adjacent to the Hotel & Towers, MCDC owns and manages MCDC Mall, located steps away from the Grand Mosque it serves as a central hub for millions ofpilgrims and visitors each year, combining convenience, accessibility, and modern retail offerings.

MCDC Mall complements the hospitality operations by serving both hotel guests and visitors, offering a diverse mix of retail, dining, and service outlets within steps of the Haram. With its exceptional location and dedicated prayer facilities, it plays an important role in enriching the visitor experience and supporting activity across the surrounding complex.

As part of its ongoing development program, MCDC is advancing an expansion project that will increase leasable space and introduce new tenants and amenities, further positioning the mall as a vibrant commercial and community hub within Makkah.

Fully Operational
Since
1995

Prayer Hall
up to
8,000
worshippers

Total Available Area
17,577 m²

Average Lease Rate
16,851 ⃁/m²

Pilgrimage (Hajj) Services

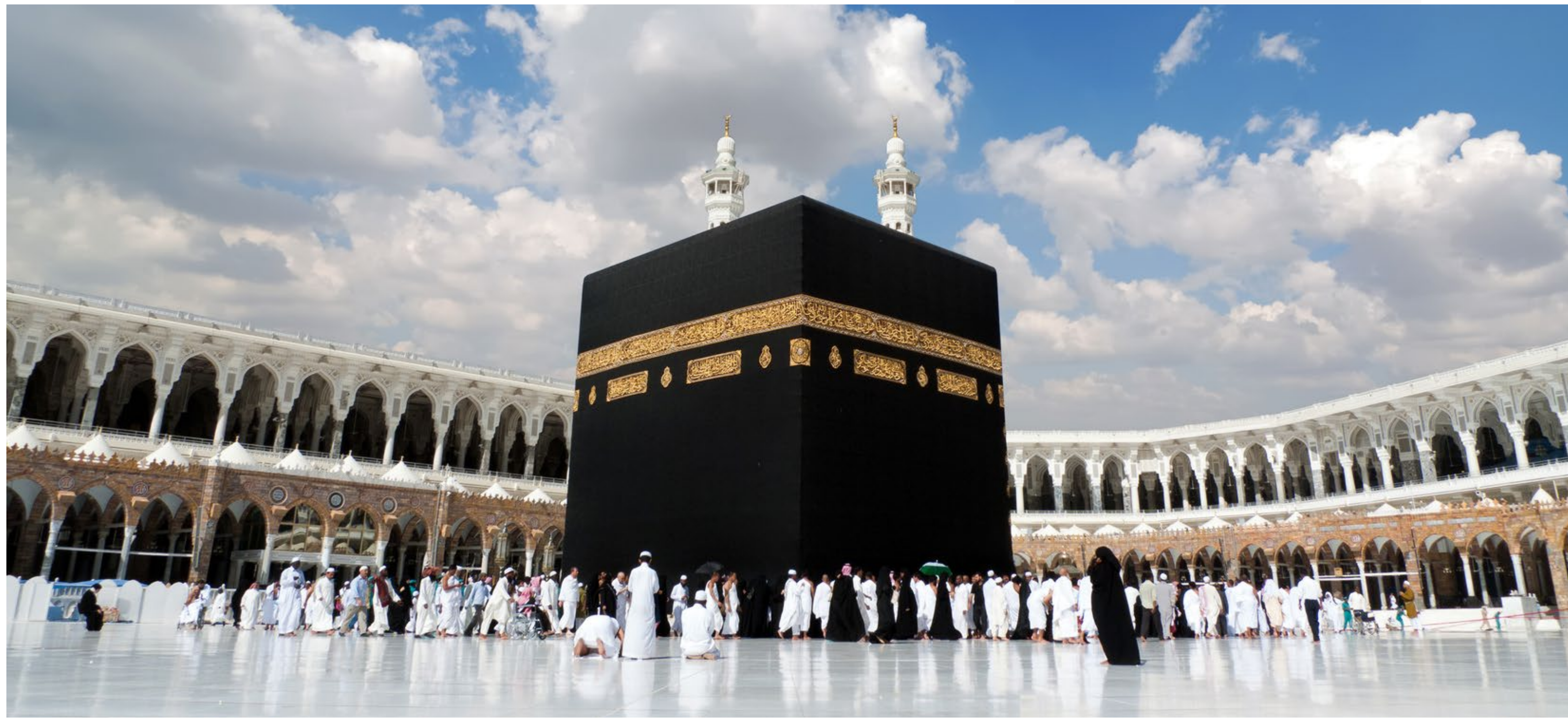
MCDC's journey in serving pilgrims began with its early involvement in providing services to Umrah pilgrims. Building on this foundation, the Company developed operational capabilities and on-ground experience that enabled a disciplined entry into the Hajj services sector.

The Hajj sector offers structurally resilient demand, predictable annual volumes, and strong income potential with comparatively low capital requirements, making it well aligned within MCDC's value-driven portfolio.

To reinforce its presence, MCDC established a dedicated Hajj services arm focused on delivering Hajj services to external pilgrims. These services include camp operations in the holy sites, transport coordination, catering oversight, and pre- & post-Hajj accommodation arranged through external accommodation providers. The Company's approach emphasizes operational efficiency, value optimization, and margin enhancement, aligned with the Kingdom's Vision 2030 objective of elevating the pilgrimage experience.

Operating
Since
2023

Piligrims Served
Over
75,000



Our Sectors (continued)

Investments

MCDC Ownership Stake

Jabal Omar Development Company (JOD)
6.5%

First Avenue Real Estate Development Company
27.7%

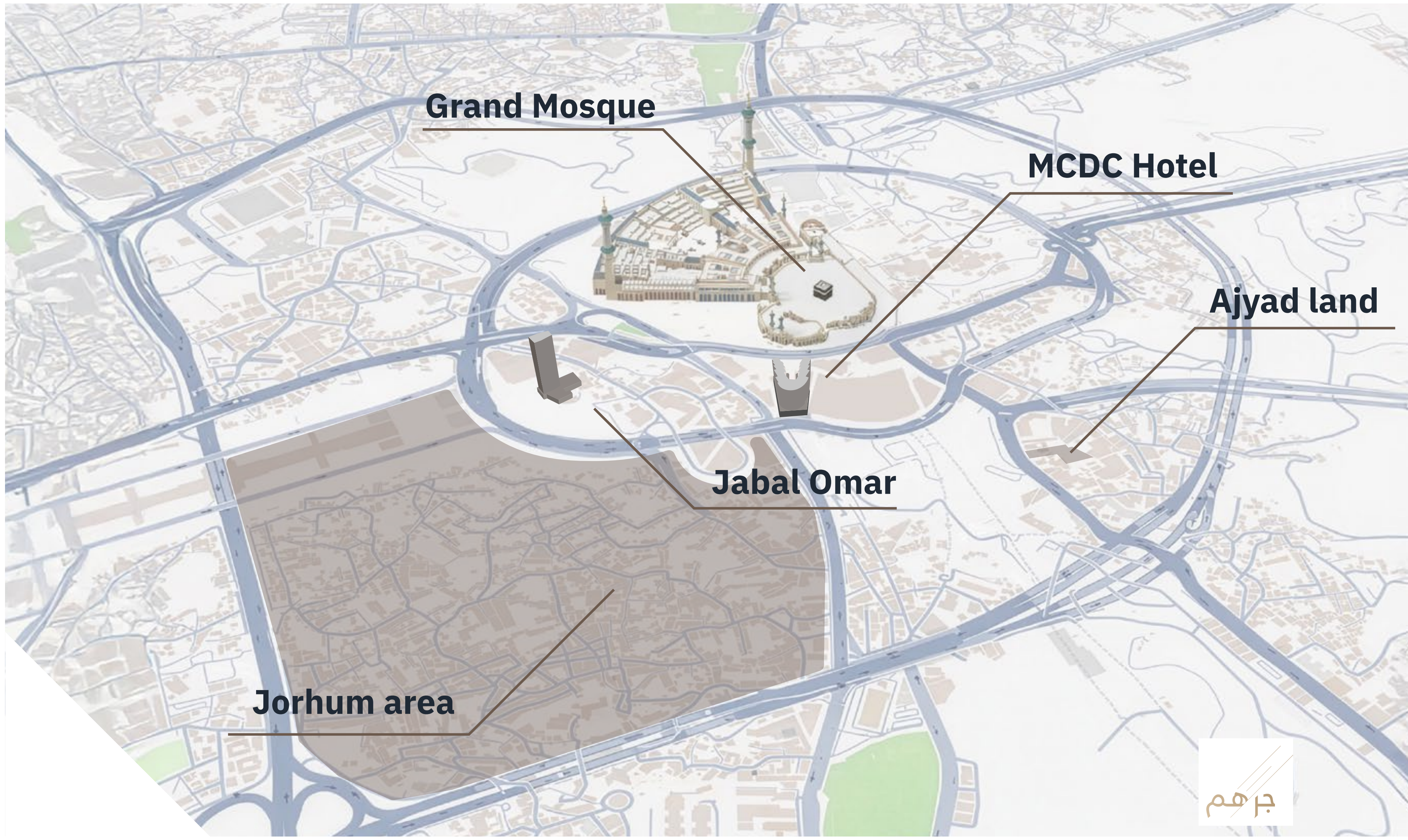
Jorhum Regeneration and Development Company (JRDC)
18.8%

MCDC manages and advances its strategic investment portfolio, focusing on high-value opportunities that strengthen financial performance and support long-term growth.

MCDC is a founding shareholder in Jabal Omar Development Company (JOD), reflecting long-standing confidence in the development of large-scale hospitality and real estate assets in close proximity to the Grand Mosque, supported by sustained pilgrim and visitor demand. As part of its expansion strategy, MCDC has also acquired land in Ajyad area in Makkah, with plans to develop a mixed-use project comprising a hotel and a shopping complex, reinforcing the Company's portfolio of prime, income-generating real estate assets near the Holy Mosque.

Another key investment is in First Avenue Real Estate Development Company, through which MCDC seeks to gain exposure to diversified real estate markets and benefit from development expertise across projects located in major Saudi cities. In addition, MCDC holds a stake in Jorhum Regeneration and Development Company (JRDC), which has priority rights in the redevelopment of the Jorhum area in Makkah, covering approximately 1 million square meters. The project is envisioned as an integrated mixed-use residential and hospitality destination adjacent to the Grand Mosque.

Building on its commitment to expanding investment activities, MCDC continues to pursue real estate and development opportunities that diversify income streams and support long-term value creation.



Year in review

A Year That Redefined How We Present, Operate, and Engage

In 2025 MCDC translated vision into action

Across identity, assets, capital structure, and community engagement, the Company advanced multiple initiatives that collectively reshaped how it operates, presents itself, and positionsfor long-term value creation.

Financial and Capital Milestones

MCDC surpassed a historic milestone, with revenues exceeding ⃁ 1 billion, reflecting the scale and resilience of its operating platform. In January 2025, the Company completed a capital increase to ⃁ 2 billion, further strengthening its balance sheet and enhancing financial flexibility to support future growth and development initiatives.

Revenues exceeding
⃁ 1 billion

A Unified Identity Across the Platform

During the year, MCDC introduced a new corporate identity designed to unify the Group and its operating platforms, including Hajj services and mall operations, under a coherent and clearly articulated brand architecture. The new identity translates MCDC's purpose, values, and operating context into a consistent visual and narrative language, strengthening alignment across the mother brand and its subsidiaries.

Rooted in Makkah's unique spiritual and urban significance, the identity balances legacy with progress, reinforcing clarity, confidence, and institutional credibility. It enables a more consistent stakeholder experience across touchpoints, while enhancing brand recognition, trust, and long-term equity as the Company advances its transformation strategy.

Investing in People, Place, and Service Quality

MCDC relocated to a new head office, providing a modern working environment aligned with the Company's evolving operational needs and organizational culture. The Company's focus on workplace quality and employee engagement was further recognized through the Great Place to Work® certification, reflecting progress in building an inclusive and supportive work environment.

Operational excellence was also reflected at the asset level. In 2025, Makkah Hotel and Towers received multiple international hospitality recognitions, including honors from the World Luxury Hotel Awards, and awards from the Muse Hotel Awards (IAA). These recognitions highlight the strength of service delivery, guest experience, and operational management across the Company's hospitality portfolio.

In parallel, MCDC's broader social impact efforts were acknowledged with the Corporate Social Responsibility Award for 2025, reinforcing the Company's commitment to responsible operations and community contribution.

Year in review (continued)

Advancing Investor Engagement

The year marked a step change in MCDC's Investor Relations activities. New IR functions were established, enabling more structured engagement with analysts and investors, participation in capital market forums, and clearer articulation of the Company's investment case. These efforts strengthened transparency and laid the foundation for sustained dialogue with the investment community.

Strengthening the Asset Base

MCDC advanced its asset enhancement program with the launch of Phase 1 of the hotel renovation, aimed at upgrading facilities and improving guest experience. The Company also continued to refine the mall's tenant mix and optimize space utilization, enhancing leasing quality and positioning the asset for sustained occupancy and rental growth.

In addition, the Company completed the acquisition of Ajyad Land, a strategically located plot in close proximity to the Grand Mosque. This transaction forms part of MCDC's expansion strategy to strengthen its portfolio of prime real estate assets and develop income-generating properties that enhance recurring operating revenues and sustainable shareholder value.

Scaling Hajj Operations and Capacity

In 2025, MCDC Hajj increased its licensed Hajj capacity, enabling the Company to serve a significantly higher volume of pilgrims while effectively managing growing operational complexity. As a result, the number of pilgrims served rose more than sevenfold year-on-year, with MCDC Hajj supporting approximately 4% of all external pilgrims during the season, reflecting the successful scaling of its licensed operations. This expanded capacity also resulted in revenues more than doubling year-on-year.

External Piligrims Served

~4%

Partnering for Makkah's Urban Development

MCDC signed a community partnership agreement with Holy Makkah Municipality to support urban development initiatives across the city. The partnership focuses on enhancing the quality of life at Makkah's main entrances, improving visual identity, public cityscape, and delivering projects that strengthen the city's distinctive identity. This collaboration reflects the Company's commitment to sustainability-oriented development and alignment with Saudi Vision 2030.

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

أمانة العاصمة المقدسة HOLY MAKKAH MUNICIPALITY

Investment Case

Resilient Foundations, Compelling Growth

MCDC offers investors differentiated exposure to one of the most structurally resilient real estate and services markets globally, with operations centered in Makkah. Anchored by a prime real estate asset in immediate proximity to the Grand Mosque, the Company combines long-dated, income-generating operations with growth initiatives aligned with Saudi Arabia's Vision 2030 priorities in pilgrimage services and hospitality.

1 Resilient, Long-Term Pilgrimage Demand

Pilgrimage demand is recurring, non-substitutable, and less affected by global economic downturns. Saudi Arabia's long-term commitment to expanding Hajj and Umrah capacity under Vision 2030 reinforces sustained growth in visitor volumes, length of stay, and service intensity. This demand profile underpins stable occupancy, footfall, and utilization across MCDC's hospitality, retail, and Hajj services operations.

2 Premium Assets in a High-Barrier Market

MCDC owns and operates landmark hospitality and retail assets located steps from the Grand Mosque, within a market defined by extreme scarcity, regulatory complexity, and permanent demand. Barriers to entry are structural rather than cyclical, including land availability, planning constraints, operating licenses, and crowd-management requirements. These conditions protect existing operators and help maintain stable pricing and performance, even during economic slowdowns.

3 Integrated Operating Model with Visible Cash Flows

MCDC operates across hospitality, retail, and Hajj services, all centered on serving pilgrims and visitors to the Grand Mosque. While the Company operates in different segments, its underlying demand driver remains consistent and structurally resilient.

Core assets generate predictable, recurring cash flows, while service operations enhance earnings potential by deepening engagement across the visitor journey without requiring significant additional capital investment. This integrated model supports cash flow visibility and operational efficiency while remaining anchored to a single, sustainable demand base.

4 Proven Operating Capability in Complex Environment

With nearly four decades of experience in Makkah, MCDC has developed deep operational expertise in managing one of the world's most complex operating environments. The Company operates at scale during peak seasons, coordinates closely with government entities, and maintains service standards under extreme density conditions, reducing operational risk and strengthening its competitive position. This capability supported the strategic shift from international brand management to self-operation, enabling the elimination of franchise and management fees, greater control over pricing and cost structures, and retention of a greater share of operating margins.

5 Disciplined Capital Allocation Focused on Long-Term Value

MCDC allocates capital with a clear focus on return thresholds and risk-adjusted performance. Investment decisions across asset enhancement, development, and portfolio holdings are evaluated against defined minimum return criteria to ensure disciplined deployment of capital. The Company prioritizes return quality and balance sheet strength over rapid expansion, maintaining financial flexibility while supporting long-term value creation consistent with its strategic role in Makkah.

6 Strong Balance Sheet and Self-Funded Growth Capacity

MCDC maintains a conservative capital structure and a net cash position that supports financial flexibility and disciplined growth. Even with ongoing land acquisitions and renovation capital expenditure, the Company preserves a robust liquidity profile.

This financial strength enables:

- Timely execution of approved developments
- Acquisition of assets that meet defined return thresholds
- Participation in Public–Private Partnership (PPP) and co-development structures where strategically aligned.

7 Strategic Shareholdings Supporting Growth

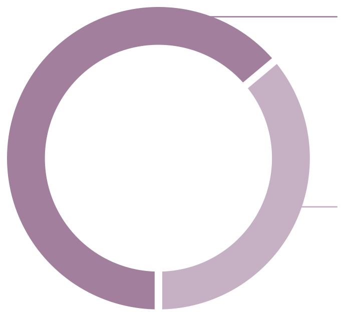
MCDC holds equity interests in selected real estate and mixed-use developments aligned with its core business. These investments provide access to specialized development expertise and technical capabilities that enhance execution and support disciplined project delivery. They reinforce long-term strategic alignment while maintaining clear focus on core operations in Makkah.

Shareholder’s Information

Transparency | Access | Accountability

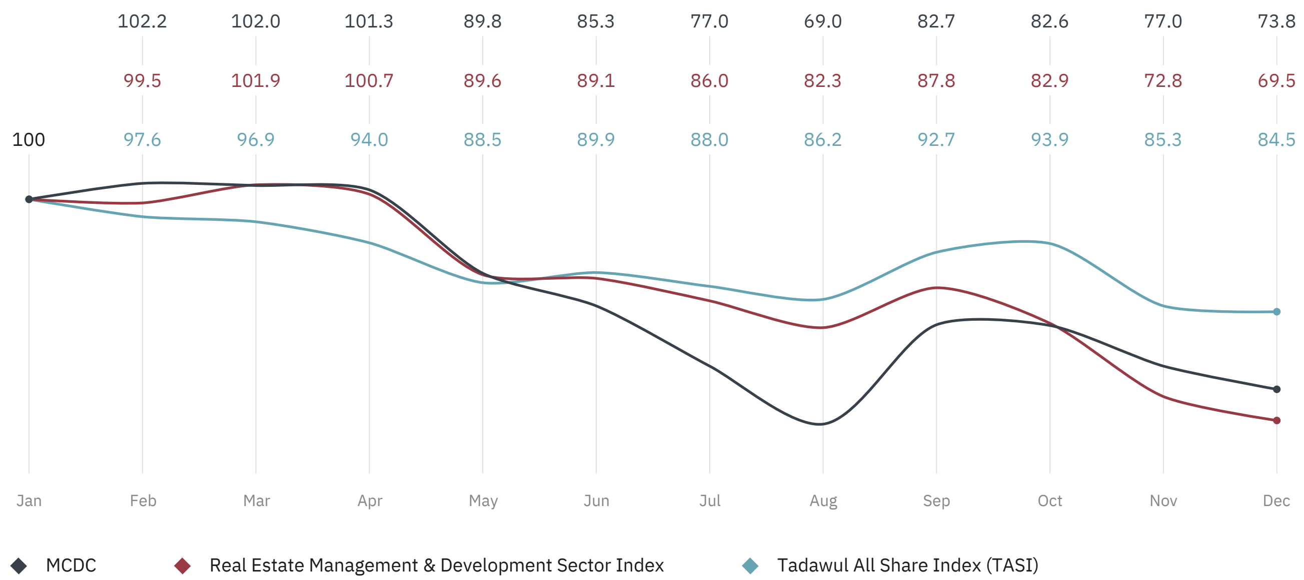
- Listing Date
  20/10/1989
- ISIN
  SA0007879659
- Market Cap. As of 31 Dec 2025
  ⃁ 15.7 billion
- Exchange
  The Saudi Stock Exchange (TADAWUL)
- No. of shares Issued
  200,000,000
- Dividend Pay Out as of 31 Dec 2025
  ⃁ 1.5 Per Sare
- Symbol
  4100
- Closing Price as of 31 Dec 2025
  ⃁ 79.55
- Foreign Ownership as of 31 Dec 2025
  7.7%
- Sector
  Real Estate management & Development
- Closing Price as of 31 Dec 2024
  ⃁ 97.27

Shareholders by Type



Shareholders by Nationality

MCDC Share Price Prformance vs Sector and Market - 2025



Announcements on Tadawul

No.	Date	Type	Announcement
1	09 Jan 2025	General Assembly	Extraordinary General Assembly Electronic Voting
2	16 Jan 2025	Shareholder Notice	Extraordinary General Assembly Meeting Result
3	09 Feb 2025	Shareholder Notice	Head Office Relocation
4	13 Feb 2025	Shareholder Notice	Fractional Share Proceeds Distribution
5	06 Mar 2025	Shareholder Notice	2024 Cash Dividend Recommendation
6	06 Mar 2025	Financial Results	Year-end 2024 Financial Result Announcement
7	28 Apr 2025	General Assembly	Ordinary General Assembly Meeting Invitation
8	05 May 2025	Financial Results	Q1 Interim Financial Result Announcement
9	13 May 2025	Shareholder Notice	Managing Director Role Change Announcement
10	13 May 2025	Shareholder Notice	Corrective Announcement – Managing Director Role Change
11	15 May 2025	General Assembly	Ordinary General Assembly Meeting Electronic Voting
12	20 May 2025	Shareholder Notice	Ordinary General Assembly Meeting Result
13	27 May 2025	Shareholder Notice	2024 Dividend Distribution
14	31 Jul 2025	Financial Results	Q2 Interim Financial Result Announcement
15	05 Nov 2025	Financial Results	Q3 Interim Financial Result Announcement
16	31 Dec 2025	Shareholder Notice	Ajyad Land Acquisition

Number of MCDC’s Requests for the Shareholders’ Register

No.	Date of the Request	Reasons for the Request
1	01 Jan 2025	Company Procedures
2	01 Jan 2025	Company Procedures
3	01 Jan 2025	Company Procedures
4	30 Jan 2025	Company Procedures
5	30 Jan 2025	Company Procedures
6	18 Mar 2025	Company Procedures
7	30 Apr 2025	General Assembly
8	13 May 2025	Company Procedures
9	20 May 2025	Dividend Distribution
10	02 Jun 2025	Company Procedures
11	02 Jun 2025	Company Procedures
12	10 Aug 2025	Company Procedures
13	11 Aug 2025	Company Procedures
14	02 Sep 2025	Company Procedures
15	23 Dec 2025	Company Procedures

Investor Relations Engagement

New Era of Engagement

Our Investor Relations Transformation

In 2025, Makkah Construction and Development Company (MCDC) launched a comprehensive Investor Relations ("IR") transformation aimed at enhancing disclosure quality, strengthening engagement with the capital markets, and ensuring consistent, accessible communication with shareholders. Following the appointment of a new Board of Directors in 2023 and a new Executive Management team in 2024, the Company progressed from a primarily passive investment holding approach toward a more active strategy focused on optimizing its asset base and supporting long-term value creation. In parallel with regulatory changes permitting higher levels of foreign ownership, the IR function was strengthened to support broader investor engagement and improve market understanding of the Company's strategic direction and performance.

Setting a New Standard for Disclosure

During the year, the Company enhanced the quality and depth of its financial communications to help investors better understand performance drivers and progress against strategic priorities. A new earnings press release format was introduced, providing expanded operational and financial commentary beyond basic statutory requirements, supported by clearer narrative structure and key highlights. To further improve clarity and market understanding, each release now includes direct management commentary, providing additional context around results and the period's key developments.

Institutionalizing Financial Dialogue

MCDC established a more structured engagement with the market through an earnings call program. The Company held its first earnings call in March 2025, covering FY2024 results, followed by a semi-annual call in August 2025 to discuss H1 performance. Importantly, the August call marked the Company's first live broadcast accessible to retail investors, supporting equal access to management communications across the shareholder base. Building on this foundation, the Company intends to increase the frequency of earnings calls and plans to transition to quarterly calls in 2026.

Expanding Market Reach & Coverage

The Company launched a proactive institutional targeting program to broaden engagement with professional investors and strengthen visibility within the investment community. In 2025, MCDC participated for the first time in major investor forums, including the EFG Hermes One-on-One Conference in Dubai and the HSBC conference in London, enabling direct dialogue with regional and global portfolio managers. These efforts supported significant research milestones, including the Company's first-ever research coverage initiated by Alinma Capital, followed by the first coverage by an international institution—EFG Hermes—in January 2026.

MCDC 1st Initiation Analyst Report from Alinma Capital

Contact

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Investor Relations Engagement Highlights – 2025

EFG Hermes

Date
07-09 Apr 2025
Event
EFG-Hermes One-on-One Conference
Location
UAE

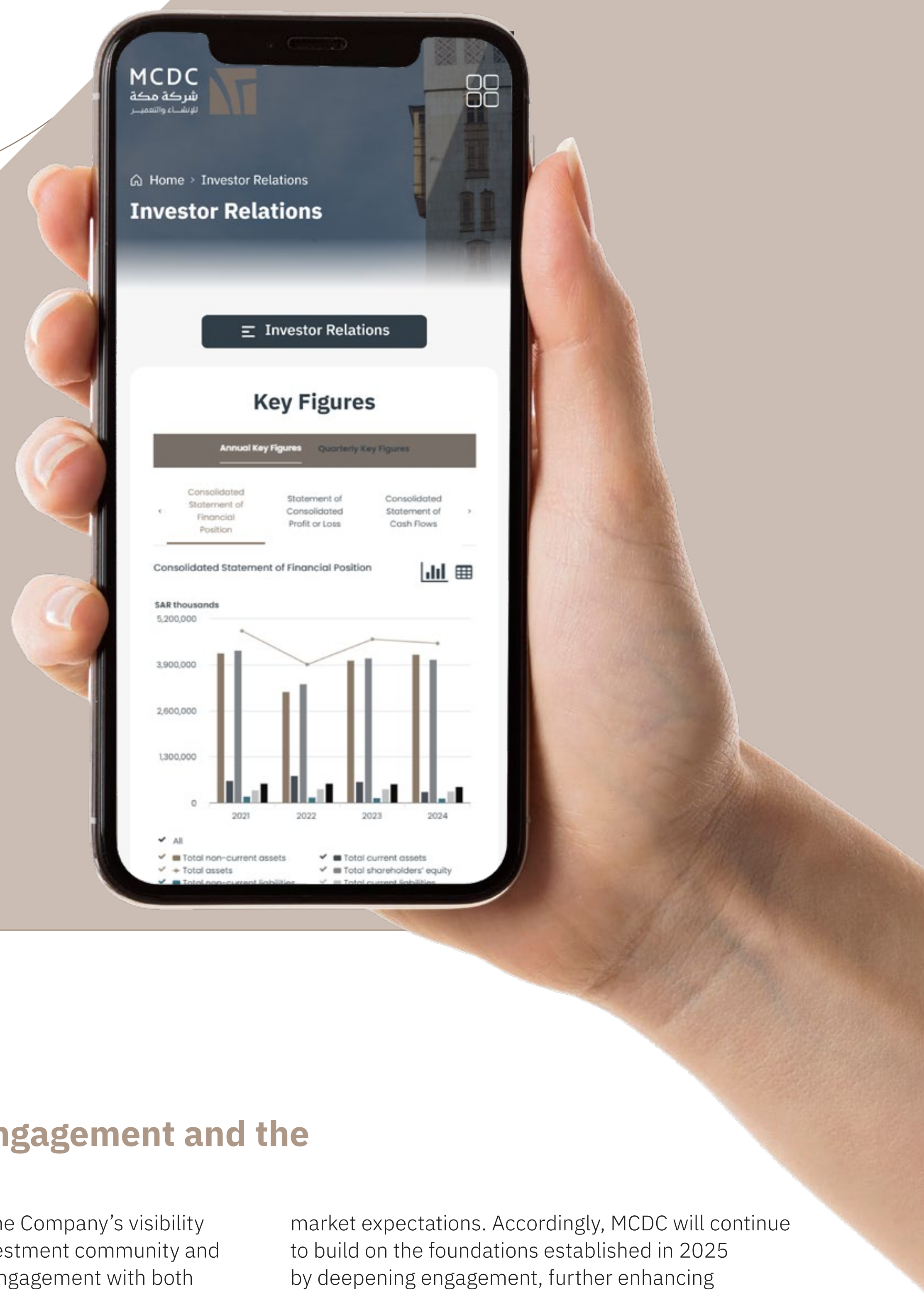
HSBC

Date
16-17 Jun 2025
Event
HSBC GCC Exchanges Conference
Location
UK

Investor Relations Engagement (continued)

Delivering a Digital Investor Experience

Recognizing the importance of modern, consistent access to information, the Company executed a comprehensive upgrade of its IR digital platform. The enhanced IR website now includes best-practice tools that enable investors to review financial performance and analyze historical data more efficiently. It also serves as a central repository for investor materials, including earnings call presentations and recordings. In addition, the Company launched a dedicated online IR inquiry form to streamline shareholder communication and support timely responses.



Supporting Long-Standing Shareholders and Certificate Holders

As a Company with a history spanning nearly 40 years, MCDC continued to support long-standing shareholders, including holders of physical share certificates. During 2025, the Company expanded its certificate deposit program through targeted outreach to locate certificate holders, facilitate the deposit of their shares, and process requests related to unclaimed dividends. As a result, approximately 150,000 shares were deposited during 2025, representing an estimated market value of ⃁ 12 million (based on the closing share price as of 31 December 2025), reconnecting shareholders with their holdings and associated entitlements.

Momentum in Engagement and the Path Forward

These initiatives enhanced the Company's visibility and credibility within the investment community and supported a higher level of engagement with both existing and prospective investors. International shareholding rose to approximately 7.7% by the end of 2025, reflecting increased participation from non-domestic investors and broader awareness of the Company's strategic direction.

While meaningful progress was achieved during the year, the Company recognizes that further development remains necessary to meet evolving market expectations. Accordingly, MCDC will continue to build on the foundations established in 2025 by deepening engagement, further enhancing the quality and accessibility of disclosures, and strengthening the consistency of its equity narrative. The Company's objective is to develop an IR function that is recognized as leading practice within its sector, with disciplined communication, proactive outreach, and investor servicing capabilities that support long-term market understanding.

Stakeholder Engagement

Engaging Stakeholders Building Trust

MCDC engages a broad range of stakeholders whose needs and expectations influence the quality, reliability, and sustainability of its operations. Through structured engagement across its hospitality, retail, real estate investment, and Hajj services activities, the Company promotes transparency, responsiveness, and collaboration, supporting informed decision-making and long-term value creation.

Internal & Strategic Stakeholders

	Engagement & Communication	Value We Deliver	Key Priorities
Shareholders & Investors	• Quarterly financial disclosures and announcements published through Tadawul. • Annual Report and related investor materials. • Annual General Meeting (AGM) participation. • Investor and analyst meetings and calls, including earnings calls. • Dedicated Investor Relations digital channels, including the IR website and email communication.	• Transparent access to performance, strategy, and capital-allocation updates. • Fair and equal market access via digital IR platforms to provide timely disclosures and reliable information to all shareholders. • Stronger investor confidence supported by consistent reporting, accessible communication, and clear financial messaging.	• Transparency and visibility on performance and strategy. • Dividend policy clarity and capital allocation. • Strong governance, risk management, and disclosure discipline.
Employees	• Structured HR communications. • Performance reviews and ongoing feedback discussions. • Employee induction covering key company policies, procedures, and workplace expectations. • Role-based learning and practical guidance supporting day-to-day responsibilities.	• A supportive work environment reflected in the Company's Great Place to Work™ certification for 2025-2026. • Seamless integration through structured induction and clear communication.	• Training and career development. • Communication clarity and access to HR support. • Workload balance and safe working conditions.
Government & Regulators	• Ongoing coordination with government and regulatory authorities across all business sectors. • Regulatory reporting, licensing processes, and required submissions. • Inspections and operational communication to ensure compliance with applicable requirements. • Coordination meetings with relevant authorities, intensified during peak religious seasons to support operational readiness, safety, and service continuity. • Official correspondence and communication through government portals and formal letters.	• Consistent compliance with regulatory, safety and operational standards. • Contribution to national objectives and Vision 2030 programs. • Transparent and timely communication that supports effective regulatory engagement.	• Compliance with safety and regulatory requirements. • Accurate and timely submissions and reporting. • Operational readiness during peak religious seasons.
Community	• Collaboration with municipal entities to support safety, accessibility, and orderly operations across areas surrounding MCDC's properties. • Coordination with community organizations and charitable groups, particularly during peak religious seasons. • Participation in community and charitable initiatives that support pilgrims and residents. • Ongoing coordination with service partners to support public well-being around MCDC-managed assets.	• Enhanced public safety and visitor comfort through continuous coordination with municipal partners and improvements across shared spaces. • Support for community and charitable initiatives that assist pilgrims and local residents, particularly during peak religious seasons. • Improved accessibility and service reliability through operational readiness across MCDC-managed assets.	• Safety and accessibility across Company assets. • Environmental responsibility and waste reduction.

Stakeholder Engagement (continued)

Customers

	Engagement & Communication	Value We Deliver	Key Priorities
Hotel & Towers Guests	• Continuous communications with guests throughout the pre-arrival, in-stay, and post-stay journey. • Digital communication through email, mobile applications, online portals, and GoDesk. • In-person interaction through front desk, concierge, and guest relations teams. • Guest feedback collection and follow-up, through digital surveys and the Revinate platform.	• Rapid service resolution through structured escalation and daily performance reviews. • Enhanced convenience via digital tools such as QR feedback, GoDesk, and pre-arrival communication. • Increased comfort and confidence through multilingual support, cultural sensitivity, and tailored guest interactions.	• Timely communication and effective issue resolution. • Room comfort and overall stay quality. • Staff responsiveness and service quality.
MCDC Mall Visitors	• On-site customer service points supporting visitor inquiries and assistance. • Official social media channels to share general updates and information.	• Convenient access to essential goods and services within close proximity to the Grand Mosque. • A comfortable, climate-controlled environment that supports rest and accessibility in a high-density religious setting. • A diverse tenant mix that caters to the practical and cultural needs of international pilgrims and visitors.	• Ease of navigation and availability of amenities. • Variety and quality of retail and dining options.
Pilgrims	• Multilingual communication with pilgrims throughout the Hajj season. • On-ground field teams supporting guidance, coordination, and issue resolution. • Call centers handling pilgrim inquiries and operational support. • Campaign offices coordinating accommodation, transport, and movement logistics. • Use of official digital platforms and social media channels to share updates and instructions.	• Smooth and safe pilgrimage experience through daily readiness checks and KPI-based monitoring. • Clear, inclusive communication via multilingual materials and diverse touchpoints. • Operational reliability through structured coordination with government authorities and service partners.	• Clarity of instructions and multilingual communication. • Camp readiness, cleanliness, and comfort. • Crowd flow, transport timing, and movement coordination.

Business Partners

	Engagement & Communication	Value We Deliver	Key Priorities
MCDC Mall Tenants	• Use of a tenant application or digital system to log inquiries and maintenance requests. • Regular coordination meetings with tenants to address operational matters. • Ongoing communication through email updates and policy circulars. • Tenant onboarding sessions covering operational procedures and mall policies.	• Improved transparency through defined communication protocols and real-time issue tracking. • Enhanced tenant performance through coordinated marketing, promotional activities, and seasonal events.	• Timely maintenance and mall policies. • Marketing support and visitor traffic improvement.
Suppliers & Contractors	• Compliance checks, audits, and performance reviews to ensure quality and adherence to requirements. • Formal meetings and communication through procurement systems and official correspondence. • Contractual alignment and ongoing operational communication with suppliers and contractors on scope, standards, and service requirements.	• Clear expectations on safety, quality, and compliance standards. • Predictable project coordination and operational timelines. • Fair and transparent procurement supporting efficiency and cost optimization.	• Timely payments and contract clarity. • Clear scopes of work and technical expectations. • Safety standards and access coordination.

02

Strategic Review

Chairman's Statement

Leading Growth Creating Impact

A Defining Year

It is my pleasure to present to our valued shareholders the annual report of Makkah Construction and Development Company for the financial year ended 31 December 2025, a year that marked an important milestone in the Company's journey and reflected meaningful institutional, operational, and financial progress, while laying the foundations for the next phase of growth and expansion.

Saleh Mohamad Awad Binladen

Chairman

Strategic Progress

The year 2025 represented a pivotal stage in the Company's development, characterized by greater clarity of direction, stronger execution discipline, and enhanced alignment with the objectives of Saudi Vision 2030. In this context, the Company continued to strengthen its position as a key contributor to the hospitality, and visitor services ecosystem in Makkah, supported by a portfolio of distinctive assets and a uniquely strategic location.

During the year, the Company launched its new corporate identity, a step that reflects its institutional maturity and more clearly expresses its future ambitions and strategic direction. We also continued to advance a number of initiatives aimed at enhancing asset quality, improving operational efficiency, and strengthening readiness for the next phase of growth, driven by our firm belief that sustainable growth can only be achieved through disciplined execution, asset enhancement, and value creation for shareholders.

Financial Performance

From a financial perspective, the Company delivered strong performance in 2025, with consolidated revenue exceeding ⃁ 1 billion, representing an increase of 28% compared to the previous year, while net profit amounted to ⃁ 474 million. These results represent an important milestone in the Company's journey and reflect the strength of its business model, the quality of its assets, the effectiveness of its execution, and the significant efforts of the executive management team and all Company employees.

Asset Enhancement

The Company also continued during the year to implement several strategic initiatives aimed at enhancing asset quality and improving competitiveness. In the hospitality segment, investments were directed toward renovating core assets and upgrading the hotel product, in line with the expectations of pilgrims and visitors and in support of the Company's distinguished position in this sector. At the same time, the Company continued to improve the performance of the mall through tenant mix enhancement, space reconfiguration, and more efficient utilization of existing assets.

Ajyad Development

One of the most significant strategic milestones during the year was the completion of the acquisition of the Ajyad land plot, which enjoys a prime location within walking distance of Al-Masjid Al-Haram. This investment reflects the Board's confidence in the market's long-term opportunities and demonstrates the Company's commitment to deploying capital into high-quality projects aligned with its core expertise in the hospitality and retail sectors in Makkah.

Shareholder Returns

As part of the Company's commitment to delivering sustainable returns to its shareholders, the Board of Directors has recommended a cash dividend of ⃁ 1.50 per share for the financial year 2025, subject to regulatory requirements and the completion of the necessary approvals.

Outlook

Looking ahead, the Company moves forward with confidence toward achieving its long-term objectives, benefiting from the significant transformation taking place in Makkah under Saudi Vision 2030, accompanied by major investments and development projects that enhance the experience of pilgrims, Umrah performers, and visitors. In this context, Makkah Construction and Development Company is uniquely positioned to benefit from these opportunities, given its portfolio of strategic and irreplaceable assets, accumulated operating expertise, and clear vision for growth.

Acknowledgment

In conclusion, on behalf of the Board of Directors, I extend my sincere appreciation to our valued shareholders for their trust and continued support. I also express my deep gratitude to the leadership of the Kingdom of Saudi Arabia for the great care it gives to the Two Holy Mosques and the Holy Sites, and for providing an enabling environment for development and growth. I would also like to thank the executive management team and all Company employees for their dedicated efforts, which contributed to these results and supported the Company's continued progress.

We reaffirm our commitment to continuing our work in accordance with the highest standards of governance and institutional discipline, in a manner that strengthens the Company's ability to generate sustainable long-term value for its shareholders and to contribute effectively to serving Makkah and its visitors.

Market Overview

Saudi Arabia continued to advance its economic diversification agenda, supported by resilient non-oil growth, sustained public investment, and increasing private-sector participation.

In 2025, non-oil GDP grew by 4.2%, led by sectors such as retail, hospitality, and construction, while inflation remained contained (2.3% in April 2025), providing a stable operating environment for consumer-facing assets.

Tourism and Pilgrim Demand

Tourism remains a primary demand engine for the holy cities, reinforced by national infrastructure upgrades, visa facilitation, and continued investment in visitor services.

Visitor Volume & Spending
As of Q3 YTD 2025, inbound and domestic tourists (overnight visitors) reached 90.8 million, with total tourism spending of ⃁ 228.0 billion. This represents a growth of +4% and +8% respectively versus the same period in 2024.

Length of Stay
Average length of stay also highlights the depth of demand, standing at 6.2 nights for domestic tourists and 18.9 nights for inbound visitors.

Pilgrimage Capacity Targets
These visitor and spending trends are further supported by Vision 2030 programs focused on improving the pilgrim experience which targets increasing capacity to host 34 million Pilgrims by 2030.

Hospitality Market Performance

Saudi Arabia's hospitality performance reflected a normalization phase amid rapid capacity expansion.

National Performance
In Q3 2025, the overall national occupancy rate for tourism hospitality facilities reached 51.1%, with an Average Daily Rate (ADR) of ⃁ 301 and Revenue Per Available Room (RevPAR) of ⃁ 154.

Sector Scaling
Capacity expansion continues; as of Q3 2025, Saudi Arabia had 5,622 licensed tourism hospitality facilities and approximately 565,000 room keys.

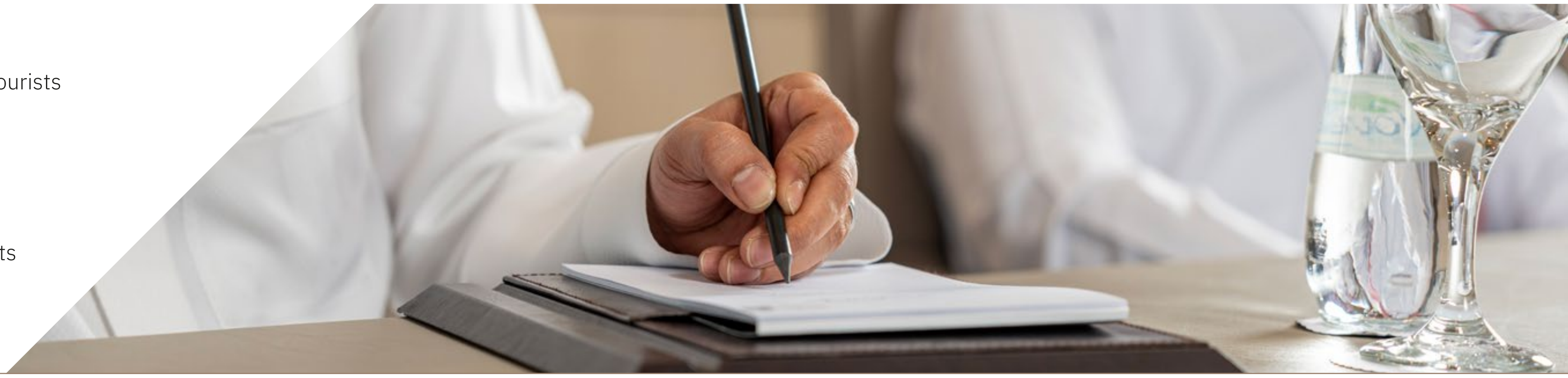
Makkah Market
Makkah Province remains the largest hospitality market by scale. As of the end of Q3 2025, it recorded 1,484 licensed hotel facilities encompassing 335,007 hotel room keys. Market indicators point to sustained pricing power in Makkah; reported results for H1 2025 show ADR up 7.1% and RevPAR up 3.1%, even as occupancy slightly eased.

Retail Market Transformation

Makkah's retail environment is evolving as regeneration and mixed-use master plans reshape land use and mobility and visitor circulation around the Haram.

Supply Expansion
Retail supply growth is increasingly anchored in large-scale projects, with one market projection indicating Makkah's total retail gross leasable area could reach 661,000 m² by 2030 (from an estimated 390,000 m²).

Flagship Developments:
New projects are positioned as experience-led and transit-connected. Masar Mall, for example, is planned at over 63,000 m² total GLA, including more than 38,000 m² allocated to retail and 19,000 m² dedicated to F&B. In parallel, large-scale adjacent initiatives such as the King Salman Gate project, are expected to enhance access, circulation, and visitor capacity in the central area, supporting sustained retail intensity in proximity to the Grand Mosque. adjacent to the Grand Mosque is intended to expand prayer capacity and improve circulation, supporting religious tourism intensity over the medium term.



Real Estate Market Dynamics

Real estate indicators show diverging trends between residential softness and commercial resilience.

National Trends
In Q4 2025, the national Real Estate Price Index declined by 0.7% YoY, driven by a 2.2% YoY decrease in residential prices. Conversely, the commercial sector recorded positive annual growth of 3.6%.

Makkah Resilience
Regionally, Makkah recorded a +2.5% annual price growth, supporting the view that the holy city market remains comparatively highly resilient.

Outlook and Implications for MCDC

The market outlook remains constructive for well-located assets in the Haram catchment, underpinned by structurally resilient pilgrimage demand, rising tourism spending, and continued public-sector investment in access and regeneration. At the same time, increasing hospitality and retail supply points to a more competitive market. Tenant and brand mix, along with visitor-flow alignment, will be critical to sustaining occupancy, lease growth, and revenue density.

CEO's Statement

Mohammed Abdulkareem Alnafea
Chief Executive Officer

Dear Shareholders and Partners,

The year 2025 marked an important milestone in the journey of Makkah Construction and Development Company, as we successfully translated our strategic direction into tangible action. Supported by the strength of our operating platform and the commitment of our team, the Company's revenue exceeded ⃁ 1 billion, while we continued to enhance our operating capabilities, elevate the experience of our stakeholders, and advance a number of initiatives that position the Company for long-term growth. This achievement represents the beginning of a new phase, during which the Company launched an investment strategy aimed at unlocking the embedded value within our portfolio and supporting both organic and expansionary growth.

A Year of Tangible Progress

Our hospitality assets delivered solid performance in 2025, with revenue reaching ⃁ 462 million, average occupancy of 81%, and an average daily rate of ⃁ 913. During the year, we commenced the phased renovation program for Makkah Hotel & Towers, with the first phase covering four guestroom floors alongside a reconfiguration of room mix to better align with demand for higher-tier offerings. We expect these enhancements to support a meaningful improvement in RevPAR, with the renovated floors anticipated to deliver approximately 10% uplift during their first full year of operation.

In the commercial leasing segment, the Company continued to deliver strong results, with revenue increasing by approximately 19% to ⃁ 272 million, at a margin of 82.1%. Occupancy remained above 98%, supported by footfall exceeding 40 million visits during the year. We also continued to attract high-quality tenants and initiated the phased expansion and redesign of the mall, which is expected to increase total leasable area within the existing asset to approximately 22,700 square meters through the addition of a fifth floor and the creation of a dedicated dining area on the fourth floor. These changes will further diversify the tenant mix and enhance the visitor experience.

The Hajj services segment recorded its largest expansion to date, serving 64,332 pilgrims, equivalent to 4% of total inbound pilgrims during the 2025 season. The segment generated ⃁ 338 million in revenue, representing 31% of consolidated revenue, reflecting disciplined expansion within a structurally resilient market.

Disciplined Execution

In December, we completed the acquisition of a strategically located land plot on Ajyad Street for a total value of ⃁ 980 million. The site is located behind the Clock Tower and approximately 500 meters from Al-Masjid Al-Haram. Our plan is to develop a four-star hotel with 2,000 rooms, alongside commercial space that will add approximately 16,000 square meters to our total commercial GLA. This project is expected to materially transform the Company's revenue and earnings profile beginning in 2030 and represents a clear expression of our future strategic direction.

Driving the Next Phase of Growth

The Company is advancing along a clear transformation path aimed at strengthening earnings capacity and creating sustainable long-term value. This trajectory is supported by four clear drivers. First, the renovation of our existing hotel asset is expected to drive meaningful improvement in ADR and RevPAR. Second, the expansion of our commercial GLA, both within the existing asset and through the Ajyad Street project, is expected to increase rental revenues significantly, supported by high occupancy levels and a location that remains highly attractive to tenants across categories. Third, we continue to grow our Hajj services segment, with an improving margin profile as we rebalance toward higher-quality revenue. Fourth, the commencement of operations at our new Ajyad Street hotel and retail project from 2030 is expected to add substantial revenue and earnings to the Group.

The Company has the capacity to deploy additional capital while maintaining disciplined return thresholds and balance sheet strength. Beyond our current projects — including hotel renovation, commercial expansion, and the Ajyad Street development — we expect to announce further investments in Makkah and potentially Al Madinah as we identify and execute on attractive opportunities that meet our targeted returns.

Maintaining the Pace of Growth

We enter the next phase with renewed determination and a clear sense of purpose, supported by a strong position that allows us to benefit from the accelerating growth of religious tourism in the Kingdom while executing our plans with discipline and precision. During the year, we launched a new corporate identity that unifies our operating platforms and reflects the unique spiritual and urban significance of Makkah, enhancing clarity and alignment across the Company. At the same time, we continued to strengthen our investor engagement and enhance transparency, supporting a deeper market understanding of our strategy and long-term ambitions.

Appreciation

I would like to extend my sincere thanks to our shareholders for their continued trust, to our Board of Directors for its strategic guidance, and to our partners for their valued collaboration. I also express my appreciation to all our employees, whose dedication, professionalism, and commitment to excellence have been instrumental in what we have achieved. Together, we will continue to build sustainable value and serve the guests of the Two Holy Mosques in a manner that reflects the significance of this responsibility.

Our Business Model

Makkah Construction and Development Co. continues to create sustainable value for all stakeholders, leveraging its strategic location in the central area, over three decades of operational expertise, and a qualified workforce that ensures business continuity with high efficiency and reliability.

This integrated approach supports strong financial performance and improved asset operating efficiency, enhancing the Company's ability to serve its clients across various sectors and deliver sustainable impact through its assets surrounding the Grand Mosque.

Core Strengths

Strategic Real Estate Assets

- **500** Meters or Less from Haram
- **16,183 m²** Mall Gross Leasable Area
- **~7,000 m²** Land Bank "Ajyad Land"
- **1,438** Keys

Pioneer of Mixed-Use Development in Makkah

- First Mixed-Use Asset
- Founder of Jabal Omar Development
- Developer of the Masar Concept

Robust Financial Capacity

- **⃁ 4.3 billion** Total Assets
- **0.4%** Gearing Ratio
- **⃁ 1.53 billion** Strategic Investments

Social & Relationship Capital

- **100,000** Pilgrims License Capacity
- **11** Investor Engagements
- **7.7%** of Foreign Investors
- **17** CSR Initiatives

Brand Equity & Heritage

- **35+** Years of Operational Experience
- **348K** Guests (2025)
- **40+ million** Footfall (2025)
- **64K** Pilgrims (2025)

Human Capital

- **1,068** Employees
- **2,817** Hours Training
- **11%** Growth in Female Representation

How We Create Value

Mission

At Makkah Construction and Development Company, we redefine real estate investment and development through integrated solutions that blend quality and innovation, elevating facilities and services, and delivering exceptional experiences to visitors.

Vision

To solidify our position as the first leader in real estate investment and development in the area surrounding the Holy Mosque, by providing integrated solutions that elevate facilities and services to the highest standards, offering visitors unique experiences that deliver sustainable value to investors.

Values

Excellence | Integrity | Hospitality | Sustainability | Innovation

Strategic Positioning

MCDC is strategically positioned as a trusted, long-term owner and operator of prime mixed-use assets in the Holy Cities, benefiting from structurally resilient pilgrimage-driven demand. Our positioning is differentiated by our proven ability to deliver and operate complex assets in a highly regulated, high-throughput environment, and by our commitment to serving the Guests of the Holy Cities—a customer segment where we have a unique depth of experience in meeting their needs across peak seasons and diverse visitor flows.

Business Activities

Premium Hospitality

- **1,438** Keys Hotel & Towers
- Focus on Guest Experience

Commercial Retail

- **403** of Tenants
- Enhancing tenet mix to improve footfall by bringing unique brands
- Digital Engagement with tenants

Hajj Services

- **64K** of pilgrims
- **4%** of external pilgrims served
- Focus on safe, reliable, and well-coordinated operations while maintaining pilgrim satisfaction

Disciplined Capital Allocation

- **~10%** Increase in Total Leasable Area
- **<2 Years** Payback Period for the Development of an Additional Floor in the Commercial Mall
- Ajyad Land Purchase at an attractive Valuation
- Focus High Impact/ Value Opportunities
- Reduction of Jabal Omar Development Position By 1/3 To Pursue Higher Return Opportunities

Stakeholders

Customers | Employees | Community | Shareholders | Regulators

Value Delivered

Financial Performance

- **⃁ 1,072 million** Revenues
- **~21%** Revenue 2Y CAGR
- **⃁ 474 million** Net income
- **~19%** Net income 2Y CAGR
- **⃁ 318 million** Free Cash Flow
- **12%** ROE

Operational Metrics

- **⃁ 742** Hospitality RevPAR
- **~7%** Hospitality RevPAR Growth
- **81%** Hospitality Occupancy
- **⃁ 16,851 /m²** Mall Lease rates
- **~7%** Mall Lease rates growth
- **98.4%** Mall Occupancy
- **⃁ 338 million** Hajj Revenue
- **4.4%** Hajj Net Margin
- **~662%** Growth in Hajj Pilgrims

Awards and ratings

- World Luxury Hotel Awards
- Muse Hotel Awards (IAA)
- Bronze Award for Corporate Social Responsibility (2025)
- Great Place to Work Certification
- **>90%** Hajj Satisfaction Ratings

ESG

- **Zero** Lost Time Injuries (LTI)
- **+80K** of CSR beneficiaries
- **+2,000** Planted Trees
- **107,000 m³** of Recycled Water

Our Strategy

A Year of Tangible Progress and Strategic Repositioning

Makkah Construction & Development Company's strategy is grounded in long-term demand fundamentals, disciplined capital allocation, and deep operational expertise in the Holy City. Operating across hospitality, retail, Hajj services, and investments, MCDC focuses on enhancing the performance of its core assets, scaling participation across the pilgrimage ecosystem, and selectively expanding its asset portfolio to deliver sustainable, risk-adjusted returns over the long term.

Strategic Direction

MCDC's strategy reflects a deliberate evolution from a legacy asset owner into an integrated platform focused on scalable operations, active asset management, and long-term value creation. Anchored in one of the most strategically located asset bases in the Holy City, the Company is transitioning from static ownership to a model centered on active management, operational scale, and selective expansion.

This strategic direction is driven by structural growth in pilgrimage demand, increasing complexity across the Hajj and Umrah ecosystem, and national transformation priorities under Vision 2030. MCDC's strategy is designed to enhance asset quality, expand participation across the pilgrimage value chain, and deploy capital selectively into opportunities that support sustainable growth while preserving financial resilience.

Our long-term strategy is anchored in three core initiatives supported by four strategic enablers that drive sustainable performance, embracing future successes.

Strategic Pillars

- Enhance Existing Premium Assets
- Maximizing Value and Scale in Hajj
- Grow Our Asset Portfolio

Strategic Enablers

- A robust financial foundation characterized by negative gearing and the capacity for self-funded growth while maintaining balance sheet flexibility
- Four decades of operational and development expertise in high-density mixed-use environments.
- Specialized human capital with peak-season and large-scale operations capability
- Structural demand growth driven by Vision 2030, with long-term visibility across hospitality, retail, and pilgrimage-related services

Our Strategy (continued)

1. Enhance Existing Premium Assets

Objective

Maximize the long-term value, resilience, and income-generating capacity of MCDC's flagship hospitality and retail assets.

Strategic Focus

MCDC is executing a phased asset enhancement program across its Hotel & Towers and retail mall assets, balancing renovation and expansion initiatives with operational continuity. The program is designed to enhance asset quality, optimize space utilization, and align offerings with evolving visitor and tenant demand in the Holy City.

The strategic direction is underpinned by an independent market and feasibility assessment conducted by Colliers. The study identified opportunities to strengthen performance through asset repositioning, tenant mix optimization, space reconfiguration, and upgrades to premium accommodation offerings.

As part of this transformation, MCDC evaluated the operating model of its core hospitality asset, including the potential role of an international brand operator. The Colliers assessment reviewed the current self-operated model and concluded that introducing a brand operator is not expected to generate incremental value, as any potential operating benefits would likely be offset by management fees, higher capital requirements, and the added complexity of a third-party operating structure. Based on this assessment, MCDC believes that continuing under the current operating model provides greater simplicity, stronger economic efficiency, and a more effective platform for long-term value creation from its core hospitality asset.

Key Initiatives

Multi-Phase Hotel Renovation Program

In hospitality, MCDC has commenced the first phase of its multi-phase hotel renovation program as part of its strategy to reposition the flagship asset toward a higher proportion of premium accommodation. The overall renovation program extends through 2027, with an estimated total capital investment of approximately ⃁ 400 million, while the first phase is scheduled for completion in early 2026 before the start of Ramadan.

Phase 1. Scope and Performance Impact

The first phase, valued at ⃁ 32 million, covers 4 guestroom floors and involves reconfiguring the layout from 107 standard rooms and 3 suites to 98 rooms and 7 premium suites. This reconfiguration is expected to improve RevPAR by approximately 10% for the renovated units in their first full year of operation. Execution has been carefully phased during low seasons to minimize disruption to ongoing operations.

Mall Enhancement Strategy

MCDC's strategy is centered on active asset management aimed at improving income quality and long-term resilience rather than footprint expansion alone. The Company focuses on tenant mix optimization, rental rate increases and selective space reconfiguration to enhance leasing quality, strengthen pricing discipline, and maintain the mall's competitiveness within its operating environment.

Retail Footprint Optimization Target

At the same time, the Company is targeting its existing retail footprint to reach approximately 18,000 m² of leasable area by the end of 2026, supporting annual rental revenues of approximately ⃁ 285 million, driven by continued optimization and rental performance improvements.

Food Court Redevelopment and Incremental Expansion

Through the planned redevelopment of the existing 4th floor prayer hall into a dedicated food court, alongside the construction of a new 5th floor prayer hall. MCDC expects to add approximately 4,700 m² of incremental leasable area, bringing total available space to approximately 22,700 m² by the end of 2026. The expansion is targeted for readiness ahead of Ramadan 2027 and is expected to be supported by a capital investment of approximately ⃁ 60 million, generating annual rental revenues of approximately ⃁ 40 million, with an estimated payback period of less than two years.

Our Strategy (continued)

2. Maximizing Value and Scale in Hajj

Objective

Build a scalable and operationally mature Hajj services platform that delivers sustainable value over the long term.

Positioning the Hajj Services Platform

The Hajj sector represents a structurally resilient market with predictable annual demand and strong alignment with national pilgrimage expansion objectives. While the business remains at an early stage of development within MCDC, its low capital intensity and long-term scale potential support a disciplined, phased growth approach focused on operational maturity before margin optimization.

2025 Execution

In 2025, MCDC expanded its licensed Hajj capacity from 10,000 to 100,000 and served 64,332 pilgrims, representing approximately 4% of external pilgrims. This expansion marked a critical milestone in establishing a scalable Hajj operating platform and demonstrated the Company's ability to manage a significant increase in volume while navigating growing operational complexity, supporting a disciplined, phased approach to growth.

The Company will continue scaling its Hajj operations with a focus on strengthening execution capability, improving operational coordination across the Hajj value chain, and preparing the platform for progressive efficiency improvements and margin enhancement, with profit margins expected to gradually improve toward the 5%–6% range, as operations become more standardized and cost control improves.

Our Strategy (continued)

3. Grow Our Asset Portfolio

Objective

Expand and optimize MCDC's asset portfolio through disciplined capital allocation, selective investments, and development opportunities that enhance long-term growth, diversification, and shareholder returns.

Strategic Focus & Investment Portfolio

MCDC's portfolio growth strategy is centered on disciplined capital allocation, active portfolio management, and selective expansion in the holy cities markets. The Company pursues opportunities that complement its core strengths, diversify income streams, and enhance long-term value creation, while maintaining financial flexibility and risk discipline.

Jabal Omar Development Company is one of MCDC's earliest investments, with the Company serving as a founding shareholder and contributing to the initial development of the landmark mixed-use destination surrounding the Grand Mosque by providing a technical study and contributing land plots in return for an equity stake. As the project matured, MCDC selectively reduced its holding in line with its capital allocation priorities. In 2025, the Company executed a share disposal of 34.4 million shares, generating ⃁ 763 million in transaction value.

The proceeds enhanced MCDC's financial flexibility and supported capital reallocation toward core strategic initiatives.

2025
34.4 million shares sold

First Avenue Real Estate Development Company provides MCDC with a diversification pathway into largescale real estate opportunities in major Saudi cities, primarily Riyadh and Jeddah. MCDC invested in this partnership to establish a strong development arm capable of executing major projects beyond the Holy Cities. This investment offers exposure to urban population growth, expanding commercial demand, and new development pipelines, thereby enhancing MCDC's portfolio balance and geographic diversification.

Jorhum Regeneration and Development Company holds a position that grants priority development rights within the Jorhum area, an advantage that aligns closely with MCDC's longstanding presence and strategic focus in Makkah. This investment provides long-term optionality, positioning MCDC to play a leading role in future development phases and reinforcing the Company's ability to originate and shape highimpact projects within one of the most soughtafter pilgrimage zones.

2025
⃁ 763 million transaction value

Development Pipeline

Ajyad Land represents a strategic addition to MCDC's portfolio, leveraging its prime location in close proximity to the Grand Mosque for future mixed-use development. Acquired through a competitive process at a cost below prevailing market valuations, with an acquisition value of approximately ⃁ 980 million, reflecting disciplined capital deployment.

The planned development concept is expected to include approximately 16,000 m² of retail space and a 4-star hotel comprising approximately 2,000 keys, subject to final design approvals and regulatory requirements. Development is targeted to commence in 2027, with initial revenue contribution anticipated from 2030.

Future Portfolio Direction

MCDC will continue evaluating selective portfolio actions, advancing development-ready opportunities, and pursuing investments that balance growth, diversification, and capital efficiency, in line with its capital allocation framework and with a clear focus on long-term value creation and sustainable shareholder returns.

Strategy Execution Roadmap (2024–2030)

2024–2025

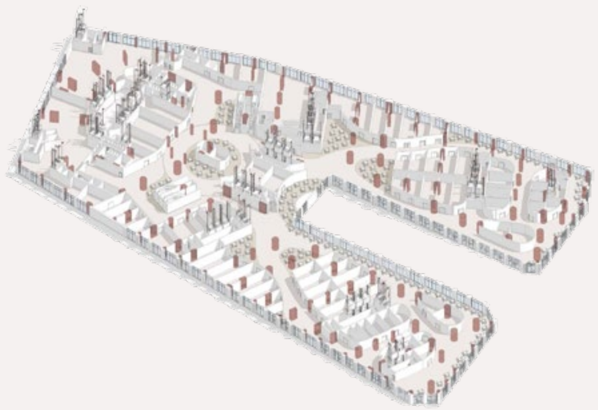
Optimize Core Assets

- Mall enhancement and repositioning
- Commencement of multi-phase hotel renovation
- Hajj platform scale-up

2026

Expand & Reconfigure

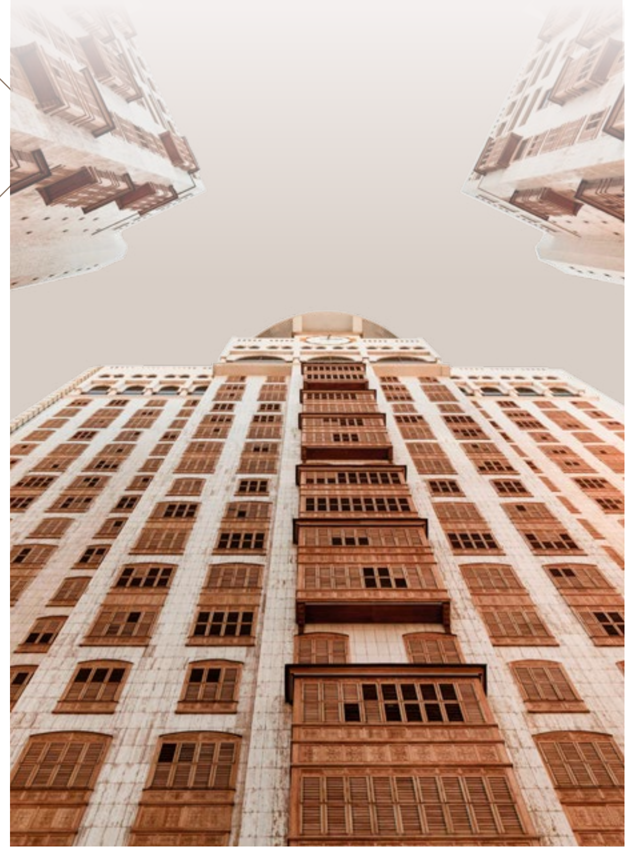
- Mall reaches 18,000 m²
- Food court development
- Completion of Hotel & Towers renovation phases
- Ajyad mixed-use concept development



2027–2029

Realize Performance

- Hotel renovation benefits realized
- New food court benefits realized
- Ajyad mixed-use Construction



2030

Portfolio Maturity

- Ajyad mixed-use revenue contribution

Key Performance Indicators

Makkah Construction and Development Company applies a structured set of key performance indicators (KPIs) to assess financial performance, operational efficiency across its core sectors, and sustainability-related outcomes, while monitoring progress against its strategic objectives. These KPIs provide a consistent framework for measuring performance and supporting informed decision-making by the Board, management, and stakeholders.

The selected KPIs are grouped to present a balanced and comprehensive view of performance, covering financial results, sector-specific operational metrics, and sustainability indicators. They are presented on a multi-year basis where applicable to support comparability over time and enable stakeholders to assess performance trends and underlying progress.

By linking KPIs to strategic priorities, the Company enhances operational discipline and reinforces its focus on sustainable value creation.

Financial KPIs

Revenue — 1,072

(⃁ Million)

Revenue represents total income generated from the Company's core operating activities during the reporting period.

2025	**1,072**
2024	836
2023	731

2025 Performance

Revenue increased by 28% to ⃁ 1,072 million in 2025, driven by strong growth across all business segments, particularly Hajj (+113%), alongside solid growth in Mall (+19.8%) and resilient performance from Makkah Hotel & Tower (+4%).

EBITDA & EBITDA Margin — 531

(⃁ Million)

EBITDA represents earnings before interest, taxes, depreciation, and amortization, reflecting the Company's core operating profitability. EBITDA margin represents EBITDA as a percentage of revenue.

2025	**531**	**49%**
2024	464	56%
2023	383	52%

2025 Performance

EBITDA increased by approximately 15% to ⃁ 531 million, reflecting stronger operating earnings from core activities. EBITDA margin declined to 49% compared to 56% in the prior year, primarily due to the increased contribution of the lower-margin Hajj B2B segment.

Net Profit & Net Profit Margin — 474

(⃁ Million)

Net profit represents the Company's profit after all expenses, while net profit margin measures net profit as a percentage of total revenue.

2025	**474**	**44%**
2024	411	49%
2023	334	46%

2025 Performance

Net profit increased by approximately 15% to ⃁ 474 million, driven by improved operating performance and higher finance and investment-related income. Net profit margin declined to 44% compared to 49% in the prior year, mainly due to the increased contribution of the lower-margin Hajj B2B segment.

Return on Equity (ROE) — 12

(%)

ROE measures net profit as a percentage of average shareholders' equity during the period and indicates how efficiently the Company utilizes shareholders' capital.

2025	**12**
2024	10
2023	9

2025 Performance

ROE increased to 12% in 2025 compared to 10% in the prior year, reflecting improved profitability and more efficient utilization of shareholders' equity.

Free Cash Flow — 318

(⃁ Million)

Free cash flow represents net cash generated from operating activities after deducting capital expenditures.

2025	**318**
2024	288
2023	341

2025 Performance

Free cash flow increased to ⃁ 318 million in 2025 compared to ⃁ 288 million in the prior year, reflecting strong operating cash generation despite higher capital investments during the year.

Gearing Ratio — 0.4

(%)

Gearing ratio measures net debt relative to shareholders' equity and indicates the Company's level of financial leverage.

2025	**0.4**
2024	-3.0
2023	-10.7

2025 Performance

The gearing ratio moved to 0.4% in 2025 from (3.0%) in 2024, a change of +3.4 percentage points, reflecting a shift in capital structure following increased investment and funding activity.

Key Performance Indicators (continued)

Hospitality KPIs

Occupancy Rate — 81
(%)

Occupancy rate measures the percentage of available rooms occupied during the reporting period.

2025	81
2024	83
2023	86

2025 Performance
Occupancy rate declined slightly to 81%, primarily as a result of renovation activity during the year, while remaining supported by resilient demand and effective operational management.

Average Daily Rate (ADR) — 913
(⃁)

ADR measures the average room rate earned per occupied room per night during the reporting period.

2025	913
2024	831
2023	768

2025 Performance
ADR increased to ⃁ 913, up approximately 10% compared to the prior year, reflecting stronger pricing performance and improved rate realization.

Revenue Per Available Room (RevPAR) — 742
(⃁)

Revenue per available room (RevPAR) measures room revenue generated per available room, combining occupancy and pricing performance.

2025	742
2024	691
2023	663

2025 Performance
In 2025, RevPAR increased to ⃁ 742, up approximately 7% compared to the prior year, driven by higher ADR, which offset the slight decline in occupancy levels.

Mall KPIs

Gross Leasable Area (GLA) — 16,183
(m^2)

Gross Leasable Area (GLA) represents the total area available for lease to tenants, measured in square meters.

2025	16,183
2024	14,656
2023	16,214

2025 Performance
GLA increased to 16,183 m^2, up approximately 10% compared to the prior year, reflecting the optimization and reconfiguration of mall space to support improved asset utilization.

Occupancy Rate — 98.4
(%)

Occupancy rate measures the percentage of leasable area occupied by tenants during the reporting period.

2025	98.4
2024	97.9
2023	99.5

2025 Performance
Occupancy rate improved to 98.4%, up 0.5 percentage points compared to the prior year, reflecting sustained tenant demand and stable leasing performance.

Average Lease Rate (ALR) — 16,851
(⃁/m^2)

ALR measures the average rental income generated per square meter of leased space.

2025	16,851
2024	15,755
2023	10,760

2025 Performance
Average lease rate increased to ⃁ 16,851 per m^2, up approximately 7% compared to the prior year, driven by pricing optimization and tenant mix enhancement.

Key Performance Indicators (continued)

Pilgrimage KPIs

Number of Pilgrims Served — 64,332

Number of pilgrims served measures the total number of pilgrims supported through the Company's Hajj operations during the reporting period.

2025	**64,332**
2024	8,447
2023	3,191

2025 Performance
The number of pilgrims served increased significantly to 64,332, reflecting expanded licensed capacity and the introduction of B2B service arrangements, which supported higher service volumes during the Hajj season.

Lost Time Injuries (LTI) — Zero

2025 Performance
In 2025, zero lost time injuries were recorded during Hajj operations, demonstrating effective safety management, strong operational discipline, and the Company's continued commitment to maintaining high safety standards during peak seasonal activities.

Revenue — 338
(⃁ Million)

Pilgrimage revenue represents total revenue generated from Hajj-related services during the reporting period.

2025	**338**
2024	159
2023	125

2025 Performance
In 2025, pilgrimage revenue increased to ⃁ 338 million, up approximately 113% compared to the prior year, driven by higher service volumes and expanded participation across Hajj services.

Net Profit Margin — 4.4
(%)

Net profit margin measures net profit generated from Hajj services as a percentage of related revenue.

2025	**4.4**
2024	10
2023	3.5

2025 Performance
Net profit margin declined to 4.4% in 2025 from 10% in the prior year, as the significant volume growth in pilgrims was driven by lower-margin B2B service.

Sustainability KPIs

Training Hours — 2,817

2025 Performance
A total of 2,817 training hours were delivered in 2025, reflecting the Company's continued focus on employee development and capability building.

CSR Beneficiaries — +80k

2025 Performance
More than 80,000 beneficiaries were reached through the Company's CSR initiatives in 2025, supporting community engagement and social impact objectives.

Reused Water — 107,000
(m^3)

2025 Performance
A total of 107,000 m^3 of water was reused in 2025, reflecting the Company's commitment to resource efficiency and sustainable operations.

Risk Management

Risk is inherent in every business. At MCDC, we believe that the disciplined identification, assessment, and management of risk is not merely a compliance obligation — it is a strategic imperative and a cornerstone of sustainable value creation. As we enter the most ambitious phase of investment and growth in the Company's 36-year history, our commitment to robust risk governance has never been more important. The following section sets out our risk management framework, our principal risks, and the actions we are taking to manage them.

Risk Governance and Oversight

The Board of Directors bears ultimate accountability for the Company's risk profile and the effectiveness of its risk management framework. The Board approves the Company's overall risk appetite and monitors material risks through regular reporting from management and through the oversight activities of its committees.

Board and Committee Oversight

Risk oversight at MCDC is structured across three tiers:

1. **Board of Directors**
Sets the Company's risk appetite and provides ultimate oversight of all material risks. Reviews and approves the risk management policy. Receives regular updates from the Audit Committee and management on emerging risks and strategic risk exposures.

2. **Audit Committee**
Oversees the effectiveness of the internal control environment and risk management processes. Reviews internal audit reports, monitors compliance with regulatory requirements, and provides assurance to the Board that the risk framework is functioning effectively. Meets at least quarterly and has direct access to the external auditors and the head of internal audit.

3. **Executive Management**
Responsible for the day-to-day identification, assessment, and management of risks across the business. The Chief Executive Officer chairs the management committee, which reviews the company's risk position periodically, monitors key factors, and escalates material changes to the Audit Committee and Board.

Three Lines of Defense

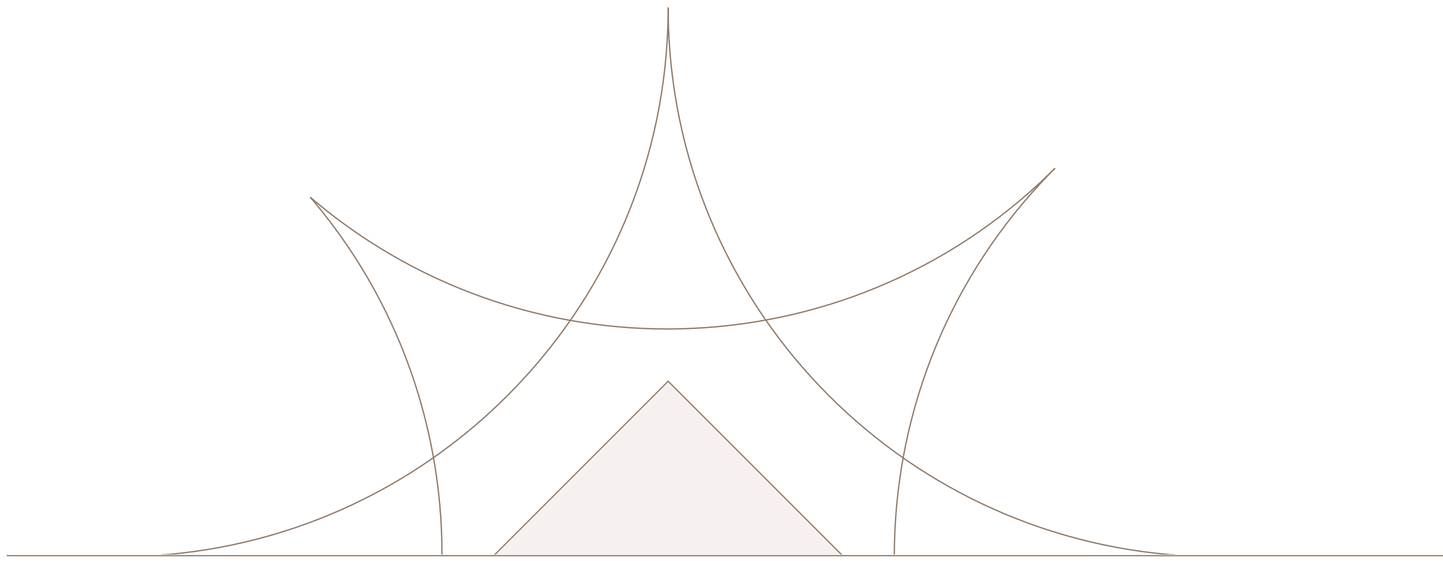
MCDC operates a Three Lines of Defense model to ensure clear accountability for risk management across the organization:

First Line	Second Line	Third Line
Business operations — segment managers and operational teams own and manage risks on a daily basis within the risk appetite.	**Compliance functions** — provide oversight, tools, and frameworks to support the First Line, and report independently to senior management.	**Internal audit** — provides independent assurance to the Board and Audit Committee on the effectiveness of risk management, governance, and internal controls.

Risk Appetite

MCDC's risk appetite reflects our strategic positioning as the preeminent operator of premium religious hospitality assets in the Holy City of Makkah. We are willing to accept measured risks in pursuit of the growth and returns required to deliver our strategic objectives, while maintaining a conservative posture toward risks that could compromise the safety of our guests and pilgrims, our regulatory standing, or our reputation in the markets we serve. MCDC's risk appetite is designed to protect safety, compliance, and the sanctity of place while enabling disciplined growth:

- Low tolerance for risks that could affect human safety, service continuity during peak seasons, regulatory compliance, or ethical conduct.
- Moderate, controlled tolerance for strategic and investment risks that are supported by clear business cases, staged approvals, and strong execution controls—particularly in asset enhancement and income-generating development.



Risk Management (continued)

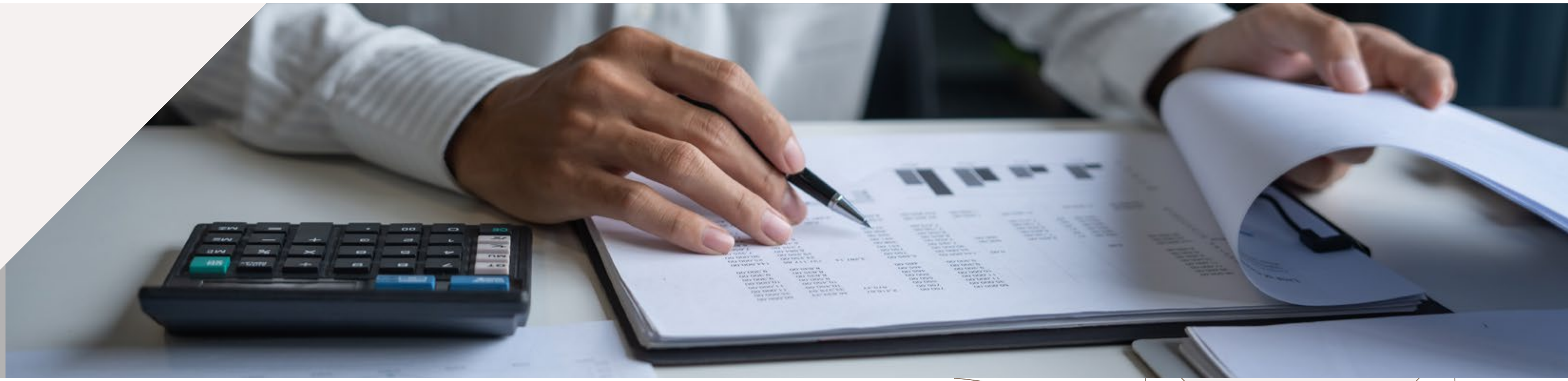
Principal Risks and Mitigations

The following risk register presents the Company's twelve principal risks, organized across six categories. Each risk is assessed at its current level, after accounting for existing mitigating controls.

	Risk	Mitigation
Regulatory and access restrictions (Hajj/Umrah and Makkah operating controls)	Changes in regulations, licensing requirements, or access controls can affect hotel occupancy patterns, pilgrim movement, and operating conditions, including but not limited to restrictions implemented to manage large influxes and safety.	Close coordination with government and regulators, intensified during peak religious seasons, alongside timely submissions and compliance discipline.
Demand concentration and pricing sensitivity in prime religious hospitality	Performance in religious hospitality is highly sensitive to asset location and distance from the Mosque; small differences can materially affect ADRs and competitiveness.	Strengthen competitiveness through asset enhancement and service excellence.
Peak-season operational readiness, safety, and service continuity	High-density operating conditions during Hajj and peak Umrah seasons increase safety, logistics, and reputational risk (crowd flow, transport timing, camp readiness, communications).	Daily readiness checks and KPI-based monitoring, multilingual communication, and structured coordination with government authorities and service partners.
Hajj services scaling risk (capacity, complexity, margins, working capital)	Rapid scaling increases operational complexity and execution risk; segment economics can be lower-margin and may require seasonal working capital.	Capacity growth tied to licensed operations and operational controls; focus on improving margins through mix and efficiency initiatives, while managing seasonal working-capital needs.
Project execution risk: renovation program delivery and operational disruption	Renovations and upgrades can create disruption, scheduling risk, and cost overrun risk, particularly when executed in live operating environments; planned renovations are expected to be phased.	Phased delivery approach, contractor controls, and tight coordination to protect guest experience and operational continuity during works.
Development and approvals risk for expansion projects	New developments can be subject to technical and regulatory approvals; timelines and capex profiles may remain uncertain until approvals and programs are finalized.	Staged assessment and approval gating; partnership approaches where appropriate; continued evaluation of land opportunities aligned with core expertise.
Real estate portfolio and investment risk (associates and strategic stakes)	Investment performance may be impacted by market cycles, valuation movements, liquidity, or project delivery risks in investee companies. MCDC maintains a strategic investment portfolio including stakes linked to developments near the Grand Mosque and exposure to wider Saudi real estate markets.	Active portfolio monitoring, diversification across opportunities, and disciplined decision-making to support long-term value creation.
Supplier, contractor, and procurement risk	Reliance on suppliers and contractors introduces risks around quality, safety, schedule adherence, and compliance—especially for renovation and high-traffic operations.	Compliance checks, audits, performance reviews, and clear expectations on safety/quality standards, supported by contractual alignment and ongoing coordination.
Environmental and sustainability compliance risk	Increasing environmental regulation may require additional investment in hospitality and construction-related activities to meet standards.	Adoption of advanced environmental technologies, eco-friendly materials in projects, and proactive compliance policies to reduce impact and support long-term efficiency.
People, capability, and workforce sustainability	Delivering service quality and scaling operations requires attracting, retaining, and developing talent, while managing workload balance and safe working conditions.	Structured induction, role-based learning, performance feedback, and organizational development aligned with evolving operational needs.
Reputation and stakeholder trust	In Makkah's high-visibility environment, service failures, safety incidents, or inconsistent disclosures can impact stakeholder trust.	Strong disclosure discipline, structured stakeholder engagement, and consistent service standards across touchpoints.
Financial resilience and capital allocation	Balancing growth investments with shareholder returns and maintaining financial flexibility is critical as the Company advances its asset enhancement and expansion strategy.	Maintain capital discipline through phased investments, prudent financing, and portfolio recycling, while balancing growth funding with shareholder returns, including the expected ⃁ 1.5 per share dividend for 2025.

Internal Controls and Assurance

The Board has overall responsibility for the system of internal control, and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and provides reasonable — but not absolute — assurance against material misstatement or loss.



Financial Controls

MCDC maintains a comprehensive system of financial controls, including:

- A Board-approved annual budget and medium-term financial plan, against which performance is monitored by the Audit Committee and by the Board on quarterly basis.
- Delegation of authority framework that sets clear financial approval limits across the organization.
- Segregation of duties across all key financial processes.
- An independent external audit conducted annually by a CMA-licensed audit firm, providing assurance on the accuracy and fairness of the Company's financial statements in accordance with IFRS as adopted in the Kingdom of Saudi Arabia.

Operational Controls

Key operational controls across our business segments include:

- Hotel Operations: Standard operating procedures across all guest-facing and back-of-house functions, with daily performance reporting against occupancy, ADR, and RevPAR targets. Guest satisfaction is monitored through post-stay surveys and mystery guest programs.
- Commercial Leasing: Rigorous tenant due diligence process and lease contract management.
- Hajj Services: Dedicated operations team with clearly defined service level agreements for all B2B and B2C, contracts. Operational review conducted following each Hajj season to identify service quality improvements and margin enhancement opportunities.
- Capital Projects: Independent project management oversight for all capital expenditures, with quarterly reporting to the Board.

Regulatory Compliance

MCDC operates in a heavily regulated environment, with oversight from multiple Saudi Government bodies including the Capital Market Authority (CMA), the Ministry of Tourism, and the Ministry of Hajj and Umrah. The Company maintains a dedicated compliance function responsible for monitoring changes in regulatory requirements, managing license renewals, and ensuring timely and accurate regulatory reporting and disclosures.

Risk Outlook

As MCDC enters 2026 — a year characterized by significant capital deployment, the completion of the Ajyad Street land payment, and the launch of major renovation and construction activities — the Board and management are acutely aware that our risk profile is evolving. The transition from a single-asset operator to an active developer and multi-asset operator introduces new categories of execution and operational risk that we are building our capabilities to manage.

We remain confident that the structural drivers of our business — the irreplaceable location of our assets, the sustained and growing global demand for Hajj and Umrah, the Saudi Government's transformative Vision 2030 investment program, and the strength of our balance sheet — provide a resilient foundation from which to pursue our growth objectives. Our risk framework will continue to evolve in parallel with the strategic ambitions of the Company.

The Board confirms that it has carried out a robust assessment of the Company's principal risks and has satisfied itself that the Company has adequate systems of internal control in place to identify, assess, and mitigate those risks to an acceptable level.

03

Business Review

CFO's Statement

Dear Shareholders,

It is my pleasure to present the financial performance of Makkah Construction and Development Company for 2025, a year that reflected the strength of our core assets, the resilience of our operating model, and the early positive impact of our strategic transformation. The year was characterized by strong revenue growth, disciplined capital redeployment, and the preservation of a robust financial position, further strengthening the Company's readiness to execute its growth plans over the coming years with confidence and discipline.

Ahmad Mohanad Jaber
Chief Financial Officer

Revenue and Profitability

The Company's core segments — hospitality, commercial leasing, and Hajj services — delivered strong performance during 2025, enabling the Company to exceed ⃁ 1 billion in consolidated revenue. This performance was driven by strong growth in the mall, supported by higher lease rates, an improved tenant mix, and an increase in leasable area resulting from asset enhancement initiatives. At the same time, the Hajj services segment recorded notable growth, with revenues more than doubling compared to the previous year, contributing to a more diversified revenue base and a broader operating platform for the Company.

Gross profit reached ⃁ 515 million, representing a margin of 48%. The decline in gross profit margin compared to 56.5% in 2024 reflects the expansion of the Hajj services segment, which operates at lower margins than the hospitality and commercial leasing segments.

EBITDA amounted to ⃁ 531 million, while net profit reached ⃁ 474 million. Earnings per share increased to ⃁ 2.37, representing a 15% year-on-year increase. Operating cash flow reached ⃁ 412.8 million, reflecting the Company's strong ability to convert accounting earnings into operating cash flow.

Financial Position and Capital Allocation

The Company entered 2025 from a position of financial strength, and we continued to manage the balance sheet efficiently to fund our growth strategy while maintaining a prudent financial posture. During the second quarter, the Company executed a strategic divestment of 34.4 million shares in Jabal Omar Development Company, generating gross proceeds of ⃁ 762.6 million and realizing gains of ⃁ 418.4 million. This transaction was executed at an attractive level and strengthened the Company's capital structure, supporting its ability to fund the acquisition of the Ajyad Street land.

The Ajyad land acquisition, completed in December 2025 for a total consideration of ⃁ 980 million, with payment due in the first quarter of 2026, represents the largest single capital outflow in the Company's history. Despite the scale of this transaction, the Company is still expected to maintain a low gearing level, reflecting the resilience of its balance sheet and the strength of its financial position.

The Company also invested more than ⃁ 900 million in Saudi government sukuk, supporting efficient liquidity management and improving the Company's zakat profile within a disciplined and balanced financial framework.

Investment Program

The Company has the capacity to execute capital expenditure in excess of ⃁ 6 billion under its strategic plan. During 2025, we invested in the initial phases of the hotel renovation program and continued to advance the mall enhancement initiatives. Capital expenditure is expected to increase meaningfully in 2026 with the payment for the Ajyad Street land, followed by the commencement of construction activities from 2027 onward.

Our capital expenditure program has been designed in a phased and carefully structured manner to ensure that the Company retains financial flexibility throughout the investment cycle. Our approach remains anchored in disciplined capital allocation, prioritizing investments that enhance recurring operating revenues and support long-term shareholder value, while maintaining prudent financial risk management.

In this context, 2025 marked tangible progress in executing this strategy through the launch of Phase 1 of the hotel renovation program, the commencement of the fifth-floor development in the mall, and the completion of the Ajyad Street land acquisition to support the development of future income-generating assets near Al-Masjid Al-Haram.

Dividend

The Board of Directors approved a cash dividend distribution of ⃁ 1.50 per share for the financial year 2025, consistent with prior years and reflecting the Company's commitment to delivering regular returns to shareholders even during a period of accelerated capital investment and growth execution.

Continuing the Journey of Value Creation

Makkah Construction and Development Company continues to advance along a multi-year growth path supported by a number of clear financial and operational drivers, most notably the hotel renovation program, the expansion of the mall, the growth of Hajj services, and the development of the Ajyad Street project, which is expected to commence operations in 2030.

Collectively, these initiatives are expected to meaningfully enhance the Company's earnings capacity over the coming years, support the growth of recurring revenues, and improve the quality of earnings over the long term.

From a financial perspective, our priorities are clear: maintaining the strength of the balance sheet, sequencing capital expenditure efficiently, improving returns through asset enhancement and operational efficiency, and preserving the flexibility required to pursue selective opportunities that strengthen recurring earnings.

Entering the Next Phase of Growth

The financial discipline and strategic clarity that defined the Company's approach in 2025 will remain fundamental in guiding our business through the next phase of investment and growth. Today, our business is supported by strong fundamentals: a unique location, irreplaceable assets, and structural growth in demand for religious tourism, reinforced by strong state support and direction for this sector. These strengths position the Company well to capture future opportunities and deliver sustainable value to its shareholders.

In closing, I would like to express my sincere thanks and appreciation to our valued shareholders for their trust and continued support, which provide us with strong motivation to achieve the Company's objectives and future ambitions.

Operational Performance

Makkah Hotel & Towers

Overview

In 2025, Makkah Hotel & Towers reaffirmed its status as the Company's flagship asset, leveraging its unrivalled location overlooking the Grand Mosque to deliver a historic financial performance. By pivoting our operational strategy to prioritize revenue quality over volume, the property achieved record revenues of ⃁ 462 million, a 4% increase from 2024.

⃁ 462 million
Revenue in 2025

Operational Performance

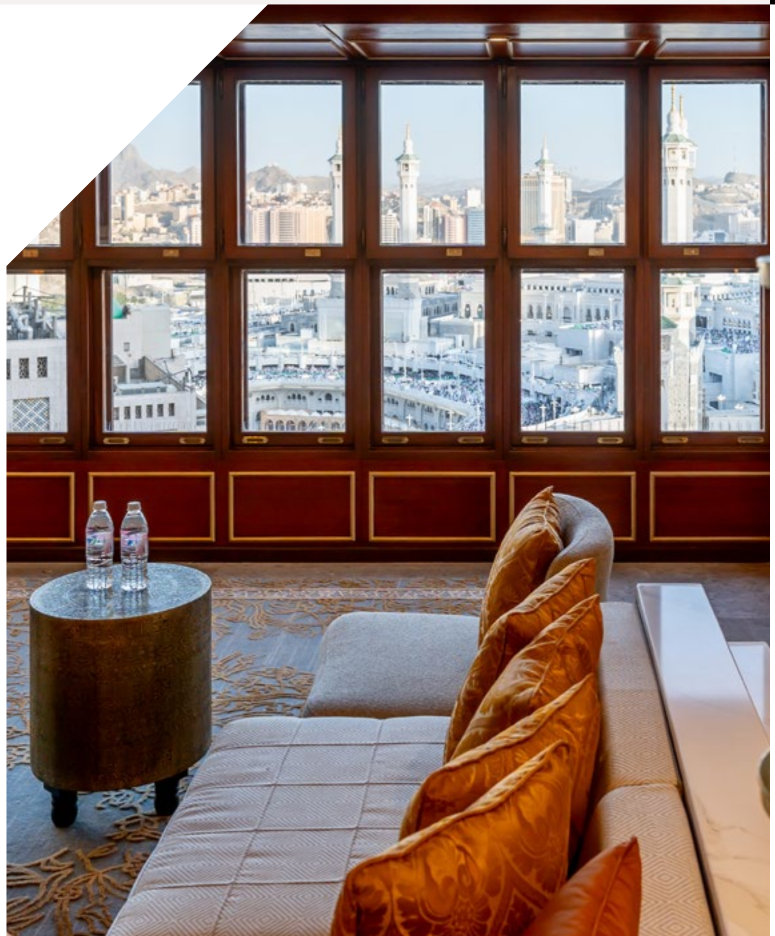
Our 2025 strategy focused on maximizing value per available room in a high-demand, pilgrimage-led market. By implementing dynamic pricing strategies throughout the year, we successfully drove premium growth despite a controlled adjustment in occupancy levels.

Revenue Quality

Average Daily Rate (ADR) for the Hotel & Towers increased 10% year-on-year to ⃁ 913, compared with ⃁ 831 in 2024.

Core Growth

This pricing power drove a 7.4% improvement in Revenue Per Available Room (RevPAR) to ⃁ 742, proving the efficacy of our yield management approach.



Key Performance Indicators

	2025	2024	2023
Occupancy			
Hotel	77%	79%	83%
Towers	85%	86%	89%
Hotel & Towers	**81%**	**83%**	**86%**
Average Daily Rate (ADR) - ⃁/Room			
Hotel	1,071	1,003	902
Towers	806	714	675
Hotel & Towers	**913**	**831**	**768**
Revenue Per Available Room (RevPar) - ⃁/Room			
Hotel	825	792	749
Towers	685	614	601
Hotel & Towers	**742**	**691**	**663**

Makkah Hotel & Towers (continued)

Food & Beverage Performance

Food & Beverage (F&B) remains an important component of the property's guest proposition, supported by over 1,300 seats across five restaurants and one café. In 2025, total F&B revenue reached ⃁ 60.5 million, representing 13% of total property revenue while 2024 ⃁ 68.6 million represented 15%. The year-on-year decline in F&B revenue was primarily driven by Hajj season guests electing not to utilize the hotel's F&B facilities during the season, which reduced on-property dining and related service demand, despite overall property revenue increasing year-on-year.

Food & Beverage Revenue Performance

Segment	2025 (⃁ million)	2024 (⃁ million)	Change (%)
Hotel F&B	38.9	41.7	-6.5
Towers F&B	21.6	26.9	-20
Total F&B Revenue	**60.5**	**68.6**	**-12**
Makkah Hotel & Towers Revenue	462	445	+4
F&B Share of Revenue	**13%**	**15%**	**(2pp)**

Digital Enhancement & Service Excellence

Welcoming 348,312 guests in 2025, our operations team focused on modernizing the pilgrimage experience through digital integration. We implemented a suite of digital touchpoints, including mobile check-in, QR-enabled services, and automated pre-arrival communications which reduced queuing times and improved guest flow during peak religious seasons.

This commitment to service excellence is reflected in our guest sentiment. Based on over 24,000 verified reviews[1], the complex maintained exceptional satisfaction ratings.

Hotel:

4.71/5.0

Towers:

4.72/5.0

[1] Verified reviews are based on consolidated internal guest feedback and external review platforms, including Revinate, Google Reviews, and Booking.com.

Asset Enhancement

To sustain our premium positioning, we advanced a strategic renovation program in 2025 aimed at upgrading asset quality and enhancing yield potential.

Strategic Renovation

MCDC initiated a multi-phase upgrade of 4 guest floors, converting 107 standard rooms into 98 premium rooms and 7 luxury suites.

Value Creation

Scheduled for completion in 2026, this recalibration of our room mix is designed to capture higher-value demand segments, further boosting RevPAR and overall asset yield.

2026 Outlook

Entering 2026, Makkah Hotel & Towers is positioned on a strong foundation of consistently high demand and operational efficiency. Our focus for the year ahead is twofold: sustaining our leadership in pilgrimage-driven demand while progressively diversifying booking channels to enhance revenue resilience.

MCDC Mall

Overview

MCDC Mall maintained strong operational fundamentals in 2025, supported by high occupancy levels, disciplined leasing practices, and its strategic location approximately 50 meters from the Grand Mosque. The Mall delivered revenues of ⃁ 272 million, representing a 19% increase from 2024, reflecting effective rental management and sustained tenant demand.

Operational Performance

In 2025, the Mall focused on optimizing space utilization, reinforcing leasing discipline, and strengthening tenant servicing. Management actions centered on targeted lease adjustments and structured tenant management to enhance income quality and asset productivity within a high-demand location.

Occupancy
The Mall achieved 98.4% occupancy in 2025, demonstrating resilient demand and effective tenant retention.

Scale and Leasable Area
The mall comprises 16,183 m² of leasable area within a total asset footprint exceeding 17,577 m², with expansion to ~18,000 m² planned during 2026.

Rental Performance
Average lease rates increased from ⃁ 15,755/m² in 2024 to ⃁ 16,851/m² in 2025 following targeted rental adjustments to enhance income quality while maintaining competitiveness.

Footfall baseline
Visitor entries exceeded 40 million in 2025, establishing a first full-year baseline for monitoring footfall performance going forward.

Leasing Strategy & Tenant Mix Enhancement

In 2025, the Company prioritized rental quality and space productivity, including key leasing moves to strengthen the Mall's positioning in the Grand Mosque catchment:

Anchor Strategy and Space Optimization
The number of anchor tenants was reduced from two to one, and the anchor was relocated to a more suitable location, freeing premium space overlooking the Haram Plaza to improve space efficiency and commercial potential.

Differentiated Tenant Additions
The Mall introduced selected brands not previously present in the immediate vicinity of the Grand Mosque, including ½ Million, Brew 92, Joe & the juice, and Simit Sarayi, reinforcing its competitive positioning and supporting sustained visitor traffic.

½M BREW92° JOE & THE JUICE simit sarayi

Key Performance Indicators	2025	2024	2023
Total Available area (m²)	17,577	16,871	16,385
Area under devel (m²)	-1,394	-2,215	-171
Total Leasable area (m²)	16,183	14,656	16,214
Total Leased Area (m²)	15,927	14,338	16,132
Average Lease Rate (⃁/m²)	16,851	15,755	10,760
Occupancy (%)	98.4	97.8	99.5

Tenant Servicing & Operational Enablement

The Mall progressed operational enablement initiatives aimed at improving tenant experience and workflow efficiency, including launching a dedicated tenant application to centralize permits, goods movement approvals, and compliance processes.

Asset Enhancement & Brand Integration

In 2025, MCDC advanced a coordinated program of physical enhancement and brand integration to strengthen asset coherence and operational efficiency. Initiatives included deploying smart sensors and analytics systems to monitor visitor flow and support space-use decisions, alongside façade and interior upgrades aligned with the Holy City's architectural character.

These enhancements were complemented by an updated brand identity aligned with MCDC's corporate visual identity across onsite and digital touchpoints.

2026 Outlook

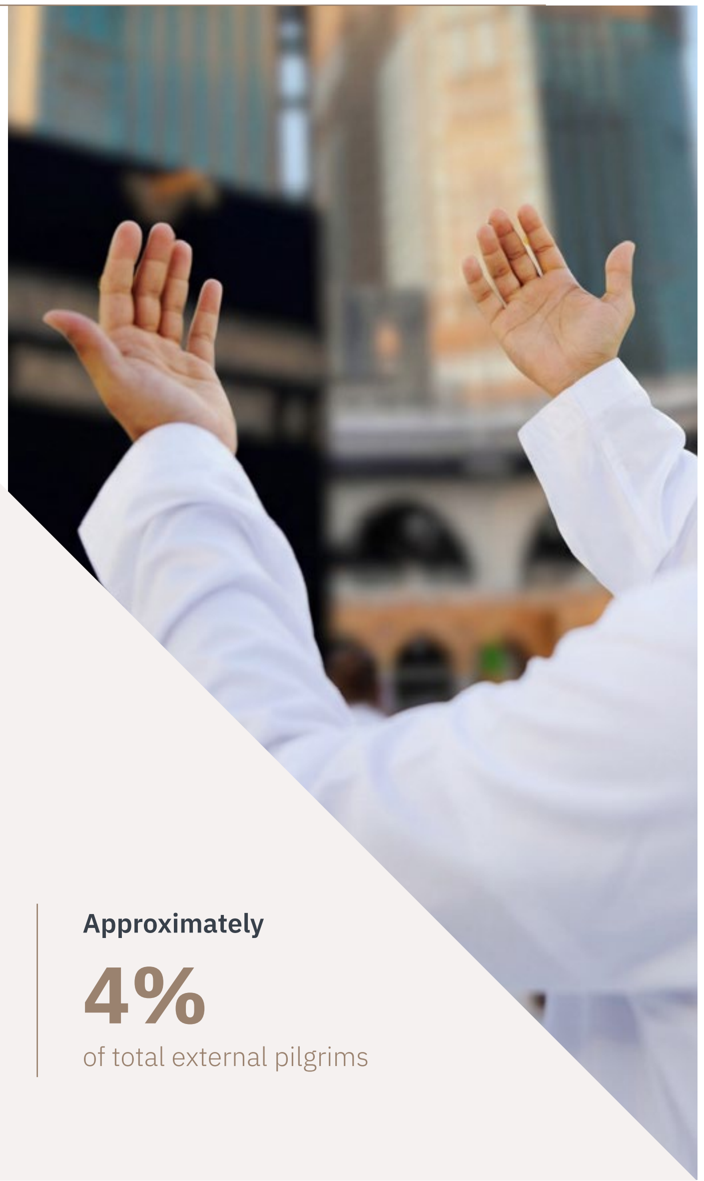
MCDC Mall will launch a phased redevelopment initiative to expand the asset and enhance its operating mix. The project includes the construction of an additional 5th floor, the relocation of the prayer hall from the 4th floor to the new level, and the conversion of the 4th floor into a dedicated food court.

The planned food court will be designed to improve circulation and convenience, with direct access to the Haram Plaza via escalators, supporting improved flow and functional integration. Upon completion of the food court in 2027, the Mall's total leasable area is expected to reach nearly 23,000 m², strengthening space productivity and revenue density.

MCDC Hajj حج

MCDC Hajj

Overview



In 2025, MCDC's Hajj business delivered a step-change in operating scale and execution complexity, reflecting higher service expectations and increased coordination requirements across the Holy Sites. The year also marked a key regulatory milestone, with the Company's licensed capacity expanding from 10,000 to 100,000 pilgrims, enabling participation across a broader range of service programs and supporting phased growth in the sector. During the season, the Company served 64,332 pilgrims, reinforcing MCDC's role as a contributor to the Kingdom's Vision 2030 Pilgrim Experience Program.

Approximately

4%

of total external pilgrims

Service Model and Regulatory Framework

The Company delivers Hajj services through distinct business models, with service scope tailored by segment to support scale and operational control across the pilgrimage journey.

Business-to-Business (B2B)

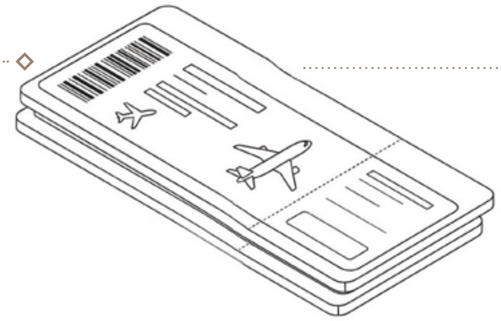
Service arrangements delivered in partnership with international Hajj operators. Under this model, the Company provides selected core services within the Holy Sites.

Business-to-Consumer (B2C)

Direct packages offered to individual pilgrims through approved platforms, enabling end-to-end service delivery across the Hajj journey. The segment operates at lower volumes and comparatively higher margins, reflecting its integrated service scope and direct-to-consumer structure.

Pilgrim volumes are governed by annual regulatory allocations issued by the Ministry of Hajj and Umrah, with allocations determined through official qualification processes and required to remain within licensed capacity, making operational readiness and compliance central to sustainable growth.

B2B & B2C Service Model



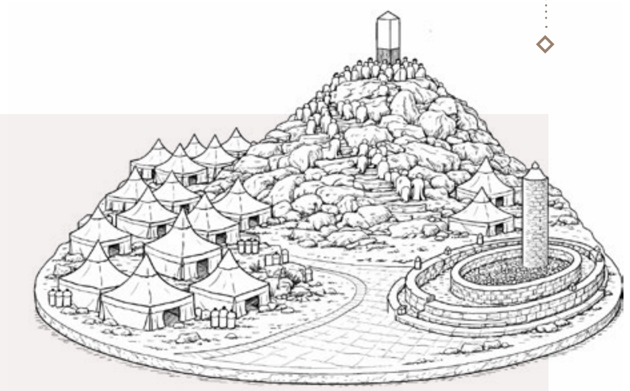
B2C Services

B2C Extended Pilgrim Journey

Pre-Hajj

- Package class design
- Hajj permits
- Airline ticketing
- Pre-arrival coordination
- Reception at ports of entry
- Pre- and post-Hajj accommodation arranged through external accommodation providers

B2C B2B (Shared Services)



B2B Partner-Led Model
On-Ground Hajj Operations

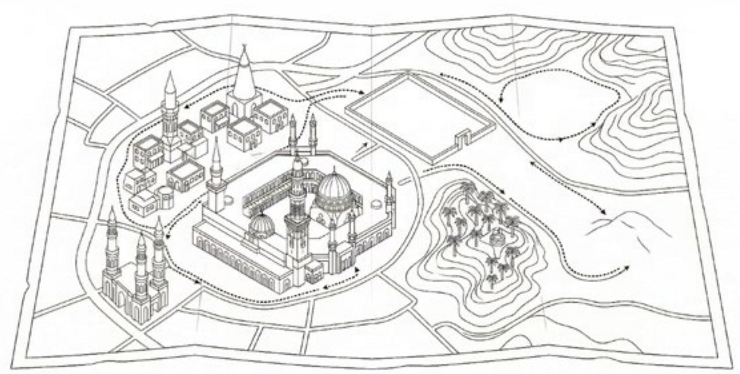
During Hajj

- Authority coordination
- Mina & Arafat camp operations
- Transportation between holy sites coordination
- Safety & crowd management
- Catering oversight
- Field supervision & guides
- Digital monitoring & control

B2C Extended Pilgrim Journey

Post-Hajj

- Madinah visit
- Religious tours and extensions
- Departure arrangements



MCDC Hajj (continued)

Operational Performance

The 2025 season was characterized by a significant increase in scale. The Company served 64,332 pilgrims compared with 8,447 in 2024, supported by strengthened partnerships with group operators and broader market participation. This represented approximately 4% of total external pilgrims served during the 2025 Hajj season.

2024

8,447
B2C

2025

2,996 B2C

61,336 B2B

Volumes were primarily delivered through the newly introduced B2B segment (61,336 pilgrims). The B2C segment served 2,996 pilgrims, a decrease compared to the 8,447 B2C pilgrims served in 2024.

The reduction in B2C volumes was primarily driven by lower regulatory allocations, reflecting the Ministry's temporary capacity management measures to mitigate overcrowding and related safety risks pending the completion of expansion works in the Holy Sites.

The 2024 financial baseline includes revenue generated from operating Ministry-assigned sites in the Holy Sites (Mashair). This was a one-time operating arrangement and is not part of the Company's ongoing Hajj operations.

Despite the absence of Mashair site operations the lower B2C allocations, Hajj segment revenues increased significantly from ⃁ 159 million in 2024 to ⃁ 338 million in 2025. This reflects the successful pivot to a scale-driven B2B model as the business progresses toward operational maturity.

Operational Execution and Safety Outcomes

To deliver the season at higher volumes, operations were executed through coordinated planning with relevant authorities and service partners, expanded field deployment, and closer alignment with regulatory requirements.

Licensed Transport Operators

The Company recorded a coordination effectiveness rate exceeding 95%, based on tracked participation in formal coordination meetings, active involvement in joint operations rooms, and documented compliance with shared operational protocols.

Technology-enabled safety systems including smart wristbands and IoT-based monitoring of critical camp infrastructure, supported real-time oversight and faster response.

The season was completed without major safety incidents affecting pilgrims, and zero lost time injuries (LTI) were recorded among staff.

To support large-scale service delivery and manage execution complexity, Hajj operations in 2025 were guided by three operational drivers, system integration and coordination, field readiness, and digital enablement.

System Integration and Coordination
Unified planning frameworks, shared movement schedules, real-time communication protocols, and joint intervention teams were deployed to address crowd flow, transportation, and logistics during peak periods.

Field Readiness
The seasonal workforce ramp-up was supported through accelerated training and preparation, including +1,700 employees trained, +140 hours of targeted training, and 40 workshops and field programs.

Digital Enablement
Real-time digital platforms including crowd intelligence tools and mobile reporting were introduced to strengthen operational oversight, improve incident reporting speed, and enhance communication between field teams and supervisors, supporting execution consistency across dispersed locations.

+1,700
Employees trained

+140 hours
Targeted training delivered

40
Workshops & field programs

2026 Outlook

Building on the 2025 execution experience, the Company enters 2026 with a stronger operational base and improved insight into pilgrim and partner requirements. The focus for the coming year is to shift from volume-led growth toward more disciplined execution, strengthening service consistency and operational efficiency while leveraging capabilities developed in prior seasons.

Financial Review

Overall Financial Performance

Makkah Construction and Development Company delivered strong financial performance in 2025, with revenue increasing to ⃁ 1,072 million compared to ⃁ 836 million in 2024, representing growth of 28%. Net profit reached ⃁ 474 million, reflecting growth of 15% year-on-year, while earnings per share increased to ⃁ 2.37, based on the weighted average number of outstanding shares of 200 million.

The stronger growth in revenue relative to profitability reflects the evolving composition of the Company's operating activities during the year. Expansion was largely driven by higher-volume pilgrimage operations, where revenue grew significantly as pilgrim volumes increased and participation in Business-to-Business (B2B) services expanded. Meanwhile, the hospitality and mall segments continued to provide stable earnings and supported the overall quality of the Company's profitability.

Sector Performance Overview

Sector analysis highlights differing growth patterns across the Company's operating sectors, with each segment playing a distinct role in shaping consolidated performance during 2025.

Pilgrimage Sector

The sector recorded the strongest growth during the year, with revenue increasing to ⃁ 338 million in 2025 compared to ⃁ 159 million in 2024, representing growth of approximately 113%. This expansion was driven by higher licensed capacity, increased pilgrim volumes, and expanded participation in Business-to-Business (B2B) service arrangements.

Despite strong top-line growth, net profit recorded a slight decline to ⃁ 15 million compared to ⃁ 16 million in the prior year. This reflects the scale-led nature of the expansion, where revenue growth outpaced margin expansion due to the increasing share of lower-margin B2B activities. As a result, the sector acted as the primary driver of consolidated revenue growth while contributing more moderately to overall profitability expansion.

Hospitality Sector

The hospitality sector remained a key contributor to the Company's earnings during 2025, generating revenue of ⃁ 462 million compared to ⃁ 445 million in 2024. Performance remained stable throughout the year, supported by steady demand and improved pricing dynamics across the Company's Hotel and Towers operations.

While occupancy softened slightly during the year, stronger average room rates supported overall revenue performance and contributed to improved RevPAR. As a result, net profit reached ⃁ 239 million compared to ⃁ 235 million in the prior year, reflecting stable profitability levels.

Mall Sector

The mall sector continued to deliver strong and stable performance during the year, with revenue increasing to ⃁ 272 million compared to ⃁ 229 million in 2024. This growth was supported by consistently high occupancy levels and ongoing tenant mix optimization, which enhanced the mall's overall commercial positioning.

This operational momentum translated into stronger profitability, with net profit increasing to ⃁ 216 million compared to ⃁ 179 million in the prior year, representing growth of approximately 21%. The improvement reflects both higher lease rates and efficiency gains across the asset. As a result, the mall segment contributed approximately ⃁ 37 million to the growth in consolidated net income during the year, highlighting its role as a key driver of the Company's profitability expansion.

Overall, performance across the Company's operating sectors reflects a balanced operating model in which pilgrimage activities drove scale expansion, hospitality sustained earnings stability, and mall operations enhanced profitability through operational efficiency. This evolving earnings mix reflects the Company's transition toward a more diversified operating profile, balancing growth-oriented sectors with stable recurring income streams.

Profitability and Margin Insight

While consolidated profitability remained strong, margin dynamics during 2025 reflected a shift in revenue composition. Growth during the year was increasingly driven by pilgrimage activities operating at higher volumes but comparatively lower margins, resulting in revenue expanding faster than overall profitability.

As a result, net profit margin declined to 44% from 49% in 2024, reflecting the impact of the changing business mix during the year. Despite this shift, profitability quality remained supported by hospitality and mall operations, which continued to generate stable and relatively higher-margin earnings.

Strategic Investment Portfolio Optimization

During 2025, the Company continued to actively optimize its investment portfolio as part of its disciplined capital allocation strategy, focusing on enhancing financial flexibility, strengthening income diversification, and redeploying capital toward opportunities aligned with long-term growth objectives.

The Company completed a partial disposal of its investment in Jabal Omar Development Company through the sale of 34,420,109 shares, representing approximately 31% of its investment. The transaction resulted in realized gains of ⃁ 418.36 million, which were recognized within retained earnings in equity in accordance with applicable accounting standards. The disposal enhanced liquidity and was undertaken with the objective of investing the sale proceeds in the Company's strategic plans for future capital expansion, while maintaining exposure to the remaining investment of 76,384,183 shares, which continues to be classified as financial assets at fair value through other comprehensive income (FVOCI).

In addition, the Company recognized income from its share of profit in associate companies amounting to ⃁ 31 million, reflecting the underlying performance of these investments and supporting earnings diversification alongside the Company's core operating activities. During 2025, the Company recognized around ⃁ 32 million from its investment in First Avenue Real Estate Development Company, with a share of loss of approximately ⃁ 1 million from its investment in Jurhum Development Company, while overall associate performance remained a positive contributor to the Company's earnings.

Financial Position and Capital Structure

As at 31 December 2025, total assets amounted to ⃁ 4,325 million compared to ⃁ 4,505 million in the prior year. The change primarily reflects movements within the Company's financial investment portfolio, including reductions in financial assets measured at fair value through other comprehensive income, partially offset by the recognition of financial assets measured at amortized cost during the year.

Total equity stood at ⃁ 3,840 million compared to ⃁ 4,054 million in 2024. The movement primarily reflects changes within equity components during the year, including fair value adjustments related to financial investments together with movements in retained earnings.

Meanwhile, total liabilities increased modestly to ⃁ 485 million from ⃁ 450 million in the prior year. Despite this increase, liabilities remained at prudent levels relative to total assets, allowing the Company to maintain a conservative capital structure supported by strong equity levels and manageable leverage.

Liquidity and Cash Flow Management

The Company generated net cash from operating activities of ⃁ 413 million in 2025, reflecting the strength of its income-generating assets and stable operating cash inflows across its core business segments. Operating cash flows continued to represent the primary source of internal funding, supporting both investment activities and dividend distributions.

Investing activities resulted in a net cash outflow of ⃁ 148 million, mainly reflecting investment portfolio repositioning and capital deployment during the year. Financing activities also recorded a cash outflow of ⃁ 303 million, primarily driven by dividend distributions of ⃁ 295 million.

As a result, cash and cash equivalents amounted to ⃁ 73 million at year-end. Despite lower cash balances compared to prior periods, the Company's liquidity position remained solid, supported by strong operating cash generation and a disciplined capital allocation approach.

Summarized Consolidated Income Statement

⃁ million – amounts rounded to the nearest million

Year ended 31 December 2025	1442[1]	1443[2]	2022[3]	2023	2024	2025	YoY
Revenue	160	208	253	731	836	1,072	28%
Cost of Revenue	(106)	(86)	(81)	(328)	(364)	(558)	53%
Gross Profit	54	122	172	403	472	515	9%
Operating Profit	11	63	112	347	400	425	6%
Profit Before Zakat	12	62	111	349	423	486	15%
Zakat	(8)	(10)	(7)	(15)	(12.1)	(11.7)	(4%)
Net Profit for the Period	4	52	104	334	411	474	15%
Earnings per Share (⃁)	0.02	0.26	0.52	1.67	2.05	2.37	15%

100% of the Company's revenue is generated within the Kingdom of Saudi Arabia by Makkah Construction & Development Company.

[1] Period From 1/5/1442 AH to 29/4/1443 AH, corresponding to 16-12-2020 to 4-12-2021.
[2] Period From 1/5/1443 AH to 14/11/1443 AH, corresponding to 05-12-2021 to 13-6-2022.
[3] Period From 14/6/2022 to 31/12/2022.

Summarized Consolidated Balance Sheet

⃁ million – amounts rounded to the nearest million

Year ended 31 December 2025	1442	2022[4]	2023	2024	2025	YoY
Total Current Assets	624	770	599	312	255	(18%)
Total Non-Current Assets	4,233	3,138	4,023	4,193	4,070	(3%)
Total Assets	4,857	3,908	4,622	4,505	4,325	(4%)
Total Current Liabilities	365	387	392	321	381	19%
Total Non-Current Liabilities	183	160	138	129	104	(19%)
Total Liabilities	547	548	531	450	485	8%
Total Equity	4,309	3,360	4,092	4,054	3,840	(5%)

Summarized Consolidated Cash Flow

⃁ million – amounts rounded to the nearest million

Year ended 31 December 2025	1442	1443	2022	2023	2024	2025	YoY
Net cash from operating activities	11	65	198	387	333	413	24%
Net cash used in investing activities	(55)	(1)	(18)	(45)	(471)	(148)	(69%)
Net cash used in financing activities	12	(20)	(16)	(187)	(276)	(303)	10%
Cash & Cash Equivalents – Beginning	194	163	207	371	526	112	(79%)
Cash & Cash Equivalents – End	163	207	371	526	112	73	(34%)

Overview of the Company's Loan Portfolio as at December 31, 2025

Lender	Principal Loan Amount (⃁)	Loan Term	Amount Repaid During the Year (⃁)	Outstanding Balance (⃁)	Total Indebtedness of the Company (⃁)
Bank Albilad	335,000,000	9 Years	25,000,000	100,000,000	100,000,000

[4] Period From 05/12/2021 to 31/12/2022.

Details of the Company's Saudi government sukuk portfolio as at December 31, 2025

Description	Nominal Value (⃁)	Investment Cost (⃁)	Profit Rate	Effective Yield	Profit Payment Frequency
11-Year Sukuk	517,000,000	530,447,842	5.59%	5.26%	Semi-annual
7-Year Sukuk	405,000,000	396,104,540	4.57%	4.96%	Semi-annual
Total	**922,000,000**	**926,552,382**	–	–	–

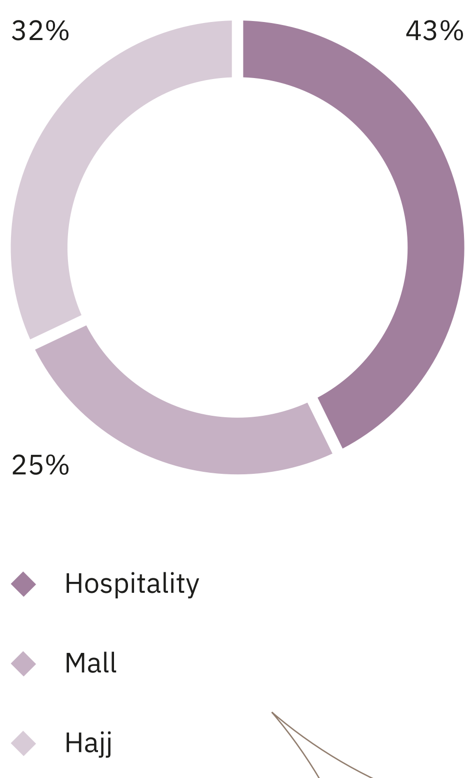
Summary of Statutory Payments as at December 31, 2025

Item	Paid (⃁)	Outstanding (⃁)	Brief Description
Zakat	10,640,955	11,678,264	Annual Zakat obligation
Value Added Tax (VAT)	11,505,722	1,445,096	Value Added Tax payable to the Zakat, Tax and Customs Authority
Withholding Tax	65,057	11,043	Withholding tax on payments to foreign and non-resident service providers
General Organization for Social Insurance (GOSI)	991,198	84,646	Monthly social insurance contributions for Saudi and non-Saudi employees
Visa, Passport and Labor Office Fees	1,786,580	-	Government fees related to employee visas, residency permits, and labor office services

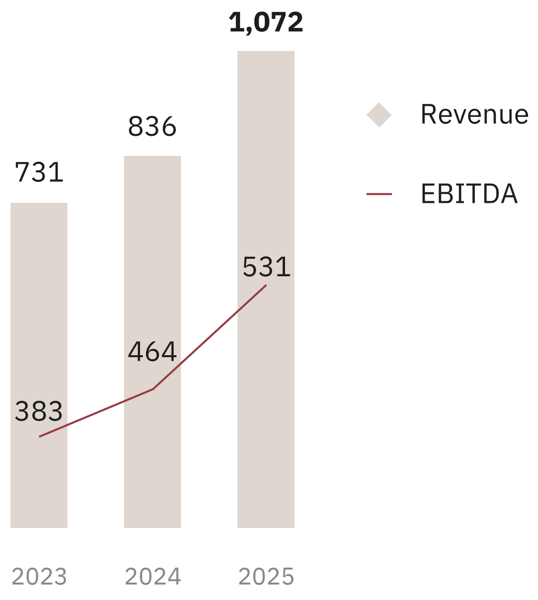
Employees' Defined Benefit Obligations as at December 31, 2025

Item	2025 (⃁)	2024 (⃁)
Employees' defined benefit obligations	51,635,612	53,937,957

Revenue by Sector



Revenue and EBITDA Trend



04

Sustainability

Sustainability At MCDC

Responsible Growth Lasting Impact

At MCDC, Sustainability is a way of operating. We are on a journey toward leading sustainable growth and creating lasting impact by embedding sustainability as a core principle that shapes our priorities, investments, and day-to-day decisions.

We continue to drive sustainable growth in alignment with Vision 2030's three pillars - a Vibrant Society, a Thriving Economy, and an Ambitious Nation - as well as the UN Sustainable Development Goals, contributing to national priorities including the Saudi Green Initiative.

Through this approach, we develop projects in the Holy City that generate economic value while delivering measurable social and environmental impact.

Governance Model

Board of Directors (BOD)

Sustainability and Social Responsibility Committee

Executive Management

Shared Services Department

Sustainability and Social Responsibility Unit

Our Sustainability Framework

At MCDC, sustainability is not a parallel agenda—it is embedded in daily operations and institutional oversight. Our framework is structured around four interconnected pillars that guide how we manage risk, serve visitors, and contribute to the Holy City.

Delivering Safe & Reliable Operations

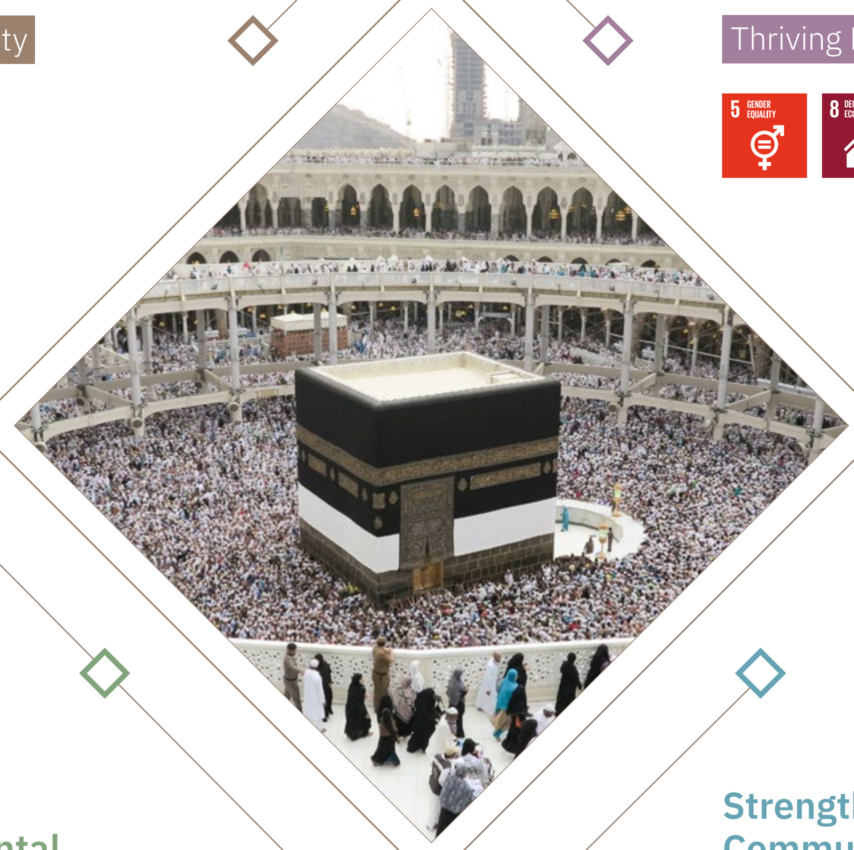
Maintaining Operational safety, service quality, across our sectors

Vibrant Society

Empowering People & Building Capability

Developing talent and strengthening institutional capacity

Thriving Economy



Advancing Environmental Responsibility

Driving resource efficiency and minimizing environmental impact

Saudi Green Initiative

Strengthening Community Impact

Creating measurable social value in Makkah

Vibrant Society

Key Sustainability Achievements

Corporate Social Responsibility (CSR) Award

MCDC was honored with the Corporate Social Responsibility Award – Bronze Category for 2025, presented by His Excellency Eng. Ahmed Al-Rajhi, Minister of Human Resources and Social Development. This recognition reflects the Company's commitment to structured social responsibility, measurable community impact, and alignment with national development priorities.

المسؤولية الاجتماعية
SOCIAL RESPONSIBILITY

Great Place to Work Award

We received the Great Place to Work Award, reflecting our dedication to fostering a positive work environment, strengthening employee engagement, and investing in the systems and culture that support long-term organizational success.

Great Place To Work®
Certified
OCT 2025-OCT 2026
KSA

Delivering Safe & Reliable Operations

Operating in immediate proximity to the Grand Mosque requires disciplined execution, safety oversight, and service reliability at scale. Responsible operations at MCDC focus on maintaining safe environments, managing crowd intensity, and delivering consistent service quality across hospitality, retail, and Hajj activities.

Operational Safety & Risk Control

MCDC prioritizes the prevention of operational risk across all assets. Safety systems are structured to minimize incidents, ensure regulatory compliance, and protect both employees and visitors, particularly during high-density pilgrimage periods.

Continuous risk assessment protocols and preventive controls are applied across facilities. In 2025, MCDC Hajj recorded zero work-related injuries during the Hajj season, demonstrating effective safety planning under peak operational intensity.

Visitor Experience & Operational Reliability

Delivering a seamless and comfortable visitor journey is central to MCDC's operating model. Service standards, cleanliness controls, accessibility planning, and circulation design are embedded into daily asset management across hospitality and retail environments.

Hospital occupancy levels, guest feedback indicators, RevPAR, and retail footfall metrics are continuously monitored to sustain service consistency. During the 2025 season, MCDC Hajj supported approximately 4% of all external pilgrims, reflecting expanded capacity while maintaining service continuity.

Empowering People & Building Capability

Sustainable growth at MCDC begins with people. Behind every guest served, and every milestone achieved stands a workforce committed to the Holy City and its responsibility.

Our human capital strategy is structured around three priorities: capability building, inclusion and workforce well-being. Together, they shape how we build resilience and long-term value.

Capability and Performance

Sustainable performance requires structured development and clear accountability.

In 2025, we delivered 2,817 training hours to 565 employees, representing 53% workforce participation. Development spans recruitment, structured learning, succession planning, and leadership readiness.

A central component of this effort is the Human Resources Organizational Transformation Project, designed to modernize our people management framework and enhance institutional efficiency. The project focuses on:

- Redesigning the organizational structure to clarify roles, accountability, and reporting lines
- Updating HR policies to align with strategic objectives and governance standards
- Strengthening performance management systems by linking evaluation to development and progression
- Reviewing compensation and benefits structures to reinforce merit and market competitiveness
- Formalizing talent management and succession planning to ensure leadership continuity

Together, these initiatives establish a more disciplined and transparent operating model, reinforcing accountability, competitiveness, and long-term institutional resilience.

Inclusion and National Contribution

MCDC employs 1,065 team members, including 101 women representing 11% of the workforce, with continued focus on expanding female participation. Saudi nationals representing 44% of employees, and the Company maintains Platinum Nitaqat classification, reflecting its commitment to national workforce participation.

Localization levels vary across job categories, reflecting operational realities within hospitality and support functions. Administrative positions demonstrate strong national participation at 71%, while support service roles reflect sector-specific labor market dynamics, with a Saudization rate of 20%.

We uphold equal pay for equal work and apply inclusive recruitment and advancement practices. Equal opportunity is extended to People of Determination, ensuring fair participation based on capability and merit.

Workforce Well-Being

We apply health and safety procedures across all operational and administrative environments, supported by advanced systems and continuous performance monitoring to ensure a safe and inclusive workplace. The relocation of our Head Office to Zamzam Business Tower further reflects this commitment, a modern, sustainable space designed with green areas and energy-efficient features that enhance employee comfort and productivity.

Engagement is reinforced through structured initiatives, including national and cultural celebrations, an employee rewards program offering benefits across retail and travel sectors, and an annual excellence gathering recognizing outstanding contributions. These efforts contributed to an employee satisfaction rate of 89%, reflecting strong engagement and organizational alignment.

Human Capital Snapshot 2025

1,065
Total Employees

2,817
Training Hours

44%
Saudi Nationals
472 Employees

71%
Saudization in Administrative Roles

11%
Women Representation

Platinum Nitaqat Classification

Advancing Environmental Responsibility

Environmental responsibility is embedded in how MCDC manages its assets in the Holy City. In alignment with national priorities and the Saudi Green Initiative, we focus on resource efficiency, urban enhancement, and long-term water stewardship to reduce environmental impact while maintaining operational resilience.

Resource Efficiency & Circular Practices

We continue to reduce material consumption and promote circular economy principles across our operations.

Through the Digital Document Archiving Project, we replaced paper-based processes with a secure digital system, eliminating 2.4 million sheets of paper in its first phase, improving efficiency while reducing resource use.

In collaboration with Ayni Association for Recycling, we reused and recycled office furniture and documents which included 720 tons of paper and cardboard, reinforcing responsible waste management and conservation practices.

Water Stewardship

Operating in a water-scarce environment requires disciplined resource management. Since 1995, MCDC has maintained a water-recycling system in the Central Area, reusing treated water for drainage systems, irrigation of surrounding green spaces, and indoor plant maintenance.

During the reporting period, net water production through reuse reached 107,000 m³, generating cost savings of approximately ⃁ 900,000. Recycled water represented 13% of our total water consumption. These outcomes reflect long-standing operational commitment to efficiency and regulatory compliance.

107,000 m³
Reused

13%
Water Offset

⃁ 900K
Savings

Urban Greening & Environmental Partnerships

In partnership with the Holy Makkah Municipality and other stakeholders, we contribute to urban beautification and desertification prevention initiatives.

Key efforts include:
- Energy-efficient lighting upgrades along Prince Mohammed bin Salman Road
- Planting more than 2,000 trees through the "Wa Taher Baity" campaign
- Establishing green spaces in six schools through the "Green Schools" initiative

These initiatives enhance urban identity, improve environmental awareness, and support a healthier city environment for residents and pilgrims.

Throughout our environmental efforts, we maintain strict compliance with applicable national regulations and standards while strengthening operational efficiency and long-term sustainability.

Strengthening Community Impact

At MCDC, community investment is a long-term commitment aligned with our responsibility to Makkah and its residents. Through structured partnerships and targeted initiatives, we contribute to public health, innovation, and social solidarity, supporting sustainable development and enhancing quality of life.

17
Community Initiatives Across 3 Focus Areas

Community Health

We support public health initiatives that emphasize prevention, awareness, and inclusive access, delivered in partnership with trusted health entities in Makkah.

Key initiatives include:
- Pink October Breast Cancer Awareness Campaign, promoting early detection in collaboration with the Makkah Health Cluster.
- National Seasonal Influenza Vaccination Campaign, supporting community immunization efforts.
- Together for Anti-Smoking Haram Initiative, conducted with Kafa Community Health Association to raise awareness and provide cessation support.
- World Autism Awareness Day and International Day of People of Determination, advancing inclusion and awareness of diverse needs.

Innovation & Digital Enablement

We support initiatives that advance digital innovation and educational accessibility in Makkah.

- Sponsorship of the Smart Makkah Hackathon, in collaboration with the Royal Commission for Makkah City and Holy Sites, promoting digital solutions that enhance services for residents and visitors.
- Sponsorship of the Marfa'a Educational App, supporting science education through accessible digital tools.

Social Solidarity & Support

Our giving initiatives are aligned with the spiritual and social fabric of the Holy City.

- Ramadan Iftar Initiative, providing over 22,500 Iftar meals in partnership with charitable organizations.
- Masjid Enhancement and Maintenance Initiative, supporting mosque furnishing and maintenance.
- Suqya Hajj Initiative, distributing cold water to pilgrims in alignment with the Guests of Allah Service Program.
- Kiswa Initiative, providing clothing support to families in need.

We continue to invest in structured community programs that deliver measurable social value and reinforce our role as a responsible contributor to Makkah's long-term development.

05

Corporate Governance

General Governance Framework

As part of its commitment to strengthening its leadership position in the real estate development sector, the Company has established a comprehensive governance framework built on clear principles, policies, and procedures that support sound management practices and foster an attractive and stable investment environment. The Company maintains continuous compliance with applicable laws and regulations and adheres to high standards of transparency and financial disclosure. It also implements effective risk management and governance policies to ensure responsible oversight and sustainable operations. In parallel, the Company places significant emphasis on developing and strengthening its human capital while expanding a diversified investment project portfolio that responds to market needs. This is supported by rigorous methodologies for evaluating and selecting development locations and strategic partners. The Company also prioritizes the protection of shareholders' rights and the enhancement of their investment experience, while actively engaging with the broader community through its social responsibility initiatives.

Governance Pillars

The Company's governance framework in the real estate development sector is built on a set of core pillars aligned with recognized best practices, including the following:

- Commitment to disclosing material information related to real estate projects, developers, and financial performance, enabling investors and stakeholders to make informed decisions.
- Adoption of clear policies and procedures to monitor, assess, and manage potential risks across legal, financial, environmental, and regulatory dimensions.
- Clear delineation of responsibilities between the Board of Directors, its specialized committees, and the executive management team, ensuring alignment of operational performance with the Company's strategic objectives.
- Adherence to laws and regulations governing the protection of the rights of owners, customers, investors, and end users, reinforcing mutual trust and strengthening the Company's reputation in the market.
- Development of internal systems to ensure that projects are executed in accordance with best practices, maintaining high quality standards while adhering to defined timelines and budgets.
- Ongoing investment in the development and training of employees, supported by a motivating work environment that fosters sustainable professional and organizational growth.

Principle of Compliance

The Company has adopted policies and guiding rules appropriate to its status as a listed joint-stock company, while ensuring compliance with the mandatory provisions stipulated in the laws and regulations issued by the relevant regulatory authorities. These mandatory provisions may only be amended by a resolution of the Board of Directors. These policies reflect the Company's commitment to keeping pace with evolving corporate governance best practices and continuously enhancing its governance framework in line with regulatory requirements and relevant developments. The Company also ensures that Board members remain informed of the latest updates and developments in governance practices.

Governance Framework Policies

The Company has developed a set of advanced policies tailored to the characteristics and challenges of the real estate development sector. Key policies include:

- Project evaluation and land selection policy ensuring investment in promising opportunities through rigorous assessment of project feasibility, associated risks, and expected returns.
- Project Disclosure Policy for Projects Under Development enhancing transparency and strengthening investor confidence through periodic and detailed reporting on project progress and key milestones.
- Board Governance Policy includes regulating the composition of the Board, its responsibilities, members' conduct, decision-making mechanisms, and the annual evaluation of performance.
- Shareholder Rights Protection Policy ensuring fairness in dividend distribution, voting rights, and access to information with transparency and clarity.
- Corporate Social Responsibility Policy reflecting the Company's commitment to society through supporting social initiatives and programs that generate positive environmental and community impact.

All these policies are subject to continuous review and periodic development to keep pace with developments in the real estate development market and to support high levels of compliance and institutional performance.

Implemented and Non-implemented Provisions of the Corporate Governance Regulations

The Company complies with all provisions of the Corporate Governance Regulations issued by the Capital Market Authority, except for the provisions set out below.

Article / Paragraph No.	Article / Paragraph Text	Reasons for Non-Implementation
Article (67) – Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the Risk Management Committee. The Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance.	This is a Guiding Article.
Article (68) – Competencies of the Risk Management Committee	Competencies of the Risk Management Committee.	This is a Guiding Article.
Article (69) – Meetings of the Risk Management Committee	The Risk Management Committee shall convene periodically at least once every six months, and as may be necessary.	This is a Guiding Article.
Article (92) – Formation of a Corporate Governance Committee	If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (91) of these regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	This is a Guiding Article.

Corporate Structure, Subsidiaries and Associates

Subsidiaries

The Company holds equity interests in a number of subsidiaries and joint ventures and maintains certain long-term investments. The results of these companies are consolidated within the Company's consolidated financial statements. The table below presents details of these companies, the Company's ownership percentages, and their contribution to the Company's business activities.

Subsidiary Name	Share Capital	Company Ownership	Principal Activity	Activity Revenue	Percentage	Country of Incorporation and Operation
Hotel Towers Company Makkah Hotel Company – Single Person Company	1,000,000	100%	Accommodation and Food Service Activities	462,342,844	100%	Kingdom of Saudi Arabia
Manafie Al Baraka Investment Company	500,000	100%	Investment Activities	0	100%	Kingdom of Saudi Arabia
MCDC Maintenance and Cleaning Company	5,000	100%	Facilities Support Services	0	100%	Kingdom of Saudi Arabia

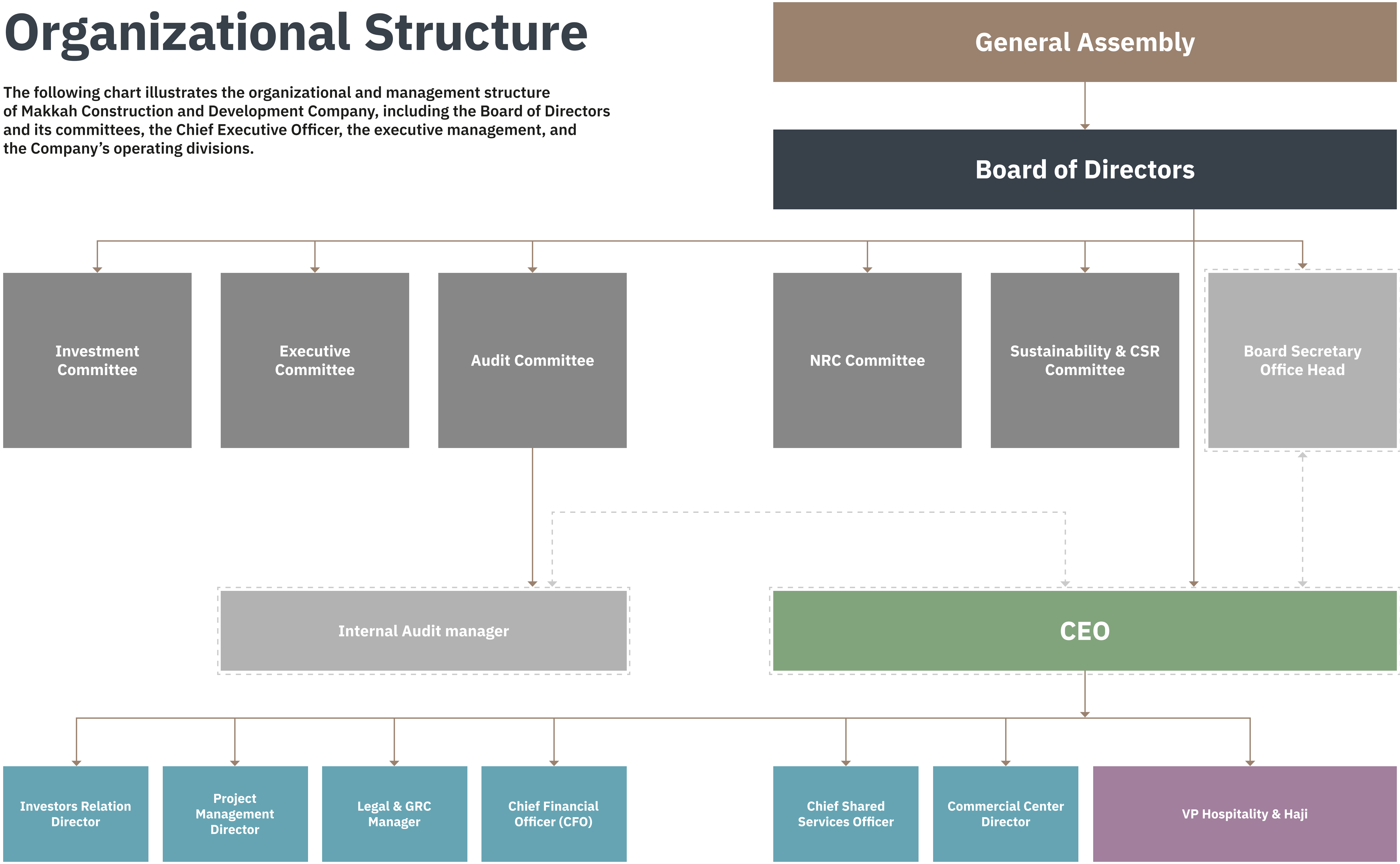
Associates

The Company also owns shares and/or interests in several associates. The table below sets out details and ownership percentages in those entities:

Associate Company	Share Capital	Company's ownership	Principal Activity	Country of Incorporation and Operation
Jurhum Development and Real Estate Development Company	102,470,000	18.79%	Real Estate Development	Kingdom of Saudi Arabia
Aljada Aloula Company	205,000,000	27.72%	Real Estate Development	Kingdom of Saudi Arabia

Organizational Structure

The following chart illustrates the organizational and management structure of Makkah Construction and Development Company, including the Board of Directors and its committees, the Chief Executive Officer, the executive management, and the Company's operating divisions.



Profiles of the Board of Directors, Board Committees and Executives Management

The Board of Directors of Makkah Construction and Development Company was elected by the Ordinary General Assembly on 6 June 2023 for a three-year term commencing on 10 June 2023 and ending on 9 June 2026. The Board comprises members with diverse professional and managerial experience that supports the Company's operations and strategic direction. Its composition reflects an appropriate balance of expertise and specializations, consistent with best governance practices, and strengthens the Board's ability to effectively perform its duties and responsibilities.

- Investment Committee
- Audit Committee
- Executive Committee
- Social Responsibility Committee
- Nomination and Remuneration Committee

Board of Directors

Mr. Saleh Mohammed Bin Ladin

Chairman of the Board - Non-Executive

Appointment date: 10 June 2023

Committee Memberships:

Chairman:

Profile

Mr. Saleh Mohammed Awad Bin Ladin has over 40 years of experience in the construction, investment, and real estate development sectors.

His professional career has been closely associated with leading and developing several major projects and companies within the Kingdom of Saudi Arabia. His extensive experience reflects a deep understanding of sectors related to urban development and long-term investments.

He currently serves as General Manager of Project Management and Development Company, also sits on the boards of a number of companies operating in investment, development, and services, including Knowledge Economic City and several investment and real estate companies in the Kingdom.

His prior leadership roles include serving as Senior Vice President of Saudi Binladin Group, in addition to holding both board membership and chairmanship positions across several major companies in the investment, development, and infrastructure sectors. These roles reflect his extensive experience in corporate governance and strategic oversight of large-scale projects.

Mr. Saleh Bin Ladin holds a Bachelor's degree in Business Administration from Bournemouth International College, United Kingdom.

Current Memberships and Positions

Inside the Kingdom

- Board Member in Johnson Controls Arabia.
- Board Member, Knowledge Economic City Company – a listed joint stock company.
- Member of the Board of Managers, Project Management and Development Company – a limited liability company.
- Board Member, Al-Sahm Food Distribution Company – a limited liability company.
- Board Member, Arab Roots Group Company – a closed joint stock company.
- General Manager, Project Management and Development Company.

Previous Membership and Positions

Inside the Kingdom

- Board Member, Global Food Services Holding Company – a limited liability company.
- Board Member, Ports Development Company – a closed joint stock company.
- Board Member, Huta Hegerfeld Saudi Arabia Company – a limited liability company.
- Board Member, Mohammed binladen Company – a closed joint stock company.
- Executive Council Member, Al Salem Group of Companies – a limited liability company.
- Chairman of the Board, Alkhabeer Financial Advisory Company.
- Board Member, Umm Al Qura for Development and Construction Company – a limited liability company.
- Board Member, Kenan International Real Estate Development Company.
- Board Member, Dar Al Tamleek Company.
- Board Member, Red Sea International Company – a limited liability company.
- Board Member, Al-Soulajan Trading Company.
- Board Member, REE International Contracting Company.
- Senior Vice President, Saudi Binladin Group.

Investment Committee
Audit Committee
Executive Committee
Social Responsibility Committee
Nomination and Remuneration Committee

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Dr. Abdul Raouf Muhammad Mannaa

Vice Chairman of the Board - Non-Executive
Appointment date: 10 June 2023
Committee Memberships:
Member:

Profile

Dr. Abdulraouf Mannaa combines a strong academic background with broad executive experience extending for more than 30 years across the food, investment, and strategic consulting sectors. This diverse background supports his role as Vice Chairman through reinforcing strategic direction and institutional oversight. During his career, he held several senior executive roles, most notably Group Chief Executive Officer and Managing Director of Savola Group, Chief Executive Officer of Majid Al Futtaim Group, Chief Executive Officer and Managing Director of Emaar, The Economic City, and leader of Savola Foods. He has also served on the boards of listed companies and leading investment entities such as Almarai, Knowledge Economic City, Saudi Investment Bank, and Jabal Omar Development, in addition to service on the Board of the General Organization for Social Insurance. He currently serves on the board of Sedco Holding, chairs the Board of Elaf Group, and acts as a business adviser through his consulting office. Dr. Abdulraouf 'Mannaa holds a PhD in Mechanical Engineering from the University of Washington, a Master's degree in Engineering from the University of California, Berkeley, and a Bachelor's degree in Mechanical Engineering from King Fahd University of Petroleum and Minerals.

Current Memberships and Positions

Inside the Kingdom

- Board Member and Member of the Audit Committee and the Nomination and Remuneration Committee, SEDCO Holding Company – a closed joint stock company.
- Chairman of the Board, Elaf Group – a limited liability company.
- Business Advisor, Abdulraouf Mannaa Office for Business Consulting.

Previous Membership and Positions

Inside the Kingdom

- Board Member and Chairman of the Nomination and Remuneration Committee, Jabal Omar Development Company – a listed joint stock company.
- Board Member and Member of the Nomination and Remuneration Committee, and Chairman of the Audit Committee, The Saudi Investment Bank – a listed joint stock company.
- Board Member, General Organization for Social Insurance (GOSI).
- Board Member and Chairman of the Audit Committee, Hassana Investment Company (a subsidiary of GOSI) – a closed joint stock company.
- Vice Chairman of the Board and Chairman of the Investment Committee, Sulaiman bin Abdulaziz Al Rajhi Holding Company – a holding company.
- Board Member and Member of the Nomination and Remuneration Committee, Sulaiman bin Abdulaziz Al Rajhi Real Estate Investments Company – a limited liability company.
- Board Member and Member of the Executive Committee, and Chairman of the Nomination and Remuneration Committee, Knowledge Economic City – a listed joint stock company.
- Board Member, Almarai Company – a listed joint stock company.
- Board Member, Panda Retail Company – a closed joint stock company.
- Chairman of the Nomination and Remuneration Committee, SEDCO Holding Company – a joint stock company.
- Chief Executive Officer and Managing Director, Savola Group.
- Chief Executive Officer, Majid Al Futtaim Group.
- Chief Executive Officer and Managing Director, Emaar, The Economic City.
- Chief Executive Officer, Savola Foods Company.

Mr. Hamza Mohammed Saleh Hamza Seirafi

Board Member - Non-Executive
Appointment date: 10 June 2023
Committee Memberships:
Chairman:
Member:

Profile

Mr. Hamza Seirafi has over 37 years of professional experience across management, investment, real estate development, and banking and financial services. His career also includes contributions to the establishment and management of companies in the hospitality and arts sectors, reflecting a diverse range of operational and investment expertise that supports his role on the Board of Directors of Makkah Construction and Development Company.
Throughout his career, he has held several leadership positions in both the banking and real estate sectors. Among his most notable roles were Deputy Manager at The Saudi American Bank (Samba) and Head of Real Estate Project Development at Mohammed Saleh Seirafi Establishment, where he contributed to the development of real estate projects and investments and the management of diverse financing and commercial operations.
He currently serves as Vice Chairman of Al-Salehat Holding Company and Chief Executive Officer of the Arab Company for Hotels and Catering Ltd., in addition to holding board memberships in several companies. He has also founded a number of entities in the design and arts sector. He chairs the Corporate Social Responsibility Committee at Makkah Construction and Development Company, contributing to the advancement of the Company's community-focused initiatives.
Mr. Hamza Seirafi holds a Bachelor's degree in Business Administration from King Abdulaziz University and has completed specialized studies in Interior Design Engineering at Newbury University in Boston.

Current Memberships and Positions

Inside the Kingdom

- Vice Chairman of the Board, Al-Salehat Holding Company – a closed joint stock company.
- Board Member, Arab Company for Hotels and Catering Ltd. – a limited liability company.
- Board Member, Saudi Art Council.
- Chief Executive Officer, Arab Company for Hotels and Catering Ltd.
- Founder, Sama Design.
- Co-Founder and Partner, Athar Art Trading Company.
- Founder, Wasl Art Company.

Previous Membership and Positions

Inside the Kingdom

- Head of Real Estate Project Development, Mohammed Saleh Seirafi Establishment.
- Deputy Manager, The Saudi American Bank (Samba).

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Mr. Ibrahim Abdullah Ibrahim Al-Subeaei

Board Member - Non-Executive
Appointment date: 10 June 2023
Committee Memberships:
Member: ●

Profile

Mr. Ibrahim Al-Subaie's professional career extends for more than 50 years across banking, commerce, real estate, and investment. This diverse institutional background supports his role as a non-executive board member and audit committee member in strengthening financial oversight, the review of reports, and internal control effectiveness.

He currently chairs Al-Subeaei Investment Group, continuing to oversee investments and private-sector commercial activities, which reflects accumulated experience in capital allocation, portfolio management, and long-term investment decision-making.

Over the course of his career, he served on the boards of several listed companies and prominent economic entities in the Kingdom, including Bank Aljazira, Bank Albilad, Arabian Cement, and Jabal Omar Development, where he also served on the audit committee. He also served on the board of the Jeddah Chamber of Commerce and Industry and on supervisory boards of a number of Saudi universities.

Mr. Ibrahim Al-Subaie holds a High School Diploma and has completed specialized courses in Banking Operations, English Language, and Computer Studies.

Current Memberships and Positions

Inside the Kingdom

- Chairman of the Board, Al-Subeaei Investment Group.

Previous Membership and Positions

Inside the Kingdom

- Board Member, Bank AlJazira – a listed joint stock company.
- Board Member, Bank Albilad – a listed joint stock company.
- Board Member, Arabian Cement Company – a listed joint stock company.
- Board Member and Member of the Audit Committee, Jabal Omar Development Company – a listed joint stock company.
- Board Member, Jeddah Chamber of Commerce and Industry – a non-profit entity.
- Executive Director, Al-Subeaei Company.

● Investment Committee
● Audit Committee
● Executive Committee
● Social Responsibility Committee
● Nomination and Remuneration Committee

Mr. Ziad Bassam Mohammed Al-Bassam

Board Member - Non-Executive
Appointment date: 10 June 2023
Committee Memberships:
Member: ● ●

Profile

Mr. Ziad Al-Bassam has more than 30 years of experience in leading and managing investments and business development across diverse sectors, including real estate, insurance, financial services, healthcare, and transportation. Through his participation on boards of directors, he has contributed to enhancing institutional performance, supporting governance practices, and overseeing multiple operating and investment entities.

He currently serves as a board member and chairman of several boards and committees within listed and closed joint stock companies, including Sumou Real Estate Company, in addition to his role as a Board Member of Mediterranean and Gulf Cooperative Insurance and Reinsurance Company (MEDGULF).

He also serves as Chief Executive Officer of Al-Bassam Group, where he oversees the management and development of a diversified investment portfolio.

His experience also includes serving as a board member and chairman in several listed companies and development entities, including Jabal Omar Development Company and Buruj Cooperative Insurance Company, in addition to his roles within the Jeddah Chamber of Commerce and Industry and the Makkah Region Council. These roles reflect his extensive experience in corporate governance and investment decision-making.

Mr. Ziad Al-Bassam holds a Bachelor's degree in Business Administration.

Current Memberships and Positions

Inside the Kingdom

- Board Member and Chairman of the Audit Committee, Sumou Real Estate Company – a listed joint stock company.
- Board Member, The Mediterranean and Gulf Insurance and Reinsurance Company (MEDGULF) – a listed joint stock company.
- Vice Chairman of the Board, Jurhum Development and Real Estate Development Company – a closed joint stock company.
- Chairman of the Board, Zahr Al-Burtuqal Trading Company (Orange Bed & Bath) – a closed joint stock company.
- Board Member and Member of the Executive Committee, Musharaka Financial Company – a closed joint stock company.
- Board Member, Health Alliance Company – a closed joint stock company.
- Chairman of the Board, Al-Bassam Real Estate Group Company – a closed joint stock company.
- Board Member, Distinguished Pioneer Food House Trading Company – a closed joint stock company.
- Board Member, Yaseer Medical Services Company – a closed joint stock company.
- Board Member, Athmir Business Services Company – a closed joint stock company.
- Board Member, Rawabet Medical Care Company – a closed joint stock company.
- Board Member, Six Stages Information Technology Company – a closed joint stock company.
- Chairman of the Board, Wasel Advanced Land Transport Company – a closed joint stock company.
- Board Member, Health Community Medical Holding Company – a closed joint stock company.
- Member of the Board of Managers, Sumou Suburb Company – a limited liability company.
- Member of the Board of Managers, Wahat Makkah Company – a limited liability company.
- Member of the Board of Managers, Tamas Saudi Construction Company Ltd. – a limited liability company.
- Member of the Board of Managers, Wahat Al-Joud Company – a limited liability company.
- Member of the Board of Managers, Invest Real Estate Company – a limited liability company.
- Chief Executive Officer, Al-Bassam Group.

Previous Membership and Positions

Inside the Kingdom

- Member, Makkah Region Council.
- Vice Chairman of the Board, Jeddah Chamber of Commerce and Industry.
- Board Member, Jabal Omar Development Company – a listed joint stock company.
- Board Member, Buruj Cooperative Insurance Company – a listed joint stock company.
- Chairman of the Board, Aqariya Company – a listed joint stock company.
- Board Member, Adeer Company – a listed joint stock company.
- Board Member, Makeen Saudi Company – a closed joint stock company.
- Board Member, Ruaa Real Estate Company – a closed joint stock company.
- Chairman of the Board, Imkan Arabia Company – a closed joint stock company.
- Board Member, Al-Balad Al-Ameen Company – a closed joint stock company.
- Chairman of the Board, Al-Tareq Aviation Company – a closed joint stock company.
- Board Member, Mathab Psychological Rehabilitation Company – a closed joint stock company.
- Member of the Board of Managers, Makkah Public Transport Trains Company – a limited liability company.
- Member of the Board of Managers, Makkah Gate Company – a limited liability company.
- Chairman of the Board of Managers, Al-Mahafil Company – a limited liability company.
- Administrative Director, Al-Bassam Trading Company.

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Mr. Mohammed Abdulkarim Al-Nafea

Board Member - Executive
Appointment date: 10 June 2023

Profile

Mr. Mohammed Alnafae has more than 16 years of experience in finance, planning, and executive leadership, having held CEO- and CFO-level leadership positions in listed companies. He has led capital markets initiatives including initial public offerings and financial transformation programs that supported sustainable growth and shareholder value creation.

He currently serves as Chief Executive Officer of Makkah Construction and Development Company and sits on the boards of a number of listed companies, including Bank Aljazira, where he chairs the risk committee, National Gas and Industrialization Company, and Aljada Aloula. This reflects advanced experience in financial oversight, risk management, and investment decision-making.

Before joining the Company, he held several leadership positions at Saudi Aramco and Luberef, including Chief Financial Officer, General Accounts Manager, and leadership roles in planning and forecasting systems, as well as responsibility for business plans and Board accounting reports.

Mr. Mohammed Alnafea holds an MBA from Missouri State University, a Bachelor's degree in Accounting from Imam Mohammad Ibn Saud Islamic University, and completed an executive leadership program at Harvard University.

Current Memberships and Positions

Inside the Kingdom

- Chief Executive Officer, Makkah Construction and Development Company.
- Board Member and Chairman of the Risk Committee, Aljazira Bank – a listed joint stock company.
- Board Member and Member of the Audit Committee, First Avenue Company – a listed joint stock company.
- Board Member and Member of the Executive and Investment Committee, National Gas and Industrialization Company – a listed joint stock company.

Previous Membership and Positions

Inside the Kingdom

- Chairman of the Audit Committee and Member of the Investment Committee, Makkah Construction and Development Company – a listed joint stock company.
- Chief Financial Officer, Aramco Base Oil Company – Luberef.
- General Accounting Manager, Saudi Aramco.
- Planning and Forecasting Systems Manager, Saudi Aramco.
- Led the preparation of business plans and the Board accounting report, Saudi Aramco.
- Held several technical and administrative positions within Finance and Planning, Saudi Aramco.

Investment Committee
Audit Committee
Executive Committee
Social Responsibility Committee
Nomination and Remuneration Committee

Mr. Ghassan Yasser Ahmed Shalabi

Board Member - Independent
Appointment date: 10 June 2023
Committee Memberships:
Chairman: (Nomination and Remuneration Committee)
Member: (Investment Committee) (Social Responsibility Committee)

Profile

Mr. Ghassan Shallabi has executive and investment experience spanning a range of technology and investment sectors, with a leadership track record in business development and growth management across companies operating both within and outside the Kingdom. His professional career reflects strong capabilities in managing organizational transformation and developing investments across diverse operating environments.

He currently serves as Chief Executive Officer of Alpha Team Information Systems Technology Company, following several senior executive roles including Chief Executive Officer of Strata Investment Group and Chief Executive Officer of Enma Al Arabia Investment Company, in addition to leading SciTech Information Technology Company. He also gained experience in the energy sector through his role as International Sales Manager at Saudi Aramco Base Oil Company (Luberef), strengthening his expertise in operational management and regional business expansion.

His institutional engagement also extends to board and committee memberships in listed and private companies both within and outside the Kingdom, including Herfy Food Services Company and Primary Electrical Installations Company, as well as other investment and technology companies. These roles support his contribution to the deliberations of the Board of Directors of Makkah Construction and Development Company, particularly on matters related to investment, digital transformation, and business development.

Mr. Ghassan Shalabi holds a Bachelor's degree in Commerce and Business Administration from the American University of Beirut.

Current Memberships and Positions

Inside the Kingdom

- Board Member, Herfy Food Services Company – a listed joint stock company.
- Member of the Audit Committee, Herfy Food Services Company – a listed joint stock company.
- Board Member, Primary Electrical Installations Company – a closed joint stock company.
- Member of the Nomination and Remuneration Committee, Primary Electrical Installations Company – a closed joint stock company.
- Board Member, Saudi International Rubber Oil Company – a limited liability company.
- Chief Executive Officer, Alpha Team Information Systems Technology Company.

Outside the Kingdom

- Board Member, Arkan Integrated Solutions Company – a closed joint stock company.
- Board Member, Gulf Sports Racing Company – a limited liability company.
- Board Member, Twin Walls Company – a limited liability company.

Previous Membership and Positions

Inside the Kingdom

- Board Member, Taiba Investments Company – a listed joint stock company.
- Member of the Nomination and Remuneration Committee, Taiba Investments Company – a listed joint stock company.
- Member of the Investment Committee, Taiba Investments Company – a listed joint stock company.
- Board Member, Al-Aqiq Real Estate Development Company – a closed joint stock company.
- Member of the Executive Committee, Al-Aqiq Real Estate Development Company – a closed joint stock company.
- Chairman of the Board, Strata Global Information Technology Company.
- Board Member, Arabian Tourist Areas Company – a closed joint stock company.
- Member of the Audit Committee, Arabian Tourist Areas Company – a closed joint stock company.
- Board Member, wahat Al-Aleef Glass Company – a closed joint stock company.
- Member of the Executive Committee, wahat Al-Aleef Glass Company – a closed joint stock company.
- Chairman of the Board, Afdal Al-Manazel Company – a limited liability company.
- Board Member, Afaq Aviation Company – a limited liability company.
- Chief Executive Officer, Enma Al-Arabia Investment Company.
- Managing Director, Afdal Al-Manazel Company.
- International Sales Manager, Saudi Aramco Base Oil Company (Luberef).

Outside the Kingdom

- Board Member, Alumco Emirates Company – a limited liability company.
- Board Member, Strata Capital Company – a limited liability company.
- Chief Executive Officer, Strata Investment Group.
- Chief Executive Officer, SciTech Information Technology Company.
- Managing Director, Twin Walls Company.

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Dr. Ziad Othman Alhekail

Board Member - Independent
Appointment date: 10 June 2023
Committee Memberships:
Member:

Profile

Dr. Ziad Alhekail has more than 30 years of experience in executive leadership, governance, investment, technology, and education. He has held leadership roles in listed companies and leading investment and educational entities in Saudi Arabia, reflecting deep experience in institutional transformation, governance effectiveness, and long-term strategy setting.

He currently chairs and serves on the boards of a number of investment, technology, and healthcare companies, including Shahin Artificial Intelligence and Advanced Communications and Electronics Systems, and also serves on the board and committees of Fakeeh Care, Sedco Holding, and Nesma & Partners, in addition to advisory roles in a number of investment entities.

His prior roles included chairing and serving on the boards of listed companies, including Jabal Omar Development, and holding executive leadership positions at Suleiman Al Rajhi Endowments Holding and Advanced Education, in addition to senior academic and administrative roles at King Saud University.

Mr. Ziad Alhekail holds a PhD and a Master's degree in Electrical Engineering from Ohio State University and a Bachelor's degree in Electrical Engineering from King Saud University.

Current Memberships and Positions

Inside the Kingdom

- Board Member, Majd Investment Company – a closed joint stock company.
- Chairman of the Board, Shaheen Artificial Intelligence Company – a limited liability company.
- Board Member and Member of the Investment Committee and Audit Committee, Fakeeh Care Group – a listed joint stock company.
- Board Member and Member of the Executive Committee, Sedco Holding Group – a closed joint stock company.
- Chairman of the Board, Advanced Communications and Electronics Systems Company – a closed joint stock company.
- Chairman of the Board, Knowledge Connect Company – a limited liability company.
- Board Member, Nesma & Partners Company – a closed joint stock company.
- Board Member, Jurhum Real Estate Development Company – a closed joint stock company.
- Advisor and Chairman of the Board of a number of companies.

Previous Membership and Positions

Inside the Kingdom

- Chairman of the Board, Member of the Audit Committee and Member of the Executive Committee, Jabal Omar Development Company – a listed joint stock company.
- Chairman of the Board and Chairman of the Executive Committee, National Aquaculture Group – a closed joint stock company.
- Board Member and Member of the Investment Committee, Sulaiman Al Rajhi Holding Company.
- Board Member and Chairman of the Compliance Committee, Bank Albilad – a listed joint stock company.
- Board Member, Sulaiman Al Rajhi Real Estate Investments Company – a limited liability company.
- Board Member, National Information Systems Company.
- Chairman of the Board, Advanced Education Company.
- Chairman of the Board, Central Cooling Company.
- Board Member, National Agriculture Company.
- Board Member, Al-Watania Poultry Company.
- Board Member, Aleef Fund Company.
- Board Member, Sulaiman Al Rajhi Colleges Company.
- Board Member, Saudi Grains and Feed Company.
- Chief Executive Officer, Sulaiman Al Rajhi Endowments Holding Company.
- Chief Executive Officer, Advanced Education Company.
- Vice Rector for Educational and Academic Affairs, King Saud University.
- General Manager of Information Technology, Sulaiman Al Rajhi Group.

- Investment Committee
- Audit Committee
- Executive Committee
- Social Responsibility Committee
- Nomination and Remuneration Committee

Mr. Samer Mohammed Ishaq Ahmed Al-Khawashki

Board Member - Independent
Appointment date: 10 June 2023
Committee Memberships:
Member:

Profile

Mr. Samer Al-Khawashki has extensive executive experience in leading companies and managing operational sectors within major regional entities. Throughout his career, he has held senior leadership positions through which he oversaw large-scale operations and supported growth across investment, consumer products, and services sectors. His professional track record reflects a strong ability to develop commercial strategies and enhance operational efficiency.

He currently serves as Chief Executive Officer of Vision National Investment Holding Company, in addition to holding chairmanships and board memberships in several investment and industrial companies both within and outside the Kingdom.

His previous leadership experience includes prominent roles such as Chief Executive Officer of Saudi Binladin Group International Holding Company and Executive Director of Coca-Cola Saudi Arabia, in addition to several leadership roles within the Olayan Group, where he assumed executive responsibilities across operational and investment sectors.

His institutional engagement also extends to board and executive committee memberships in listed and private companies, including L'azurde Company for Jewelry and Jarir Marketing Company, as well as other industrial and investment entities. These roles strengthen his contribution to the Board of Directors of Makkah Construction and Development Company, particularly in supporting the execution of strategic initiatives and improving operational performance.

Mr. Samer Al-Khawashki holds a Master's degree in International Marketing from the University of Strathclyde, United Kingdom, and a Bachelor's degree in Industrial Management from King Fahd University of Petroleum and Minerals. He has also completed the Executive Program in Business Administration at Harvard Business School.

Current Memberships and Positions

Inside the Kingdom

- Chairman of the Board, Healthcare Sector Development Company – a limited liability company.
- Chairman of the Board, Al Salem Air Conditioning Company – a closed joint stock company.
- Board Member, Anan Housing Company – a limited liability company.
- Chairman of the Board, Kone Areco Company – a limited liability company.
- Board Member, Saudi Plastic Products Company – a limited liability company.
- Board Member, Alkhabeer Capital Company.
- Chief Executive Officer, Vision National Investment Holding Company.

Outside the Kingdom

- Board Member, Saudi Binladin Group Contracting Company – a limited liability company.

Previous Membership and Positions

Inside the Kingdom

- Board Member, L'azurde Company for Jewelry – a listed joint stock company.
- Member of the Nomination and Remuneration Committee, L'azurde Company for Jewelry – a listed joint stock company.
- Board Member, Coca-Cola Saudi Arabia Company.
- Board Member, Jarir Marketing Company – a listed joint stock company.
- Board Member, Healthy Water Bottling Company Ltd. – a limited liability company.
- Chairman of the Executive Committee, Healthy Water Bottling Company Ltd. – a limited liability company.
- Board Member, Arabian Medical Products Manufacturing Company (ENAYA).
- Board Member, Jusoor Global Recruitment Company – a closed joint stock company.
- Board Member, Gulf Union Foods Company – a limited liability company.
- Chairman of the Executive Committee, Gulf Union Foods Company – a limited liability company.
- Board Member, Olayan Kimberly-Clark Arabia Company Ltd. – a limited liability company.
- Board Member, Colgate-Palmolive Arabia Company Ltd. – a limited liability company.
- Executive Director, Coca-Cola Saudi Arabia Company.
- Chairman, Olayan Saudi Holding Company.
- Head of Consumer Products Sector, Olayan Financing Company.
- Executive Vice President, Olayan Financing Company.
- General Manager, Olayan Food Services Company.
- Chief Executive Officer, Saudi Binladin Group International Holding Company.

Outside the Kingdom

- Chairman of the Board, El Rashidi El Mizan Confectionery Company.

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Eng. Hesham Bakr Hussain Mofti

Board Member - Independent
Appointment date: 10 June 2023
Committee Memberships:
Chairman:
Member:

Profile

Eng. Hisham Mofti has more than four decades of experience in civil engineering, management, and consulting. Throughout his career, he has led projects and operational activities across multiple sectors within the Kingdom of Saudi Arabia, combining technical expertise with executive management experience across diverse operating environments.

He currently manages his own engineering and real estate business, following a professional career that included leading Beeat Al-Mi'mar Engineering Consultants Company, in addition to founding and managing Mofti Engineering Consulting Office, reflecting extensive experience in project supervision and the development of engineering consultancy services.

His professional background also includes several operational and managerial roles across industrial and service sectors. These include General Manager of Production at Fakieh Poultry Farms, General Manager of Fakieh Feed Factory, and Manager of the Royal Guard Unit at Al-Salam Palace under Saudi Oger Company. He also served as a Civil Engineer and Maintenance Manager at Jeddah Islamic Port, which further strengthened his expertise in operations management and quality control. He currently serves as Chairman of the Audit Committee of Makkah Construction and Development Company, contributing to strengthening internal control systems and enhancing financial oversight.

Eng. Hisham Mofti holds a Bachelor's degree in Civil Engineering from King Fahd University of Petroleum and Minerals.

Current Memberships and Positions

Inside the Kingdom

- Chief Executive Officer and Owner of Al-Mofti Engineering Consultancy Office.

Previous Membership and Positions

Inside the Kingdom

- Chairman of the Board, Beeat Al-Mi'mar Engineering Consultants Company Ltd.
- Executive Director, Beeat Al-Mi'mar Engineering Consultants Company Ltd.
- Chief Executive Officer and Owner, Mofti Engineering Consulting Office.
- General Manager of Production, Fakieh Poultry Farms.
- General Manager, Fakieh Feed Factory.
- Manager of the Royal Guard Unit at Al-Salam Palace, Saudi Oger Company.
- Civil Engineer and General Manager of Maintenance, Jeddah Islamic Port.

Investment Committee
Audit Committee
Executive Committee
Social Responsibility Committee
Nomination and Remuneration Committee

Mr. Turki Ibrahim Abdulrahman Al-Qunaibet

Board Member - Independent
Appointment date: 10 June 2023
Committee Memberships:
Member:

Profile

Mr. Turki Al-Qunaibet has approximately eight years of professional experience in investment management, financial structuring, and treasury operations. His experience has focused on liquidity management, capital markets instruments, and the execution of financial transactions related to structuring and risk management.

He previously served as a Financial Structuring Trader in the Treasury Department at Bank AlJazira, where he participated in executing a range of financing and investment transactions, strengthening his expertise in financial risk management and investment instrument analysis.

He currently serves as Managing Director of Usul Qana Company, in addition to holding board memberships in several investment and operating companies.

His financial and investment expertise supports his role on the Board of Directors of Makkah Construction and Development Company and as a member of the Executive Committee, particularly in matters related to liquidity management, investment evaluation, and financial structuring.

Mr. Turki Al-Qunaibet holds a Bachelor's degree in Business Administration from Al Yamamah University and has completed a Board Governance Program at IMD Business School.

Current Memberships and Positions

Inside the Kingdom

- Board Member, Usul Qana Company.
- Board Member, WAAS Water Solutions Company.
- Managing Director, Usul Qana Company.

Previous Membership and Positions

Inside the Kingdom

- Financial Structuring Trader, Treasury Department, Bank AlJazira.

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Members of Committees from Outside the Board of Directors

Mr. Osama Omar Barayan

Appointment date: 18 Jun 2023
Committee Memberships:
Member: ● (Audit Committee)

Profile

Mr. Osama Baryan brings extensive professional experience in auditing, governance, and financial oversight, in addition to his expertise in capital markets and asset management. Throughout his career, he has held several positions within the investment sector, including roles related to capital markets, investment product development, and global equities investment, as well as experience in compliance and institutional oversight.
He currently serves as Deputy Chief Executive Officer and Head of Investment at Dar Saleh Company. Previously, he held the position of Head of Financial Investments at Mithaq Investment Holding Company.
Mr. Baryan has also served as a member of boards of directors and audit and investment committees for several companies both within and outside the Kingdom, including Emaar The Economic City, Al Buhaira Development Company, Dallah Holding Company, Al Multaqa Al Arabi Company, and KUN Sports Company, in addition to serving on audit committees for a number of investment firms.
Academically, Mr. Osama Baryan holds a Master's degree in Applied Financial Management, in addition to a Bachelor's degree in Accounting.

Current Memberships and Positions

Inside the Kingdom
- Board Member, Dallah Holding Company (Closed Joint Stock Company)
- Board Member and Chairman of the Audit Committee, Emaar The Economic City (Listed Joint Stock Company)
- Board Member, Health Community Company (Closed Joint Stock Company)
- Member of the Audit Committee, Laylati Group (Closed Joint Stock Company)
- Board Member and Member of the Audit Committee, KUN Sports Company (Closed Joint Stock Company)
- Deputy Chief Executive Officer and Head of Investment, Dar Saleh Company.

Outside the Kingdom
- Board Member and Member of the Audit Committee, Al Buhaira Development Company (Closed Joint Stock Company)
- Board Member and Member of the Investment Committee, Arab Moltaqa Investments Company (Listed Joint Stock Company).

Previous Membership and Positions

Inside the Kingdom
- Member of the Audit Committee, Ports Development Company (Unlisted Joint Stock Company)
- Member of the Audit Committee, Arbah Capital Company (Closed Joint Stock Company)
- Member of the Audit Committee, Al Manakha Company (Closed Joint Stock Company)
- Head of Financial Investments, Mithaq Investment Holding Company.

- ● Investment Committee
- ● Audit Committee
- ● Executive Committee
- ● Social Responsibility Committee
- ● Nomination and Remuneration Committee

Mr. Fahad Musa Abdullah Alzahrani

Appointment date: 18 Jun 2023
Committee Memberships:
Member: ● (Nomination and Remuneration Committee)

Profile

Dr. Fahad Al-Zahrani has extensive professional experience in human resources, organizational development, and management consulting. Throughout his career, he has held several leadership positions in human resources and institutional development within major companies in the Kingdom. He has also worked in training, management consulting, and leadership development, gaining experience in governance and the development of institutional policies.
He currently serves as an independent advisor and a member of several nomination committees. His previous experience includes serving as Advisor to the CEO at Bank Albilad, in addition to holding senior leadership roles in human resources and organizational development, including Executive Vice President of Human Resources and Administration at Rajhi Steel, and Senior Executive Vice President of Human Resources and Operations at Mobily, along with other leadership roles in training and institutional development.
Dr. Fahad Al-Zahrani holds a PhD and a Master's degree in Electrical and Computer Engineering, in addition to a Bachelor's degree in Electrical Engineering.

Current Memberships and Positions

- Independent Advisor.

Previous Membership and Positions

- Advisor to the Chief Executive Officer, Bank Albilad
- Executive Vice President of Human Resources and Administration, Rajhi Steel Company
- Senior Executive Vice President of Human Resources and Operations, Mobily
- Senior Director of Training and Development, Mobily
- Training Advisor and Saudization Officer, LM Ericsson
- Vice Dean for Academic Affairs, Abha Technical College
- Head of the Computer Technology Department, Abha Technical College.

- Investment Committee
- Audit Committee
- Executive Committee
- Social Responsibility Committee
- Nomination and Remuneration Committee

Board Composition, Member Classification, Experience and Academic Qualifications (continued)

Executive Management

Mr. Mohammed Abdulkarim Alnafea
Chief Executive Officer
Board Member

Current Positions
- Chief Executive Officer and Board Member, Makkah Construction and Development Company
- Board Member, Bank AlJazira Board Member, Aljada First Company
- Board Member, National Gas and Industrialization Company.

Previous Position
- Chief Financial Officer, Aramco Base Oil Company (Luberef)
- General Accounting Manager, Saudi Aramco
- Planning and Forecasting Systems Manager, Saudi Aramco.

Academic Qualifications
- Master of Business Administration
- Bachelor's degree in Accounting.

Mr. Ahmad Mohanad Jaber
Chief Financial Officer

Previous Position
- Executive Finance Director, Saudi Tourism Development Company.
- VP, Finance, Taiba Investments Co.

Academic Qualifications
- Bachelor's degree in Administrative Sciences (Accounting)
- Certified Public Accountant (CPA), American Institute of Certified Public Accountants.

Mr. Saad Mohammed Khayat
Vice President – Hospitality and Hajj

Previous Position
- General Manager, Makkah Hotel (Makkah Construction and Development Company)
- General Manager, Sheraton Hotel.

Academic Qualifications
- Bachelor's degree in Business Administration.

Mr. Nasser Marzouk Al-Hudhaili
Director of Shared Services

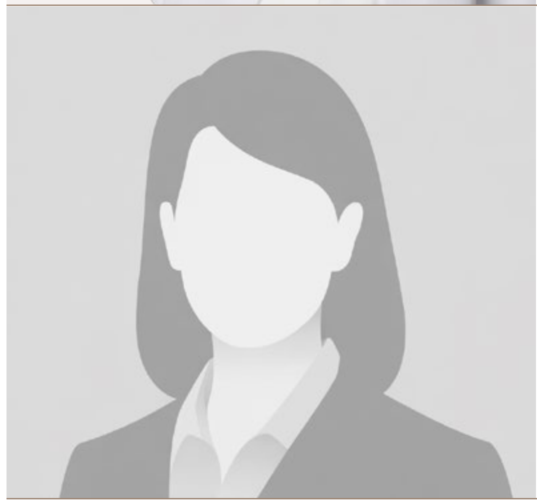
Previous Position
- Human Resources and Administrative Affairs Manager
- Human Resources Manager, United Cement Industrial Company.

Academic Qualifications
- Master of Business Administration
- Bachelor of Business Administration.

Eng. Ahmad Mustafa Aljifri
Investor Relations Director

Previous Position
- Board Secretary, Strategy and Investor Relations Director, Luberef
- Planning, Performance and Investor Relations Manager, Luberef
- Operations Superintendent and Distributed Control System Manager, Luberef.

Academic Qualifications
- Bachelor's degree in Chemical Engineering.



Ms. Nada Omar Afandi
Legal Affairs Director

Previous Position
- Legal Affairs Consultant, Petrolube Company.

Academic Qualifications
- Bachelor of Law.

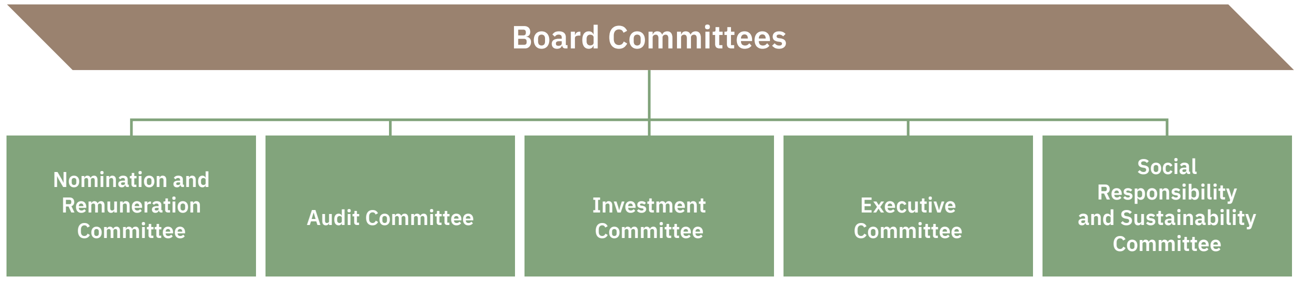
Board of Directors

Oversight and Management of the Company's Business

The Board of Directors exercises all essential powers necessary to manage the Company and oversee its activities, in accordance with the provisions of the Capital Market Law, the Companies Law and its Implementing Regulations, the Company's Bylaws, as well as the approved internal governance policies and regulations.

This includes the authority to establish specialized committees required by governance practices to enhance operational efficiency, as well as the ability to delegate certain responsibilities to these committees as deemed appropriate by the Board, thereby strengthening the effectiveness of the Company's oversight and control framework.

The Board of Directors currently has five main committees, as follows:



Committees Formed by the Board of Directors

Each committee holds regular meetings throughout the year, during which it submits detailed reports to the Board of Directors on its activities and recommendations. The committees also review relevant reports received from executive management for the purpose of examination and taking the appropriate actions as required. A dedicated charter has been approved for each committee, clearly defining its roles, authorities, and responsibilities to ensure clarity of functions, enhance operational effectiveness, and support the achievement of sound governance objectives. Details of the duties and responsibilities assigned to each committee are provided in the reports and disclosures presented below. Each Board committee is chaired by an independent non-executive member, in order to ensure the highest standards of objectivity and to strengthen sound governance practices in the Board's work.

Enhancing the Effectiveness of Boards of Directors in the Company's Subsidiaries

The Company places significant importance on strengthening oversight and control across its subsidiaries, recognizing that sound governance at the group level is a fundamental pillar for achieving sustainable performance and protecting the rights of shareholders and stakeholders. Through its Board of Directors and its specialized committees, the Company provides direct oversight of the activities of its subsidiaries and their strategic direction, ensuring alignment of vision and consistency of policies and procedures across the Group. The Company has also ensured the appointment of qualified executive leadership within its subsidiaries, possessing the necessary experience and capabilities to efficiently manage day-to-day operations in line with the strategic direction and policies approved by the Company's Board of Directors. In addition, the Company has adopted comprehensive mechanisms for the regular monitoring and evaluation of the financial and operational performance of its subsidiaries. This includes the review of strategic plans, budget forecasts, and actual performance results. The Company has also developed its reporting and information framework to ensure that the Board of Directors receives accurate, comprehensive, and timely information, enabling it to effectively perform its oversight responsibilities. The Company believes that this centralized oversight model contributes to greater integration and coordination across the Group's operations, strengthens its ability to achieve strategic objectives, and maintains the highest standards of governance, transparency, and accountability.

Assessment of the Independence of Board Members

The Board of Directors of Makkah Construction and Development Company has the authority to interpret and apply the independence criteria stipulated in the relevant laws and regulations, including the standards and conditions that may affect the independence of a Board member. The Nomination and Remuneration Committee is responsible for verifying the independence of Board members on an annual basis and ensuring that no circumstances exist that may affect their independence in accordance with the approved criteria.

Based on the Committee's review and the Board's approval, the Board members who meet the independence criteria are as follows:

- Mr. Ghassan Yasser Ahmed Shallabi
- Dr. Ziad Othman Alhekail
- Mr. Samer Mohammed Ishaq Al-Khawashki
- Eng. Hisham Bakr Hassan Mofti
- Mr. Turki Ibrahim Abdulrahman Al-Qunaibet

Evaluation of the Performance of the Board of Directors and Its Committees

The Board of Directors of Makkah Construction and Development Company and its committees conduct periodic evaluations of their performance to support continuous improvement and enhance the effectiveness of governance. The Nomination and Remuneration Committee plays a central role in this process by reviewing the level of effort and work outputs of the Board and its various committees to ensure the efficient performance of their duties and responsibilities.

In conducting its evaluation, the Committee considers a number of indicators, including the volume of work completed, the level of participation and commitment in Board and committee meetings, as well as the effectiveness of the decisions and recommendations issued. The Committee also takes into account prevailing market practices and relevant benchmarking comparisons when assessing performance.

Based on the results of this evaluation, the Nomination and Remuneration Committee uses these findings, together with applicable standards and market comparisons, to determine and update the remuneration policies and proposals for the Board of Directors and its committees, ensuring alignment with best practices while maintaining an appropriate balance between performance incentives and sound governance.

Board of Directors (continued)

Board Meetings and Attendance[1]

Member Name	Membership Type	Position	First Meeting 1 Jan 2025	Second Meeting 3 Mar 2025	Third Meeting 19 May 2025	Fourth Meeting 30 Jul 2025	Fifth Meeting 4 Nov 2025	Sixth Meeting 17 Dec 2025
Saleh Mohammed Awad Bin Ladin	Non-Executive	Chairman of the Board	✓	✓	✓	✓	✓	✓
Abdulraouf Mohammed Abdullah Mannaa	Non-Executive	Vice Chairman of the Board	✓	✓	✓	✓	✓	✓
Hamza Mohammed Saleh Hamza Seirafi[2]	Non-Executive	Board Member	✓	✓	✓	✓	✓	✓
Ibrahim Abdullah Ibrahim Al-Subeaei	Non-Executive	Board Member	✓	✓	✓	✓	✓	✓
Ziad Bassam Mohammed Al-Bassam	Non-Executive	Board Member	✓	✓	✓	✓	✓	✓
Mohammed Abdulkarim Mohammed Alnafea	Executive	Board Member	✓	✓	✓	✓	✓	✓
Ghassan Yasser Ahmed Shalabi	Independent	Board Member	✓	✓	✓	✓	✓	✓
Ziad Othman Alhekail	Independent	Board Member	✓	✓	✓	✓	✓	✓
Samer Mohammed Ishaq Al-Khawashki	Independent	Board Member	✓	✓	✓	✓	✓	✓
Eng. Hesham Bakr Hussain Mofti	Independent	Board Member	✓	✓	✓	✓	✓	✓
Turki Ibrahim Abdulrahman Al-Qunaibit	Independent	Board Member	•	✓	✓	✓	✓	✓

Board of Directors Attendance Record

Annual General Assembly Meeting[1]

The General Assembly held two meetings during the financial year ended 31 December 2025, as shown in the table below:

Attendance[1]

Member Name	Extraordinary General Assembly Meeting 15 Jan 2025	Ordinary General Assembly Meeting 19 May 2025
Saleh Mohammed Awad Bin Ladin	✓	✓
Abdulraouf Mohammed Abdullah Mannaa	✓	✓
Hamza Mohammed Saleh Hamza Seirafi	✓	✓
Ibrahim Abdullah Ibrahim Al-Subeaei	✕	✕
Ziad Bassam Mohammed Al-Bassam	✓	✓
Mohammed Abdulkarim Mohammed Alnafea	✓	✓
Ghassan Yasser Ahmed Shallabi	✓	✓
Ziad Othman Alhekail	✓	✓
Samer Mohammed Ishaq Al-Khawashki	✕	✕
Eng. Hesham Bakr Hussain Mofti	✓	✓
Turki Ibrahim Abdulrahman Al-Qunaibet	✓	✕

Attendance Record of Board Members at the General Assembly Meetings

[1] Attendance in person (✓) – Attendance by proxy through another Board member (•) – Absence (✕).
[2] His membership classification was changed from Executive Member to Non-Executive Member on 12 May 2025.

Audit Committee

Composition of the Audit Committee

The Audit Committee consists of three members appointed by the Board of Directors. The members were appointed for the current committee term, which commenced on 10 June 2023 and ends on 9 June 2026.

The current members of the Audit Committee are as follows:

Hesham Bakr Hussain Mofti

Ibrahim Abdullah Ibrahim Al-Subeaei

Osama Omar Barayan

Committee's tasks, responsibilities and powers

According to the regulations issued by the Capital Market Authority, the Audit Committee Charter approved by the General Assembly on 16 January 2025 (corresponding to 16/7/1446H) defines the Committee's role in assisting the Board of Directors in overseeing the Company's financial, administrative, and operational control processes. This includes reviewing the preparation of financial reports and financial statements, as well as examining the activities of both internal and external auditors.

The Committee also reviews the Company's adherence to ethical standards and governance arrangements, and verifies compliance with the relevant laws, regulations, policies, and approved procedures.

The Audit Committee is responsible for overseeing the Company's activities and verifying the integrity and fairness of its financial reports, financial statements, and internal control systems. In particular, the Committee's responsibilities include the following:

Financial Reporting

- Reviewing the Company's interim and annual financial statements before submission to the Board of Directors, and expressing its opinion and recommendation thereon to ensure their integrity, fairness, and transparency.
- Giving a technical opinion, upon the request of the Board about whether the Company's Board Report and financial statements are fair, balanced, and understandable, and includes the information that would enable the shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
- Examining any significant or unusual matters included in the financial reports.
- Carefully investigating any issues raised by the Company's Chief Financial Officer (or the person performing the CFO's duties), the Compliance Officer, or the external auditor.
- Verifying the accounting estimates related to significant matters included in the financial reports.
- Examining the accounting policies adopted by the Company and providing an opinion and make recommendations thereon to the Board.

Internal Audit

- Reviewing internal control, financial control, and risk management systems.
- Reviewing internal audit reports and following up on corrective actions relating to observations contained therein.
- Overseeing and supervising the performance and activities of the internal auditor and the Internal Audit Department to verify the availability of the necessary resources and their effectiveness in performing the tasks assigned to them.
- Recommending to the Board the appointment of the Head of the Internal Audit Unit or Department (or the internal auditor) and proposing their remuneration.

External Auditor

- Recommending to the Board the nomination and dismissal of the Company's external auditor, determining their fees, and evaluating their performance, after verifying their independence and reviewing the scope of their work and the terms of engagement.
- Verifying the independence, objectivity, and fairness of the external auditor, as well as the effectiveness of the audit process, taking into consideration the relevant rules and standards.
- Reviewing the external auditor's audit plan and scope of work, and ensuring that they do not provide technical, administrative, or advisory services beyond the scope of the audit engagement, and providing its views in this regard.
- Responding to the inquiries of the Company's external auditor.
- Reviewing the external auditor's report and observations on the financial statements and following up on the actions taken in relation thereto.

Ensuring Compliance

- Reviewing the findings of reports issued by regulatory authorities and verifying that the Company has taken the necessary actions in response thereto.
- Verifying the Company's compliance with the relevant laws, regulations, policies, and approved instructions.
- Reviewing proposed contracts and transactions with related parties and providing views thereon to the Board.
- Reporting to the Board of Directors any matters it considers require action and providing recommendations on the actions to be taken.

Other Responsibilities

- The Audit Committee shall establish a mechanism that allows the Company's employees to submit their observations regarding any violations in financial reports or other matters confidentially. The Committee shall verify the implementation of this mechanism by conducting an independent investigation proportionate to the size of the error or violation and adopting appropriate follow-up procedures.
- The Committee shall prepare an annual report that includes its opinion on the adequacy of the Company's internal control system and the other activities carried out within the scope of its responsibilities, in light of the laws, regulations, and controls issued by the competent authorities and the requirements, standards, and elements included therein. The report shall be submitted to the Company's Annual General Assembly of shareholders in accordance with the mechanism specified by those laws, regulations, controls, and good practices.

Audit Committee (continued)

Audit Committee Meetings

The Audit Committee of the Board of Directors of Makkah Construction & Development Company held five meetings during 2025. The Executive Management, the External Auditor, and the Internal Auditor were invited to attend these meetings, depending on the matters included on the meeting agenda, in order to support the Committee in performing its duties and enable more in-depth discussion of relevant topics.

The Committee also allows its members direct access to the Chief Executive Officer and other members of Executive Management whenever necessary, ensuring the availability of the information required for the effective performance of its responsibilities. The Committee may also request separate meetings with the External Auditor, the Internal Auditor, or any Company official without the presence of Executive Management, whenever it considers that such meetings serve the interest of the Company and support the Committee in performing its oversight role.

Internal Audit

The Internal Audit Department continued to perform its duties in a manner that supports the provision of independent and objective assurance contributing to the effectiveness of internal controls, risk management, and governance processes. During 2025, internal audit activities were carried out in accordance with the approved audit plan. Key reports and findings were submitted to the Audit Committee, including relevant observations and recommendations, together with follow-up on the implementation of corrective actions within appropriate timelines.

The Department also assessed the adequacy and effectiveness of systems, controls, and supervisory procedures across several operational, financial, and administrative areas, with the aim of supporting operational efficiency and enhancing compliance with approved policies and regulations. Continuous coordination was maintained with the Audit Committee and Executive Management to follow up on audit results and ensure that the necessary actions were taken in response to the observations raised.

The Internal Audit Department performs its role in accordance with a risk-based professional methodology and in line with recognized professional standards, contributing to strengthening the effectiveness of the Company's internal control framework and supporting its commitment to governance and transparency principles.

Compliance

During 2025, Makkah Construction & Development Company continued to make progress in strengthening its corporate compliance framework as part of its ongoing efforts to establish best practices and reinforce its position within the sector. The Company focused on developing an integrated compliance framework that supports adherence to applicable laws and regulations and reinforces the principles of integrity, transparency, and accountability across its operations.

In this context, the Company worked on updating and developing relevant policies and procedures in line with regulatory requirements and leading market practices, contributing to the promotion of a culture of compliance across the organization. The Company also continues to build a more mature and effective institutional framework based on clear roles and responsibilities, increased awareness, and stronger adherence to professional and regulatory standards.

Consistent with its ambition to be among the leading entities in its sector, the Company continues to foster a work environment grounded in compliance and responsibility, supporting the achievement of its strategic objectives, enhancing operational efficiency, and strengthening the confidence of shareholders and stakeholders in its performance and institutional practices.

External Auditors

The Company is committed to enhancing transparency and the quality of financial reporting through engagement with an independent external auditor, thereby supporting the reliability of the financial statements and strengthening the confidence of shareholders and stakeholders. The Audit Committee follows up on the external auditor's work to ensure independence, objectivity, and performance efficiency and periodically reviews the auditor's scope, plan, and results.

Before recommending the appointment of the external auditor for the 2025 financial statements, the Audit Committee studied and evaluated the proposals submitted by a number of audit firms on the basis of the following criteria:

- The quality of the technical and professional proposal submitted.
- The level of experience and competence in audit and accounting services.
- The proposed audit methodology and scope of work.
- The qualifications and expertise of the professional team assigned to the assignment.
- The effectiveness of communication and coordination with the Audit Committee and Executive Management.
- The proposed professional fees and their appropriateness.

Based on this evaluation, the Audit Committee submitted its recommendation to the Board of Directors in a manner that it considered to be in the best interest of the Company and supportive of the quality of external audit and the effectiveness of financial reporting.

Opinion of the Audit Committee

The Audit Committee believes that the Company continues to strengthen its internal control, governance, and risk management framework in a manner that supports the integrity of financial reporting and the efficiency of operational and administrative processes. This comes within the Company's ongoing journey toward a more mature and effective institutional control environment consistent with best practices and supportive of its position as a leading company in the sector.

Based on the work reviewed by the Committee during the year, including internal audit reports, the external auditor's reports, and matters presented by executive management, the Committee did not identify any material observations affecting the integrity and fairness of the financial statements that require specific mention in this report.

The Committee also believes that executive management continues to devote appropriate attention to developing and improving the internal control environment, thereby enhancing the efficiency of the approved systems and procedures and supporting the Company's ability to manage its business on a sound professional and control basis.

Audit Committee Meetings and Attendance[1]

Name	Membership	Meeting (1) 29 Jan 2025	Meeting (2) 5 Mar 2025	Meeting (3) 4 May 2025	Meeting (4) 29 Jul 2025	Meeting (5) 3 Nov 2025
Hisham Bakr Hussein Mofti	Committee Chairman	√	√	√	√	√
Ibrahim Abdullah Ibrahim Al-Subaie	Member	√	√	√	√	√
Osama Omar Saeed Barayan	Member	√	√	√	√	√

1 Attendance in person (√) – Attendance by proxy through another Board member (●) – Absence (✕).

Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four members appointed by the Board of Directors. The members were appointed for the current committee term, which commenced on 10 June 2023 and ends on 9 June 2026.

The current members of the Nomination and Remuneration Committee are as follows:

Ghassan Yasser Ahmed Shalabi

Abdulraouf Mohammed Abdullah Mannaa

Ziad Othman Alhekail

Fahad Musa Abdullah Alzahrani

Responsibilities of the Nomination and Remuneration Committee

In accordance with the regulations issued by the Capital Market Authority, the Nomination and Remuneration Committee Charter, approved by the General Assembly on 16 January 2025 (corresponding to 16/7/1446H), defines the Committee's role in supporting the Board of Directors in matters related to nominations and remuneration, in addition to determining its duties and authorities, operating procedures, rules for selecting its members, and the nomination mechanism.

This is based on the rules governing nomination and remuneration committees in listed joint-stock companies as stipulated in the regulations issued by the competent authorities.

In light of the provisions governing the Nomination and Remuneration Committee under the Corporate Governance Regulations issued by the Board of the Capital Market Authority, the Committee's responsibilities and duties are as follows:

Remuneration

- Preparing a clear policy for the remuneration of members of the Board of Directors, Board committees, and Executive Management, and recommending it to the Board of Directors for submission to the General Assembly for approval, ensuring that the policy includes performance-linked criteria, appropriate disclosure, and verification of its implementation.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy, and identifying any material deviation from such policy.
- Reviewing the remuneration policy periodically to ensure its alignment with any changes in relevant laws and regulations, the Company's strategic objectives, and the skills and qualifications required to achieve them, and recommending any proposed amendments to the Board of Directors.
- Recommending to the Board of Directors the remuneration of the members of the Board, its committees, and the Company's senior executives in accordance with the remuneration policy approved by the General Assembly.
- Reviewing the remuneration of the Chief Executive Officer, including short-term and long-term incentives, determining the related performance thresholds, and submitting recommendations thereon to the Board of Directors.
- Approving the Chief Executive Officer's recommendations regarding the general guidelines and criteria for the financial remuneration and other benefits of senior executives, which the Chief Executive Officer implements in accordance with the approved remuneration policy.
- Ensuring the Company's adherence to the remuneration policy for members of the Board of Directors, its committees, and senior executives approved by the General Assembly of shareholders, clarifying the relationship between the remuneration granted and the applicable policy, and identifying any material deviation from that policy.

Nomination and Remuneration Committee (continued)

Nominations

- Proposing policies and criteria for Board membership and executive management positions.
- Recommending to the Board the nomination and re-nomination of its members in accordance with the approved policies and criteria, taking into account that any person previously convicted of a crime involving dishonesty or breach of trust shall not be nominated.
- Conducting an annual review of the skills required for Board membership and Executive Management positions.
- Preparing a description of the capabilities and qualifications required for Board membership and Executive Management positions.
- Determining the time that a Board member should dedicate to Board work.
- Periodically reviewing the Board membership policy to ensure it remains suitable in light of regulatory developments, the Company's strategic goals, and required skills and qualifications, and recommending changes to the Board.
- Reviewing the structure of the Board of Directors, its committees, and Executive Management, and submitting recommendations regarding any proposed changes.
- Identifying areas of strength and weakness within the Board and proposing solutions to address them, including mechanisms for evaluating the Board, its committees, and executive management.
- Setting procedures for cases in which the seat of a Board member or committee member becomes vacant and recommending them to the Board.
- Annually verifying the independence of the members of the Board of Directors and the members of its committees and providing recommendations in this regard.
- Annually verifying the independence of independent Board members and confirming the absence of any conflict of interest where a member serves on the board of another company.
- Reviewing the job description of independent Board members and verifying the absence of any conflict of interest where a member serves on the board of another company.
- Recommending to the Board an induction program for new Board members covering the Company's activities, operations, and financial and legal aspects.
- Nominating the Chief Executive Officer and recommending to the Board the CEO's appointment, salary, remuneration, and annual increment.
- Reviewing the Chief Executive Officer's recommendations regarding the appointment and termination of senior executives — excluding the Head of Internal Audit, whose appointment and dismissal are recommended by the Audit Committee — and determining the required capabilities and skills, with periodic review to ensure their alignment with the Company's strategic objectives and the qualifications required to achieve them.
- Reviewing succession planning and replacement plans in the event of a vacancy among senior executives and making recommendations in this regard.
- Performing any other duties assigned or delegated to it by the Board of Directors.

Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held six meetings during 2025, during which it discussed a number of matters related to human resources governance and remuneration and nomination policies as part of its role in supporting the Board and enhancing institutional governance efficiency.

During the year, the Committee oversaw the implementation of the HR transformation program and reviewed and updated a number of policies and regulations relating to remuneration and benefits, in addition to developing and updating policies linked to Capital Market Authority requirements in line with market best practices.

The Committee also conducted benchmarking studies for Board and Board committee remuneration to ensure alignment with practices prevalent in comparable companies and to achieve an appropriate balance between performance incentives and governance and transparency principles.

Nomination and Remuneration Committee Meetings and Attendance[1]

Name	Membership	Meeting (1) 22 Jan 2025	Meeting (2) 4 Mar 2025	Meeting (3) 23 Jul 2025	Meeting (4) 6 Aug 2025	Meeting (5) 7 Oct 2025	Meeting (6) 9 Dec 2025
Ghassan Yasser Ahmed Shallabi	Committee Chairman	√	√	√	√	√	√
Abdulraouf Mohammed Abdullah Mannaa	Member	√	√	√	√	√	√
Ziad Othman Alhekail	Member	√	√	√	√	√	√
Fahad Musa Abdullah Alzahrani	Member	√	√	√	√	√	√

[1] Attendance in person (√) – Attendance by proxy through another Board member (●) – Absence (✕).

Investment Committee

Composition of the Investment Committee

The Investment Committee consists of four members appointed by the Board of Directors. The Committee was formed by a Board resolution dated 03/03/2024 with the objective of supporting the execution of the Company's growth strategy and strengthening the Board's role in reviewing investment opportunities and evaluating strategic initiatives. In addition, the Committee reviews proposed investment opportunities, assesses their economic and strategic feasibility, and submits recommendations to the Board in support of achieving the Company's objectives and maximizing shareholder value.

The current members of the Investment Committee are as follows:

Saleh Mohammed Bin Ladin

Abdulraouf Muhammad Abdullah Mannaa

Ziad Bassam Mohammed Al-Bassam

Ghassan Yasser Ahmed Shalabi

Responsibilities of the Investment Committee

The Investment Committee supports the Board in evaluating investment opportunities and strategic initiatives by studying their economic and financial feasibility, analyzing associated risks, assessing their alignment with the Company's direction and strategic objectives, and raising appropriate recommendations to the Board.

- Developing and proposing the Company's investment policy in line with the nature of the Company's business, strategic objectives, and acceptable risk level, and periodically reviewing and proposing amendments for Board approval.
- Periodically reviewing the Company's investment portfolio, assessing performance, analyzing its components, and submitting recommendations that achieve an appropriate balance between target returns and potential risks.
- Studying and evaluating investment opportunities available to the Company, whether in new projects or expansions of existing activities, through review of economic, financial, and technical feasibility and analysis of associated risks and strategic fit.
- Submitting appropriate recommendations to the Board of investment opportunities and strategic initiatives in support of decisions that serve the interests of the Company and its shareholders.
- Submitting periodic reports to the Board summarizing the Committee's activities and work, the recommendations it has made, and the results of investment performance evaluation so as to enable the Board to exercise its supervisory role effectively.

Investment Committee Meetings

The Investment Committee held four meetings during 2025, during which it discussed matters related to investment opportunities and strategic initiatives as part of its role in supporting the Board and the Company's growth and expansion objectives.

During the year, the Committee focused on initiatives aimed at executing the Company's strategy to enhance and develop its existing assets. It also reviewed opportunities that support the growth of Hajj services and improve their profit margins, in addition to examining investment trends and opportunities that contribute to expanding the Company's asset portfolio in Makkah and Madinah.

The Committee continued to assess relevant opportunities and projects, review their strategic and financial feasibility, and submit appropriate recommendations to the Board in support of sustainable growth and shareholder value creation.

Investment Committee Meetings and Attendance[1]

Name	Membership Status	First Meeting 16/2/2025	Second Meeting 15/5/2025	Third Meeting 6/10/2025	Fourth Meeting 17/12/2025
Saleh Mohammed Awad Bin Ladin	Committee Chairman	✓	✓	✓	✓
Abdul Raouf Mohammed Abdullah Mannaa[2]	Member	N/A	✓	✓	✓
Mohammed Abdulkarim Mohammed Alnafea[3]	Member	✓	N/A	N/A	N/A
Ziyad Bassam Mohammed Al-Bassam	Member	✓	✓	✓	✓
Ghassan Yasser Ahmed Shalabi	Member	✓	✓	✓	✓

[1] Attendance in person (✓) – Attendance by proxy through another Board member (●) – Absence (✕).
[2] Dr. Abdulraouf Mohammed Abdullah Mannaa joined the Investment Committee on 13 May 2025 based on the Board decision to reorganize Board committees.
[3] Mr. Mohammed Abdulkarim Alnafae's membership of the Investment Committee ended on 12 May 2025 based on the Board decision to reorganize Board committees.

Executive Committee

Composition of the Executive Committee

The Executive Committee consists of five members appointed by the Board of Directors. The members of the Committee were appointed for the current committee term, which commenced on 10 June 2023 and will end on 9 June 2026.

The current members of the Executive Committee are as follows:

Saleh Mohammed Bin Ladin

Hamza Mohammed Saleh Seirafi

Ziad Bassam Mohammed Al-Bassam

Samer Mohammed Ishaq Al-Khawashki

Turki Ibrahim Abdulrahman Al-Qunaibet

Responsibilities of the Executive Committee

The Executive Committee supports the Board in overseeing the Company's business and monitoring the implementation of its strategic and operational direction, thereby enhancing performance efficiency and enabling timely decision-making within the delegated authority. The Committee also acts as a link between the Board and executive management by following up on the implementation of Board decisions, reviewing operational, financial, and strategic matters, and raising appropriate recommendations to the Board.

In carrying out its role, the Committee undertakes a number of responsibilities and duties, including the following:

- Following up on the implementation of strategic decisions approved by the Board and ensuring their translation into executable operational plans.
- Reviewing the Company's strategic and operational plans before submission to the Board and ensuring alignment with the Company's vision and long-term objectives.
- Monitoring implementation of approved plans, evaluating progress achieved, reviewing any challenges or deviations, and proposing appropriate corrective actions.
- Periodically reviewing the financial and operational performance of the Company and its subsidiaries in order to enhance operational efficiency and achieve approved objectives.
- Considering matters referred to it by the Board or requiring urgent decisions between Board meetings, within the scope of delegated authorities.
- Submitting periodic reports to the Board summarizing the Committee's activities, review outcomes, and recommendations, enabling the Board to effectively perform its oversight and supervisory role.

Executive Committee Meetings

The Executive Committee held two meetings during 2025, during which it discussed matters related to operational performance and the follow-up of approved plans as part of its role in supporting the Board and strengthening execution efficiency.

During the year, the Committee focused on setting operating targets and monitoring actual performance against those targets, thereby supporting operating discipline and improving execution across the Company.

The Committee also continued to periodically review performance indicators and business results, discuss progress achieved and related challenges, and submit appropriate recommendations to the Board in support of achieving the Company's operational and strategic objectives.

Executive Committee Meetings and Attendance[1]

Name	Membership Status	First Meeting 25/2/2025	Second Meeting 17/12/2025
Saleh Mohammed Awad Bin Ladin	Committee Chairman	✓	✓
Ghassan Yasser Ahmed Shalabi[2]	Member	✓	N/A
Hamza Mohammed Saleh Seraf[3]	Member	N/A	✓
Ziad Bassam Mohammed Al-Bassam	Member	✓	✓
Samer Mohammed Ishaq Al-Khawashki	Member	✓	✓
Turki Ibrahim Abdulrahman Al-Qunaibet	Member	✓	✓

1 Attendance in person (✓) – Attendance by proxy through another Board member (●) – Absence (✕).
2 Mr. Ghassan Yasser Ahmed Shalabi's membership of the Executive Committee ended on 12 May 2025 based on the Board decision to reorganize Board committees.
3 Mr. Hamza Mohammed Saleh Hamza Seirafi joined the Executive Committee on 13 May 2025 based on the Board decision to reorganize Board committees.

Social Responsibility and Sustainability Committee

Composition of the Social Responsibility and Sustainability Committee

The Sustainability and Social Responsibility Committee consists of three members appointed by the Board of Directors. The members of the Committee were appointed for the current committee term, which commenced on 10 June 2023 and will end on 9 June 2026.

The current members of the Executive Committee are as follows:

Hamza Mohammed Saleh Seirafi

Ghassan Yasser Ahmed Shalabi

Hesham Bakr Hussain Mofti

Responsibilities of the Social Responsibility and Sustainability Committee

The Sustainability and Social Responsibility Committee supports the Company's sustainability objectives and strengthens its social role, thereby contributing to positive and sustainable impact for employees and the community, The Committee also works to reinforce responsible institutional values, and aligning with leading local and international practices in sustainability and social responsibility. The Committee oversees the periodic and structured development and follow-up of related programs and initiatives, ensuring alignment with the Company's objectives and strategic direction.

The Committee's roles and responsibilities include the following:

Social Responsibility

- Developing social responsibility policies, plans, and annual programs in alignment with the Company's strategy and the objectives of Saudi Vision 2030.
- Overseeing community support programs, including education, healthcare, charitable organizations, and other community initiatives.
- Encouraging employee participation in social initiatives and fostering loyalty and engagement within the workplace.
- Following up on the impact of social responsibility programs, periodically measuring their outcomes, and improving their effectiveness.

Sustainability and Environment

- Developing policies and plans related to environmental sustainability, including waste reduction, energy and water management, and environmentally responsible practices.
- Monitoring the implementation of sustainability standards and submitting recommendations to the Board of Directors regarding improvements in environmental and social performance.
- Proposing initiatives to strengthen the Company's commitment to ESG standards and enhance transparency in non-financial disclosures.

Oversight and recommendations

- Following up on the implementation of sustainability and social responsibility programs and ensuring that executive departments comply with them.
- Submitting recommendations to the Board regarding partnerships with charitable associations and institutions and ensuring the sustainability of programs.
- Approving standards for selecting beneficiaries of programs and environmental initiatives.
- Contributing to the preparation of an annual environmental and social governance report including the results of initiatives and social impact.
- Proposing policies, rewards, and incentives relating to employees participating in social responsibility and sustainability initiatives.

Initiatives and programs

- Organizing seminars and workshops to promote awareness of social responsibility and sustainability inside and outside the Company.
- Encouraging research and innovation in sustainability and social responsibility projects.
- Following up on the implementation of Company programs in local communities and submitting detailed reports to the Board.
- Ensuring transparency across all initiatives, with periodic disclosures to shareholders and other stakeholders.
- Coordinating with other Board committees to ensure alignment between social responsibility programs and the Company's overall strategy.

Social Responsibility and Sustainability Committee Meetings

The Sustainability and Social Responsibility Committee held three meetings during 2025, during which it discussed a number of matters relating to sustainability and social responsibility initiatives in line with its role in supporting the Company's direction and strengthening its institutional and community impact.

During the year, the Committee followed up on programs and initiatives related to sustainability and social responsibility and discussed ways to develop them in a manner aligned with the Company's objectives and direction and supportive of its institutional practices in this area.

The Committee also continued to review progress on related matters and submitted appropriate recommendations to the Board, thereby supporting the embedding of sustainability principles and strengthening the Company's contribution to serving the community.

Social Responsibility and Sustainability Committee Meetings and Attendance[1]

Name	Membership Status	First Meeting 16/7/2025	Second Meeting 29/10/2025	Third Meeting 14/12/2025
Hamza Mohammed Saleh Seirafi	Committee Chairman	√	√	√
Ghassan Yasser Ahmed Shalabi	Member	√	√	√
Hesham Bakr Hussain Mofti	Member	√	√	√

Attendance Record of the Sustainability and Social Responsibility Committee Members

[1] Attendance in person (√) – Attendance by proxy through another Board member (●) – Absence (✕).

Compensation and Remuneration

The Company adopts a remuneration policy approved by shareholders, aimed at ensuring that the remuneration granted to members of the Board of Directors and senior executives supports sustainable performance and aligns with the long-term interests of the Company and its shareholders. The policy also seeks to attract qualified talent required by the Company, while retaining and motivating them to achieve the Company's business objectives.

Board Members Remuneration

- The remuneration of the Board of Directors may consist of a fixed amount, meeting attendance allowances, expense allowances, in-kind benefits, or a percentage of profits. A combination of two or more of these benefits may be granted, provided that such remuneration does not exceed the limits stipulated under the Saudi Companies Law and its implementing regulations. The Nomination and Remuneration Committee determines the proposed remuneration annually and submits its recommendation to the Board of Directors, which in turn recommends it to the General Assembly of shareholders for approval.
- The remuneration of independent Board members must be a percentage of the profits achieved by the Company or be directly or indirectly linked to the Company's profitability.
- The Company bears travel expenses (to and from their place of residence), including airfare and accommodation. Such expenses may also be paid in cash based on the prevailing cost of travel tickets and accommodation at the time.

Committee Remuneration

- The Board determines and approves the remuneration of members of its committees, whether they are Board members or non-Board members, including meeting attendance allowances and other entitlements, based on the recommendation of the Nomination and Remuneration Committee.
- Members of committees and temporary working groups are entitled to remuneration based on the recommendation of the Nomination and Remuneration Committee, provided that the committee member is not an employee of the Company

Executive Management Remuneration

- The remuneration of executive management includes: (1) a basic salary (paid at the end of each month on a monthly basis); (2) allowances, including but not limited to housing allowance, transportation allowance, and telephone allowance; (3) insurance benefits such as medical insurance and other related coverage; (4) short-term incentive plans linked to the performance of the employee and the Company, as well as long-term incentive plans; and (5) other benefits, including but not limited to annual leave, air travel tickets, and end-of-service benefits.
- The appointment of the Chief Executive Officer is recommended by the Nomination and Remuneration Committee, which also proposes the term of employment and the related compensation package, including the proposed bonus allocation, and recommends its approval.
- The performance criteria for the Chief Executive Officer are determined and linked to remuneration by the Nomination and Remuneration Committee.
- The performance criteria for senior executives are determined by the Chief Executive Officer in a manner aligned with the Company's general direction and the objectives required of the Chief Executive Officer.
- The annual bonus allocation for senior executives and the method of its disbursement are determined by the Nomination and Remuneration Committee based on the recommendation of the Chief Executive Officer.
- The Company shall not be obligated toward any executive for any remuneration other than those expressly stipulated in the relevant executive's employment contract. Additional benefits may be granted in accordance with this policy where applicable.

Compensation and Remuneration (continued)

Board Members Remuneration[1]

The table below show the remuneration of the members of the Board of Directors in accordance with the Company's Remuneration Policy and its Articles of Association.

	Fixed Remuneration							
Name	Specific Amount	Allowance for Attending Board Meetings	Total Allowance for Attending Committee Sessions	In-kind Benefits	A Statement of the Remuneration Received by Board Members as Employees or Executives or for Technical, Administrative or Consultancy Services	Remuneration of the Chairman, Managing Director or Secretary if a Member	Total	Expense Allowance
Ghassan Yasser Ahmed Shalabi	400,000	81,000	**63,000**	–	–	–	**544,000**	–
Ziyad Othman Ibrahim Al-Huqail	400,000	78,000	**21,000**	–	–	–	**499,000**	29,819
Samer Mohammed Ishaq Al-Khawashki	400,000	78,000	**6,000**	–	–	–	**484,000**	–
Hisham Bakr Hussein Mofti	400,000	81,000	**33,000**	–	–	–	**514,000**	–
Turki Ibrahim Abdulrahman Al-Qunaibet	400,000	78,000	**6,000**	–	–	–	**484,000**	8,901
Saleh Mohammed Awad Bin Ladin	500,000	78,000	**36,000**	–	–	–	**614,000**	–
Abdul Raouf Mohammed Abdullah Mannaa	400,000	81,000	**48,000**	–	–	–	**529,000**	–
Hamza Mohammed Saleh Seirafi[2]	400,000	81,000	**12,000**	–	–	500,000	**993,000**	–
Ibrahim Abdullah Ibrahim Al-Subeaei	400,000	81,000	**24,000**	–	–	–	**505,000**	–
Ziad Bassam Mohammed Al-Bassam	400,000	78,000	**36,000**	–	–	–	**514,000**	–
Mohammed Abdulkarim Mohammed Alnafea	400,000	78,000	**3,000**	–	–	–	**481,000**	–
Total	**4,500,000**	**873,000**	**288,000**			**500,000**	**6,191,000**	**38,720**

In accordance with the provisions of the Company's Articles of Association, the Nomination and Remuneration Committee of the Board is responsible for proposing the remuneration of Board members, as well as the policies and procedures governing the mechanism for determining such remuneration for the Chairman and members of the Board, as the Committee deems appropriate. These recommendations are submitted to the Board of Directors for final approval. Non-Executive and Independent members of the Board of Directors are granted fixed and variable annual remuneration as deemed necessary and approved by the Board of Directors.

[1] No variable remuneration was paid to members of the Board of Directors during 2025.
[2] His membership status was changed from Executive Member to Non-Executive Member on 13 May 2025.

Compensation and Remuneration (continued)

Committee Members Remuneration

The table below shows the total remuneration paid to members of the Company's committees in accordance with the Company's Remuneration Policy and its Articles of Association.

	Fixed remuneration (except attending sessions)	Allowances for attending sessions	A statement of the remuneration received for technical, administrative or consultancy services	Total
Audit Committee Members				
Hisham Bakr Hussein Mofti – Chairman	150,000	24,000		**174,000**
Ibrahim Abdullah Ibrahim Al-Subaie – Member	100,000	24,000		**124,000**
Osama Omar Saeed Barayan – Member (External)	200,000	24,000		**224,000**
Nomination and Remuneration Committee Members				
Ghassan Yasser Ahmed Shallabi - Chairman	150,000	21,000		**171,000**
Abdulraouf Mohammed Abdullah Mannaa - Member	100,000	21,000		**121,000**
Ziad Othman Alhekail - Member	100,000	21,000		**121,000**
Fahad Musa Abdullah Alzahrani - Member	150,000	21,000	100,000	**271,000**
Investment Committee				
Saleh Mohammed Awad Bin Ladin – Chairman	150,000	30,000		**180,000**
Abdul Raouf Mohammed Abdullah Mannaa – Member[1]	64,000	27,000		**91,000**
Mohammed Abdulkarim Mohammed Alnafea – Member[2]	36,000	3,000		**39,000**
Ziyad Bassam Mohammed Al-Bassam - Member	100,000	30,000		**130,000**
Ghassan Yasser Ahmed Shalabi - Member	100,000	30,000		**130,000**
Executive Committee				
Saleh Mohammed Awad Bin Ladin - Chairman	100,000	6,000		**106,000**
Hamza Mohammed Saleh Seirafi – Member[1]	32,000	3,000		**35,000**
Ghassan Yasser Ahmed Shalabi – Member[2]	18,000	3,000		**21,000**
Ziad Bassam Mohammed Al-Bassam - Member	50,000	6,000		**56,000**
Samer Mohammed Ishaq Al-Khawashki - Member	50,000	6,000		**56,000**
Turki Ibrahim Abdulrahman Al-Qunaibet - Member	50,000	6,000		**56,000**
Sustainability and Social Responsibility Committee				
Hamza Mohammed Saleh Seirafi - Chairman	100,000	9,000		**109,000**
Ghassan Yasser Ahmed Shalabi - Member	50,000	9,000		**59,000**
Hesham Bakr Hussain Mofti - Member	50,000	9,000		**59,000**

Senior Executives Remuneration[3]

The table below shows the total remuneration paid to the Company's senior executives, including the Chief Executive Officer and the Chief Financial Officer.

Fixed Remuneration				Variable Remuneration								
Salaries	Allowances	In-kind Benefits	Total	Periodic Remunerations	Profits	Short-term Incentive Plans	Long-term Incentive Plans	Equity Grants (values are entered)	Total	End of Service Rewards	Total Remuneration for Board Members, if any	Grand Total
5,278,400	1,847,440	–	**7,125,840**	3,168,000	–	–	–	–	**10,293,840**	–	478,000	**10,771,840**

Board of Directors' Remuneration

1 Membership commenced on 13 May 2025 pursuant to a resolution to reorganize the Board committees.
2 Membership ended on 12 May 2025 pursuant to a resolution to reorganize the Board committees.
3 The Company has disclosed the total remuneration of the executive management on an aggregate basis in accordance with the regulatory requirements set out in Sub-paragraph (b) of Paragraph (4) of Article (90) of the Corporate Governance Regulations.

Shares and Debt Instruments Held by Board Members and Senior Executives

This section presents details of the ownership of shares and other securities relating to the Company and its subsidiaries held by members of the Board of Directors, Senior Executives, and their relatives, including any changes that occurred during 2025. The table below shows the shares owned by Board members and their relatives and confirms that none of the Board members holds any interest in debt instruments issued by the Company or its subsidiaries. This section also includes details of any shareholdings, contractual securities, or rights issues held by Senior Executives or their relatives. It further confirms that there are no arrangements or agreements under which any Board member has waived any salary or remuneration.

Board Members' Holdings in Shares or Debt Instruments

	Beginning of the Year		End of the Year		
Name of the Person with the Interest, Contractual Securities or Rights Issue	**Number of Shares**	**Debt Instruments**	**Number of Shares**	**Debt Instruments**	**Net Change**
Ziad Bassam Mohammed Al-Bassam	1,000	0	1,213	0	213
Hamza Mohammed Saleh Seirafi	6,444	0	22,082	0	15,638
Samer Mohammed Ishaq Al-Khawashki	210	0	254	0	44
Ziad Othman Alhekail	300	0	364	0	64
Ghassan Yasser Ahmed Shalabi	30	0	36	0	6
Hesham Bakr Hussain Mofti	300	0	364	0	64
Mohammed Abdulkarim Mohammed Alnafea	100	0	121	0	21
Ibrahim Abdullah Ibrahim Al-Subaie	2,000	0	2,426	0	426
Ibrahim Abdulrahman Al-Qunaibet[1]	4,000,991	0	4,855,093	0	854,102

Senior Executives Holdings

	Beginning of the Year		End of the Year		
Name of the Person with the Interest, Contractual Securities or Rights Issue	**Number of Shares**	**Debt Instruments**	**Number of Shares**	**Debt Instruments**	**Net Change**
Mohammed Abdulkarim Mohammed Alnafea	100	0	121	0	21
Ahmed Mustafa Aljiffry	25	0	55	0	30

Major Shareholders' Ownership

	Beginning of the Year		End of the Year		
Name of the Person with the Interest, Contractual Securities or Rights Issue	**Number of Shares**	**Debt Instruments**	**Number of Shares**	**Debt Instruments**	**Net Change**
Saudi Binladin Group	20,678,699	0	25,093,031	0	4,414,332
Al Salehat Investment	8,568,139	0	10,397,200	0	1,829,061

[1] The shares of Mr. Ibrahim Abdulrahman Al-Qunaibet have been included in the table as he is the father of Board member Mr. Turki Ibrahim Abdulrahman Al-Qunaibet.

Related Party Transactions

In the ordinary course of business, the Company enters into transactions with related parties. Such transactions are conducted on the same terms and conditions applied to transactions with other parties and in accordance with the controls set out in the relevant laws, policies, and procedures.

Related Party Transactions

Related Party	Nature of Relationship with the Company	Transaction Type	Duration	Value
Bank Aljazira	Mohammed Abdulkarim Alnafea – Chief Executive Officer of Makkah Construction & Development Company and Board Member of Bank Aljazira. Turki Ibrahim Al-Qunaibet – Board Member of the Company; his father is a major shareholder in Bank Aljazira.	Purchase of Government Sukuk	N/A[1]	926,552,382
Roots Arabia	Saleh Mohammed Bin Ladin – Chairman of the Board of Makkah Construction & Development Company and a Board Member of Roots Arabia.	Renovation of 4 floors in the hotel	One year	32,000,000

Businesses or Contracts to Which the Company Is a Party and in Which a Board Member, Senior Executive or Related Person Has an Interest.

Nature of the Business or Contract	Contract Amount	Business or Contract Term	Business or Contract Conditions	Name of the Board Member, Senior Executive or Related Person
Lease Agreement – Shopping Mall	⃁ 847,320	Annual	In accordance with generally accepted contractual terms	Ziyad Bassam Mohammed Al-Bassam

Related Party Transactions

[1] There is no specified duration for the sukuk, as it represents an ongoing investment within the Company's treasury management activities. The portfolio may be held, adjusted, or liquidated based on the Company's needs and prevailing market conditions, rather than under a fixed contractual term.

Competitive Activities with the Company or Any of Its Lines of Business Practiced by Any Member of the Board of Directors

Some members of the Board of Directors participate in commercial activities operating in sectors similar to the Company's core activities.

Name of the Person Involved in Competitive Activities	Nature of Relationship with the Company	Nature of the Activity
Abdul Raouf Mohammed Abdullah Mannaa	Vice Chairman of the Board	Chairman of the Board of Directors of Elaf Company
Abdul Raouf Mohammed Abdullah Mannaa	Vice Chairman of the Board	Board Member of SEDCO Holding Company
Ziad Othman Alhekail	Board Member	Board Member of SEDCO Holding Company
Ziad Othman Alhekail	Board Member	King Abdullah Endowment for His Parents

Penalties

Except as disclosed below, no material penalty, precautionary measure, or precautionary restriction has been imposed on the Company by the Authority or by any supervisory, regulatory, or judicial authority. The table below summarizes the violations imposed on the Company during 2025, the corrective actions taken by the Company in relation to these violations, and the steps implemented to prevent their recurrence.

No.	Penalty / Sanction / Precautionary Measure / Restriction	Reason for the Violation	Authority Imposing the Violation	Corrective Measures and Steps Taken to Prevent Recurrence
1	10,000	Incomplete safety plans	General Directorate of Civil Defense	The amount was paid and the necessary corrective actions were taken at the time. The relevant department confirmed its commitment to regulatory requirements.
2	5,000	Penalties and fines imposed under the regulations of the collecting authority	Balady – Ministry of Municipalities and Housing	The amount was paid and the necessary corrective actions were taken at the time. The relevant department confirmed its commitment to regulatory requirements.
3	5,350	Traffic violations	General Directorate of Traffic	The amount was paid and the necessary corrective actions were taken at the time. The relevant department confirmed its commitment to regulatory requirements.

Penalties for the Financial Period Ended 31 December 2025

Dividend Policy

Shareholders are entitled to their share of dividends in accordance with General Assembly resolutions issued by the Company and subject to the following controls:

- The General Assembly resolution determines the entitlement date and distribution date, and dividends are due to shareholders registered in the shareholders register at the end of the specified entitlement date.
- The Company may distribute interim dividends to shareholders on a semi-annual or quarterly basis after meeting the regulatory requirements issued by the Capital Market Authority, pursuant to an authorization granted by the Ordinary General Assembly to the Board of Directors. Such requirements include the following:
    1. The Ordinary General Assembly may delegate to the Board the authority to distribute interim dividends pursuant to a resolution renewed annually.
    2. The Company should have good and regular profitability.
    3. The Company should have reasonable liquidity and be able to predict its level of profits with reasonable certainty.
    4. The Company must have distributable profits according to the latest reviewed financial statements sufficient to cover the proposed distribution, after deducting what has been distributed and capitalized from such profits after the date of those financial statements.
- Distributable profits are calculated from the net income of the financial year after deducting all amounts allocated to reserves decided by the General Assembly and adding retained earnings and distributable reserves that the General Assembly decides to distribute.
- When determining the share of profits attributable to shares, the General Assembly may decide to create reserves to the extent necessary to serve the interests of the Company or to ensure, as far as possible, the distribution of fixed dividends to shareholders.
- If dividends are not distributed for any financial year, dividends may not be distributed for the following years unless the percentage specified for the holders of preferred shares for that year has first been paid, in accordance with applicable regulations.

The Board of Directors announced on 5 March 2025 (corresponding to 5/9/1446H) a decision to distribute interim dividends in the amount of ⃁ 300,000,000 (three hundred million Saudi Riyals), representing ⃁ 1.5 per share (equivalent to 15% of the nominal value of the share), for the financial year ended 31 December 2024. Eligibility shall be for shareholders holding shares at the end of the trading day of the General Assembly meeting held on 19 May 2025 (corresponding to 21/11/1446H) and who are registered in the Company's shareholder register with Securities Depository Center Company (Edaa) at the end of the second trading day following the eligibility date.

Description	2025	2024	2023
Net Profit	474	411	334
Dividends Distributed after Net of Zakat and Tax	295	245	162

Board of Directors' Declarations

The Board of Directors confirms the following:

a. The accounting records have been properly prepared.

b. The internal control system has been established on a sound basis and has been effectively implemented.

c. There are no material doubts regarding the Company's ability to continue as a going concern.

- Neither the Company nor any of its subsidiaries issued any shares or debt instruments during the financial year 2025.
- The Company did not issue or grant any convertible debt instruments, contractual securities, pre-emptive rights, or similar rights during the financial year 2025.
- The Company did not undertake any conversion or subscription under any convertible debt instruments, contractual securities, guarantees, or similar rights issued or granted by the Company during the financial year 2025.
- No member of the Board of Directors or Senior Executives of the Company has waived any remuneration.
- No shareholder of the Company has waived any rights to dividends.
- The Company's annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and adopted in the Kingdom of Saudi Arabia for financial reporting purposes.
- The Company did not hold any treasury shares as at the end of 2025.
- The Company presents shareholders' proposals and observations regarding the Company's performance to the Board of Directors on an annual basis.

06

Financial Statements

MCDC شركة مكة للإنشاء والتعمير

MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
(A SAUDI JOINT-STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

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

Consolidated financial statements for the year ended December 31, 2025, and independent auditor's report

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
"A SAUDI JOINT-STOCK COMPANY"
MAKKAH - KINGDOM OF SAUDI ARABIA

Opinion

We have audited the accompanying financial statements of Makkah Construction and Development Company (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in shareholders' equity, and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, its consolidated financial performance and its consolidated cash flows for the period then ended, in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that 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 financial statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our overall audit of the consolidated financial statements, and in forming our opinion thereon; we do not express a separate opinion on these matters. The key audit matters include the following:

An Independent Member Firm of Moore Global Network Limited - Member Firms in principal cities throughout the world.

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
"A SAUDI JOINT-STOCK COMPANY"
MAKKAH - KINGDOM OF SAUDI ARABIA

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
Financial assets at fair value through other comprehensive income: The Group holds investments in financial assets at fair value through other comprehensive income (FVOCI), listed in the consolidated statement of financial position amounting to SR. 1,129 million, representing 26% of the Group's total assets as at December 31, 2025. The fair value of investments in equity instruments at fair value through other comprehensive income is determined based on the quoted prices in the Saudi Stock Exchange (Tadawul). The fair value of investments in listed equities has been considered a key audit matter, as it represents a significant component and a key driver in the Group's consolidated statement of financial position and is material to the consolidated financial statements. Please refer to note (4.6) which indicates the accounting policy followed. Note (7) provides information on the components of financial assets classified at FVOCI and associated risks.	**We performed the following procedures, among others, to address the key audit matter:** • We obtained an understanding of the procedures adopted by management to determine the fair value of investments at the reporting date and the related controls over this process. • We evaluated the above-mentioned controls to ensure that they were appropriately designed and implemented. • We reconciled the details of all investments recorded in the accounting books with the portfolio manager. • We recalculated the fair value of all investments held as of the reporting date by obtaining the listed share prices of the investments and multiplying them by the number of shares held as confirmed by the portfolio manager. • We have assessed the disclosures related to this matter in the financial statements in accordance with the requirements of International Financial Reporting Standards.

MOORE El Sayed El Ayouty & Co. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
"A SAUDI JOINT-STOCK COMPANY"
MAKKAH - KINGDOM OF SAUDI ARABIA

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of investment properties As of December 31, 2025, the carrying amount of investment properties amounted to SR 205 million, with disclosure of the fair value amounted to SR 4,396 million. The investment properties were stated at cost, net of accumulated depreciation and any accumulated losses arising from impairment as of the consolidated financial statement date. The Group also discloses the fair value of the investment properties in accordance with the requirements of the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. For the purpose of disclosing the fair value, the Company appointed an independent external valuer ("the Valuer"), who estimated the fair value using the market and income approach, utilizing the discounted cash flow model. Investment properties are valued based on estimates and assumptions such as rental value, occupancy rates, discount rates, market knowledge and historical transactions. We have considered this a major audit matter because it is important to disclose the fair value of investment properties and the importance and complexity of the process of valuating investment properties and its dependence on a set of estimates and assumptions. Please refer to note (3.4) about the financial statements for more details on important accounting policies, note (2) for important accounting estimates and judgments, and note (6) for details of relevant disclosures.	**We performed the following procedures related to the valuation of investment properties:** • Evaluate the policies and the reasonableness of the accounting estimates used by the Company. • Evaluate the objectivity, independence, competence and expertise of the valuer. • The reasonableness of the fair value calculation and its key assumptions, including cash flow projections and the discount rate used. • Analyze significant assumptions and assess their impact on the fair value and the impact of changes in key assumptions on the conclusion reached by management. • Sample-based review, to evaluate the investment properties carried out by the Valuer with the help of our specialists, to ensure the reasonableness of the main assumptions used to determine the fair values of the investment properties. • Examined the adequacy of presentation and disclosures with respect to relevant assumptions and key estimates in the accompanying consolidated financial statements.

MOORE El Sayed El Ayouty & Co. Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
"A SAUDI JOINT-STOCK COMPANY"
MAKKAH - KINGDOM OF SAUDI ARABIA

Other Information

Other information consists of the information included in the annual report for the Group for the year ended December 31, 2025, other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information in its annual report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report of the Company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 the IFRS standards as endorsed in the Kingdom Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Auditors and Accountants, and the provisions of the Companies Law and the Company's Articles of Association 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 consolidated financial statements, the Management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 judgment and maintain professional skepticism throughout the audit. We also:

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS
MAKKAH CONSTRUCTION AND DEVELOPMENT COMPANY
"A SAUDI JOINT-STOCK COMPANY"
MAKKAH - KINGDOM OF SAUDI ARABIA

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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, misrepresentation, or the override of the Company's 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 Company'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 Company'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 financial statements and if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company 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 financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and we communicated with them all relationships and other matters that may reasonably affect our independence, and related safeguards, if required.

Among the matters communicated to those charged with governance, we identify those matters that we considered significant when auditing the financial statements for the current period. The key audit matters are prepared on this basis. We explain these matters in our report unless a law or regulation prevents public disclosure of a matter, or when we see, in extremely rare circumstances, matters that should not be reported in our report because the negative consequences of doing so are reasonably expected to outweigh the public good interest from reporting.

For El Sayed El Ayouty & Co.

A. Balamesh

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

Jeddah: Ramadan 21, 1447 H
Corresponding to: March 10, 2026

السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون
س.ت رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
C.R. No. 4030291245
EL SAYED EL AYOUTY & CO.

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

Consolidated statement of financial position as at December 31, 2025
(All amounts in Saudi Riyals)

	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,394,100,787	1,335,532,446
Investment properties	6	205,036,090	210,590,192
Right-of-use assets		2,940,824	-
Investments at fair value through other comprehensive income	7	1,128,959,071	2,278,136,244
Investment in associates	8	412,371,902	368,792,505
Financial investments at amortized cost	9	926,552,382	-
Total non-current assets		**4,069,961,056**	**4,193,051,387**
Current assets			
Trade receivables	10	75,439,846	21,270,035
Inventory		2,642,799	2,014,370
Prepaid expenses and other receivables	12	77,749,278	65,188,558
Investments at fair value through profit or loss	13	25,951,987	111,483,839
Cash and cash equivalent	14	73,428,187	111,594,053
Total current assets		**255,212,097**	**311,550,855**
Total assets		**4,325,173,153**	**4,504,602,242**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	15	2,000,000,000	1,648,162,400
Statutory reserve	16	-	836,280,685
Revaluation gains of Investments at fair value through other comprehensive income	7	194,452,438	999,429,368
Retained earnings		1,646,037,597	570,529,242
Total Shareholders' equity		**3,840,490,035**	**4,054,401,695**
NON-CURRENT LIABILITIES			
Long-term loan - non-current portion	17	50,000,000	75,000,000
Lease liabilities - non-current portion		2,331,678	-
Employees' defined benefit obligations	18	51,635,612	53,937,957
Total non-current liabilities		**103,967,290**	**128,937,957**
CURRENT LIABILITIES			
Long-term loan - current portion	17	51,420,599	27,241,513
Deferred revenue	19	20,281,568	10,471,599
Lease liabilities - current portion		719,438	-
Trade payables		7,398,034	4,825,790
Accrued expenses and other credit balances	20	97,687,217	83,822,513
Dividends payable	21	191,530,708	186,848,378
Provision for zakat	22	11,678,264	8,052,797
Total current liabilities		**380,715,828**	**321,262,590**
Total liabilities		**484,683,118**	**450,200,547**
Total Shareholders' equity and liabilities		**4,325,173,153**	**4,504,602,242**

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements

Saleh Mohammed Awad bin Laden	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Chairman of Board of Directors	Chief Executive Officer – Board Member	Chief Financial Officer

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

Consolidated statement of profit or loss and other comprehensive income for the year ended on December 31, 2025,
(All amounts in Saudi Riyals)

	Note	December 31, 2025	December 31, 2024
Revenue	23	1,072,462,567	836,040,336
Cost of revenue	24	(557,602,245)	(363,704,726)
Gross profit		**514,860,322**	**472,335,610**
Selling and marketing expenses		(7,058,842)	(6,114,551)
General and administrative expenses	25	(84,682,176)	(66,359,515)
Reversal of expected credit loss, net	10, 12	1,973,579	(212,850)
Profits from operations		**425,092,883**	**399,648,694**
Finance costs	26	(7,860,302)	(5,060,514)
Company's share in the results of associate companies	8	30,514,981	8,193,372
Settlement of investments in associate companies	8	-	2,440,288
Return on Islamic Murabaha deposit		20,661,856	15,512,444
Return on financial investments held at amortized cost	9	1,805,100	-
Return of investments at fair value through profit or loss	13	16,338,828	2,183,839
Other (expenses) / income	27	(758,392)	299,935
Net profit for the year before Zakat		**485,794,954**	**423,218,058**
Zakat	22	(11,678,264)	(12.176.558)
Net profit for the year		**474,116,690**	**411,041,500**
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss			
(Losses) on remeasurement of employees' defined benefit obligations	18	(1,322,633)	(11,369,690)
(Loss) / gain on remeasurement of employees' benefit obligations of associates	9	(86,291)	1,037,586
Unrealized net (loss) from revaluation of investments at fair value through other comprehensive income	8	(386,619,426)	(190,621,063)
Other comprehensive income for the year		**(388,028,350)**	**(200,953,167)**
Comprehensive income for the year		**86,088,340**	**210,088,333**
Earnings per share			
Basic earnings per share from net profit for the year	28	**2.37**	**2.05**

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements

Saleh Mohammed Awad bin Laden	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Chairman of Board of Directors	Chief Executive Officer – Board Member	Chief Financial Officer

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

Consolidated statement of changes in shareholders' equity for the year ended on December 31, 2025
(All amounts in Saudi Riyals)

	Note	Share capital	Statutory reserve	Revaluation gains of investments at fair value through other comprehensive income	Retained earnings	Total
Balance at January 01, 2024,		**1,648,162,400**	**836,280,685**	**1,190,279,326**	**416,815,311**	**4,091,537,722**
Net profit for the year		-	-	-	411,041,500	**411,041,500**
Other comprehensive income for the year		-	-	(190,621,063)	(10,332,104)	**(200,953,167)**
Comprehensive income for the year		-	-	(190,621,063)	400,709,396	**210,088,333**
Transferring gains of revaluation of investments at fair value through other comprehensive income		-	-	(228,895)	228,895	-
Dividends	21	-	-	-	(247,224,360)	**(247,224,360)**
Balance at December 31, 2024		**1,648,162,400**	**836,280,685**	**999,429,368**	**570,529,242**	**4,054,401,695**
Balance at January 01, 2025		**1,648,162,400**	**836,280,685**	**999,429,368**	**570,529,242**	**4,054,401,695**
Transferred from the statutory reserve		351,837,600	(836,280,685)	-	484,443,085	-
Net profit for the year		-	-	-	474,116,690	**474,116,690**
Other comprehensive income for the year		-	-	(386,619,426)	(1,408,924)	**(388,028,350)**
Comprehensive income for the year		-	-	(386,619,426)	472,707,766	**86,088,340**
Realized gains from the sale of financial assets at fair value through other comprehensive income,		-	-	(418,357,504)	418,357,504	-
Dividends	21	-	-		(300,000,000)	**(300,000,000)**
Balance at December 31, 2025		**2,000,000,000**	**-**	**194,452,438**	**1,646,037,597**	**3,840,490,035**

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements

Saleh Mohammed Awad bin Laden	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Chairman of Board of Directors	Chief Executive Officer – Board Member	Chief Financial Officer

Makkah Construction and Development Company

(A Saudi joint-stock company)

Consolidated statement of cash flows for the year ended on December 31, 2025

(All amounts in Saudi Riyals)

	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit for the period before Zakat	485,794,954	423,218,058
ADJUSTMENTS:		
Depreciation on property, plant, and equipment	31,302,680	30,639,119
Depreciation of investment properties,	5,131,198	5,243,850
Loss on disposal of property, plant and equipment	2,708,854	94,167
Loss on disposal of investment properties	2,482,299	25,443
Depreciation of right-of-use assets	658,336	
Share of the Company in the results of associates	(30,514,981)	(8,193,372)
Settlement of investments in associates	-	(2,440,288)
Return on financial investments held at amortized cost	(1,805,100)	-
Finance costs	7,860,302	5,060,514
Return of investments at fair value through profit or loss	(16,338,828)	(2,183,839)
Provision for expected credit losses	(1,973,579)	212,850
Provision for Employees' defined benefit obligations	4,623,196	3,662,358
Return on Islamic Murabaha deposit	(20,661,856)	(15,512,444)
	469,267,475	**439,826,416**
CHANGES IN:		
Trade receivables	(52,196,232)	2,633,061
Inventory	(628,429)	47,362
Prepaid expenses and other debit balances	(10,755,620)	(23,020,230)
Deferred revenue	9,809,969	(162,605)
Trade payables	2,572,244	939,710
Accrued expenses and other credit balances	16,452,862	(33,542,361)
Employees' defined benefit obligations paid	(11,061,302)	(1,085,758)
Provision for zakat paid	(10,640,955)	(52,570,986)
Net cash provided by operating activities	**412,820,012**	**333,064,609**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to property, plant and equipment	(91,641,090)	(34,739,119)
Proceeds from sale of property, plant and equipment	-	13,914
Payments to investment properties	(2,059,395)	(3,087,564)
Financial investments held at amortized cost	(926,552,382)	-
Payments for financial investments at fair value through profit or loss	(334,015,468)	(244,300,000)
Proceeds from recovering investments at fair value through profit or loss	435,886,148	135,000,000
The proceeds from liquidating the commodity trading fund	-	1,036,363
Proceeds from the sale of investments at fair value through other comprehensive income	762,557,747	-
Payments for investments in associates	(13,150,707)	(340,889,646)
Proceeds from return on Islamic Murabaha deposit	20,661,856	15,512,444
Net cash (used in) investing activities	**(148,313,291)**	**(471,453,608)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Settlement of loans	(25,000,000)	(160,000,000)
Received from loans	25,000,000	135,000,000
Lease obligations paid	(875,000)	-
Finance costs paid	(6,479,917)	(6,131,266)
Dividends paid	(295,317,670)	(244,611,854)
Net cash (used in) financing activities	**(302,672,587)**	**(275,743,120)**
Net change in cash and cash equivalent	**(38,165,866)**	**(414,132,119)**
Cash and cash equivalents at beginning of the year	**111,594,053**	**525,726,172**
Cash and cash equivalents at end of the year	**73,428,187**	**111,594,053**

Makkah Construction and Development Company

(A Saudi joint-stock company)

Consolidated statement of cash flows for the year ended on December 31, 2025, (Continued)

(All amounts in Saudi Riyals)

	December 31, 2025	December 31, 2024
OTHER NON-CASH TRANSACTIONS:		
Unrealized (losses) from revaluation of investments at fair value through other comprehensive income	(386,619,426)	(190.621.063)
Finance costs from long-term loan added in property, plant and equipment	938,785	(2.241.513)
Gain from remeasuring employees' defined benefit obligations	1,322,633	11.369.690
(Loss) from remeasuring employees' defined benefit obligations of associates	(86,291)	(1.037.586)
Dividends payable - unpaid	4,682,330	2,612,506
Transfer from advance payments to suppliers to property, plant, and equipment	-	(5.283.626)
Right-of-use assets and lease obligations	3,599,160	-
Transferred from statutory reserve to share capital and retained earnings	836,280,685	-
Transferred from provision for Ministry of Islamic Affair, Dawah and Guidance to provision for zakat	2,588,158	-

The accompanying notes from (1) to (35) form an integral part of these consolidated financial statements

Saleh Mohammed Awad bin Laden	Mohammed A. Al Nafea	Ahmad Mohanad Jaber
Chairman of Board of Directors	Chief Executive Officer – Board Member	Chief Financial Officer

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the consolidated financial statements for the year ended December 31, 2025

(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL

1.1 Corporate information

Makkah Construction and Development Company (A Saudi Joint Stock Company) (the "Company") was incorporated in accordance with the Companies' Law and as per Royal Decree no. (M/5) dated 13 Dhu Al-Qi'dah1408H. The incorporation was declared by the Minister of Commerce and Investment no. 859 dated 21 Dhu Al-Qi'dah1409 H (corresponding to 24 June 1989). The Company is registered in Makkah under Commercial Registration number 4031020101 dated one Dhu Al-Hijjah 1409 H (corresponding to 4 July 1989) and under Unified Registration No. 7018055256.

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

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

Branches: The Company has the following branches:

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

These consolidated financial statements consist of the financial statements of the parent company and its subsidiary. As of December 31, 2025, the Parent Company owns the following subsidiary:

Company Name	CR No.	Date	Shareholding %	Principal activities
Hotel Towers Company Makkah Hotel Company	4031045190	18/09/1424H (corresponding to 11/11/2003)	100%	The hotels provide services for Umrah performers, visitors to the Prophet's Mosque, and services for pilgrims coming from outside the Kingdom and domestic pilgrims.
Manafa Al-Barakah Investment Company	4031300209	19/10/1445H corresponding to 28/04/2024	100%	Other financial service activities, excluding insurance and pension funding.
MCDC Maintenance & Cleaning Company	7052715476	05/06/1447H corresponding to 26/11/2025	100%	Building maintenance and general building cleaning services.

On December 24, 2023, the Company transferred the branch of the Makkah Hotel and Towers, having a commercial registration number 4031045190 dated 11/11/2003, including all rights, obligations, labor, classification, licenses, and all its financial, technical, and administrative components, to a single-owner limited liability company while retaining the name, number, and date of the commercial registration of the company's branch as the main center for the newly incorporated company named Hotel Towers Company Makkah Hotel Company with an unpaid capital of one million Saudi Riyals. The parent Company continued to include the branch's activities within its operations, and the Company has not commenced operations to date.

On April 28, 2024, Manafa Al Barakah Investment Company was established with Commercial Registration Number 4031300209 as a single shareholder limited liability company with a paid-up capital of five hundred thousand Saudi Riyals, and the Company has not yet commenced its activities.

On November 26, 2025, MCDC Maintenance & Cleaning Company was established, Commercial Registration No. 7052715476, as a single shareholder limited liability company with an uppaid capital of five thousand Saudi Riyals, and the Company has not yet commenced its activities.

Makkah Construction and Development Company

(A Saudi joint-stock company)

Notes to the consolidated financial statements for the year ended December 31, 2025

(All amounts in Saudi Riyals unless otherwise stated)

1. GENERAL (CONTINUED)

1.2 Fiscal year

The Company's consolidated fiscal year begins on January 1st and ends on December 31st of each calendar year.

2. BASIS OF PREPARATION

2.1 Compliance with Accounting Standards Applied

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Chartered and Professional Accountants (collectively referred to as "IFRSs adopted in the Kingdom of Saudi Arabia").

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis using the principle of accounting accrual, with the exception of financial instruments that are measured at fair value and employees defined benefit obligations are measured at the present value of future obligations using the projected unit credit method.

2.3 Functional and presentation currency

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

2.4 Going concern basis

As of December 31, 2025, current liabilities exceeded current assets by SR. 120.5 million. In preparing the accompanying consolidated financial statements, the management of the company has assessed its ability to continue operating as a going concern while preparing the accompanying financial statements and is confident that the company has sufficient resources to sustain its operations in the near future. In addition, the management is not aware of any material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern.

2.5 Basis for consolidation of financial statements

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

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

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

  - Contractual arrangements with other voting rights holders;
  - Rights arising from other contractual arrangements;
  - The parent company's special voting rights and potential voting rights.

- The parent company re-evaluates whether it exercises control over the investees when facts and circumstances indicate a change in any of the three control elements. Consolidation of subsidiaries begins when the parent company controls the subsidiary and ceases when the parent relinquishes such control. Assets, liabilities, income, and expenses of acquired or disposed subsidiaries during the year are included in the consolidated financial statements from the date control is transferred to the parent until the parent relinquishes control over the subsidiaries.

Makkah Construction and Development Company
(A Saudi joint-stock company)
Notes to the consolidated financial statements for the year ended December 31, 2025
(All amounts in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2.5 Basis for consolidation of financial statements (Continued)

- Income or loss and each component of other comprehensive income relate to the shareholders of the parent company and non-controlling interests, even if this results in a deficit in non-controlling equity balances. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those adopted by the parent company. All intercompany assets, liabilities, equity, revenues, expenses, and cash flows related to transactions between the parent company and the subsidiaries are completely eliminated during consolidation.
- Any change in equity interests in a subsidiary, without losing control, is treated as an equity transaction. If the parent company loses control over subsidiaries, it ceases to recognize related assets and liabilities (including goodwill), non-controlling interests, and other equity items, while profits or losses arising from this are recognized in the consolidated income statement. Any investment retained is recognized at fair value.

2.6 Significant accounting judgments and estimates

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

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

Fulfillment of performance obligations

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

Determination of transaction prices

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

Classification of real estate properties

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

Operating lease classification – Company as lessor

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

Impairment of financial assets

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

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2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments and estimates (Continued)

Impairment of financial assets (Continued)

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

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

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

Lease term

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

Depreciation and amortization on non-current assets

Depreciation and amortization are recognized to write off the cost of assets less their residual value over their useful lives using the appropriate method. The Company's management estimates useful lives, residual values and depreciation method and reviews them at the end of each reporting period. The impact of any changes in estimate is calculated on a prospective basis.

Provision for expected credit losses for trade and other debit balances

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

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

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

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2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments and estimates (Continued)

Provision for Zakat and VAT

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

Impairment of financial assets

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

Contingent liabilities

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

Employees defined benefit obligations

The cost of employees' terminal benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover (employment, termination, resignations). 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 the end of each year. 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/government bonds. Future salary increases are based on the expected future inflation rates, seniority, promotion, demand, and supply in the employment market. The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Further details about employee benefits obligations are provided in note 18.

Fair value measurement of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The Company must have access to the principal market or the most favorable market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

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2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments and estimates (Continued)

Fair value measurement of financial instruments (Continued)

The Company uses valuation techniques that are appropriate for the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

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

3. NEW STANDARDS, AMENDMENTS TO STANDARDS, AND INTERPRETATIONS

Amendments to existing standards that have not yet become effective as of the date of issuance of the financial statements, as detailed below, will be applied by the company to the existing standards, if applicable, when they become effective.

- Amendment to IFRS (21) "Non-Exchangeability", applicable to annual periods commencing on 1 January 2025.
- Amendments to the classification and measurement of financial instruments, amendments to IFRS (9) "Financial Instruments" and IFRS (7) "Financial Instruments: Disclosures", apply to annual periods beginning on or after January 1, 2026.
- Annual enhancements to the accounting standards of International Financial Reporting Standards (IFRS) apply to annual periods beginning on or after January 1, 2026. Amendments include:

  - **IFRS (1):** "First-time Adoption of International Financial Reporting Standards"
  - **IFRS (7):** "Financial Instruments: Disclosures" and the related guidance on the application of IFRS 7
  - **IFRS (9):** "Financial Instruments"
  - **IFRS (10):** "Consolidated Financial Statements"
  - **IAS (7)**: "Statement of Cash Flows"

- Contracts that refer to nature-based electricity - Amendments to IFRS 9 and IFRS 7 apply to annual periods beginning on or after January 1, 2026.
- IFRS (18) "Presentation and Disclosure in Financial Statements" applies to annual periods beginning on or after January 1, 2027.
- An amendment to IFRS (21) "Translation into Currency of Excessive Inflation Presentation" applies to annual periods beginning on 1 January 2027.
- IFRS (19) "Subsidiaries not subject to public accountability: Disclosures" applies to annual periods commencing on or after 1 January 2027.

The above criteria are not expected to have a material impact on the Company's financial statements.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

The accounting policies described below were consistently applied in preparing the Company's consolidated financial statements for all periods presented.

4.1 Current versus non-current classification

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

An asset is current when:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period;
- The asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- Held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability can, at the option of the counterparty, be settled by issuing equity instruments without affecting its classification.

The company classifies all other liabilities as non-current.

4.2 Property, plant and equipment

4.2.1 Recognition and measurement

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, where the company recognizes the revaluation of land and recognizes the surplus or deficit in the statement of other comprehensive income. The cost includes all costs directly attributable to bringing the asset to the site and in the condition necessary for it to be able to operate in the manner intended by management. The cost consists of the purchase price, including non-refundable import duties and purchase taxes, after deducting trade discounts and rebates.

An entity adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is charged, if the replacement part is expected to provide additional future benefits to the entity, and derecognizes the carrying amount of those parts that are replaced. All other repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred.

If the main components of an item of property, plant and equipment have different patterns - in a fundamental way - to consume economic benefits, then the initial cost of the asset is allocated to its main components and each component is consumed separately - over its useful life.

Gains or losses arising from derecognition of an item of property, plant and equipment are recognized in the profit or loss statement.

4.2.2 Deprecation

The value of the depreciable property, plant and equipment item - which is the cost of the asset less its residual value - is depreciated according to the straight-line method over the estimated useful life of each type of property, plant and equipment, and the depreciation is charged to the profit or loss statement.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2. Property, plant and equipment (Continued)

4.2.2 Deprecation (Continued)

The estimated useful lives are as follows:

Item	**Depreciation (years)**
Buildings	33-83
Property and equipment	10
Vehicles	4
Furniture and Fixtures	2.5 -10

The residual value and useful lives of property, plant and equipment are reviewed in the event that there are indications of significant changes since the date of preparation of the last annual report and are amended prospectively if necessary.

4.2.3. Capital work in progress

Capital work in progress at year end includes certain assets (property, plant, equipment, and intangible assets) that have been acquired but are not ready for their intended use. Capital work in progress is stated at cost less any recorded impairment. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

4.3. Investment properties

Properties held for long-term returns or capital appreciation or both and properties held for undetermined future use but not for sale in the ordinary course of business and unoccupied are classified as investment properties. Investment properties consist of land, buildings, equipment, fixtures, fixtures, office equipment and furniture that are an integral part of the buildings. Investment properties also include properties under construction or that are being developed for future use as investment properties.

Investment properties are stated at cost, net of accumulated depreciation and any accumulated impairment losses, except for properties under construction which are stated at cost. Cost includes expenses that are directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, where applicable, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced item ceases to be recognized.

The Company also discloses the fair value of investment properties.

Investment properties are derecognized either upon disposal (i.e. when control is transferred to the receiving party) or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss for the period in which the recognition is derecognized. When determining the transaction for the sale of equipment, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Investment property acquired is measured initially at the amount of the modified rent, any lease payments made prior to the commencement date (less incentives for rent received), any upfront direct costs incurred by the Company, and estimates of these costs to the lessee, as well as the cost of removing the original asset, restoring the site to its original condition, or restoring the original asset to Its required condition according to the terms of the contract, and right-of-use assets that meet the definitions of investment property are presented under investment property.

Investment properties are classified as 'held for sale' when the carrying amount is expected to be recovered principally through sale rather than continuing use. In order for this condition to happen, the properties must be available for sale in his condition, which is subject only to the usual conditions for their sale, and the sale must be very probable.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3. Investment properties (Continued)

When investment properties are sold, no direct/operating revenue and costs of sale of investment properties are recognized. Any gain or loss on sale of investment property (calculated as the difference between the net disposal proceeds and the carrying amount) is recognized in the statement of profit or loss and other comprehensive income.

Occupied real estate is represented by real estate held by the owner or right-of-use assets related to real estate held by the lessee for use in the production and supply of goods, services and management proposals that do not generate cash flows independently of the other assets of the entity. Transfers are made to (from) investment properties only when there is a change in use. For a transfer from investment property to owner acquired property, the cost assumed for subsequent accounting is the fair value at the date of change in use. In the event that the owner-occupied property becomes a real estate investment, the company will account for this property in accordance with the policy stipulated under property and equipment up to the date of change in use.

Depreciation of assets is charged to the statement of profit or loss and other comprehensive income using the straight-line method to allocate their costs over their estimated useful lives as follows:

Item	Depreciation (years)
Buildings	33-83
Furniture and Equipment	10

Gains and losses on sale transactions are determined by comparing the proceeds with the carrying amounts and are recognized in the statement of profit or loss and other comprehensive income.

4.4. Investments in associates

Investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is initially recognized at cost and is subsequently adjusted by the recognition of the company's share in the statement of profit or loss and other comprehensive income of the associate, less any impairment in the value of net investments.

4.5. Impairment of non-financial assets

Non-financial assets

At the end of each reporting period, the company reviews the book values of its non-financial assets to determine whether there is any indication that these assets have suffered impairment losses. If any indication exists, the recoverable amount of the asset is estimated in order to determine impairment losses (if any).

When it is not possible to estimate the recoverable amount of a specific asset, the Company estimates the recoverable amount of the cash-generating unit to which the same asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also be allocated to individual cash-generating units, or they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. The cash-generating unit to which the goodwill has been allocated is tested for impairment annually, and whenever there is an indication of impairment, by comparing the unit's carrying amount, including goodwill, with the unit's recoverable amount.

Intangible assets with an indefinite useful life are not amortized. Instead, the asset is tested to determine the impairment annually, and whenever there is an indication of a decline in the value of the asset.

The recoverable amount is the greater of the asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5. Impairment of non-financial assets (Continued)

Non-financial assets (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The losses of impairment are recognized immediately in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in the profit or loss. An impairment loss recognized in past periods for goodwill is not reversed in the subsequent period.

4.6. Financial - Instruments

Recognition of financial instruments

The financial asset and liability are recognized when the Company becomes a party to the contractual obligations of the instrument, generally at the trading date. The Company removes the recognition of the financial asset when the contractual cash flows of that asset cease, or when the Company transfers the right to receive the contractual cash flows from the financial asset in a transaction where all the risks and benefits of ownership of the financial asset are materially transferred.

Financial Assets

International Financial Reporting Standard No. (9) requires all financial assets to be classified and subsequently measured at amortized cost or fair value. The classification depends on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as described below, which are determined at the time of initial recognition.

All financial assets that are not classified as measured at amortized cost or at FVTOCI as described below are measured at FVTPL.

Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

Financial assets are measured at amortized cost using the effective interest method, if both of the following conditions are met:

- The objective of holding financial assets within the business model is to collect contractual cash flows, and
- It arises from the contractual terms of the financial asset, on specific dates. Cash flows from principal and interest on the principal amount outstanding only.

When making an assessment of whether assets are held within a business model whose objective is to hold assets to collect contractual cash flows, the Company considers:

- Management policies, company objectives, and the performance of those policies in practice.
- The risks affecting the performance of the business model (and the financial assets held within the business model), and in particular, the manner in which those risks are managed.
- How does management assess portfolio performance?
- Whether the management strategy focuses on earning contractual commission revenue.
- The degree of frequency of any sales of the expected assets.
- The reason behind any asset sales.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss arising from de-recognition is recognized in profit or loss.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6. Financial - Instruments (Continued)

Financial assets at amortized cost (Continued)

Financial assets classified as loans and receivables, which were measured at amortized cost, were measured under IFRS No. (9) “Financial Instruments” as they are held in the business model to collect contractual cash flows, and these cash flows consist of payments of principal and interest only.

Financial assets designated at fair value through other comprehensive income (equity instruments investments)

The company has elected to recognize changes in the fair value of equity investments in other comprehensive income. These changes are collected within equity within the item of profits on the revaluation of financial assets at fair value through other comprehensive income. The Company may transfer this amount from revaluation earnings to retained earnings upon derecognition of the related shares.

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss, except if these distributions represent a recovery of part of the investment cost.

Any other losses or gains are recognized in the statement of other comprehensive income and are not reclassified to the statement of profit or loss.

Financial assets at fair value through profit or loss

Subsequent measurement of these assets is carried out at fair value. Net profits or losses, including any interests or dividends, are recorded in the statement of profit or loss.

Impairment of financial assets

An expected credit loss model is followed from the impairment of financial assets. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date in order to demonstrate changes in credit risk from the date of initial recognition.

IFRS 9 uses an 'expected credit loss' model. The model is applied to financial assets that are measured at amortized cost and to debt instruments that are measured at fair value through other comprehensive income, and not to investments in equity instruments.

According to IFRS 9, the measurement of expected credit losses is evidence of the probability of default, or the given loss default (meaning the size of the loss if there is a default). The assessment of the probability of default is based on historical data that is modified by information that predicts the future.

The company, based on a forward-looking view, evaluates the expected credit losses associated with its debt instruments as part of its financial assets carried at amortized cost and fair value through other comprehensive income.

For receivables, the Company applies the simplified approach, which requires that expected losses be recorded on a lifetime basis from the date of initial recognition of the receivables. To measure expected credit losses, receivables have been grouped based on common credit risk characteristics and the number of days past due.

Expected loss rates have been inferred from the Company's historical information and adjusted to reflect the expected future outcome.

Measurement of expected credit loss

Expected credit loss is a weighted estimate of credit losses. Credit losses are measured as the present value of the cash shortfalls (i.e. the difference between the cash flows due to the company and the cash flows that the company expects to receive).

Allowances for impairment losses on financial assets measured at amortized cost are presented as a deduction from the gross carrying amount of the assets.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6. Financial - Instruments (Continued)

Disposal of financial assets

The company cancels financial assets only when the contractual rights to the cash flows from the assets expire or it transfers the financial assets and the risks and rewards of ownership to another party. If the Company does not transfer or retain substantially all the risks and rewards of ownership of the assets, the Company continues to recognize its retained share in the assets and liabilities associated with the financial assets to the amounts it may have to pay.

Financial liabilities

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, loans and payables, as appropriate. All financial liabilities are initially recognized at fair value, and in the case of loans and accounts payable, net of directly related transaction costs. The company's financial liabilities include accounts payable, amounts payable and other liabilities, and amounts due to related parties.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified into two periods, namely:

* Financial liabilities at fair value through profit or loss.
* Financial liabilities at amortized cost (loans)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include current liabilities held for trading and current liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of selling or repurchasing in the near term.

Profits or losses from liabilities held for the purpose of trading are recognized in the statement of profit or loss and other comprehensive income. Financial liabilities classified upon initial recognition are not classified as fair value through profit or loss, on the date of initial recognition, unless they meet the criteria stipulated in the International Reporting Standard. Financial No. (9). The Company has not designated any financial liability at fair value through profit or loss.

Financial liabilities at amortized cost (loans)

Financial liabilities (including loans) are measured initially and subsequently at amortized cost using the effective interest method.

A company de-recognized financial liabilities when the obligation is met, cancelled, or expires. The difference between the carrying amount of the discarded financial liability and the amount paid is recorded in the profit or loss statement.

Derecognition of financial liabilities

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the 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 statement of financial position if there is a currently enforceable legal right to offset the denominated amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7. Inventories

Inventories are stated at cost or net realizable value, whichever is lower, after deducting provision for any obsolete or slow-moving inventory. The company currently uses the weighted average cost method in evaluating inventory.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Costs represent all expenses incurred in bringing each product to its present location and condition.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash balances in bank and cash in hand. The statement of cash flows is prepared according to the indirect method.

4.9. Employee defined benefit obligations

A- Short-term employee benefits

Liabilities for wages and salaries including non-cash benefits and accumulated unused paid leave that are expected to be fully settled within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee services up to the end of the reporting period and are measured at amounts expected to be paid when settlement of obligations. The liabilities are presented as current employee benefit obligations under accruals in the consolidated statement of financial position.

B- Employees end of service indemnity

The liability or asset recognized in the statement of financial position in respect of defined benefits. The employee end of service benefit plan is the present value of the defined benefit obligation at the end of the financial year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid and that have terms approximating those of the related obligation. Defined benefit costs are classified as follows:

B.1.Cost of service

Service costs include current service cost and past service cost is recognized immediately in profit or loss. Changes in the present value of the defined benefit obligations resulting responses to plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

B.2.Cost of interest

The net interest cost is calculated by applying the discount rate to the net defined benefit obligation balance. This cost is included in employee benefits expense in the statement of profit or loss.

B.3.Re-measurement profits or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions in the year in which they occur are recognized directly in other comprehensive income.

4.10. Leasing

The company rents various offices, equipment, cars and warehouses, and the contracts may contain leasable and non-leasable components. The Company allocates the consideration in the Contract to the leased and non-leasable components based on their relative stand-alone prices unless it has elected not to separate the leased and non-leasable components and instead accounts for them as a single lease component. Leases are recognized as a right-of-use asset and a corresponding liability on the date that the leased asset is available for use by the Company.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10. Leasing (Continued)

A. Right-of-use assets

The Company recognizes the right to use assets on the lease commencement date (ie the date the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the commencement date, less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter lease term and the estimated useful lives of the assets.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right to use assets are subject to impairment.

B. Lease liability

At the commencement date, the Company measures the holding lease liability that were measured as the present value of lease payments payable over the lease term. Lease payments include fixed payments (including immaterial fixed payments) less any lease incentives accrued, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Company and the payment of penalties for terminating the lease if the lease term reflects the Company exercising the option to terminate. Lease payments to be made in the future under reasonable extension options are also included in the measurement of the liability.

Lease payments are discounted using the interest rate included in the lease. If that price cannot be readily determined - and generally does for corporate leases - then the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the money needed to acquire an asset of similar value to the right-of-use asset in a similar economic environment with similar security and terms.

The Company is exposed to potential future increases in variable lease payments based on an index or rate that are not included in the lease obligation until they become effective. When adjustments to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are apportioned between capital and finance cost. The financing cost is charged to the statement of profit or loss over the period of the lease contract in order to produce a fixed periodic rate of interest on the remaining balance of the obligation for each period. Payments associated with short-term leases and low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss.

Amounts due from tenants under finance lease contracts are recorded as receivables of the value of the Company's investment in the relevant lease contracts. Income from finance leases is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the relevant lease contracts.

Rental income from operating leases when the Company is a lessor is recognized in income on a straight-line basis over the term of the lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as rental income. The related leased assets are included in the statement of financial position based on their nature.

4.11. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated reliably. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present liabilities, it carrying amount is the present value of those cash flows. The provision should be reviewed at the end of each reporting period if future outflows are not likely, and the provision should be reversed.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.11. Provisions (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the debtor is recognized as an asset and not as a reduction of the provision required. Also, the amount to be recognized as an asset should not exceed the amount of the provision if it is virtually certain that payment will be received and the due amount can be measured reliably.

Contingent assets and liabilities are potential rights and obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

4.12. Zakat

The Company is subject to Zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia. A provision for Zakat is established on an accrual basis and is recorded in the statement of profit or loss and other comprehensive income. The Zakat provision is calculated based on the Zakat base if it is greater than the adjusted net profit. If the Zakat base is less than the adjusted net profit, the lesser of the adjusted net profit is used. Alternatively, the Zakat base can be calculated using either undiscounted assets plus the adjustment to book profit or net equity plus the adjustment to book profit. Any differences between the calculated Zakat and the final assessment (if any) are recorded in the statement of profit or loss for the year in which the assessment is finalized. Zakat is calculated at a rate of 2.5% for the Hijri year and 2.578% for the Gregorian year.

4.13. Value Added Tax

The company is subject to the value-added tax system, and the tax is calculated as soon as the invoice is issued, the commodity is delivered, or the price or part of it is received. The value-added tax return is submitted on a quarterly basis.

4.14. Withholding Tax

The administration deducts taxes from non-resident parties - if any - according to the Authority's regulations, which are not recorded as expenses, given that the amounts of obligations on the counterparty are deducted on its behalf.

4.15. Revenues

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15, which are as follows:

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 goods or services to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of any other parties.

Step 4: to the performance obligations in the contract: Where a contract has multiple performance obligations, the Management will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration which the Management expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.15. Revenues (Continued)

- That the company's performance leads to the creation or improvement of an asset that the customer controls when the asset is created or improved, or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognized at the time the performance obligation is satisfied. Revenue is recorded net of returns and trade liabilities.

Properties investment income

Revenue from properties investment is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term. When the company offers incentives to its customers in the form of a free rental period, the incentive is recognized as a reduction in the total rental income over the length of the rental period, on a straight-line basis.

Hotel rental income

Revenue consists of rooms, food and beverage and other related services that are provided. Revenue, net of withholding, applicable taxes and municipality fees, is recognized on an accrual basis when services are rendered. Performance obligations are met over time, and revenue from hotel services is recognized on a daily basis, as rooms are occupied and services are rendered.

Deferred revenue

Deferred revenue is recognized if the amount is received, or the payment date is due (whichever is earlier) from a customer before the company transfers the related services. Deferred revenue is recognized as revenue when the company performs the contract (i.e. transfers control of related services to the customer).

4.16.General and administrative expenses

General and administrative expenses include direct and indirect costs that are not specifically part of cost of revenue. Allocations between cost of revenue and general and administrative expenses are made on a consistent basis, if required.

4.17. Borrowing costs

Borrowing costs directly attributable to the purchase or construction of inventory properties that take a substantial period of time to be constructed or prepared to be ready for the purpose for which they were built or for sale are capitalized as part of the cost of that asset. Capitalization begins when:

(1) The Company incurs expenses for the asset.
(2) The Company incurs borrowing costs.
(3) The Company undertakes the activities necessary to prepare the asset for its intended purpose or sale.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of the interest and other costs that an entity incurs in borrowing funds. Borrowing costs incurred in respect of investment properties under development are expensed as incurred. Capitalized interest is calculated using the company's weighted average cost of borrowings adjusted for borrowings relating to specific development work. Where the loans relate to a specific development, the capitalized amount is the total interest on those loans less the investment income generated from the temporary investment.

full completion of all development work. Interest is capitalized from the commencement of the development work until the date of actual completion. Capitalization of financing costs is suspended if there are long periods when the development activity is suspended. Interest is also capitalized on the cost of purchasing a site that has been specifically acquired for development, but only when the necessary development activities are in progress.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.18. Finance income and financing cost

Finance income and expenses are recognized within finance income and finance costs in the statement of profit or loss and other comprehensive income. Using the effective interest method, except for borrowing costs relating to a qualifying asset that are capitalized as part of the cost of that asset.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the financing income or financing expense over the relevant period. The effective interest rate is the rate that exactly subtracts the estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows after considering all contractual terms of the financial instruments (for example, pre-payment options) and does not take into account future credit losses. The calculation includes all fees and points paid or received between the contracting parties and is an integral part of the effective interest rate, transaction costs, issue premiums or discounts.

4.19. Foreign currency transactions

The value of foreign currency transactions are converted into Saudi riyals according to the prevailing exchange rates on the date of those transactions, and the balances of monetary assets and liabilities recorded in foreign currencies on the date of the financial statements are converted into Saudi riyals at the prevailing exchange rates on that date.

For non-monetary assets and liabilities in a foreign currency, which are converted into Saudi riyals according to the prevailing exchange rates on the date of the transaction.

The gain or loss arising from exchange rate differences is included in the statement of profit or loss and other comprehensive income.

4.20. Related party transactions

Transactions with related parties include the transfer of resources, services, obligations or financing between the Company and the related party, regardless of whether such transactions are conducted on terms equivalent to those prevailing in an arm's-length transaction.

A related party is a person that is related to the Company, or a close member of that person's family is related to the company if that person:

- Is a member of the key management personnel of the Company.
- Has control or joint control over the Company.
- Has significant influence over the company's decision-making process and policies.

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

An entity is related to the company if any of the following conditions applies:

- The entity and the company are members of the same group or both entities are jointly owned.
- One entity is an associate or joint venture of the Group.
- The entity is controlled by the company or vice versa or the entity and the company are jointly controlled.

4.21. Segment information

The operating segments are presented in a manner consistent with the internal reports provided to the Board of Directors and the Chief Executive Officer (who are responsible for making operating decisions). They are the ones who evaluate the financial performance and financial position of the Company and make strategic decisions.

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4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.21. Segment information (Continued)

An operating segment is a group of assets and operations that:

- Engage in revenue-generating activities
- The management constantly analyzes the results of its operations in order to make decisions related to resource allocation and performance assessment.
- Detailed financial information is available.

4.22. Earnings per share

Basic earnings per share and diluted earnings per share (if any) are presented for ordinary shares. Basic earnings per share are calculated by dividing the Company's profit or loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, after being adjusted by the number of ordinary shares repurchased or issued during the period. Diluted earnings per share is calculated by adjusting diluted profit or loss of the Company's ordinary shareholders and the weighted average number of shares outstanding during the period compared to dilutive potential ordinary shares during the period.

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5. PROPERTY, PLANT AND EQUIPMENT - NET

	Lands	Buildings	Property and equipment	Furniture and Fixtures	Motor vehicles	Capital projects in progress	Total
Cost							
As at January 01, 2024	**601,409,769**	**992,661,196**	**214,311,353**	**42,447,774**	**1,145,006**	**-**	**1,851,975,098**
Additions during the year	-	13,498,917	26,685,153	2,080,186	-	-	**42,264,256**
Disposals during the year	-	-	(24,304,106)	(1,504,336)	(199,000)	-	**(26,007,442)**
As at December 31, 2024	**601,409,769**	**1,006,160,113**	**216,692,400**	**43,023,624**	**946,006**	**-**	**1,868,231,912**
As at January 01, 2025	**601,409,769**	**1,006,160,113**	**216,692,400**	**43,023,624**	**946,006**	**-**	**1,868,231,912**
Additions during the year	-	4,034,635	8,534,579	7,097,298	-	**72,913,363**	**92,579,875**
Disposals during the year	-	-	(46,688,030)	(6,501,656)	-	-	**(53,189,686)**
As at December 31, 2025	**601,409,769**	**1,010,194,748**	**178,538,949**	**43,619,266**	**946,006**	**72,913,363**	**1,907,622,101**
Accumulated depreciation							
As at January 01, 2024	**-**	**372,170,285**	**119,387,891**	**35,306,585**	**1,094,949**	**-**	**527,959,710**
Deprecation during the year	-	11,967,869	16,119,092	2,526,826	25,332	-	**30,639,119**
Disposals during the year	-	-	(24,235,918)	(1,464,447)	(198,998)	-	**(25,899,363)**
As at December 31, 2024	**-**	**384,138,154**	**111,271,065**	**36,368,964**	**921,283**	**-**	**532,699,466**
As at January 01, 2025	**-**	**384,138,154**	**111,271,065**	**36,368,964**	**921,283**	**-**	**532,699,466**
Depreciation during the year	-	12,102,151	16,741,056	2,434,762	24,711	-	**31,302,680**
Disposals during the year	-	-	(44,123,525)	(6,357,307)	-	-	**(50,480,832)**
As at December 31, 2025	**-**	**396,240,305**	**83,888,596**	**32,446,419**	**945,994**	**-**	**513,521,314**
Net book value:							
As at December 31, 2025	**601,409,769**	**613,954,443**	**94,650,353**	**11,172,847**	**12**	**72,913,363**	**1,394,100,787**
As at December 31, 2024	**601,409,769**	**622,021,959**	**105,421,335**	**6,654,660**	**24,723**	**-**	**1,335,532,446**

5.1. The depreciation of property, plant and equipment was charged as follows:

	December 31, 2025	December 31, 2024
Cost of revenue (note 24)	30,706,587	30,281,834
General and administrative expenses (note 25)	596,093	357,285
	31,302,680	**30,639,119**

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5. PROPERTY, PLANT AND EQUIPMENT – NET (CONTINUED)

5.2. Additions of property, plant and equipment include finance costs amounting to SR 938,785 for the year ended December 31, 2025 (December 31, 2024: SR 7,175,387).

6. INVESTMENT PROPERTIES - NET

	Lands	Buildings	Furniture & equipment	Total
Cost				
As at January 01, 2024	**66,082,344**	**221,116,068**	**54,696,846**	**341,895,258**
Additions during the year	-	344,698	2,742,866	**3,087,564**
Disposals during the year	-	-	(13,204,433)	**(13,204,433)**
As at December 31, 2024	**66,082,344**	**221,460,766**	**44,235,279**	**331,778,389**
As at January 01, 2025	**66,082,344**	**221,460,766**	**44,235,279**	**331,778,389**
Additions during the year	-	1,753,555	305,840	**2,059,395**
Disposals during the year	-	-	(3,222,228)	**(3,222,228)**
As at December 31, 2025	**66,082,344**	**223,214,321**	**41,318,891**	**330,615,556**
Accumulated depreciation				
As at January 01, 2024	**-**	**93,752,333**	**30,218,573**	**123,970,906**
Depreciation during the year (note 24)	-	2,753,565	2,490,285	**5,243,850**
Disposals during the year	-	-	(13,178,990)	**(13,178,990)**
As at December 31, 2024	**-**	**96,505,898**	**19,529,868**	**116,035,766**
As at January 01, 2025	**-**	**96,505,898**	**19,529,868**	**116,035,766**
Depreciation during the year (note 24)	**-**	**2,779,952**	**2,351,246**	**5,131,198**
Disposals during the year	**-**	**-**	**(739,929)**	**(739,929)**
As at December 31, 2025	**-**	**99,285,850**	**21,141,185**	**120,427,035**
Accumulated impairment				
As at January 01, 2024	**-**	**5,152,431**	**-**	**5,152,431**
Impairment during the year	-	-	-	-
As at December 31, 2024	**-**	**5,152,431**	**-**	**5,152,431**
As at January 01, 2025	**-**	**5,152,431**	**-**	**5,152,431**
Impairment during the year	-	-	-	-
As at December 31, 2025	**-**	**5,152,431**	**-**	**5,152,431**
Net book value:				
As at December 31, 2025	**66,082,344**	**118,776,040**	**20,177,706**	**205,036,090**
As at December 31, 2024	**66,082,344**	**119,802,437**	**24,705,411**	**210,590,192**

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

6.2. As of December 31, 2025, the fair value measurement of all investment properties was classified under Level 3, based on the valuation method inputs. An external valuer, a member of the Saudi Arabian Valuers Association and specialized in investment property valuation, determined the total fair value. The fair value as of December 31, 2025, amounted to SR 4,396,177,242 (December 31, 2024: SR 3,926,765,591).

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

6.4. Additions to investment properties do not include finance costs for the year ended December 31, 2025, (December 31, 2024: SR 1,120,757).

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

	December 31, 2025	December 31, 2024
Rental income from operating leases	**272,392,477**	**232,352,600**
Direct operating expenses on property that generated rental income	**56,657,480**	**50,605,776**

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6. INVESTMENT PROPERTIES - NET (CONTINUED)

There were no direct operating expenses on investment properties that did not generate rental income (under development) during year ended December 31, 2025, and December 31, 2024.

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

Valuation technique as at December 31, 2025 and December 31, 2024	Unobservable input
Income approach: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental, cap rates and occupancy rate.	
The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location and lease terms.	Please refer to table below

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

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

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

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	December 31, 2025,			December 31, 2024		
	Number of shares	Value per share	Total Value	Number of shares	Value per share	Total Value
Jabal Omar Development Co. - investments in listed shares note (8.1)	76,384,183	14,78	1,128,959,071	110,804,292	20,56	2,278,136,244
	76,384,183	**14,78**	**1,128,959,071**	**110,804,292**	**20,56**	**2,278,136,244**

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

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

	December 31, 2025,	December 31, 2024
Balance at the beginning of the year	2,278,136,244	2,468,757,307
Shares sold during the year	(762,557,747)	-
Unrealized (losses) during the year	(386,619,426)	(190,621,063)
Balance at the end of the year	**1,128,959,071**	**2,278,136,244**

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

The Company owns a total of 76,384,183 shares in Jabal Omar Development Company. The Company requested Jabal Omar Development Company to confirm the number of shares owned as of December 31, 2025. According to the confirmation received, Jabal Omar Development Company confirmed a shortfall of 1,198,571 shares compared to the total number of shares recorded in the company's books and records. These shares are subject to settlement as in-kind capital due to the difference in land area measurements compared to the title deeds submitted to Jabal Omar. Additionally, there is a legal dispute regarding the ownership of a property submitted by Makkah Construction and Development Company to Jabal Omar as in-kind capital, estimated at 578,362 shares, which is part of the above-mentioned share difference. A final and conclusive judgment was issued in favor of Makkah Construction and Development Company, and the requirements for transferring ownership to Jabal Omar are being finalized. The company's management requested a legal opinion from its external legal advisor, who stated the following:

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

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

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

During the year ending December 31, 2025, the Group's Board of Directors decided to sell 39 million shares with the aim of investing the proceeds from the sale in implementing the Group's strategic plans for its future capital expansions. 34.42 million shares were sold, resulting in realized profits of SR 418.36 million, which were recorded in the retained earnings account. Subsequently, the Group's Board of Directors decided to suspend the sale of the remaining (unsold) shares in Jabal Omar Development Company, amounting to 4.6 million shares.

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8. INVESTMENT IN ASSOCIATES

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

Name	Country of incorporation	Principal Activity	Effective ownership % December 31, 2025,	Effective ownership % December 31, 2024	Balance at year end December 31, 2025,	Balance at year end December 31, 2024,
Jorhum Regeneration and Development Company (closed joint-stock company)	KSA	Property development	18.79	18.79	30,270,578	18,250,751
First Avenue for Real Estate Development Company (Joint Stock Company)	KSA	Property development	27.72	27.72	382,101,324	350,541,754
					412,371,902	**368,792,505**

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

For the year ended December 31, 2025	Jorhum Regeneration and Development Company	First Avenue for Real Estate Development Company	Total
Balance as at January 01, 2025	18,250,751	350,541,754	**368,792,505**
Increase the company's share in associates' companies	13,150,707	-	**13,150,707**
The Company's share in results of associates	(1,134,102)	31,649,083	**30,514,981**
Company's share in other comprehensive income of associates	3,222	(89,513)	**(86,291)**
Balance as at December 31, 2025	**30,270,578**	**382,101,324**	**412,371,902**

For the year ended December 31, 2024	Jorhum Regeneration and Development Company	First Avenue for Real Estate Development Company	Total
Balance as at January 01, 2024	16,231,613	-	**16,231,613**
Acquisition of investments	-	340,889,646	**340,889,646**
Company's share in results of associates	(426.850)	8,620,222	**8,193,372**
Company's share in other comprehensive income of associates	5.700	1,031,886	**1,037,586**
Investment settlement in associates	2,440,288	-	**2,440,288**
Balance as at December 31, 2024	**18,250,751**	**350,541,754**	**368,792,505**

- The Board of Directors of Makkah Construction and Development Company, in its (315) meeting held on Rabi' al-Awwal 30, 1447 H (corresponding to September 22, 2025), resolved to increase the group's stake in Jorhum Regeneration and Development Company amounting to SR. 13,150,707, bringing the group's total stake in Jorhum Regeneration and Development Company to SR. 31,401,458, representing an ownership percentage of 18.79% in the company's capital.

- The articles of association of Jorhum Regeneration and Development Company have not been amended to reflect this increase up to the date of this financial statements.

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8. INVESTMENT IN ASSOCIATES (CONTINUED)

8.3. The following table summarizes the most important financial information for companies invested in using the equity method:

	Jorhum Regeneration and Development Company		First Avenue for Real Estate Development Company	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Ownership percentage	18,79%	18,79%	27,72%	27,72%
Non-current assets	105,902,839	103,372,178	803,784,186	488,058,182
Current assets	51,661,997	471,314	852,686,610	472,037,123
Non-current liabilities	955,309	353,982	603,120,038	336,043,962
Current liabilities	14,757,547	6,359,383	372,075,729	94,242,986
Net assets attributable to shareholders (100%)	141,851,980	97,130,127	681,275,029	529,808,357
Company's share in net assets	30,270,578	18,250,751	188,849,438	146,862,876
Carrying amount of share in an associate	**30,270,578**	**18,250,751**	**382,101,324**	**350,541,754**
Revenue		-	327,953,582	254,947,910
(Loss) profit attributable to company's shareholders (100%)	(6,035,668)	(2,289,464)	114,174,180	59,297,479
Other comprehensive income attributable to company's shareholders (100%)	17,146	30,571	(322,920)	44,781,248
Total comprehensive income attributable to shareholders	**(6,018,522)**	**(2,258,893)**	**113,851,260**	**104,078,727**
Company's share in (loss) profit for the year	(1,134,102)	(426,850)	31,649,083	8,620,222
Company's share in other comprehensive income	3,222	5,700	(89,513)	1,031,886
Dividends received by the company		-		-

8.4. The company's share in the operating results of First Avenue for Real Estate Development Company in 2024 was calculated for the period from the date of share purchase on August 27, 2024 until December 31, 2024.

9. FINANCIAL INVESTMENTS AT AMORTIZED COST

	December 31, 2025,	December 31, 2024,
Balance at beginning of year	-	-
Additions during the year	926,552,382	-
Balance at end of the year	**926,552,382**	**-**

Financial investments at amortized cost are represented in government bonds held by the company for the purpose of collecting contractual cash flows until maturity, within a business model that aims to hold the asset solely for cash flow collection. The following table shows the most important data of the bonds as follows:

	The first group of Sukuk	The second group of Sukuk	Total
Nominal Value	517,000,000	405,000,000	922,000,000
Investment Cost	530,447,842	396,104,540	926,552,382
Coupon Rate	5,59%	4,57%	
Actual Interest Rate	5,26%	4,96%	
Return Frequency	Semi-annual	Semi-annual	
Maturity Date	2036	2032	

* Returns on financial investments held at amortized cost during the year amounted to approximately 1,805,100 riyals.

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10. TRADE RECEIVABLES – NET

	December 31, 2025,	December 31, 2024,
Customers of Commercial Center	34,255,783	30,710,140
Customers of Hotels and tower	17,775,416	10,693,818
Hajj and Umrah customers	46,984,045	5,415,054
Net due from the hotel operator and towers (Millennium) –(note 32)	8,860,763	8,860,763
Tenants of Jabal Omar Real State	3,650,000	3,650,000
	111,526,007	**59,329,775**
Less: Provision for the expected credit loss (note 10.2)	(36,086,161)	(38,059,740)
	75,439,846	**21,270,035**

10.1. Trade receivables are non-derivative financial assets carried at amortized cost and are generally on terms of 90 to 180 days. The carrying value may be affected by changes in the credit risk of the counterparties. It is not the practice of the Company to obtain collateral over third party trade receivables, and these are, therefore, unsecured. The company's trade receivables are concentrated in the Kingdom of Saudi Arabia. For short-term trade receivables, their book value is close to their fair values as at December 31, 2025. The ageing of trade receivables along with related expected credit loss matrix have been disclosed in (note 32).

10.2. Movement in allowance for expected credit losses on trade receivables:

	December 31, 2025	December 31, 2024
Balance at beginning of year	38,059,740	38,000,445
Provision charged for the year	311,903	2,600,001
Trade receivables written off during the year	-	(153,555)
Reversal of provision during the year	(2,285,482)	(2,387,151)
Balance at end of the year	**36,086,161**	**38,059,740**

11. RELATED PARTIES TRANSACTIONS AND BALANCES

Key Management personnel compensation and other transactions

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

	December 31, 2025	December 31, 2024
Salaries, allowances and incentives	16,355,483	11,054,781
Leases	847,320	564,880
	17,202,803	**11,619,661**

Transactions with Innovative Roots Industrial Company (a related party)

The nature of the transaction is a contract for the design, supply, and execution of finishing works for the renovation of four floors of Makkah Hotel and Towers. The contract was signed on October 6, 2025, for a value of SAR 25,628,844 (excluding VAT). As of December 31, 2025, the value of the work completed under the contract amounted to SR 14.3 million. This transaction is classified as a related party transaction because Mr. Saleh Mohammed Bin Laden is Chairman of the Board of Directors of Makkah Construction and Development Company and a member of the Board of Directors of Innovative Roots Industrial Company.

Transactions with Aljazira Capital (a related party)

The Company purchased approximately SR 927 million worth of government bonds at amortized cost through Aljazira Capital. The company holds these bonds to collect contractual cash flows until maturity, in accordance with a business model that aims to retain the assets solely for cash flow collection. This transaction is classified as a related party transaction because Mr. Mohammed Abdulkarem Al-Nafea, the company's CEO and board member, is also a board member of Bank Aljazira, of which Aljazira Capital is a subsidiary.

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12. Prepaid expense and other debit balances

	December 31, 2025	December 31, 2024
Advances to suppliers	4,770,098	11,299,738
Advance for western parallel road project (note 12.1)	17,364,142	17,364,143
Prepaid expenses	51,948,561	40,136,529
Employee's receivables and advances	2,256,017	2,698,342
Returns on outstanding sukuk (note 12.2)	1,805,100	-
Other debit balances	16,969,503	11,053,949
	95,113,421	**82,552,701**
Less: Impairment of prepaid expenses and other debit balances (note 12.1)	**(17,364,143)**	**(17,364,143)**
	77,749,278	**65,188,558**

12.1. This represents various costs incurred by the Company related to certain services including but not limited to consulting fees, designs, and models in relation to studies of the Western Parallel Road project based on the Royal order No. 22589 dated 14 Jumada Al-Ula1424 H at a total amount of approximately SR 17.36 million.

The Makkah Region Development Authority (the Authority) commissioned Umm Al-Qura for Development and Construction to complete the project. The Company raised lawsuit against Makkah Region Development Authority ("the Authority") for the recoverability of the outstanding balance.

On 5/4/1441H, a court order was issued in favor of the Company for case No. 10900/10/Q dated 1440 H against the Authority obligating the Authority to compensate the Company for the cost incurred by the Company. The Makkah Region Development Authority appealed the ruling during the year ended 29 Rabi' al-Thani 1443H, and the judgment was ruled against the company (Note 31). The Company has maintained full provision against amount claimed.

12.2. Returns due on financial investments held at amortized cost up to 31/12/2025 (note 9).

12.3. Movement for Provision impairment of prepayments and other receivables is as follows:

	December 31, 2025	December 31, 2024
Balance at beginning of year	17,364,143	17,364,143
Provision charged for the year	-	-
Balance at year-end	**17,364,143**	**17,364,143**

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

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

Name of the Company (Fund)	Balance as at January 1, 2025		Additions during the year		Disposals during the year		Gains (losses)	Balance as at December 31, 2025	
	Number of shares (units)	Value in Riyals	Number of shares	Value in Riyals	Number of shares (units)	Value in Riyals	Value in Riyals	Number of shares (units)	Value in Riyals
Al Rajhi Awaeed (Returns) Fund	105,203,208	111,483,839	250,552,431	320,517,000	(207,399,132)	(421,017,435)	10,526,057	43,154,952	21,509,461
Investment in Umm Al-Qura Development and Construction Company	-	-	557,810	8,367,150	(557,810)	(14,281,226)	5,914,076	-	-
Investment in Asas Makeen for Real Estate and Investment	-	-	50,598	4,044,845	-	-	81,421	50,598	4,126,266
Investment in Dar Al Majed Real Estate Company	-	-	31,500	441,000	-	-	(124,740)	31,500	316,260
Other miscellaneous	-	-	9,340	645,473	(9,340)	(587,487)	(57,986)	-	-
Total	**105,203,208**	**111,483,839**	**251,201,679**	**334,015,468**	**(207,966,282)**	**(435,886,148)**	**16,338,828**	**43,237,050**	**25,951,987**

13.1. Below is the movement on the account:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	111,483,839	-
Additions during the year	334,015,469	244,300,000
Disposals during the year	(435,886,149)	(135,000,000)
Returns during the year*	16,338,828	2,183,839
Balance at year-end	25,951,987	**111,483,839**

* The returns during the year consist of realized returns amounting to SR 16,110,700 and unrealized returns amounting to SR 228,128.

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14. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Bank balances	62,500,792	111,250,533
Bank deposit	10,927,395	-
Cash on hand	-	343,520
	73,428,187	**111,594,053**

The cash is held in accounts with banks having sound credit ratings. The fair value of bank balances and cash equivalents approximates the carrying amount as at December 31, 2025 and December 31, 2024.

15. SHARE CAPITAL

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

16. STATUTORY RESERVE

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

17. LONG-TERM LOAN

Details of the Company's loans are as follows:

	December 31, 2025	December 31, 2024
Long-term loan	100,000,000	100,000,000
Accrued financing costs	1,420,599	2,241,513
	101,420,599	**102,241,513**
Current portion	**51,420,599**	**27,241,513**
Non-current portion	**50,000,000**	**75,000,000**

Non-current portion	Interest rate	Maturity date	December 31, 2025	December 31, 2024
Facilities from Al Bilad Bank (note 17.2)	SIBOR +1,25%	2028	50,000,000	75,000,000
			50,000,000	**75,000,000**

Current portion	Interest rate	Maturity date	December 31, 2025	December 31, 2024
Facilities from Al Bilad Bank (note 17.2)	SIBOR +1,25%	2026	50,000,000	25,000,000
Accrued financing costs			1,420,599	2,241,513
			51,420,599	**27,241,513**

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17. LONG-TERM LOAN (CONTINUED)

17.1. The movements on the loan during the year are as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	100,000,000	125,000,000
Received during the year - current	25,000,000	135.000.000
Paid during the year	(25,000,000)	(160.000.000)
	100,000,000	100,000,000

17.2 The Company signed a facility agreement with Al Bilad Bank on 3 Muharram 1441 H corresponding to 2 September 2019 for credit facilities arrangements with a credit limit of SR 450 million with interest rate of SIBOR + 1,25% (in compliance with Islamic Shariah) to finance the renovation and development works of Makkah Construction and Development Company's hotels and towers. The credit facility is repayable in a period of 9 years from the date of signing the agreement in semiannual payments with last installment due in September 2028.

The loan is secured by a promissory note for the interest of the granting Bank at an amount of SR 488 million. The following table represents the installments due from the credit facilities balance as of December 31, 2025:

Year	December 31, 2025	December 31, 2024
2025	-	25,000,000
2026	50,000,000	25,000,000
2027	25,000,000	25,000,000
2028	25,000,000	25,000,000
	100,000,000	100,000,000

18. EMPLOYEE DEFINED BENEFIT OBLIGATIONS

The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans, and the benefit payment obligation are met when they fall due upon termination of employment. The following table summarizes the components of the net benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

	December 31, 2025	December 31, 2024
Employee defined benefit obligations at beginning of the year	53,937,957	38,285,999
Included in profit or loss statement		
Current service cost during the year	4,623,196	3,662,358
Interest cost during the year	2,813,128	1,705,668
Included in other comprehensive income		
Actuary loss/(profit) during the year	1,322,633	11,369,690
Benefits paid during the year	(11,061,302)	(1.085.758)
Employee defined benefit obligations at end of the year	**51,635,612**	**53,937,957**

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18. EMPLOYEE DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Actuarial assumptions

The following is the principal actuarial assumptions applied at the reporting date:

	December 31, 2025	December 31, 2024
Discount rate (%)	5.01%	5.25%
Future salary growth (%)	5%	4.25%

Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Sensitivity analysis

Reasonably the balance if changes happen at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	December 31, 2025		December 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (5% movement)	2,126,134	1,963,625	1,197,373	1,270,253
Future salary growth (5% movement)	2,115,952	1,972,779	1,144,567	1,087,289

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation because of reasonable changes in key assumptions occurring at the end of the reporting year. The sensitivity analyses were based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

19. DEFERRED INCOME

	December 31, 2025	December 31, 2024
The Commercial Center	17,780,485	6,614,811
Hotels and towers	2,501,083	3,856,788
	20,281,568	**10,471,599**

Movement in deferred income

	December 31, 2025	December 31, 2024
Balance at the beginning of year	10,471,599	10,634,204
Deferred during the year	315,278,531	235,930,565
Recognized as income during the year	(305,468,562)	(236,093,170)
Balance at year-end	**20,281,568**	**10,471,599**

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20. Accruals and other credit balances

	December 31, 2025	December 31, 2024
Advances from customers	50,448,836	35,638,154
Accrued expenses	17,893,067	16,654,457
Travel allowances and leaves	6,414,367	5,806,241
Value added tax	1,445,096	4,584,694
Deposits from others	4,142,623	4,701,925
Other credit balances	17,343,228	16,437,042
	97,687,217	**83,822,513**

21. DIVIDENDS PAYABLE

The Ordinary General Assembly of Makkah Construction and Development Company, held on May 19, 2025, resolved to approve the Board of Directors' recommendation to distribute cash dividends to shareholders for the fiscal year ending December 31, 2024, at a rate of 1.50 riyals per share, with a total amount of SR. 300,000,000 (three hundred million Saudi riyals). The entitlement shall be for shareholders who own shares at the end of the second trading day following the date of the General Assembly meeting and who are registered in the company's shareholder register at the Securities Depository Center Company (Depository Center).

Below is the movement on dividends payable:

	December 31, 2025	December 31, 2024
Balance at the beginning of year	186,848,378	184,235,872
Dividends declared during the year	300,000,000	247,224,360
Dividend payments during the year	(295,317,670)	(244,611,854)
Balance at year-end	**191,530,708**	**186,848,378**

The dividends payable as of December 31, 2025, represent the remaining balance related to declared dividends for the years 1994 through December 31, 2024, which are pending completion of necessary bank transfer procedures by certain shareholders before payment of the due dividends. The company maintains separate bank accounts with a balance of SR. 23.88 million (as of December 31, 2024: SR. 90.25 million) pertaining to dividends payable to the company's shareholders.

22. ZAKAT PROVISION

22.1. Calculation of zakat

The Company's estimated zakat base as of December 31 includes the following components:

	2025	2024
Total components subject to zakat (additions)	4,140,271,429	4,378,239,676
Total components not subject to zakat (deductions)	(4,060,179,578)	(4,193,051,387)
Zakat base	**80,091,851**	**185,188,289**
Net adjusted profit	470,199,192	402,180,550
Maximum zakat base (Article 28)	4,037,917,529	4,249,302,869
Maximum zakat base (Article 27)	255,212,097	311,550,852
Adjusted final zakat base	**255,212,097**	**311,550,852**
Zakat charge based on the minimum zakat base at 2.578%	**6,678,264**	**8,052,797**

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22. ZAKAT PROVISION (continued)

Zakat provision charged for the year ended 31 December includes the following:

22.2. Zakat provision movement

	December 31, 2025	December 31, 2024
Balance beginning of the year	8,052,797	48,447,225
Transfer from the provision for the Ministry of Endowments, Islamic Affairs and Guidance to the provision for Zakat	2,588,158	-
Provided during the year	11,678,264	12,176,558
Paid during the year	(10,640,955)	(52,570,986)
Balance at end of the year	**11,678,264**	**8,052,797**

22.3. Zakat status

- The Company submitted its zakat returns until the year ended December 31, 2024.
- The Company has finalized its Zakat status with Zakat, Tax and Customs Authority ("ZATCA") until the year of 1441 H.
- During the year 2024, ZATCA demanded zakat differences for the year 1431 H amounting to SR 16,587,884, which was paid in full.
- During the year 2025, the Company received the zakat assessments from Zakat, Tax and Customs Authority as follows:

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

- ZATCA rejected the objections submitted by the Company regarding the disputed amounts mentioned above. Accordingly, the Company filed an appeal with the Preliminary Resolution Committee at the General Secretariat of the Tax, Zakat and Customs Committees. These cases are still under review. Based on the opinion of the Company's zakat advisor, a zakat provision amounting to SR. 5 million has been recognized in respect of these cases.

- ZATCA issued a final assessment notice regarding withholding tax for the year 2023, under which tax amounting to SR. 1,849,985 and a delay penalty amounting to SAR 443,996 were assessed. The Company has filed an objection against this assessment.

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23. REVENUES

	December 31, 2025	December 31, 2024
Hotels and towers income	462,342,844	444,753,319
Revenue of rental income of Commercial Center and residential units	272,392,477	232,352,600
Hajj and Umrah income	337,727,246	158,934,417
	1,072,462,567	**836,040,336**

Timing of revenue recognition	December 31, 2025	December 31, 2024
Services transferred at a point in time	800,070,090	603,687,736
Services transferred over time	272,392,477	232,352,600
	1,072,462,567	**836,040,336**

24. COST OF REVENUE

	December 31, 2025	December 31, 2024
Operation costs for hotels and towers	147,189,287	139,542,050
Operation cost for the commercial center	51,602,789	45,361,815
Hajj and Umrah services cost	322,972,384	143,275,177
Depreciation of property and equipment, investment properties (Note 5.1, 6)	35,837,785	35,525,684
Total	**557,602,245**	**363,704,726**

25. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2025	December 31, 2024
Salaries, wages and related expenses	49,827,682	38,912,962
Board of Directors remunerations	6,205,000	3,933,197
Banking expenses	3,197,137	1,752,832
Fees and subscriptions	2,457,883	1,811,682
Insurance	646,831	759.295
Post and telephone	1,298,483	1,377,387
Depreciation of property, plant, and equipment (note 5/1)	596,093	357,285
Consulting and professional fees	8,500,885	5,776,660
Other expenses	11,952,182	11,678,215
Total	**84,682,176**	**66,359,515**

26. FINANCE COSTS

	December 31, 2025	December 31, 2024
Long-term loan finance cost	4,720,218	3,354,846
Employees benefits finance cost	2,813,128	1,705,668
Lease contract obligations finance cost	326,956	-
	7,860,302	**5,060,514**

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27. OTHER INCOME/LOSSES

	December 31, 2025	December 31, 2024
(Losses) from disposal of property, plant and equipment	(2,708,856)	(94,167)
(Losses) from disposal of investment properties	(2,482,299)	(25,443)
Others	4,432,763	419,545
	(758,392)	**299,935**

28. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the company's annual profit attributable to shareholders by the weighted average number of shares outstanding during the year. The number of shares outstanding increased during the year from 164,816,240 to 200,000,000 as of January 15, 2025, through a bonus share issue. The number of ordinary shares outstanding prior to January 15, 2025, is adjusted proportionally to the change in the number of shares outstanding, as if the change had occurred at the beginning of the earlier reporting period. Since there are no diluted shares outstanding, basic and diluted earnings per share are identical.

	December 31, 2025	December 31, 2024
Profit for the year attributable to shareholders of the Company	474,116,690	411,041,500
Weighted average number of shares outstanding	200,000,000	200,000,000
Basic and diluted earnings per share	**2.37**	**2.05**

Diluted earnings per share

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

29. SEGMENTAL INFORMATION

Basis for segments classification

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

The group operates through the following operating segments:

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

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29. SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2025	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other	Total
Revenue	272,392,477	462,342,844	337,727,246	-	-	1,072,462,567
Cost of revenue	(56,657,480)	(177,972,381)	(322,972,384)	-	-	(557,602,245)
Gross profit for the sector	**215,734,997**	**284,370,463**	**14,754,862**	**-**	**-**	**514,860,322**
Selling and marketing expenses	-	(7,058,842)	-	-	-	(7,058,842)
General and administrative expenses	-	(38,559,996)	-	-	(46,122,180)	(84,682,176)
Provision for Expected credit loss	-	-	-	-	(311,903)	(311,903)
Reversal of provision for credit loss	-	-	-	-	2,285,482	2,285,482
Finance costs	-	-	-	-	(7,860,302)	(7,860,302)
Company's share in the results of associate	-	-	-	30,514,981	-	30,514,981
Return on Islamic Murabaha deposit	-	-	-	20,661,856	-	20,661,856
Return on financial investments held at amortized cost	-	-	-	1,805,100	-	1,805,100
Return of investments at fair value through profit or loss	-	-	-	16,338,828	-	16,338,828
Other income	154,348	-	-	-	(912,740)	(758,392)
Zakat	-	-	-	-	(11,678,264)	(11,678,264)
Profit (loss) during the year	**215,889,345**	**238,751,625**	**14,754,862**	**69,320,765**	**(64,599,907)**	**474,116,690**
Segment assets	184,845,034	1,121,195,786	90,538,478	2,493,835,342	434,758,513	4,325,173,153
Segment liabilities	38,864,839	94,143,715	509,584	-	351,164,980	484,683,118

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29. SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2024	The Commercial Center	Hotels and towers	Hajj and Umrah	Investment sector	Other (not specified)	Total
Revenue	229,442,903	444,753,319	158,934,417	-	2,909,697	**836,040,336**
Cost of revenue	(50,605,776)	(169,823,773)	(143,275,177)	-	-	**(363,704,726)**
Gross profit for the sector	**178,837,127**	**274,929,546**	**15,659,240**	**-**	**2,909,697**	**472,335,610**
Selling and marketing expenses	-	(6,114,551)	-	-	-	**(6,114,551)**
General and administrative expenses	-	(33,698,787)	-	-	(32,660,728)	**(66,359,515)**
Provision for Expected credit loss	-	-	-	-	(2,600,001)	**(2,600,001)**
Reversal of provision for credit loss	-	-	-	-	2,387,151	**2,387,151**
Finance costs	-	-	-	-	(5,060,514)	**(5,060,514)**
Company's share in the results of associate	-	-	-	-	8,193,372	**8,193,372**
Settlement of investments in associates	-	-	-	-	2,440,288	**2,440,288**
Return on Islamic Murabaha deposit	-	69,141	-	-	15,443,303	**15,512,444**
Return of investments at fair value through profit or loss	-	-	-	-	2,183,839	**2,183,839**
Other income / (loss)	392,305	-	-	-	(92,370)	**299,935**
Zakat	-	-	-	-	(12,176,558)	**(12,176,558)**
Profit (loss) during the year	**179,229,432**	**235,185,349**	**15,659,240**	**-**	**(19,032,521)**	**411,041,500**
Segment assets	368,262,343	1,175,476,874	39,101,212	2,646,928,749	274,833,064	**4,504,602,242**
Segment liabilities	31,837,128	76,002,820	5,285,733	-	337,074,866	**450,200,547**

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30. CONTINGENCIES AND COMMITMENTS

	December 31, 2025	December 31, 2024
Letters of guarantee	80,153,292	2,000,000
Capital commitments	58,358,894	40,024,297

31. LEGAL CASES

31.1. Cases filed by the Company against others

- There are legal claims filed by the Company against others as of December 31, 2025, with their total value determined to be 10.3 million Saudi Riyals (December 31, 2024: 1.57 million Saudi Riyals).
- Management believes that there is no need to create a provision for pending lawsuits, based on the opinion of the company's legal counsel, who affirms the soundness of the company's legal position and expects that the company will not be ruled against or obligated to pay any fines in connection with these cases.

32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise loans, borrowings, trade, and other credit balances. The main purpose of these financial liabilities is to finance the Company's operations. The company's main financial assets include trade receivables and cash and cash equivalents, which arise directly from its operations. The Company also holds investments in equity instruments.

The Company is exposed to market risk, credit risk, and liquidity risk. The Company's management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors undertakes overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee is assisted in its oversight role by internal audit. Internal auditing conducts periodic and non-periodic reviews of management controls and procedures, and the results are presented to the management. The Company is continuously monitoring the evolving scenario and any further change in the risk management policies will be reflected in the future reporting periods.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks include three types: Interest rate risk, currency risk and price risk.

Interest price risks

Interest rate risks is the risk that the fair value or future cash flows of a financial instrument would fluctuate as a result of the of changes in interest rate in market.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages the interest rate risk by regularly monitoring the interest rate profiles of its interest-bearing financial instruments. The Company's interest-bearing liabilities, which are mainly bank borrowings, are at floating rates of interest, which are subject to re-pricing. Management monitors the changes in interest rates and believes that the fair value and cash flow interest rate risks to the Company are not significant. Interest bearing financial assets include short term with fixed interest rates and therefore, it is not exposed to cash flow interest rate risk and interest rate risk on fair values.

Below is a statement of the interest-bearing financial liabilities disclosed in the consolidated financial statements:

	December 31, 2025	December 31, 2024
Financial liabilities - principally borrowings	**101,420,599**	**102,241,513**

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32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and United States Dollar. The management believes that there is no currency risk arising from the transactions in currencies to which the Saudi Riyals is pegged. The Company's exposure to currency risk arising from currencies to which the Saudi Riyals is not pegged is not material to these consolidated financial statements.

Price risks

Price risk is the risk that the fair flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from special commission rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or it's issuer, or factors affecting all similar financial instruments traded in the market. The Company's exposure to unit price risk arises from investments held by the Company and classified in the consolidated statement of financial position at fair value through profit or loss. The Company closely monitors price in order to manage price risk arising from investments in fund.

Credit risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company manages credit risk by assessing the credit worthiness of counter parties before entering transactions as well as monitoring any outstanding exposures on a periodic basis to ensure timely settlement. Credit risk arises from cash and cash equivalents, restricted cash, credit exposures to customers, including outstanding receivables, accrued rental income and contract assets.

Credit risk is managed on a Company basis. For trade receivables, due rental revenues, and contract assets, the internal risk control department assesses the credit quality of customers, taking into account their financial position, past experiences, and other factors. Individual risk limits are determined in accordance with the limits set by management. The compliance with credit limits by customers is regularly monitored by line management.

The Company's maximum exposure to credit risk for the components of the consolidated statement of financial position at December 31, 2025 and December 31, 2024 is equal to the respective carrying amounts as disclosed in the notes.

Cash at banks are placed with banks with sound credit ratings. Other receivables are considered to have low credit risk; therefore, 12 months expected loss model was used for impairment assessment. Based on management's impairment assessment, there is no provision required in respect of these balances for all the periods presented except what has been disclosed.

For trade receivables, accrued rental income and contract assets, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables, accrued rental income and contract assets based on a provision matrix. To measure the expected credit losses, trade receivables, accrued rental income and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets and accrued rental income relate to unbilled work in progress. Further, the expected credit losses also incorporate forward-looking information.

The provision matrix takes into account historical credit loss experience (48 months-period) and is adjusted for average historical recovery rates. The historical loss rates are also considered to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP growth rate as the most relevant macro-economic factors of forward-looking information and accordingly adjusts the historical loss rates based on expected changes in these factors.

Tenant Receivables

Tenants are assessed according to Company's criteria prior to entering lease arrangements. Credit risk is managed by requiring tenants to pay rentals and services to tenants in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

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32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risks (continued)

Receivables resulting from leases of commercial centers and hotel and towers operations

Customer credit risk is managed by requiring customers to pay advances before rendering the service or transferring ownership, therefore, substantially eliminating the Company's credit risk in this respect.

The following table provides information about the exposure to credit risk and ECLs for receivables:

31 December 2025	Net due from the hotel operator and towers (Millennium)	0– 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total
Hotel and Towers						
Expected loss rate	100%	2.4%	2.4%	-	60%	**41.8%**
Gross carrying amount	8,860,763	2,394,866	12,106,391	-	3,274,160	**26,636,180**
Loss allowance	8,860,763	20,248	286,768	-	1,964,496	**11,132,275**

	Provision for doubtful customers	0– 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total
The Commercial Center						
Expected loss rate	100%	0.003%	0.02%	1.5%	60%	**68.54%**
Gross carrying amount	23,378,828	4,212,809	3,199,860	3,070,429	2,553,350	**36,415,276**
Loss allowance	23,378,828	117	711	46,095	1,532,010	**24,957,761**

	Provision for doubtful customers	0– 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total
Government agencies						
Expected loss rate	-	-	0.006%	-	-	**0.006%**
Gross carrying amount	-	-	40,442,750	-	-	**40,442,750**
Loss allowance	-	-	2,535	-	-	**2,535**
Total Allowance for expected credit losses on trade receivables						**36,092,571**

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32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risks (continued)

31 December 2024	Net due from the hotel operator and towers (Millennium)	0– 90 days	91 - 180 days	181 - 360 days	More than 360 days	Total
Hotel and Towers						
Expected loss rate	100%	3.13%	7.93%	16.19%	100%	**54.43%**
Gross carrying amount	8,860,763	6,482,269	1,745,286	3,989,286	3,563,722	**24,641,326**
Loss allowance	8,860,763	202,670	138,350	645.842	3,563,722	**13,411,347**

	Provision for doubtful customers	0 - 355 days	356 - 710 days	711 - 1065 days	More than 1065 days	Total
The Commercial Center						
Expected loss rate	100%	2.69%	6.87%	100%	-	**71.74%**
Gross carrying amount	24,350,595	9,907,146	75.912	26.487	-	**34,360,140**
Loss allowance	24,350,595	266.092	5.219	26.487	-	**24,648,393**
Total Allowance for expected credit losses on trade receivables						**38,059,740**

Liquidity risks

Liquidity risk is the risk that an enterprise 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. This includes consideration of future cashflow forecasts, prepared using assumptions about nature, timing and amount of future transactions, planned course of actions and other committed cash flows that can be considered reasonable and achievable in the circumstances of the Company. The Company's management has developed a plan to enable the Company to meet its obligations as they become due and to continue its operations, without significant curtailment, as a going concern. Expected maturity of undiscounted cash flows of financial liabilities are as follows:

31 December 2025	Gross undiscounted value	Up to 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years	Total
Loans	101,420,599	51,420,599	25,000,000	25,000,000	-	**101,420,599**
Trade payables	7,398,034	7,398,034	-	-	-	**7,398,034**
Accrued expenses and other credit balances	97,687,217	97,687,217	-	-	-	**97,687,217**
	206,505,810	**156,505,850**	**25,000,000**	**25,000,000**	**-**	**206,505,850**

31 December 2024	Gross undiscounted value	Up to 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years	Total
Loans	102,240,363	27,241,513	25,000,000	50,000,000	-	**102.241.513**
Trade payables	4,825,790	4,825,790	-	-	-	**4,825,790**
Accrued expenses and other credit balances	83,823,663	83,823,663	-	-	-	**83,823,663**
	190,889,816	**115,890,966**	**25,000,000**	**50,000,000**	**-**	**190.890.966**

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32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risks (continued)

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. Refer to note no. 16 for unutilized credit facilities.

	December 31, 2025	December 31, 2024
Financial assets		
Trade receivables	75,439,846	21,270,035
Other current assets	106,344,064	178,686,767
Financial liabilities		
Loans – current portion	51,420,599	27,241,513
Accounts payable	7,398,034	4,825,790
Accrued expenses and other credit balances	93,688,367	83,823,663

The following table sets out the carrying amounts of non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the date of the consolidated financial statements.

	December 31, 2025	December 31, 2024
Financial assets		
Investments at fair value through other comprehensive income	1,128,959,071	2,278,136,244
Financial investments at amortized cost	926,552,382	
Financial liabilities		
Loans	50,000,000	75,000,000

Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain a strong base so as to maintain investor and creditor confidence and to sustain future development of the business; to provide returns for shareholders; and to optimize the capital structure to reduce cost of capital. The capital structure includes all components of shareholders' equity totaling SR 3,845 million at December 31, 2025 (December 31, 2024: SR 4.054 million). The Company manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Cash flow forecasting is performed by the management which monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Management is monitoring the cash capital position of the Company and is the process of considering the overall capital structure.

The Company has a financial covenant related to borrowing facilities with an outstanding principal amounting on December 31, 2025 to SR. 100,000,000 (December 31, 2024: SR. 100,000,000). The Company has complied with the requirements of the financial covenant during the reporting year. Under the terms of the borrowing facility, the Company is required to comply with the financial covenant of debt-to-equity ratio of not exceeding 2.5:1.

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32. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (Continued)

The Company's Management monitors capital on the basis of the gearing ratio. This ratio is calculated based on the net debt divided by total capital.

	December 31, 2025	December 31, 2024
Loans	101,420,599	102,241,513
Lease obligations	3,051,116	-
Less: Cash and cash equivalents	(73,428,187)	(111,594,053)
Net debt (A)	**31,043,528**	**(9,352,540)**
Shareholders' equity (B)	**3,840,490,035**	**4,054,401,695**
Total capital (A+B)	3,871,533,563	4,045,049,155
Gearing ratio (A / (A+B))	0.8%	-2,31%

33. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Recognized fair value measurements

The Company measures financial instruments, and non-financial assets such as investment properties, at fair value at each balance sheet date is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous must be accessible by the Company.
- 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.
- measurement of non-financial assets 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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. As of December 31, 2025, and December 31, 2024, the fair values of the company's financial instruments were estimated to approximate their carrying amounts.

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34. SUBSEQUENT EVENTS

The Company completed the payment of the purchase price of the land located on Ajyad Street in Makkah, amounting to SAR 980 million. The land was acquired through a public auction held in the city of Makkah on December 30, 2025, by the seller, the Center for Support and Liquidation "Infath". The acquisition was made for the purpose of developing a mixed-use real estate asset comprising a hotel and a commercial complex, in line with the Company's strategic direction.

The Company obtained Shariah-compliant banking facilities (bridge financing) from Bank AlJazira amounting to SAR 880 million, secured by Saudi government Sukuk owned by the Company, for the purpose of financing the purchase of the land referred to in the above-mentioned paragraph.

Except as mentioned above, management believes that there have been no significant subsequent events since the date of the consolidated statement of financial position as at December 31, 2025 until the date of preparation of these consolidated financial statements that may have a material impact on the Company's consolidated financial position.

35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The issuance of the consolidated financial statements for the year ended December 31, 2025, was approved by the Company's Board of Directors on Ramadan 21, 1447H (corresponding to March 10, 2026).

Glossary

Financial

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization.

Net Income / Net Profit
Profit after all expenses, interest, and taxes.

Free Cash Flow (FCF)
Operating cash flow minus capital expenditures.

Operating Cash Flow (OCF)
Cash generated from core operations.

Payout Ratio
Percentage of net profit distributed as dividends.

Market Capitalization
Total market value of issued shares.

Gearing Ratio
Measure of financial leverage comparing debt to equity.

Capital Increase
Issuance of new shares to raise additional equity.

Hospitality Metrics

Occupancy Rate
Percentage of available rooms occupied during a period.

ADR (Average Daily Rate)
Average rental income per occupied room.

RevPAR (Revenue per Available Room)
Room revenue divided by available rooms.

Average Length of Stay
Average number of nights per guest stay.

Walk-In
Hotel guest who arrives with no reservation.

Retail & Real Estate

Total Available Area
The total area within a property, including all usable spaces whether occupied, vacant, or currently not in use, and may include common areas where applicable.

Total Leasable Area
Total area available for lease to tenants.

Lease Rate per m²
Rental income per square meter.

Footfall
Number of visitors entering the mall.

Mixed-Use Development
Integrated development combining residential, commercial, hospitality, or retail components.

Income-Generating Asset
Asset that produces recurring revenue.

Pilgrimage (Hajj) Services

External Pilgrims
Pilgrims traveling from outside the Kingdom.

Camp Operations (Holy Sites)
Management of accommodation facilities in Mina, Arafat, and Muzdalifah.

Pre- and Post-Hajj Accommodation
Lodging arrangements before and after pilgrimage across approved facilities.

Digital Peak Management
Technology-enabled coordination of high-density pilgrimage flows.

Strategy & Transformation Language

Asset Enhancement Initiative
Structured upgrades aimed at improving asset performance and value.

Owner-Operator Model
Strategy where the Company both owns and directly manages its core assets.

Colliers
An international real estate advisory firm that provided market studies and asset enhancement recommendations supporting MCDC's strategy.