Evolving with Purpose, Growing in Numbers

ANNUAL REPORT 2024

Kingdom Holding Company

King Salman bin Abdulaziz Al Saud
Custodian of the Two Holy Mosques

HRH Prince Mohammad bin Salman Al Saud
Crown Prince and Prime Minister

بسم الله الرحمن الرحيم

In The Name Of Allah,
The Merciful, The Compassionate

Evolving with Purpose, Growing in Numbers

Kingdom Holding Company has a storied past that goes back well over 40 years. Over the decades, we have evolved into a veritable giant in the global investment arena, and we continue to adapt to an ever-changing world, balancing our growth ambitions with our obligations to all stakeholders.

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About the Report

Scan the QR code with your smart device or login to **https://kingdom.com.sa/investors**

This Annual Report covers the business activities of Kingdom Holding Company (KHC) and its various investments in the Kingdom of Saudi Arabia, where the company is based, and around the world. The Report provides a comprehensive overview of the performance of the Company in both domestic and international spheres during the period 01 January 2024 to 31 December 2024, offering a deep dive into KHC's operations and performance across all sectors. It also seeks to provide thorough analysis of KHC's performance and strategic objectives, contextualising it in the wider macroeconomy and global investment climate.

A comprehensive document, this Report presents both financial and non-financial information, adhering to disclosures mandated by the Capital Market Authority (CMA) and other reporting benchmarks. It also contains information about the Company, its founding, its business model, its investment strategy, and other details that may be relevant to all stakeholders including investors, shareholders, regulators, our employees, local communities, and others.

We recognise the impact that our business activities have on our stakeholders as well as the role they play in promoting our strategic objectives. Insights generated from stakeholder engagement invariably prove instrumental in achieving our goals, and we trust this report will adequately communicate to our valued stakeholders the advances the company made in promoting our shared values during the past year.

At a glance

Kingdom Holding Company is a Saudi-based investment holding conglomerate created and majority-owned by HRH Prince AlWaleed bin Talal Al Saud and listed on Tadawul since 2007. The Company's portfolio comprises domestic and international equity investments, real estate, and hospitality holdings valued at ⃁ 71.3 Bn., capitalising on unique growth opportunities. KHC's extensive portfolio can be grouped into in three distinct business lines:

Equity investments

Our core equity holdings are among the company's most important and focused investments in Saudi Arabia and around the world.

Real estate

Our land portfolio, extending to millions of square metres, comprises several key entities.

Hospitality

KHC's hospitality assets include a direct ownership stake in the prestigious Four Seasons Hotels & Resorts Company and a stake in the France-based hospitality chain Accor S.A., in addition to ownership of the iconic George V in Paris and the Savoy in London.

KHC overview | Investment thesis | NAV overview | Strategic positioning in KSA | Financial performance

Kingdom Holding Company is an iconic global investment brand

Gross Asset Value (YE 2024)	Revenue (YE 2024)	Equity Accounted Investees (YE 2024)	Debt
71.3	2.4	18.1	12.6
5.7% YoY	-11.57% YoY	6.0% YoY	-15.9% YoY
⃁ Bn.	⃁ Bn.	⃁ Bn.	⃁ Bn.
USD 19 Bn.			

Net Asset Value Composition by portfolio YE 2024
(⃁ Mn.)

30,857	21,976	15,292	3,166
43.3% Equity Portfolio	30.8% Hospitality Portfolio	21.4% Land Portfolio	4.4%

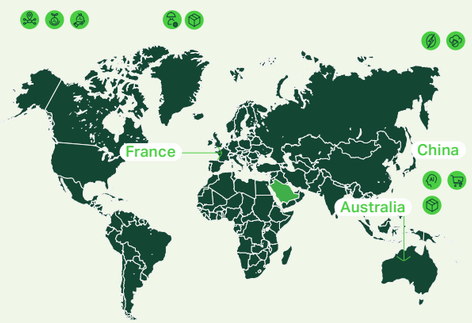
Total Revenue Composition by segment (⃁ Mn.) – YE 2024:

786.0	1,014.0	495.0	95.0
32.9%	42.4%	20.7%	4.0%

(A world map is shown with markers for the USA, UK, France, Saudi Arabia, Russia, China, Australia, India, etc.)

Kingdom Holding Company (KHC) is a KSA based holding company created and majority owned by HRH Prince AlWaleed Bin Talal Al Saud and listed on Tadawul since 2007.

KHC comprises a domestic KSA portfolio and an international portfolio of equities and hospitality holdings valued at USD18 Bn., capitalizing on unique growth opportunities.



A truly global investment holding company

Net income	(Fair value) net asset value (NAV)	NAV per share	Annual dividend per share
⃁ 1,237 Mn.	⃁ 59.9 Bn.	⃁ 16.16	⃁ 0.28
22.1% YoY	11.0% YoY	11.0% YoY	

Kingdom Holding Company

Founded in 1980, Kingdom Holding Company is one of the world's foremost diversified investment holders. The Saudi conglomerate manages a globally diversified portfolio and is widely recognised for delivering continuous and sustainable growth while maximizing long-term shareholder value.

Under the leadership of founder chairman HRH Prince AlWaleed Bin Talal Al Saud, KHC operates as a single investment committee with a unified team and a strategy characterized by long-term, patient capital deployment and active engagement with portfolio companies to maximize performance and drive sustainable returns.

A fully homegrown entity, KHC takes pride in the decisive role it plays in promoting Saudi Arabia's growth agenda while simultaneously expanding its global foothold, anchored by strategic objectives that align with the Kingdom's ambitious Vision 2030 initiative and its wider diversification goals.

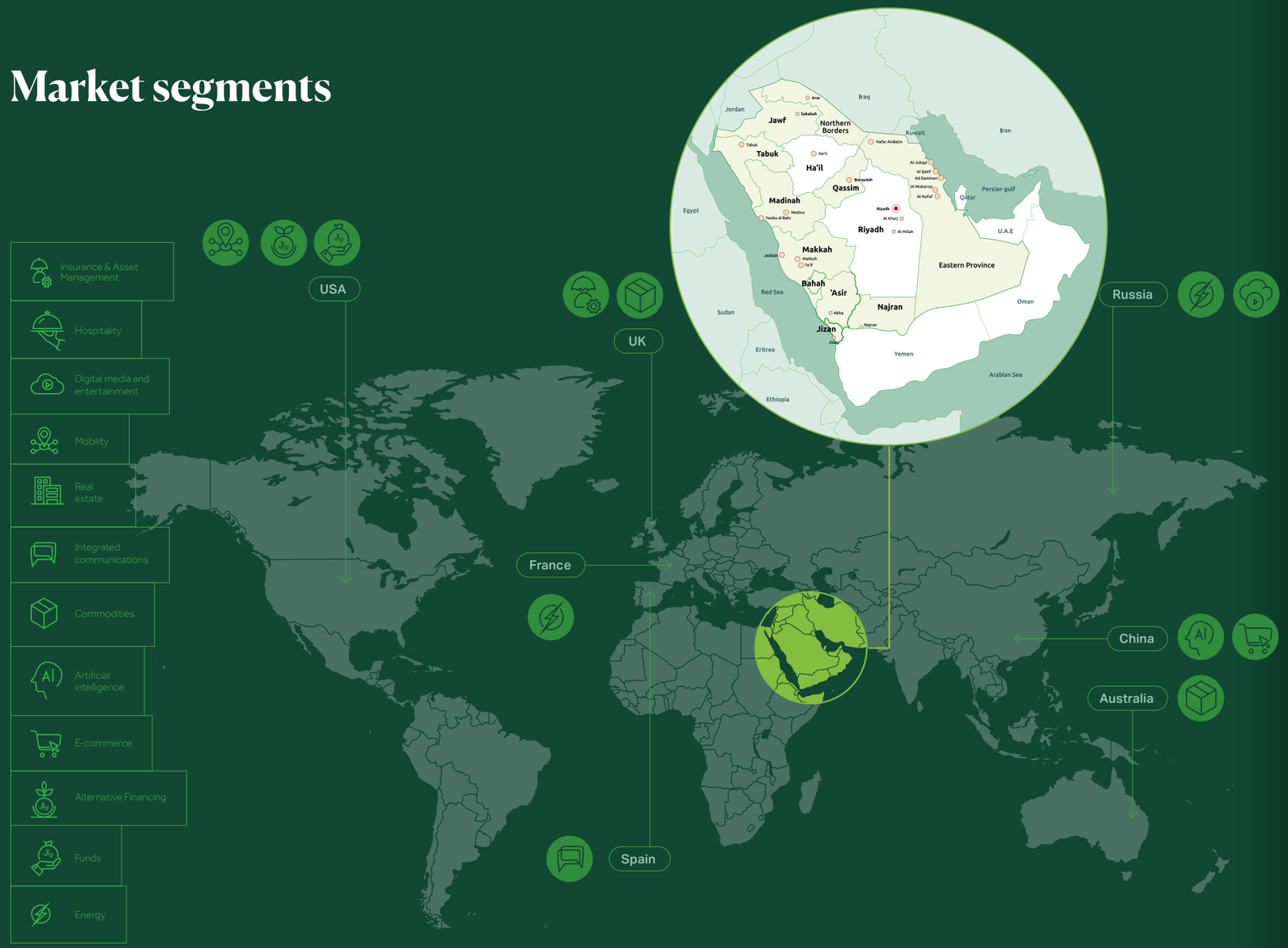
KHC's investment portfolio is categorised into three primary business lines: equity investments, hospitality, and real estate, which together comprise a domestic portfolio and an international portfolio of holdings valued at ⃁ 71.3 Bn. or USD 19 Bn., capitalising on unique growth opportunities. Equity holdings include established blue-chip companies with solid growth prospects among others, while the hospitality segment includes some of the world's most recognisable hotel brands. Our real estate portfolio, meanwhile, covers a total land area of 9.6 million square metres.

Our international portfolio is global in scope, covering high-growth market segments as diverse as ride-sharing, e-commerce, digital services, social media, and artificial intelligence, with stakes in leading companies such as Lyft, Uber, X (formerly Twitter), and xAI. KHC also maintains significant investments in banking and financial services (Citigroup, Saudi Fransi Bank), aviation (flynas), education (Kingdom Schools Company), petrochemicals (Tasnee), and real estate (Jeddah Economic City, Kingdom Centre, Kingdom City, and Land Bank).

Going into 2025, KHC remains a global leader in luxury hospitality, with ownership and management interests in iconic properties such as the George V in Paris and the Savoy Hotel in London. Its portfolio includes world-renowned hotel chains like Four Seasons and Accor Group, the latter of which owns over 40 popular brands including Fairmont, Raffles, Movenpick, Swissotel, Sofitel and others.

In Saudi Arabia, on our home turf, KHC's real estate ventures continue to thrive, with landmark projects such as the Kingdom Tower in Riyadh and Jeddah Economic City, home to the highly anticipated Jeddah Tower. Construction has recommenced following a brief hiatus, and, with project completion envisioned by 2028, the 1,000+ metre skyscraper will be the tallest building in the world, not only symbolising KHC's commitment to innovation and excellence but also standing as a lasting monument to Saudi ingenuity and ambition.

Market segments



More than 40 years of global investment experience

1980
Kingdom Establishment for Commerce and Trade

1982
First construction project in Riyadh

1988
Controlling stake in United Saudi Commercial Bank, 20x in share value

1989
Investment in Citi Group

1991
Investments in Citigroup increased

1993
A stake in Saks Fifth Avenue, flagship store in Riyadh

1994
Stakes in Fairmont and Four Seasons

1996
Acquisition of George V and renovation of the hotel

1997
A stake in Mövenpick Hotels &; Resorts

1998
- Reorganized as Kingdom Holding Company
- Construction of Kingdom Centre, Kingdom Hospital, Kingdom Schools, and Kingdom City announced

2002
Kingdom Centre opens

2007
- Kingdom Holding Company IPO, 315 million shares, attracts USD 2.3 Bn. (⃁ 8.6 Bn.)
- Kingdom Holding Company acquires 47.5% stake takes Four Seasons private at USD 3.8 Bn. EV

2010-11
- Kingdom Hotel Investments taken private
- KHC invests in Twitter ahead of its IPO

2016
KHC acquires 5.8% stake in Accor Hotels

2017
KHC acquires 7% stake in Careem for USD 62 Mn. and 16% stake in Banque Saudi Fransi

2020
Uber acquires KHC-backed Careem for USD 3.1 Bn.

2022
- 23.75% Four Seasons stake sale at $10bn EV
- PIF acquires 16.87% stake in Kingdom Holding Company

2023-24
⃁ 2 Bn Joint Venture with Red Sea Global to develop and own the Four Seasons Resort Red Sea at Shura Island

2024
- Jeddah Tower is on track to become the tallest building in the world
- KHC invests in xAI (rounds B & C)

Year in Review

The year 2024 proved a period of resilience and productivity for Kingdom Holding Company as it made significant strides toward its strategic vision despite lingering macroeconomic uncertainties.

Having already adapted to the unprecedented challenges that came to define the investment climate during the last half-decade, the company successfully navigated the challenging market conditions of the past year by reallocating resources to higher-growth, future-oriented sectors and capitalizing on new and emerging opportunities in renewable energy, urban development, digital technology, and private debt markets.

In 2024, KHC continued to strategically align with Saudi Vision 2030, with over 40% of our investments focused on domestic sectors such as aviation, healthcare, finance, and technology. Our extensive international portfolio also continued to support the Kingdom's ongoing transformation during a year that saw Saudi Arabia further advance its growth agenda. Resuming construction of the Jeddah Tower, soon to be the tallest building in the world, was also an important highlight.

KHC has always had a keen eye for growth opportunities in the tech world. In 2024, one of the more notable developments in this regard was increased investment in xAI, Elon Musk's artificial intelligence (AI) startup, in pursuit of a strategic goal to stay ahead of the curve on the rapidly advancing domain of artificial intelligence. We recognise the immense potential of AI, which we believe remains largely untapped in spite of the major advances made over the past two years as well as the more recent disruptions, and we are keen to explore the growth avenues it is sure to open up. Increased investments in AI is fully in line with KHC's strategy of expanding in high-growth sectors and cutting-edge technologies, leveraging future market opportunities and innovation trends to expand and enhance our digital services portfolio. KHC's investment in xAI, amounts to USD 800 million across Rounds B and C, equivalent to approximately ⃁ 3 billion.

In terms of sectoral performance, we recorded strong gains in US and Chinese tech stocks, financial services, hospitality, and real estate, though emerging markets faced some persistent challenges that included market volatility, which called for adaptive strategies. KHC also took a strategic decision to exit in excess of USD 1.5 Bn. in Mature Assets as part of a broader portfolio optimisation strategy, which saw the reallocation of resources to innovation-driven industries and also helped optimise returns.

Improvements to governance was a key focus as well, with emphasis on cybersecurity and diversity to meet global best practices.

Total profit: ⃁ 1.237 Bn., up significantly from ⃁ 1.013 Bn. in 2023, indicating strong performance across our main business lines: equity holdings, hospitality, and real-estate.

Equity Holdings

- Dividend income: ⃁ 786 Mn., down from ⃁ 983 Mn. in 2023
- Share of results from equity-accounted investees: ⃁ 1.199 Bn., up from ⃁ 1.033 Bn. in 2023, with strong contributions from equity investments like Banque Saudi Fransi (BSF), Accor, and Four Seasons

Hospitality

- Hotel revenues: ⃁ 1.604 Bn. up from ⃁ 1.593 Bn. in 2023
- Hotel operating costs down to ⃁ 1.055 Bn. from ⃁ 1.184 Bn. in 2023
- Increased employee costs and depreciation
- Four Seasons, George V, Savoy, and other chains generated strong growth, especially in operational revenue

Real-estate

- Real-estate revenue: ⃁ 680 Mn., up from ⃁ 520 Mn. in 2023, driven by sales of real-estate developments and rental income
- Significant asset movements, including sale of land and ongoing developments like Jeddah Economic City and other residential-commercial properties
- Significant operating costs for real-estate but slightly reduced compared to 2023, totaling ⃁ 520 Mn.
- Gain on sale of investment properties: ⃁ 123 Mn., contributing to overall profitability

Core Messages

Chairman's Statement

Looking back on 2024, Kingdom Holding Company (KHC) continued to stand tall and proud in the world of high-growth investment.

The Company continued to shine as a beacon of resilience and strategic agility, all the while staying committed to sustainable, long-term value creation.

HRH Prince AlWaleed Bin Talal Al Saud
Chairman

Dear valued stakeholders,

The past year was certainly not without its challenges, with persistent inflationary pressures, energy price fluctuations and market volatility continuing to haunt the external environment; but the Group weathered these storms resolutely and, in many ways, came out on top in remarkable testament to the soundness of our business model and the perseverance of our dynamic team. I am grateful to them for skilfully navigating the often-tempestuous macro landscape, not just in 2024, but over the past several years, deriving maximum value out of our diverse portfolio.

(Fair value) net asset value (NAV) reached

⃁ 59.9 Bn.

(NAV per share of 16.16)

In 2024, the Group's Net Asset Value (NAV) increased by 11% year-to-date, building on a 21% growth recorded in 2023, further validating our investment strategy. Shareholder equity rose by 10.7% during the reporting period, and net profit increased 22% year-on-year, driven by strong equity investments, including deferred tax income from Four Seasons and lower interest expenses due to our well-timed deleveraging efforts.

One key development that stood out in 2024 would be the highly anticipated resumption of Jeddah Tower's construction. According to current projections, in just three years, the tower will reach an imposing kilometre in height, becoming the tallest building in the world. Soon to be our flagship holding, the building will be a skyscraper in the truest sense of the word, adorning the Saudi skyline as a symbol of KHC's towering ambition and as a lasting monument to the Kingdom's ongoing transformation as a major world power. Jeddah Tower is also expected to bring about a significant valuation uplift to the surrounding land parcels, adding considerably to our real estate portfolio's long-term value.

KHC's hospitality segment far outperformed expectations in 2024 continuing a very encouraging trend from the year before, as a direct result of Saudi Arabia's booming tourism industry and growing global demand for luxury, experience-driven travel. Our prize properties such as the Four Seasons Hotel Riyadh, George V Paris, and Savoy London reported strong operational results, though George V stood out, to say the least, having achieved a significant net operating income (NOI). Remarkably, the hotel delivered this performance even as it continues to undergo major renovations. Meanwhile, the Red Sea Four Seasons project, in which we hold a 50% stake, remains on track for opening in the fourth quarter of 2025, aligning with Saudi Vision 2030's ambitious tourism expansion plans for the new year.

The equity investments portfolio maintained a disciplined investment approach throughout 2024, capitalizing on opportunities in technology, financial services, healthcare, and aviation. Our continued investments in high-growth areas such as artificial intelligence – which, as we speak, is seeing phenomenal, era-defining advancements – digital financial services, and renewable energy align with future market trends and innovation. At the same time, we also strategically monetised USD 1.5 Bn. worth of mature assets, as part of a strategic portfolio optimisation endeavour that sees the reallocation of capital to more lucrative ventures.

With over 40% of our investments rooted in Saudi Arabia, KHC remains deeply committed to supporting the Kingdom's economic transformation, an objective that is at the heart of our investment strategy. Further developments in the Jeddah Economic City (JEC) and the Future City landbank will add to our contributions to the Vision 2030 agenda.

Looking ahead, as we move ever closer to the Kingdom's coming renaissance, we are filled with quiet optimism about the leading role we play in driving the Saudi economy's diversification agenda. We are also confident of our mission to generate sustainable value for our shareholders through our own diversification plans for our already vibrant portfolio. I take this opportunity to extend my sincere appreciation to KHC's Board, our valued shareholders, our hardworking employees, and trusted partners for their invaluable support in realising our vision.

Chief Executive Officer's Review

For Kingdom Holding Company (KHC), 2024 was a year defined by resilience in the face of lingering challenges, strategic execution and sound portfolio management in volatile markets, and, crucially, transformative growth looking toward a more diversified economic future.

Our three core business lines – namely, equity investments, hospitality, and real estate – delivered strong performance across the board during the year, in spite of the macro headwinds that came our way.

Eng. Talal Ibrahim Almaiman
Chief Executive Officer

While there was a decline in some short-term income streams during the reporting period, net profit surged by 22% year-on-year reflecting strong performance in our growth assets, disciplined cost management, and reduced interest expenses following effective deleveraging. Net Asset Value (NAV) increased 11% year-on-year, on the back of the previous year's 21% growth, while total shareholder equity expanded by 10.7%. Meanwhile, our diversified portfolio delivered a 22% growth in earnings per share (EPS) in 2024, reinforcing KHC's ability to generate sustainable long-term value for valued shareholders.

The equity portfolio saw strong returns in 2024, particularly in the finance and technology sectors, validating our investment strategy. A decision we had taken in 2023 to average down our stake in Citibank delivered substantial dividends in 2024, while our investments in Hercules Capital following recent developments also resulted in significant returns. Meanwhile, the equity investments portfolio, valued at ⃁ 18.2 Bn, continued to support long-term NAV growth, balancing stable dividend-yielding assets with high-growth sectors such as artificial intelligence, fintech, and industrial technology.

Venturing further into the rapidly growing domain of artificial intelligence (AI), we were able to cover wider ground in the technological segment within the equity portfolio. Increased exposure to cutting-edge industries through investments in xAI, Elon Musk's San Francisco-based startup, has positioned KHC as a major player in the ongoing transformation of the global economy.

In the aviation sector, meanwhile, our investment in low-cost airline flynas, of which we 37.2%, continued to perform strongly, paving the way to a potential IPO. Our hospitality portfolio delivered record-breaking performance in 2024. The iconic George V Paris property posted significant net operating income (NOI) despite half its inventory still undergoing renovations, while, at home, the Four Seasons Riyadh also continued its growth trajectory. Meanwhile, with construction making much progress, the Four Seasons Resort Red Sea project is set to start welcoming guests by Q4 2025, positioning KHC at the forefront of Vision 2030's tourism agenda. The 180-key luxury property, an ⃁ 2 Bn. joint venture with Red Sea Global, is expected to run entirely on renewable energy, in what will be a landmark development in sustainable luxury tourism.

A significant valuation uplift across Kingdom Tower, Kingdom Mall, and Four Seasons Riyadh strengthened our real estate asset class in 2024. Construction of the Jeddah Tower, the centrepiece of our land portfolio, which had been on hiatus also resumed in October 2024 generating much international press coverage.

With a total contract value of

⃁ 7.2 Bn.,

the 1,000+ metre tower is anticipated to unlock immense potential value, both in terms of the project itself and the surrounding land parcels in Jeddah Economic City, which will experience significant appreciation.

Our land portfolio also continued to benefit from Vision 2030 initiatives throughout 2024, further enhancing asset value.

The Group maintained a diversified debt profile in 2024, ensuring financial vigour while also optimising capital structures.

Our deleveraging efforts during the reporting period served to significantly lower interest expenses, boosting profitability and stability. While divested assets and international dividend timing differences exerted some revenue pressures, our strategic portfolio shifts, disciplined cost controls, and strong investment performance enabled an increase in shareholder value, all in the face of continued inflationary pressures and fluctuating prices in the global energy market. We also strategically monetised USD 1.5 Bn. worth of mature investments during the year, focusing on managing debt in a high interest rate environment.

We must also emphasise the significant progress made on advancing sustainability goals in 2024. Aligning with Vision 2030 and global ESG best practices, prudent measures were taken to reduce carbon emissions across our hospitality and real estate assets, with initiatives focused on renewable energy, energy efficiency, and responsible luxury. We also supported youth employment initiatives during the year, while working to improve ESG transparency. Our George V property became the only five-star luxury hotel in the world to achieve dual "Excellent" BREEAM In-Use certifications, setting new benchmarks for environmental performance, while the Savoy London also earned the Green Key UK Certification.

As we move further into 2025, we seek to capitalise on emerging opportunities. KHC is actively exploring new high-growth sectors including artificial intelligence, healthcare, and renewable energy. With its IPO on the horizon, the flynas investment continues to record robust performance.

I wish to extend my sincere gratitude to our board, shareholders, employees, and partners for their unwavering trust and dedication. Together, we shall continue to drive KHC's legacy of excellence, innovation, and strategic growth in the coming years.

Chief Financial Officer's Review

It is my pleasure to present to you a comprehensive overview of Kingdom Holding Company (KHC)'s financial performance during 2024. As an investment holding company, Kingdom Holding Company remains committed to creating long-term value for its shareholders by strategically managing its portfolio and ensuring financial resilience. In 2024, we have significantly strengthened our financial position, demonstrating robust performance across key financial metrics. Our disciplined investment strategy and prudent financial management have resulted in notable improvements in net profit attributable to shareholders, a reduction in borrowings, and a substantial increase in shareholder equity. The positive evolution of our FVOCI reserve further reflects our ability to navigate market fluctuations and enhance the overall strength of our balance sheet. Along with delivering strong financial results, we continue to ensure a consistent and sustainable dividend payout to our shareholders, reinforcing our dedication to value creation and rewarding our investors for their trust in our strategy.

Adel Abdulaziz Al-Abdulsalam
Chief Financial Officer

In **2024**, Kingdom Holding Company (KHC) achieved a **net profit of ⃁ 1.237 Bn.,** reflecting a **22% increase** from **⃁ 1.013 Bn. in 2023, net asset value** reached **⃁ 59.9 Bn.**

This marks the **fourth consecutive year** in which the company has delivered a **net profit exceeding ⃁ 1 Bn.**, reinforcing our commitment to consistent financial performance. Notably, **2024 stands as one of our best-performing years,** second only to **2022**, when a **one-off gain of ⃁ 5.9 Bn.** from the partial sale of our **Four Seasons stake** significantly boosted earnings.

Key Profit and Loss Drivers

KHC's strong performance in **2024** was driven by several key factors:

- A **⃁ 123 Mn. gain** from the **sale of a compound,** reflecting our ability to monetize strategic assets efficiently.
- **Share of results from equity-accounted investees,** which continues to be a **preferred investment model** for KHC in **high-value strategic projects.**

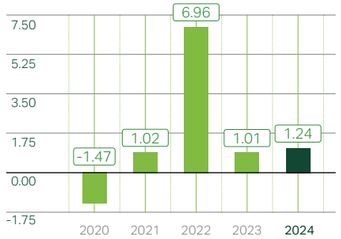
Performance of Key Investments

Our **diversified investment strategy** has yielded robust returns across multiple sectors:

- **BSF (Banque Saudi Fransi):** Continued stable performance, further reinforcing our long-term commitment to the banking sector.
- **Flynas:** The company delivered strong financial results, leading to the **reversal of a ⃁ 200 Mn. impairment loss** recognized in previous years.
- **Accor:** Strong business performance reflected in **share price growth,** reaffirming its position as a leading global hospitality player.
- **JEC (Jeddah Economic Company):** The **October 2024 restart of the Jeddah Tower project** marked a **major milestone,** widely covered in the media, signaling future upside potential for **shareholder value.** A significant yet lesser-highlighted development was KHC's **increase in its stake from 33.4% to 35.74%,** a move that will contribute positively to the company's **net asset value (NAV) in the long run.**

Net Profit Attributable to Shareholders

(⃁ Bn.)



A key contributor to **KHC's improved profitability in 2024** was the **reduction in finance costs,** achieved through **lower debt levels and strategic portfolio optimization.** This year, **total borrowings decreased by 15.86%,** while **finance costs declined by an even stronger 30.99%,** reflecting a combination of **lower outstanding debt, favorable interest rate movements**, and **proactive financial management.**

KHC benefited from **rate cuts in the latter part of the year,** which, coupled with our **active debt optimization strategies,** enabled us to significantly reduce borrowing costs. These initiatives included:

- **Renegotiating loan contracts** to secure more favorable terms,
- **Capitalizing on lower Euro interest rates** while managing currency exposure through a **natural hedge** embedded in our international investment portfolio, and
- **Executing a robust utilization and settlement strategy,** efficiently allocating liquidity and reducing excess leverage.

These disciplined financial actions have not only strengthened our balance sheet but also enhanced our overall cost efficiency, positioning KHC to benefit from a **lower cost of capital in the years ahead.**

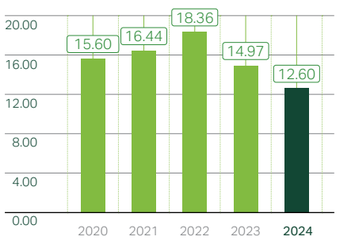
As of 31 December 2024, KHC total debt stood at ⃁ 12.6 Bn., reflecting a 15.86% reduction from the previous year. This represents the lowest debt level for KHC since 2016, underscoring a significant achievement in financial repositioning and capital discipline.

This milestone follows a deliberate strategy initiated in 2020, when KHC ballooned its debt to capitalize on an era of historically low interest rates. The additional capital was strategically deployed across a diversified mix of dividend-yielding and growth-oriented investments, enhancing long-term shareholder value. However, as interest rates began rising sharply from 2022 onwards, a pivot in capital allocation strategy was undertaken. This involved exiting select mature positions, leveraging proceeds from the sale of a real estate compound, and the early recovery of a sizable long-term receivable—all of which were directed toward reducing debt and reinforcing the balance sheet.

With this deleveraging, KHC has not only reduced its financing costs and improved financial resilience, but also unlocked dry powder—positioning the company with ample liquidity and flexibility to capitalize on attractive investment opportunities that may emerge in a shifting market environment.

Borrowings

(⃁ Bn.)



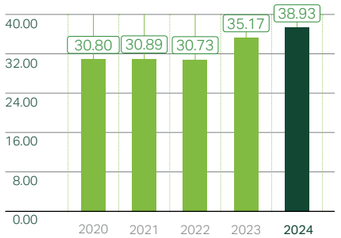
As of December 31, 2024, KHC shareholder equity stood at ⃁ 38.93 Bn., reflecting a ⃁ 3.76 Bn. increase from the previous year. Over the past five years, shareholder equity has grown by ⃁ 8.13 Bn., underscoring the company's ability to generate sustainable value over time.

KHC's consistent profitability has played a fundamental role in strengthening equity. With net profit exceeding ⃁ 1 Bn. for the fourth consecutive year, retained earnings have continued to expand. At the same time, the company remains committed to rewarding shareholders, ensuring a balanced approach between reinvestment and stable dividend distributions.

A key factor influencing shareholders' equity movement has been the Fair Value through Other Comprehensive Income (FVOCI) reserve, which saw a substantial reduction in unrealized losses in 2024. Some of the key enhancements included KHC's move to average down its position in Citi, which contributed to stabilizing the FVOCI reserve. Additionally, a broader market recovery and selective investment rebalancing played a role in reducing unrealized losses, while the upward revaluation of xAI following its Series C funding round further strengthened FVOCI reserve performance.

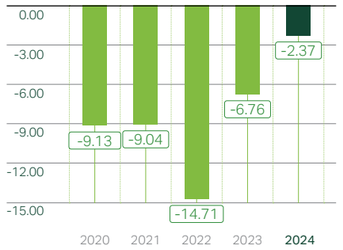
Shareholders Equity

(⃁ Bn.)



FVOCI Reserve

(⃁ Bn.)



Despite market volatility, KHC's disciplined investment strategy and active portfolio management have strengthened its balance sheet, ensuring resilience in changing economic environments.

As an investment holding company, KHC remains deeply committed to long-term shareholder value creation. Through financial discipline, portfolio optimization, and a sustainable dividend strategy, the company continues to deliver strong returns and position itself for future opportunities.

Business Case

Strategy

With an investment record spanning well over 40 years, Kingdom Holding Company (KHC) is widely acknowledged to be a formidable force in the global equity landscape. KHC's investment philosophy is built on one foundational principle: judicious diversification, with a strategy focused on building a vibrant, high-performing portfolio designed to create long-term value to all stakeholders.

Our portfolio can be categorised into three main business lines: equity investments, hospitality, and real estate. Through these ventures, we seek to maximise shareholder value and drive sustainable growth while facilitating the advancement of their respective industries. KHC also plays a critical role in driving the ongoing transformation of Saudi Arabia and its rapidly growing economy, in full alignment with the Vision 2030 agenda and contributing in no small part to job creation, diversification, and the expansion of an increasingly dominant private sector.

Our investment strategy aims to balance stable, revenue-generating assets with exposure to high-growth industries. Our teams take great pains to identify and capitalise on emerging, future-oriented opportunities in both domestic and international markets, ensuring a predictable dividend stream and leaving our shareholders assured of our commitments to them. Though our share price performance has been sluggish, the public equity element of the portfolio carries higher valuation than the group as a whole, positioning KHC as a value play based solely on asset valuations.

Over the years, our portfolio has served to increase the Company's strategic foothold in a number of industries that promise high returns, across the three main business lines, as follows:

Equity

Equity holdings account for 43.3% of our portfolio, with significant interests in some of the world's most recognisable brands. Perhaps the most important and most focused of our asset classes, the equity segment accounts for our influential presence in such high-growth sectors as technology, aviation, education, healthcare, digital media, e-commerce, and finance, among others, both in Saudi Arabia and abroad.

Hospitality

Our hospitality segment, which makes up 30.8% of our holdings, continues to see rapid growth, continuing to position KHC as a leader in the industry, with ownership and management stakes in world class properties and hotel chains in the Kingdom and around the world. The hospitality portfolio also plays a vital role in helping Vision 2030 achieve its tourism development goals.

Real-estate

Contributing to 25.9% of our investments, the real-estate segment boasts such icons as the Kingdom Tower in Riyadh and a host of other landmark mixed-use projects that have come to define our cityscapes. The eagerly awaited Jeddah Tower, situated in the Jeddah Economic City, a KHC development, will soon be the tallest building in the world and is projected to enhancing the valuation of the surrounding land parcels, while also boosting the Kingdom's image.

ESG focus

Sustainability and integrating environmental, social, and governance (ESG) principles across our business lines will be a priority as we move forward on our growth trajectory. We have already launched initiatives to reduce carbon emissions across our hospitality and real estate assets, while supporting local communities by providing employment to many.

A growth mindset

As global macroeconomic headwinds continue to induce volatility in markets, KHC's approach to growth is more than vindicated, showcasing exceptional resilience in navigating challenges. Our investment strategy, designed to withstand the direst of external circumstances, has over the past several decades ensured sustained performance through prudent asset allocation and a future-focused outlook.

More recently, KHC has taken decisive measures to expand into artificial intelligence (AI) and enter new markets in North America and Europe. Plans are underway to expand into unlisted assets such as startups in technology and biotech and investments in giga-projects such as NEOM and the Red Sea Development as well. KHC is also exploring possibilities in the growing renewable energy sector, in increased alignment with Vision 2030. Even as we look toward further diversification, we are also strategically divesting assets that do not meet performance expectations. The recent exit of USD 1.5 Bn. in mature assets, for instance, has allowed us to reallocate capital to more promising ventures. We hare also keeping a close watch on sectors that are benefitting from ongoing demographic shifts and digital transformations, anticipating steady growth underpinned by strategic investments and a favourable economic environment.

As we move beyond 2025, KHC remains perfectly positioned to capitalise on the transformative investment opportunities that come our way, as we advance our Saudi investment strategy and expand our footprint in emerging markets, particularly in the Asia-Pacific and MENA regions.

Investor Relations Communication and Engagement

In 2024, Kingdom Holding Company (KHC) significantly advanced its Investor Relations (IR) function, reinforcing its commitment to transparency, engagement, and strategic communication with the investment community. Led by an experienced IR team, the company has established a solid framework for meaningful investor interactions, fostering trust and confidence among institutional investors, analysts, and key stakeholders.

Key Milestones

- **Launch of Quarterly Earnings Calls**

  A major milestone in KHC's IR strategy was the introduction of Quarterly Earnings Calls, enhancing financial transparency and direct engagement with investors. The inaugural call, held on 18 November 2024, for Q3 results, was hosted by HSBC and attended by over 60 participants, including institutional investors and analysts. This initiative has set a strong precedent for ongoing investor communications.

- **Active Participation in Investor Conferences**

  Since establishing its IR department, KHC has taken a proactive approach to investor engagement by participating in high-profile local and international conferences. Senior executives, including CEO Eng. Talal AlMaiman, CFO Mr Adel AlAbdulsalam, and Head of IR Mr Abdullah AlRuwayshid, have represented the company at key financial forums, articulating KHC's growth strategy and long-term vision. These engagements have strengthened relationships with the global investment community and reinforced the company's commitment to open, ongoing dialogue.

Commitment to Transparent and Proactive Engagement

KHC's investor relations approach is centered on clarity, trust, and strategic communication. By providing in-depth insights into its financial performance and corporate strategy, the company ensures investors are well-informed and engaged. As KHC continues expanding its portfolio, its IR team remains dedicated to strengthening shareholder confidence through open and effective communication.

Future Outlook

Building on this momentum, KHC aims to further enhance investor engagement by conducting regular earnings calls, organizing roadshows, and facilitating one-on-one meetings with institutional investors. The company will also expand its presence at global investment forums, reinforcing its commitment to transparency and value creation. These initiatives will strengthen market confidence and ensure that investors remain closely aligned with KHC's strategic direction and long-term growth ambitions.

Driving Vision 2030

With over 40% of our investment portfolio focused exclusively on Saudi ventures, KHC is better positioned than most to help steer the Kingdom towards a more diversified economic output that will position it as a global economic powerhouse.

For years, KHC has been a significant contributor to the Kingdom's ambitious Vision 2030 agenda, with our diversified investment portfolio, across equity, hospitality, and real-estate segments, driving sustainable growth and promising a more prosperous and equitable future for all our valued stakeholders.

The logical outcome of our innovative investment strategy, perfected over four decades, is a business model that has sustainability at its heart and, thus, is in full alignment with the national interest, enabling the Kingdom's coming transformation. As Saudi Arabia evolves from an oil-dependent economy into a truly diverse, vibrant economy, KHC's strategic investments in sectors critical to the Kingdom's growth will no doubt play an integral role in its inevitable rise as a major world power.

As explained elsewhere in this report in more detail, KHC's portfolio spans multiple high-impact sectors, including hospitality, real estate, technology, healthcare, and financial services. This diversified approach is in perfect harmony with Vision 2030's objective of creating a globally competitive, knowledge-based economy. Investing in world-class companies and developing strategic partnerships with some of the biggest names in their respective domains, KHC undeniably adds to Saudi Arabia's economic resilience and world standing as its influence grows exponentially.

With the COVID-19 pandemic now well behind us, tourism is booming once again, and Saudi Arabia's dream of becoming a global tourism hotspot is fast becoming a reality under Vision 2030. KHC's investments in luxury hotels and resorts have seen our hospitality portfolio capitalise on this surge in tourism numbers, marking record revenues as highlighted in the performance review of this report. Our iconic developments on Saudi soil and our expanding equity holdings in internationally recognised hotel brands with properties scattered across the Kingdom have helped the Company propel into existence a thriving tourism trade, boosting employment and positioning Saudi Arabia as a premier destination, moving ever closer to Vision 2030's targets.

VISION رؤية 2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

KHC is also well positioned to drive the Kingdom's agenda on technology and the digital economy, with active investments in emerging technologies and high-growth industries. Our stakes in leading technology companies and startups are always adding to Saudi Arabia's digital infrastructure, while our sharp focus on artificial intelligence, fintech, and smart city solutions also contribute significantly to making the Kingdom a technology hub in the region. Our technology portfolio continues to drive economic modernisation and, vitally, lays the groundwork for a tech-driven future.

A strong financial sector is a pillar of Vision 2030, and KHC's investments in banking, asset management, and fintech support the expansion of Saudi Arabia's capital markets, while our participation in global financial institutions and our efforts to promote financial inclusion facilitate a financial sector that seeks to uplift all.

Underpinning Vision 2030 is a commitment to sustainable development, with environmental, social, and governance (ESG) principles at the core of the Kingdom's socioeconomic agenda. It just so happens that KHC's own vision is built on a desire to promote sustainability and equity and is now an integral part of our investment strategy. Not only do we prioritise responsible investing, we also actively support renewable energy initiatives with growing investments in the sector. Meanwhile, our corporate governance standards are also in increased alignment with global best practices as well as CMA regulations, as discussed in this report. We continue to champion sustainable business models across our equity, hospitality, and real-estate segments, and we are proud to note that our diverse portfolio contributes significantly to the Kingdom's long-term environmental and economic sustainability goals.

In many ways, an economy is only as strong as its workforce, and at KHC we believe that strategic investments in key sectors go a long way in contributing to the nation's growth by generating employment across demographics. Our portfolio provides employment opportunities and empower Saudi talent, aligning with Vision 2030's objectives of labour force localisation and human capital development. We also partner with leading educational institutions and workforce development programs, supporting skill-building initiatives that prepare the next generation of Saudi professionals for leadership roles in high-growth industries.

KHC's business activities and strategic vision are deeply and invariably intertwined with Saudi Vision 2030. We continue relentlessly to drive diversification and innovation, with sustainable growth as a cornerstone of our investment strategy. As Vision 2030 steers Saudi Arabia to a brighter, more equitable future, we are more confident than ever of the role we play in shaping the destiny of our beloved Kingdom.

Business Review

Review of Kingdom Holding for 2024

KHC continued to invest according to its strategic objectives in 2024, with new investments and developments including:

Strategic investments and portfolio adjustments

- KHC's investment in The Jeddah Economic Company Tower, set to become the world's tallest structure at over 1,000 meters, with 63 of its eventual 157 floors now completed. This landmark will form part of the development's first phase, spanning 1.3 million square meters out of the broader 5.3 million-square-meter Jeddah Economic Company City. Infrastructure for this initial phase, encompassing electricity, water, sewage, flood drainage, and high-speed internet, has already been put in place.
- Kingdom Holding Company (KHC) invested USD 800,000,000 (Series B and Series C) in xAI, which is now valued at USD 1,120,000,000 based on the latest funding round (Series C). This move further strengthens strategic partnerships with Elon Musk. It also builds on KHC's long-standing stake in X (Twitter), held since 2015.

Key financial performance and profitability

- KHC reported a net profit of ⃁ 1,237 Mn., marking a 22% YoY increase. The growth was primarily driven by reduced financing costs, a ⃁ 224 Mn. deferred tax income on Four Seasons, the ⃁ 200 Mn. reversal of NAS impairment provision, and the sale of Kingdom Compound.
- Debt reduction efforts led to a decrease in financing costs by ⃁ 346 Mn., achieved through debt repayments, interest rate cuts, and refinancing initiatives. This was supported by proceeds from asset sales, including the monetization of select commercial properties.
- Dividend income declined YoY due to the sell-down of stakes in Telefonica, Citi, BHP, and Rio Tinto, though partially offset by dividends from new investments in Alibaba, Meta, and Hercules Capital.

Overall, in 2024, KHC strived to balance financial strength with strategic recalibration, optimizing the Company's holdings and capitalizing on key investment opportunities.

The hospitality sector in particular stood out in 2024, delivering strong results, with Accor and Four Seasons outperforming expectations and contributing meaningfully to overall profitability. Earnings from George V and Savoy did not perform the best compared to previous year but maintained stability. KHC also executed a measured restructuring of its ⃁ 30.1 Bn. equity portfolio, strategically paring back exposure to select international assets while expanding its footprint in high-growth sectors such as artificial intelligence (AI) and digital media.

With a more sharpened portfolio and a reaffirmed commitment to long-term value creation, we are well-positioned to leverage global market shifts while continuing to play a central role in Saudi Arabia's economic transformation under Vision 2030.

Review of Core Equity Holdings

Kingdom Holding Company's strategic investments represent the company's core and most pivotal ventures both in Saudi Arabia and globally.
As a deeply involved investor, KHC's present and long-term success and expansion are intrinsically connected to these holdings.

Flynas

flynas, the leading low-cost airline in the Middle East, delivered record performance in 2024, serving over 14.7 million passengers, a 32% increase from 2023.

The airline's fleet currently contains 61 aircrafts with a commitment to upscaling its fleet by adding 157 aircrafts in the near future. flynas further increased its operations by adding 16 new routes and boasting a 22% increase in seat capacity on domestic and international flights.

flynas is gearing up for IPO to be carried out in 2025, resulting in the company being listed on the Saudi Stock Exchange.

KHC has a **37%** stake in flynas, an investment which aligns with the **Kingdom's Vision 2030**

The amount of passengers served reached over 14.7 Mn.

53 A320neo crafts
4 A320ceo crafts
4 wide-body A330 crafts
Total of **61** aircrafts

X and xAI

For the full year 2024, X delivered robust financial performance and received its latest funding round in Q1 2025 at a slightly higher valuation, after acquisition which was USD 44 Bn.

In parallel, XAI, the advanced artificial intelligence division, achieved significant growth in 2024. These milestones, alongside the company's reorganization into five streamlined business units, underscores a commitment to long-term sustenance and profitability. XAI received its latest funding round (Series C) and attained a pre-money valuation of USD 45 Bn. and post-money valuation of USD 51 Bn.

Supported by major shareholders, these strategic efforts position the group for sustainable, long-term expansion in the global market.

Citi

Throughout 2024, Citi delivered strong financial performance, reporting net income of USD 12.7 Bn. on revenues of USD 81.1 Bn. compared to net income of USD 9.2 Bn. on revenues of USD 78.0 Bn. in 2023.

The re-structuring which began in 2023 has continued in 2024 as well, simplifying how the company is run and increase its efficiency. This is a process with KHC, a major shareholder since 1991, supports wholeheartedly.

Kingdom Holding Company's investment began in **1991** and we now hold a **1.06%** stake

Revenue increased to **USD 81.1 Bn.**

Share price surged from **USD 51.44** at 31 December 2023 to **USD 70.39** by 31 December 2024

FOUR SEASONS

Four Seasons

Four Seasons, one of the world's most prestigious hotel management companies, has been privately held by Kingdom Holding Company and Cascade Investment Management since 2007. With KHC's involvement dating back to 1994, Four Seasons has evolved from a modest motoring inn founded in Toronto in 1961 into an iconic global brand. Today, it operates 132 luxury hotels & resorts and 55 residential properties in 47 countries.

10.2% YoY
growth in revenue in 2024

Company is valued at
USD 10 Bn. - ⃁ 37.5 Bn.

Invested **⃁ 2 Bn.**
on the development of
Four Seasons Resort Red Sea

شركة جدة الإقتصادية
JEDDAH ECONOMIC COMPANY

Jeddah Economic Company

Jeddah Economic Company (JEC) was established in 2009 to develop a 5.3 million m² urban mixed-use destination in North Obhur, Jeddah, centred around the iconic Jeddah Tower, set to be the world's tallest building at over 1,000+ meters.

A joint venture among Kingdom Holding Company, Abrar Holding Company, Qila'a Jeddah Company, and The Saudi Bin Ladin Group, JEC aims to transform Jeddah into a vibrant, globally recognized metropolis aligned with Saudi Vision 2030.

Flagship Jeddah Tower to be over **1,000+** meters tall

Development of
5.3 million m²
of land for an urban mixed-used destination

BSF

BSF

In 2024, BSF achieved a 7.6% increase in net income to ⃁4.54 Bn. The bank's total assets reached ⃁292.8 Bn. In 2024, BSF continued its forward momentum by deepening its digital capabilities and further diversifying its product offerings. The bank introduced innovative services aimed at enhancing customer experience and operational efficiency. This approach not only allowed BSF to strengthen its market position but also positioned the bank to meet emerging demands and capture new opportunities across the Kingdom of Saudi Arabia's evolving financial landscape.

⃁4.5 Bn.
net income

⃁292 Bn.
assets in 2024

KHC retains **16.2%**
ownership in 2024

ACCOR

ACCOR

In 2024, Accor accelerated its growth trajectory, reinforcing its position as a global hospitality leader. The group expanded its lifestyle and luxury portfolio across strategic international markets, with a particular emphasis on the Middle East and Asia-Pacific; regions key to its long-term vision. Building on the strategic realignment initiated in the previous year, Accor launched advanced digital booking platforms and expanded its suite of contactless guest services, further enhancing both the guest experience and operational agility. These initiatives enabled Accor to respond to the growing demand for personalized, immersive stays, while strengthening its ability to capitalize on emerging opportunities in a dynamic and fast-evolving travel landscape.

Accor Revenue grew by **10.9%** in 2024. KHC increased ownership from **6.5%** to **6.8%** due to a successful share buy back program completed by Accor in 2024.

Review of Education

In 2024, Kingdom Schools achieved notable success, posting a 14% rise in student enrollment over the course of the year. With extensive waiting lists and clear expansion plans, Kingdom Schools are well-positioned to continue growing.

مدارس المملكة
KINGDOM SCHOOLS

Kingdom Schools continued to show positive growth in 2024. The total number of students rose from 2,108 to 2,409 in the year, a 14% increase. This growth reflects the growing status of Kingdom Schools as a desirable and aspirational educational establishment, a status underscored by the international accreditation of Kingdom Schools by Cognia, the prestigious international educational network.

14% rise in the number of students

مدارس المملكة
KINGDOM SCHOOLS

Review of Healthcare

KHC's Equity portfolio comprises 2.2% in the healthcare sector through its 4.9% stake in Dallah Healthcare.

مستشفى الملكة
KINGDOM HOSPITAL

دلّه الصحيّة
Dallah Health

Investments in the healthcare sector continued to demonstrate strong performance, proving to be not only financially rewarding but also socially significant.

مستشفى الملكة
KINGDOM HOSPITAL

دلّه الصحيّة
Dallah Health

Review of Hospitality

KHC has established itself as a global leader in hospitality investments through its wholly owned subsidiary, Kingdom Hotel Investments (KHI), amassing a hospitality platform valued at USD 5.9 Bn.

The KHI platform operates under three key business lines: ownership stakes in leading management companies, trophy hotel properties in major cities, and a trading portfolio of premium hotels in growth markets.

KHC has been strategically invested in Four Seasons Hotels & Resorts since 1994, recognizing its potential as a global luxury hospitality leader. In 2007, KHC, alongside Cascade Investment LLC, privatized Four Seasons, with each holding a 47.5% stake-solidifying KHC's position in the luxury hospitality sector. In September 2021, KHC sold half of its stake (23.75%) to Cascade Investment LLC for USD 2.21 Bn. in an all-cash deal, valuing Four Seasons at USD 10 Bn.

In 2016, KHC further strengthened its global hospitality presence by merging the FRHI hotel—which includes Fairmont, Raffles, and Swissôtel—with AccorHotels in a deal valued at USD 3.4 Bn. deal, making these prestigious brands the foundation of Accor's luxury strategy. Accor, headquartered in Paris, operates over 5,600 hotels in 110+ countries offering a diverse brand portfolio ranging from luxury to economy segments. The group leads in sustainable hospitality through its Planet 21 program, which focuses on environmental and social responsibility initiatives.

Reflecting its continued commitment to Saudi Arabia's Vision 2030, KHC is currently involved in developing a prestigious Four Seasons resort at the Red Sea Project, set to open in late 2025.

Through these strategic investments and over 45 successful exits, KHC continues to shape the future of luxury hospitality.

Hotel Management

Kingdom Holding's hospitality assets, as well as its hospitality companies, achieve strong performance. The Gross Asset Value composition in hospitality is 31%, with ownership in Four Seasons, ACCOR, George V in Paris, Seychelles, The Savoy Hotel in London, and the Red Sea Project.

31%
is the hospitality portfolio composition

Image: belongs to Raffles Seychelles

Image: belongs to Raffles Seychelles

Image: belongs to The Savoy London

High Tech Equity Holdings

Kingdom Holding is the second-largest shareholder in X and is actively invested in AI and digital platforms such as xAI, Meta, Uber, and Lyft, amongst others.

Commitment to Sustainability

At KHC, we believe that true success extends beyond financial performance - it is also defined by our contribution to society and the environment.

As a responsible global investor, we actively support the Corporate Social Responsibility (CSR) initiatives of our portfolio companies, ensuring alignment with Saudi Arabia's Vision 2030, which prioritizes sustainability, social equity, and economic growth.

Our investments span multiple sectors, each playing a pivotal role in fostering environmental stewardship and community development. In the hospitality sector, companies like Accor Group and Four Seasons integrate eco-friendly operations and community engagement into their business models, while Raffles Seychelles champions sustainable tourism and conservation. Flynas, a leader in regional aviation, has embraced fuel-efficient technologies and actively supports charitable initiatives within Saudi Arabia.

Beyond hospitality and aviation, our real estate and education assets are also making a lasting impact. Jeddah Economic Company is committed to developing sustainable urban environments, while Kingdom Schools plays a key role in shaping the next generation of leaders through high-quality education and community-driven programs.

At KHC, we remain dedicated to supporting and amplifying these efforts, working alongside our portfolio companies to drive positive social and environmental change. By embedding CSR principles into our investment strategy, we contribute to a more sustainable, responsible, and inclusive future - both locally and globally.

Corporate Governance

Board Report

Board of Directors

HRH Prince AlWaleed bin Talal Al Saud
Chairman

Eng. Talal Ibrahim Almaiman
Executive Board Member, CEO

Mr Abdulmajeed Alhagbani
Non-Executive Board Member,
PIF representative

Miss Reem Mohammed Assad
Independent Board Member

Mr Hesham Suliman AlHabib
Independent Board Member

Mr Adel Abdulaziz AlAbdusalam
Executive Board Member, CFO

Mr Tamim Bassam M Jabr
Executive Board Member,
Chief International Investment Officer

Mr Sarmad Zok
Executive Board Member,
CEO of Kingdom Hotels Investments
Company (KHI)

Dr Lama Abdulaziz AlSuliman
Independent Board Member,
Vice Chairwoman

KHC Governance Report

This is the Board of Directors' report for the shareholders of Kingdom Holding Company (KHC) for the fiscal year ended on 31/12/2024.

Curriculum Vitae of the Members of the Board of Directors:

HRH Prince AlWaleed bin Talal Al Saud

Chairman

HRH Prince AlWaleed bin Talal Al Saud earned a bachelor's degree in administrative and Economic Sciences from Menlo College (1979) and a master's in social sciences from Syracuse University (1985), both in the United States. HRH's entire professional career has been with the Kingdom holding Company.

Eng Talal Ibrahim Almaiman

Executive Board Member, CEO

Mr Talal Ibrahim Almaiman is the CEO of Kingdom Holding Company, having previously led its Local Development and Investments Division. Since joining in 1996, he has overseen investments, operations, and strategic opportunities globally.

He serves on the Board of Directors and Investment Committee of Kingdom Holding Company, as well as on the boards and executive committees of several major entities, including the National Industrialization Company, NAS Holding, Dallah Healthcare, Banque Saudi Fransi (as Deputy Chairman), and Saudi Fransi Capital (as Chairman).

Previously, he chaired the boards of Kingdom Real Estate Investment Company, Kingdom Investment and Development Company, and Five Capital Fund, a private equity initiative backed by Kingdom Holding, the French Sovereign Wealth Fund, and CDC International Capital. He also serves on the board of Five Capital Advisors (DIFC).

Before Kingdom Holding, Al-Maiman was Director of Information Systems at the Saudi Arabian Monetary Authority (1986–1996) and Director of Operations and Maintenance at the Saudi Ministry of Interior (1979–1986). He was also a board member of Savola Group and the Saudi Research and Marketing Group.

Mr Adel Abdulaziz AlAbdusalam

Executive Board Member,
Chief Financial Officer

Adel Al-Abdulsalam is the Chief Financial Officer and a Board Member of Kingdom Holding Company (KHC), where he also serves on the Investment Committee.

With over 25 years of experience, Adel has a strong background in financial management, corporate governance, strategic management, and business development. He is the Chairman of the Audit Committee and a Board Member at The Helicopters Company, a wholly owned PIF subsidiary and the largest commercial helicopter operator in Saudi Arabia. Additionally, he holds the same roles at Ladun Investment Company, a closed joint-stock company listed on the Saudi Stock Exchange, specializing in real estate development and general investments.

Adel holds a Bachelor's degree in Accounting and a Master's degree in Business Administration. Throughout his career, he has worked with major local and international companies, achieving a distinguished record of accomplishments.

Mr Tamim Bassam M Jabr

Executive Board Member,
Chief International Investment Officer

Mr Tamim Bassam M Jabr holds a bachelor's degree in communication from Emerson College and a master's degree in Multinational Commerce from Boston University.

A veteran executive with over 20 years of investment banking experience, Tamim spent 16 years at Deutsche Bank in Riyadh and London, most recently as CEO of Deutsche Securities Saudi Arabia, where he led the bank's investment banking and wealth management business in the Kingdom. Previously, he was a Corporate Finance Executive at Capital Trust LTD, a UK-based private equity firm.

He currently serves on the boards of Deezer SA, a leading global music streaming company, and Five Capital, a private equity firm backed by Kingdom Holding and BPI France. He has also held board positions at Deutsche Securities and Deutsche Gulf Finance.

Mr Sarmad Zok

Executive Board Member,
CEO of Kingdom Hotels Investments Company (KHI)

Mr Sarmad Zok is the CEO and Executive Manager of Kingdom Hotel Investments (KHI), a hotel acquisition and development company focused on emerging markets. He founded KHI in 2001, led its IPO in 2006, and oversaw its full acquisition by Kingdom Holding Company (KHC) in 2010.

As a Board Member of KHC, Mr Zok is responsible for the strategic leadership of its global hotel investments, including management companies like Four Seasons Hotels and Resorts and Accor Hotels, as well as landmark properties such as the George V Hotel in Paris and the Savoy Hotel in London.

He also serves on the boards of Four Seasons Hotels and Resorts, and Accor Hotels. Mr. Zok holds a bachelor's degree in Hotel Management from the University of Surrey and a master's degree in Property Valuation and Law from City Business University, London.

Mr Abdulmajeed Alhaqbani

Non-Executive Board Member, PIF representative

Mr. Abdulmajeed Alhaqbani is the Head of Securities Investments at the Public Investment Fund. Previously, he held key roles at HSBC Saudi Arabia, including Director of Equity Research, Senior Research Analyst, Head of Procurement, Head of Investment in the Assets Department, and General Manager of Asset Management. Earlier in his career, he served as a Senior Credit Analyst at the Saudi Industrial Development Fund.

Miss Reem Mohammed Assad

Independent board member

Miss Reem Mohammed Assad is a Board Member of the company. She holds a bachelor's degree in science/chemistry from King Abdulaziz University (1994) and a master's degree from Northeastern University (2001).

She has extensive field experience in finance and investment (2001-2022) having worked in financial institutions. She gave keynote speeches domestically and abroad in notable institutions including Harvard, Warwick, Boston College and SOAS. She currently serves on the board of multiple non-profit financial societies to raise financial awareness to the Saudi public. A published columnist, Ms. Asaad is fluent in English, French and has conversational knowledge in Spanish and German.

Mr. Hesham Suliman AlHabib

Independent board member

Mr. Hesham Suliman AlHabib is an Executive Board Member of Dr. Suleiman Al Habib Medical Group and Deputy CEO of Medical Group Development. He also serves as General Manager of Dr. Suleiman Al Habib Commercial Investment Company and is a Board Member of Hamat Holding Company, Tamkeen Human Resources and Namara Investments. He holds a bachelor's degree in financial sciences in Business Administration from the American University in Sharjah.

Dr Lama Abdulaziz AlSuliman

Independent Board Member, Vice Chairperson

Dr Lama Abdulaziz AlSuliman is a Board Member of the company, holding a bachelor's degree in biochemistry from King Abdulaziz University (1989) and a master's and doctorate from King's College London (2003). She represented Saudi employers at the International Labor Organization for eight years and serves as a non-executive board member of Rolaco Holdings.

Curriculum Vitae of the committee Members (out of the board)

Dr Khaled Abdullah Al-Suhaim

Audit Committee member

Dr Khaled Al-Suhaim is a member of the Audit Committee. He holds a PhD in Human Resources Management and a high diploma in scientific research methods from the University of Wales (Cardiff Business School). He also earned a bachelor's and master's degree with honors in media from King Saud University.

Dr Al-Suhaim held several leadership roles at Saudi Telecom Company, including General Manager of Recruitment, Manpower Organization and Planning, Human Resources Services, and Human Resources Development. He currently works as a full-time Human Resources and Organization consultant.

Mr Faisal Mohammed Al-Anzi

Audit Committee member

Mr Faisal Al-Anzi has extensive experience in financial planning, auditing, and strategic management. He holds a bachelor's degree in accounting from King Saud University and multiple professional certifications, including the Saudi Organization for Certified Public Accountants (SOCPA) fellowship and IPSAS (ACCA).

He has a proven track record in financial leadership, risk management, and corporate governance, and has held numerous prominent positions in management and governance, including membership in boards of directors and audit and finance committees.

The principal activities of the company

The company's principle activities include:

- Managing its subsidiaries or participating in the management of other companies it invests in, providing necessary support.
- Investing in stocks and other securities.
- Hotel management, operations and commercial services.
- Managing educational institutions, overseeing operations, and ensuring academic excellence.
- Pursuing any other legal and legitimate activities aligned with its nature.

Subsidiaries & associates

The company conducts its international activities through the following subsidiaries:

- **Kingdom 5 – KR – 11 Limited (KR – 11)**
A limited liability company incorporated in the Cayman Islands, primarily engaged in holding investments in international quoted securities through its wholly owned subsidiaries.
- **Kingdom 5 – KR – 100 Limited (KR – 100)**
A limited liability company incorporated in the Cayman Islands, focused on the possession and management of investment funds through its equity-accounted investees.
- **Kingdom 5 – KR – 132 Limited (KR – 132)**
A limited liability company incorporated in the Cayman Islands, responsible for holding investments in subsidiaries and equity-accounted investees.

Name of Company	Actual Ownership Percentage %	
	2024	2023
Kingdom Hotel Investments (KHI) The company was established in the Cayman Islands as a limited liability company with a capital of USD 843 Mn. in May 2000, to acquire and develop high quality hotels in various regions around the world.	100.0	100.0
Kingdom 5 KR 35 Group (George V) Founded as a limited liability company with a capital of 5,218,200 Euros. It is established in the Cayman Islands and owns George V Hotel in France. (Direct and indirect ownership through Kingdom Hotel Investments Company)	100.0	100.0
Breezeroad Limited (Savoy) United Kingdom Established as a limited liability company with a capital of USD 187,977,994 owned by Kingdom 5KR – 114 Limited (KR – 114) in the Cayman Islands. It owns the Savoy Hotel in London, which is operated by Fairmont Company.	58.96	58.96

Kingdom Holding Company owns shares in the following international associate companies

Name of Company	Actual Ownership Percentage %	
	2024	2023
Four Seasons Hotels Holding (FSH Inc.) Canada – owned by Kingdom Company 5 – KR – 132 Limited (KR – 132) and established in the Cayman Islands with capital of USD 2,411,984,000. Four Seasons is a leading global company that owns hotels around the world and operates under the Four Seasons Hotel brand. The company also operates and manages private luxury residential units.	23.75	47.5
Accor – Owned by Kingdom Hotels Company (Europe) Accor is a leading global company owning a group of hotels around the world with a market capitalisation of €8.4bn	6.8	6.3

Kingdom Holding Company owns shares in the following local and regional subsidiaries:

Name of Company	Actual Ownership Percentage %	
	2024	2023
Kingdom Real Estate Development – Kingdom of Saudi Arabia Established as a limited liability company with a capital of ⃁ 1,000,000 in 2012. It owns 89.9% of Kingdom Investment and Development Company, in addition to the lands of East Riyadh in Dammam Highway.	100.0	100.0
Kingdom Investment and Development Company – Kingdom of Saudi Arabia Established as a closed joint stock company with a capital of ⃁ 2,093,322,010 in 2015. It owns controlling majority shares of the following companies: Trade Centre Company Limited, Real Estate Investment Company Limited and Kingdom Schools Company Limited and Fashion Village Trading Company Limited and part of East Riyadh lands and 4.99% of Dallah Health Group.	89.8	89.8
Kingdom Schools Company Limited – Kingdom of Saudi Arabia The Kingdom Schools Company was established in 1998 as a limited liability company with a capital of ⃁ 254,000,000. It operates in Riyadh. It owns and manages schools in the Kingdom.	89.8	47.0
Fashion Village Trading Company Limited – Kingdom of Saudi Arabia Established as a limited liability company with a capital of ⃁ 119,876,867 in 2000. The company manages retail stores in Riyadh.	71.8	71.8
Real Estate Investment Company – Kingdom of Saudi Arabia Established as a limited liability company with a capital of ⃁ 180,000,000 in 1997. It owns and manages a luxury residential complex in Riyadh City.	89.8	69.4
Trade Centre Company Limited (TCCL) – Saudi Arabia Established as a limited liability company with a capital of 1,000,000,000 riyals in 1998. It is the owner of Kingdom Center in Riyadh, including the Kingdom Tower and the Kingdom Market, in addition to the Four Seasons Hotel Riyadh.	89.8	70.6
Consulting Clinics – Beirut SAL (Clinics) – Lebanon Established and operates in Lebanon to provide medical services as a limited liability company with a capital of USD 20,000,000.	50.4	50.4

Kingdom Holding Company owns shares in the following local and regional associate companies:

Name of Company	Actual Ownership Percentage %	
	2024	2023
Nas Holding Company – Kingdom of Saudi Arabia Established as a closed joint stock company with a capital of ⃁ 3,827,677,250 it owns and manages airline licenses in the Kingdom of Saudi Arabia	37.1	37.1
FlyNas Company – Kingdom of Saudi Arabia Established as a joint stock company with a capital of ⃁ 1,534,250,000 its activities include purchase, sale and rent of aircraft and air transportation services for passengers and goods in addition to operating and managing of aircraft	37.1	–
Jeddah Economic Company Limited – Kingdom of Saudi Arabia Established as a limited liability company with a capital of ⃁ 8,521,512,800 in 2008. It owns and manages the Kingdom City Project in Jeddah	35.7	33.3
Banque Saudi Fransi – Kingdom of Saudi Arabia Public Joint Stock Company	16.2	16.2

Company's Plans and Future Expectations

Kingdom Holding Company remains committed to its investment and management strategy, aiming to generate sustainable returns for shareholders while contributing to Saudi Arabia's economic growth in alignment with the Vision 2030 strategic plan.

Most Prominent Events of 2024

1. Kingdom Holding Company participated in the Series C funding round of xAI, acquiring a stake valued at ⃁ 1.5 Bn. (USD 400 Mn.).
2. Kingdom Holding announced that Jeddah Economic Company, an associate company, signed an agreement to resume construction of the Jeddah Economic Company Tower.

Dividend policy

The distribution of profits to shareholders is subject to certain restrictions stipulated in the articles of association of the company.

The dividend policy is subject to the financial position of the company, market conditions and economic conditions in general, in addition to other factors such as analysis of investment opportunities, reinvestment needs, monetary and capital needs, business expectations and the impact of these profits proposed to be distributed to the company, in addition to other regulatory considerations.

The Board of Directors' recommendation dated on 16/09/1445 A.H corresponding to 26/03/2024 to distribute cash dividends from the retained earning amounting to (1,037.6) million riyals to shareholders during the year of 2024, amounting to ⃁ 0.28 per issued share for the whole year, representing 2.8% of the nominal value of the share, and the distribution will be made on a quarterly basis at the rate of 0.7% of the nominal value of the share, at the rate of 7 halalas per quarter for each issued share, for a total of ⃁ 259.4 Mn. per quarter. Eligibility and payments dates are as follows:

First payment: Eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 04/12/1445 A.H corresponding to 10/06/2024 and will be paid ten working days after the second trading day following the eligibility date.

Second payment: Eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 25/01/1446 A.H corresponding to 31/07/2024 and will be paid ten working days after the second trading day following the eligibility date.

Third Payment: Eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 28/03/1446 A.H corresponding to 01/10/2024 and will be paid ten working days after the second trading day following the eligibility date.

Fourth Payment: eligibility will be based on the records of registered shareholders according to company records at the end of trading on the day of 30/06/1446 A.H corresponding to 31/12/2024 and will be paid ten working days after the second trading day following the eligibility date.

Summary of the Financial Statements

Income Statement

Description ('000)	2024	2023	2022	2021	2020
Total Revenues	2,390,524	2,703,372	2,492,121	1,508,354	1,029,479
Total Costs and Expenses	(1,552,930)	(1,706,106)	(1,339,794)	(1,010,938)	(2,193,829)
Losses/Gains from Selling Investments and Other	1,551,309	1,501,242	6,758,446	1,238,775	243,098
Income from Main Activities	2,388,903	2,498,508	7,910,773	1,736,191	(921,252)
Net Financial Expense	(937,643)	(1,202,433)	(604,333)	(406,114)	(459,578)
Minorities	(29,804)	(25,000)	(15,714)	(13,202)	(58,343)
Income before Zakat and Tax	1,451,260	1,321,075	7,322,154	1,343,279	(1,322,487)
Zakat and Tax	(244,094)	(307,832)	(364,286)	(325,852)	(144,313)
Net Income of the Year	1,236,970	1,013,243	6,957,868	1,017,427	(1,466,800)

The reason of the increase in the net profit during the current year compared to the last year is due to decrease in Financial charges, positive impact from Reversal of impairment for equity accounted investee, increase in Share of results from equity-accounted investees, decrease in Hotels and other operating costs, increase in Gain on sale of investment property, decrease in Withholding and income tax, decrease in General, administrative and marketing expenses, decrease in Zakat and increase in Hotels and other operating revenues. Despite of decrease in other gains-net, decrease in Dividend income, decrease in Gain on investments at FVTPL, decrease in Finance income and negative impact from Impairment of financial assets.

Statement of the Financial Position

All amounts in Saudi Riyals Thousands

Description	2024	2023	2022	2021	2020
Current Assets	2,629,466	2,939,935	4,142,237	3,943,533	3,155,740
Current Liabilities	(4,767,458)	(3,939,791)	(7,359,408)	(7,236,011)	(6,242,610)
Working Capital	(2,137,992)	(999,856)	(3,217,171)	(3,292,478)	(3,086,870)
Current Assets	2,629,466	2,939,935	4,142,237	3,943,533	3,155,740
Investments at Fair Value through Other Comprehensive Income	22,105,792	19,502,567	19,085,926	16,340,198	13,997,579
Equity-Accounted Investees	18,196,697	17,172,435	16,371,058	16,343,166	18,654,797
Long-Term Receivables	-	1,250,399	1,162,715	1,081,595	–
Real Estate Investments	3,124,986	3,997,522	3,676,690	3,688,531	4,231,963
Properties and Equipment	6,801,405	6,823,581	6,508,529	6,861,903	6,949,410
Intangible Assets	1,789,159	1,839,916	1,813,812	1,945,430	2,025,936
Other Long-Term Assets	71,707	571,980	394,509	614,972	649,728
Total Assets	54,719,212	54,098,335	53,155,476	50,819,328	49,665,153
Current Liabilities	4,767,458	3,939,791	7,359,408	7,236,011	6,242,610
Long Term Loans	9,551,676	12,763,240	13,256,073	10,586,093	10,575,557
Other Long-Term Liabilities	841,236	770,886	320,873	558,355	480,530
Total Liabilities	15,160,370	17,473,917	20,936,354	18,380,459	17,298,697
Paid Up Capital	37,058,823	37,058,823	37,058,823	37,058,823	37,058,823
Reserves and Retained Earnings	4,331,360	5,026,700	8,986,739	2,788,399	2,397,191
Unrealised Losses from Investments at Fair Value through Other Comprehensive Income	(2,372,493)	(6,758,124)	(14,712,982)	(9,036,703)	(9,130,047)
Other Reserves	(84,561)	(155,857)	(605,841)	79,638	472,609
Equity attributable to Shareholders	38,933,129	35,171,542	30,726,739	30,890,157	30,798,576
Minority Rights	625,713	1,452,876	1,492,383	1,548,712	1,567,880
Total Equity	39,558,842	36,624,418	32,219,122	32,438,869	32,366,456
Total Liabilities and Equity of Shareholders	54,719,212	54,098,335	53,155,476	50,819,328	49,665,153

For further details, kindly refer to the Financial Statements and attached Notes.

Approximate Analysis of Total Source Revenues according to Geographical Distribution

The Company believes that it is not feasible to report its revenues on a geographical basis, since the company classifies its activities based on sectors. However, to adhere to the Corporate Governance Requirements issued by the Capital Market Authority (CMA), the following has been prepared:

All amounts in Saudi Riyals Thousands

2024	Kingdom of Saudi Arabia	Asia	North America and Europe	Total
Total Assets	48,448,899	431,539	5,838,774	54,719,212
Total Liabilities	11,632,882	60,587	3,466,901	15,160,370
Total Revenues	1,376,369	78,300	935,855	2,390,524
Net Income (Loss)	1,268,751	5,190	(66,774)	1,207,166

Subsidiaries are often concentrated in the Kingdom of Saudi Arabia. Their revenues come geographically from the Kingdom. There are also two subsidiaries in Europe, which are George V and Savoy. Their revenues come geographically from Europe.

All amounts in Saudi Riyals Thousands

2023	Kingdom of Saudi Arabia	Asia	North America and Europe	Total
Total Assets	47,390,242	469,424	6,238,669	54,098,335
Total Liabilities	13,587,296	58,247	3,828,374	17,473,917
Total Revenues	1,735,354	83,558	884,460	2,703,372
Net Income (Loss)	1,012,490	7,523	(31,770)	988,243

Analysis of the Total Source Revenues according to the Main Sectors

All amounts in Saudi Riyals Thousands	Sectors			
2024	Shares	Hotels	Real Estate, Local Investments and Others	Total
Total Assets	42,119,933	6,192,752	6,406,527	54,719,212
Net Income	1,204,538	(61,644)	64,272	1,207,166

All amounts in Saudi Riyals Thousands	Sectors			
2023	Shares	Hotels	Real Estate, Local Investments and Others	Total
Total Assets	39,575,122	6,630,532	7,892,681	54,098,335
Net Income	771,742	(24,247)	240,748	988,243

Loan Details of Kingdom Holding Company and its Subsidiaries

All amounts in Saudi Riyals Thousands					
Description	2024	2023	2022	2021	2020
Kingdom Holding Company	6,298,430	8,701,902	8,543,760	5,762,653	4,502,545
Kingdom 5 – KR – 11 Limited	2,862,210	2,672,431	3,375,000	4,125,000	5,245,591
Kingdom 5 – KR – 114 Limited (Savoy)	1,614,772	1,142,259	1,416,042	1,318,019	1,269,472
Kingdom 5 – KR – 35 Group (George V)	857,425	1,704,026	1,609,672	1,464,051	1,494,095
Others	964,598	751,501	655,185	713,590	765,222
Total	12,597,435	14,972,128	15,599,659	13,383,313	13,276,925

Loan Details of All the Above Companies

Kingdom Holding Company

All amounts in Saudi Riyals Thousands Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Banque Saudi Fransi	1,000,000	30,000	970,000	–	June 2025
Samba Financial Group	375,000	375,000	–	–	–
Saudi National Bank	4,285,000	2,100,000	2,185,000	5 Years	October 2028
Crédit Agricole	663,357	–	663,357	3 Years	January 2027
Samba Financial Group	–	–	–	–	–
Crédit Agricole – Jumbo	3,225,000	1,650,000	1,575,000	5 Years	September 2027
Citi SES	979,790	199,370	780,420	2 Years	September 2025
Saudi National Bank-KIDC	220,758	38,790	181,967	10 Years	September 2030
Prepaid Loan Fee	(54,517)	–	(57,314)	–	–
Total	10,694,388	4,393,160	6,298,468	–	–

The loans assume borrowing costs according to the prevailing rates between banks in the Kingdom of Saudi Arabia (SIBOR) and the prevailing rates between banks in London (LIBOR), plus a certain profit margin. The company guarantees them through some of its investments. Bank loan agreements include financial undertakings, including those necessary to maintain a certain equity balance, commission coverage ratio, and specific loan ratios to the market value of the collateral provided. These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms of the loans have been amended according to the last amendment made to these agreements.

Kingdom 5 – KR – 11 Limited

All amounts in Saudi Riyals Thousands

Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Crédit Agricole – France	1,496,475	–	1,496,475	3 Years	July 2027
Société Générale – France	1,365,735	–	1,365,735	3 Years	December 2025
Total	2,862,210	–	2,862,210	–	–

The loans assume a floating rate commission that is calculated on the basis of the main commission rate (according to the prevailing commission rates between banks in London) plus a certain margin in the loan currency. The facilities are guaranteed by some investments available for sale and other investments. The main currency of these loans is the US Dollar. These loans are subject to review and amendment according to the needs of the company; thus some agreements and terms of these loans have been amended according to the last amendment made to these agreements.

Kingdom KR – 114 Limited (Savoy)

All amounts in Saudi Riyals Thousands

Description	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Rueben Brothers – refinance Syndicated loan	1,142,259	284,833	857,425	5 Years	October 2028

Kingdom 5 – KR – 35 Group (George V)

All amounts in Saudi Riyals Thousands

Description	Loan Origin		Paid During the Year		Outstanding Balance		Term of Loan	Due Date
	In Euro	In Riyal	In Euro	In Riyal	In Euro	In Riyal		
Société Générale, Natixis, NBK, and CACIB	390,411	1,614,772	–	–	413,832	1,614,772	5 Years	September 2028

The loans are guaranteed by mortgaging the properties of George V Hotel. The loan agreements include some financial undertakings that require maintaining the asset value coverage rate and maintaining cash collateral insurance. The loans carry a floating rate commission according to the prevailing commission rates between the banks in London for three months. The main currency of these loans is the Euro. These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms of these loans have been amended according to the last amendment made to these agreements.

Others

All amounts in Saudi Riyals Thousands

Description	Loan Grantor	Loan Origin	Paid During the Year	Outstanding Balance	Term of Loan	Due Date
Trade Centre Company Limited	SNB	1,719,283	755,093	964,190	8 Years	December 2026

These loans are subject to review and amendment according to the needs of the company; thus, some agreements and terms of the above-mentioned loans have been amended according to the last amendment made to these agreements.

Details of Transactions related to Kingdom Holding Company, its subsidiaries, and shareholders

Liabilities Due from Relevant Entities

These transactions arose because of the normal and principal activities of the group. These transactions are carried out in accordance with the terms and conditions for dealing with third parties. The details of these transactions are as follows:

All amounts in Saudi Riyals Thousands

Name of Company	Nature of Transaction	Amount
Al Azizia Commercial Investment Company	Liabilities due from Associate Companies	114,207
Other	Liabilities due from Associate Companies	686
Total		114,893

Liabilities Due to Relevant Entities

These transactions arose as a result of the normal and principal activities of the group. These transactions are carried out in accordance with the terms and conditions for dealing with third parties. The details of these transactions are as follows:

All amounts in Saudi Riyals Thousands

Name of Company	Nature of Transaction	Amount
Kingdom Oasis	Liabilities due to Associate Entities	–
Qatar Investment Authority	Non-controlling Interest	510,799
Other	Liabilities due to Associate Entities	240
Total		511,039

Risk Management

The Group's activities expose it to various financial risks. These risks include market risks (including currency risks, fair value risks and cash flows of the commission rate and price risks), credit risks and liquidity risks. The general risk management program of the Group focuses on the unpredictability of the financial market conditions and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by senior management in accordance with the policies approved by the Board of Directors. The most important types of risks are credit risk, currency risk, market risk, fair value risk and commission rate cash flow risks.

The financial instruments presented in the financial position statement include cash and cash equivalents, investments, accounts receivable, some other assets, bank borrowings, term loans, accounts payable and some other liabilities. The registration methods applied for these items are disclosed in the accounting policy for each one of them.

Clearing is carried out between the financial assets and liabilities. The net is to be stated and disclosed in the financial statements, when the Group has a legal right to conduct clearing and the intention to either settle on a net basis or register the assets and liabilities at the same time.

Fair Value and Commission Rate Flow Risks

Fair value and commission rate cash flow risks are the exposures to various risks related to the effect of fluctuations in commission rates in the market on the financial position and cash flows of the Group. The group is exposed to commission rate risk in terms of its assets and liabilities related to the commission including loans, bank borrowings and term deposits that are associated with a floating commission.

The impact on income and expenses is the influence of the assumed changes in commission rates on the net results of the Group for one year based on the financial assets and liabilities associated with floating commission and existing as on December 31, 2023, and 2024.

Stock Rate Risk

The stock rate risk is the risk of the fair value decreasing because of the change in the level of the stock indices and the individual value of each share. The Group's investments available for sale and those acquired for trading purposes are subject to price risks, whereas they consist of investments in equity shares. The Group diversifies its investment portfolio to manage the share price risk arising from its investment in equity shares.

Credit Risk

Credit risk is the inability and failure of one party to fulfill the obligations related to financial instruments, which leads the other party to incur a financial loss. The Group manages its credit risk with respect to its customers by setting a credit limit for each customer and monitoring the outstanding receivables.

The table below represents the maximum credit risk to which the most important items in the financial position statement are exposed:

All amounts in Saudi Riyals Thousands

Description	2024	2023
Balances in Banks and Short-Term Deposits	1,689,658	1,923,789
Receivables	252,385	429,486
Other Current Assets (required from Sister Companies and Others)	114,893	123,858
Long-Term Receivable	–	1,250,399
Total	2,056,936	3,727,532

Liquidity Risk

Liquidity risk is the risk that an enterprise would encounter difficulties in securing the necessary liquidity to fulfill the obligations and liabilities related to financial instruments. Liquidity risk may result from an inability to sell a financial asset rapidly at an amount close to its fair value. Liquidity risk is managed by periodically ensuring that sufficient liquidity is available through credit facilities to fulfill any future obligations. The sale terms and conditions of the Group require that the amounts must be paid within 30 days from the sale date. Commercial accounts payable are usually paid within 60 days from the purchase date.

Currency Risk

Currency risk is the risk arising from financial instrument value fluctuation due to changes in foreign exchange rates. The Group monitors the fluctuations in foreign exchange rates and manages its impact in the consolidated financial statements accordingly.

For further details, refer to the attached notes to the financial statements.

Due Regulatory Payments

The due regulatory payments in the consolidated financial position statement consist of the following:

All amounts in Saudi Riyals Thousands

Description	2024	2023
Zakat Provision of the Year – Kingdom Holding Company*	488,516	362,674
Income Tax Provision – Foreign Subsidiaries*	3,687	–
Total	492,203	362,674

* Zakat of the period is the Zakat due on the Company and its local subsidiaries. The subsidiaries of the Group registered outside the Kingdom of Saudi Arabia are subject to the Tax Regulations in the Countries, in which these companies operate. The foreign profit distributions are subject to withholding tax.

For further details, refer to the financial statements and the attached notes.

Assemblies of Shareholders

Extraordinary General Assembly

1. Approved modifications to the company's bylaws in alignment with the new Companies Law, including the reorganization and renumbering of articles to reflect the proposed changes.
2. Approved the amendment of Article 17 of the company's bylaws, increasing the number of Board of Directors members from 8 to 9.

Ordinary General Assembly

1. Reviewed and discussed the Board of Directors Report for the fiscal year ending December 31, 2023.
2. Financial Statements: Reviewed and discussed the company's financial statements for the fiscal year ending December 31, 2023.
3. Approved the external auditor's report for the fiscal year ending December 31, 2023, following discussion.
4. Approved absolving the Board of Directors members from liability for the year ended December 31, 2023.
5. Approved the purchase transaction of Citi Group shares between Kingdom Holding Company and its Chairman, HRH Prince AlWaleed Bin Talal Al Saud, for ⃁ 1,685,868,750 (USD 449,565,000) without preferential terms.

6. Approved the election of Board Members for the next three-year term from June 5, 2024, to June 4, 2027 G. The following candidates, who received the highest votes, were elected:
   a. HRH Prince AlWaleed Bin Talal Al Saud
   b. Abdulmajid Ahmed Al-Haqbani
   c. Dr Lama Abdulaziz AlSuliman
   d. Eng. Talal Ibrahim AlMaiman
   e. Sarmad Zok
   f. Adel Abdulaziz AlAbdulsalam
   g. Hesham Sulaiman Al Habib
   h. Reem Mohammed Assad
   i. Tamim Bassam Mahmoud Jabr
7. Approved the appointment of PricewaterhouseCoopers (PwC) Public Accountants as the external auditor, based on the recommendation of the Audit Committee. PwC will examine, review, and audit the financial statements for Q2, Q3, and the annual financial statements of 2024, as well as the Q1 financial statements of 2025. The total audit fees are ⃁ 4,050,000 (excluding VAT).
8. Approved the disbursement of ⃁ 600,000 as remuneration for the Independent Board Members for the fiscal year ending December 31, 2023, with each member receiving ⃁ 200,000.
9. Approved the Board of Directors' recommendation (16/09/1445 A.H corresponding to 26/03/2024) to distribute ⃁ 1,037.6 Mn. in cash dividends from retained earnings to shareholders during 2024, amounting to ⃁ 0.28 per issued share for the whole year, representing 2.8% of the nominal value of the share, and the distribution will be made on a quarterly basis at the rate of 0.7% of the nominal value of the share, at the rate of 7 halalas per quarter for each issued share, for a total of ⃁ 259.4 Mn. per quarter. Eligibility and payments dates are as follows:

Payment	Eligibility date (end of trading day)	Payment date (10 working days after eligibility)
1st payment	June 10, 2024 (04/12/1445 A.H.)	10 working days after the second trading day following the eligibility date
2nd payment	July 31, 2024 (25/01/1446 A.H.)	10 working days after the second trading day following the eligibility date
3rd payment	October 1, 2024 (28/03/1446 A.H.)	10 working days after the second trading day following the eligibility date
4th payment	December 31, 2024 (30/06/1446 A.H.)	10 working days after the second trading day following the eligibility date

10. Approved authorizing the Board of Directors to distribute interim cash dividends on a semi-annual or quarterly basis for the fiscal year 2024.

The Company's General Assembly Meetings and the Names of the Attending Members of the Board of Directors: (2)

Name of Member	Date of Meeting	
	17 April 2024	03 June 2024
HRH Prince AlWaleed Bin Talal Al Saud	√	√
Engineer Talal Ibrahim Almaiman	√	√
Mr Sarmad Nabil Zok	√	√
Mrs Reem Mohammed Assad	√	√
Dr Lama Abdulaziz Suliman	√	√
Mr Hesham Sulaiman Al Habib	√	√
Mr Adel Abdulaziz Al-Abdulsalam	√	√
Mr Abdulamjeed Ahmed Alhaqbani	√	√

Meetings of the Board of Directors

The number of Board of Directors meetings during the year was (16). The number of sessions attended by each member is as follows

Name of Member	Membership Type	Date of Meeting										
		12 February	28 February	25, 31 March	4, 29 April	14 May	3, 11, 27 June	10, 24 July	6 August	9 October	7 November	16 December
HRH Prince AlWaleed Bin Talal Al Saud "Chairman"	Non-Executive	√	√	√	√	√	√	√	√	√	√	√
Eng. Talal Ibrahim Al-Maiman	Executive	√	√	√	√	√	√	√	√	√	√	√
Mr Sarmad Nabil Zok	Executive	√	√	√	√	√	√	√	√	√	√	√
Mr Adel Abdulaziz Al-Abdulsalam	Executive	√	√	√	√	√	√	√	√	√	√	√
Dr Lama Abdulaziz AlSuliman	Independent	√	√	√	√	√	√	√	√	√	√	√
Reem Mohammed Assad	Independent	√	√	√	√	√	√	√	√	√	√	√
Mr Hesham Sulaiman Al Habib	Independent	√	√	√	√	√	√	√	√	√	√	–
Mr Abdulmajid AlHaqbani	Non-Executive	√	√	√	√	√	√	√	√	√	√	√
Mr Tamim Bassam Jaber	Executive	–	–	–	–	–	√	√	√	√	√	√

Shares owned by Members of the Board of Directors, Senior Executives, their Wives and minor Children and Stakeholders

Name of Member	Membership Type	Listed and Closed Joint Stock Companies, which membership is occupied by the Members of the Board	Number of Owned Shares	
			2024	2023
His Royal Highness Prince AlWaleed bin Talal bin Abdulaziz Al Saud	Chairman of the Board of Directors Non-Executive	None	3,520,588,235	3,520,588,235
Engineer Talal Ibrahim Al- Maiman	Chief Executive Officer	Member of the Board of Directors: • National Industrialization Company • National Air Services Company (NAS) • Banque Saudi Fransi • Kingdom Investment and Development Company • Saudi Fransi Capital Company • Dallah Healthcare company	10,433,014	10,433,014
Mr Sarmad Nabil Zok	Executive Member of the Board of Directors	• Accor Group • Four Season Holdings Inc	–	1,000
Mr Adel Abdulaziz Al-Abdulsalam	Executive	Member of the Board of Directors: Helicopter Company Laudun investment company	1,035,812	–
Dr Lama Abdulaziz AlSuliman	Independent	None	–	–
Reem Mohammed Assad	Independent	None	–	–
Mr Hesham Sulaiman Al Habib	Independent	Member of the Board of Directors: • Dr Sulaiman Al Habib Medical Group • Namara Investments • Hamat Holding Company • Tamkeen Human Resources • Dr. Abdulaziz Ibrahim Al Ajaji Dental Clinic Group Company • Hulool Al Sahabah for IT & Communication Company • Medi Life Limited Company • Alpha Care Limited Company • Dr. Sulaiman Al Habib Medical Services Group Holding Company • Namara Limited Company • Qimam Al Tabadul for Investment Company • Thabat Al Amal Company • Jawaher Al Mustaqbal Real Estate Company • Al Masa Al Zarqa Real Estate Company • Manazel Al Wosta Real Estate Company • Soroh Al Marakez Company • Rawabet Medical • Sehat Al Sharq Medical Limited Company • Al Wosta Medical Limited Company • Gharb Jeddah Hospital Company • Flow Medical Company • Asharq Alawsat Pharmacies Company • Eraf Medical Company	–	–

Name of Member	Membership Type	Listed and Closed Joint Stock Companies, which membership is occupied by the Members of the Board	Number of Owned Shares	
			2024	2023
		Manager: • Bawabat Al Sharq for Healthcare Company • Al Muhammadiyah Hospital for Healthcare Company • Shamal Al Riyadh for Healthcare Company • Sehat Al Kharj for Healthcare Company • Bawabat Al Shamal for Healthcare Company • Bawabat Al Gharb for Healthcare Company • Wrass for Operation and Maintenance Company • Sehat Al Hamra for Healthcare Company • Al Marakez Al Awwalyah for Health Care Company • Wrass Real Estate Company • Taswiyat Management Company • PharmaChoice Pharmacy Company • Dr. Sulaiman Al Habib Hospital FZ-LLC • Sehat Al Olaya Medical Complex Company • Buraidah Al Takhassusi Hospital for Healthcare Company • Al Rayan Hospital for Healthcare Company • Home Healthcare Company • Al Gharb Al Takhassusi Hospital for Healthcare Company • Al Mokhtabarat Diagnostic Medical Company • Sehat Al Suwaidi Medical Company		

Name of Member	Membership Type	Listed and Closed Joint Stock Companies, which membership is occupied by the Members of the Board	Number of Owned Shares	
			2024	2023
Mr Abdulmajeed Ahmed AlHaqbani	Non- Executive	Member of the Board of Directors: • General Entertainment Authority • Newcastle United Football Company • Al Hilal Club Company • The Saudi Iraqi Investment Company • The Saudi Sudanese Investment Company • The Saudi Jordanian Investment Company • The Saudi Bahraini Investment Company • The Saudi Omani Investment Company • The Saudi Egyptian Investment Company • Sela Company • Banque Saudi Fransi	–	–
Mr Tamim Bassam Jaber	Executive	Member of the Board of Directors: • Deezer SA • Five Capital	638,468	–

Remunerations and allowances were paid to Five Senior Executives, including the Chief Executive Officer and Chief Financial Officer

Remunerations of Senior Executives					
Fixed Remunerations		Variable Remunerations		End of Service Gratuity	Total
Salaries	Allowances	Bonus	Shares	End of Service Bonus	
32,567,490	3,844,100	7,290,000	–	–	43,701,590

Remunerations are determined according to the Remunerations Policy approved by the General Assembly. There has not been any significant and essential deviation from this policy. Four of the Executives are members of the Board of Directors, Engineer Talal Al- Maiman, Mr Sarmad Zok, Mr Adel Al-Abdulsalam and Tamim Jabr. The remuneration, which they received for their executive work in the company, is as follows:

Fixed Remunerations		Variable Remunerations		End of Service Gratuity	Total
Salaries	Allowances	Bonus	Shares	End of Service Bonus	
28,920,150	3,544,100	7,290,000	–	–	39,754,250

Board of Directors' Committees

Investment Committee

The Committee undertakes general supervision of the company's investments. The Committee is charged with approving the main investment decisions on behalf of the Board of Directors and reviewing the performance and purchase of investments. The number of Committee's meetings held during the year reached (4) meetings. The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	26 March	9 October	14 October	15 October	16 December
HRH Prince AlWaleed Bin Talal Al Saud "Chairman"	Non-Executive	√	√	√	√	√
Engineer Talal Ibrahim Al- Maiman	Executive	√	√	√	√	√
Mr Adel Abdulaziz Al-Abdulsalam	Executive	√	√	√	√	√
Mr Abdulmajid Alhaqbani	Non-Executive	√	√	√	√	√
Mr Tamim Bassam Jabr	Executive	–	√	√	√	√

Audit Committee

The Committee oversees the assessment of risks, administrative procedures, internal controls, operations, financial reports, and auditing of the company's financial statements. It also monitors and approves the company's financial results, ensures compliance with regulations and policies, and evaluates internal control procedures.

In 2024, the Committee held four (4) meetings.

The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	Date of Meeting			
		24 March 2024	12 May 2024	6 August 2024	6 November 2024
Dr Khaled Abdullah AlSuhaim "Chairman"	Independent	√	√	√	√
Reem Mohammed Assad	Independent	√	√	√	√
Mohammed Omar Aloyaidi	Independent	√	√	–	–
Mr Faisal Mohammed Al-Anzi	Independent	–	–	√	√

In 2024, the Committee, in collaboration with auditors, assessed the effectiveness of the internal control system in protecting the company's assets, evaluating business risks, and measuring performance efficiency as part of the final financial statement audit. No significant weaknesses were identified in the company's internal control system. The Committee recommended the appointment of an Internal Audit Manager to assist in carrying out its tasks, prepare periodic reports, and oversee the resolution of previous internal audit findings. The company's management believes that, given its nature as a holding company, the internal audit function should be outsourced to a specialized professional firm.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for nominating Board members and assisting the Board in developing, reviewing, and approving compensation plans and policies.

In 2024, the Committee held four (4) meetings.

The Committee consists of the members, whose names are as follows:

Name of Member	Membership Type	Date of Meeting			
		29 January 2024	5 May 2024	24 July 2024	16 December 2024
Mr Hesham Sulaiman Al Habib "Chairman"	Independent	√	√	√	√
Reem Mohammed Assad	Independent	√	√	√	√
Dr Lama Abdulaziz AL Suliman	Independent	√	√	√	√

Suggestions and notes

Members, particularly non-executives, are informed of shareholders' proposals and notes regarding the company and its performance during periodic meetings of the Board. They also view a part thereof directly during the meeting of the General Assemblies of the company.

Company's Requests of the Shareholder Register

The company has requested the shareholder register under 18 requests as follows:

Date	Purpose
02 January 2024	Dividend entitlement
02 April 2024	AGM
03 June 2024	AGM
12 June 2024	Dividend entitlement
22 June 2024	Others
23 June 2024	Others
24 June 2024	Others
25 June 2024	Others
28 June 2024	Others
29 June 2024	Others
31 June 2024	Others
01 August 2024	Others
04 August 2024	Dividend entitlement
08 August 2024	Others
13 August 2024	Others
18 August 2024	Others
19 August 2024	Others
03 October 2024	Dividend entitlement

Board of Directors' Declarations for the Governance System Requirements

According to the Regulations issued by the Capital Market Authority, concerning the Registration and Listing System and the Corporate Governance Regulation regarding the necessity of disclosing all regulatory requirements listed in the Regulations in the annual report of the Board of Directors, the Board acknowledges the following:

- The company did not receive any notices from its shareholders regarding any change in their ownership percentage during 2024.
- There is currently no system of stock option plans. There are no transferable debt instruments of shares for any entity whatsoever.
- There is no redemption, purchase, or cancellation by the company or any of its subsidiaries regarding any callable bonds and the value of the remaining securities.
- The company does not have franchise shares or shares that have a special priority in voting, whether for shareholders, members of the Board of Directors or its employees. All the shares of the company are ordinary shares of equal nominal value and equal in voting rights and other rights according to the law.
- There is no contract that the company was a party therein, in which there is or has been a fundamental and essential interest for any member of the company's Board of Directors, the Chief Executive Officer, or the Chief Financial Officer, or for any person related to any of them other than what was mentioned in the disclosure of the relevant parties.
- The Board of Directors declares that the three independent members received bonuses and remunerations amounting to Two Hundred Thousand Riyals for each member in consideration of their membership in the Board of Directors along with actual travel expense reimbursement for attending the board meetings amounting to Sixteen Thousand One Hundred and Twenty-Five Riyals for all members, upon which it was voted by approval at the General Assembly Meeting. They did not receive, in addition to the other members of the Board of Directors, any allowances, travel expenses, transportation, or any other allowances regarding 2024 up to the date of this report.
- There have been no investments or reserves made for the interest or benefit of the company's employees except for the end of service gratuity provision.
- The consolidated financial statements of the company have been prepared as of December 31, 2024, in accordance with the international accounting standards approved by the Saudi Organization for Certified Public Accountants and in a manner that fairly presents the financial position of the company. There is also no difference from the application of the Accounting Standards approved by the Saudi Organization for Certified Public Accountants. Note that the report of the Chartered Accountant did not include any reservations to the annual financial statements.
- The account records have been correctly prepared.
- There is no doubt about the ability of the issuer to continue its activity.
- The Audit Committee is fulfilling its entrusted role to verify the integrity and effectiveness of the internal control system through the internal audit reports filed thereto. Therefore, positive confirmation can be given on the systems and effectiveness of the company's internal control.
- No penalty, sanction, or precautionary attachment was imposed on the company by the Capital Market Authority or any other Supervisory, Regulatory or Judicial Authority.
- The company would like also to clarify that the company has complied with all the requirements of the Corporate Governance Regulation issued by the Capital Market Authority.

In conclusion, His Royal Highness, the Chairman and all Members of the Board of Directors extend thanks and gratitude to the Custodian of the Two Holy Mosques, His Highness the faithful Crown Prince, and to the Good Government for the continuous care, concern and support for the welfare and security of the homeland and the citizen. We thank the shareholders of the company for their precious trust and continuous support. The Board of Directors also takes this opportunity to express its sincere thanks and appreciation to all employees in the Company's Departments and Subsidiaries for their sincere efforts during 2024 and wishes more prosperity and progress in the coming years.
Allah is the Arbiter of Success.

Consolidated Financial Statements

Independent Auditor's Report

Independent auditor's report to the shareholders of Kingdom Holding Company

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Kingdom Holding Company (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Our audit approach

Overview

Key audit matter
- Impairment assessment of indefinite life intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

PricewaterhouseCoopers Public Accountants (professional limited liability company), CR No. 1010371622, capital of 500,000 SAR, national address: 2239 Al Urubah Rd, Al Olaya District, postal code 12214, secondary number 9597, Riyadh, Kingdom of Saudi Arabia, physical address: Kingdom Tower, floor 24, T: +966 (11) 211-0400, F: +966 (11) 211-0401, www.pwc.com/middle-east

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of indefinite life intangible assets	
At 31 December 2024, the Group had indefinite life intangible assets, comprising goodwill and brand, which arose on past business combinations amounting to Saudi Riyals 1.1 billion and Saudi Riyals 681 million, respectively. In accordance with the International Accounting Standard ("IAS") 36 "Impairment of assets", that is endorsed in the Kingdom of Saudi Arabia, an entity is required to test indefinite life intangible assets acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment. These intangible assets are monitored by management at the level of cash-generating units ("CGUs") which are the relevant operating activities of the Group. Management carried out an impairment assessment in respect of indefinite life intangible assets by determining a recoverable amount based on fair value less costs of disposals using discounted cash flow model, which utilized the most recent business plan prepared by the management. The outcome of this assessment as at 31 December 2024 did not result in any impairment loss to be recognized. We considered impairment testing of indefinite life intangible assets performed by management as a key audit matter since the assessment of the recoverable amount under the fair value less costs of disposal basis requires considerable judgment around use of estimates by management. The critical judgmental elements of management's assessment were: (a) revenue growth and EBITDA margin assumptions; and (b) discount rates and terminal capitalization rates used in the cash flow models. Refer to Note 4.9 and Note 4.16 for the accounting policies, Note 3.1 for the significant estimate and Note 14 for the related disclosures in the accompanying consolidated financial statements.	We assessed management's impairment assessment of indefinite life intangible assets by performing the following procedures: • Assessed the methodology used by management to determine the recoverable amount and compared it to that required by IAS 36; • We tested the arithmetical accuracy of the models used and of the underlying calculations; • Tested the reasonableness of the cash flow projections by comparison to the CGU's historical results and underlying assumptions (revenue growth and EBITDA margin) supporting the growth in forecasted cash flows; • Engaged our internal valuation experts to assist in the review of the valuation models and use of certain assumptions including discount rates and terminal capitalization rates; and • Tested management's sensitivity analyses over key assumptions as disclosed in Note 14 to the accompanying consolidated financial statements in order to assess the potential impact of a range of possible outcomes. We also reviewed the adequacy of the disclosures included in the notes to the accompanying consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group, but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 Group, 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 International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368
17 March 2025

Consolidated Statement of Financial Position

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 December 2024	2023
Assets			
Current assets			
Cash and cash equivalents	5	**1,689,658**	1,923,789
Investments at fair value through profit or loss ("FVTPL")	6	**243,421**	232,576
Trade and other receivables	7	**252,385**	429,486
Prepayments and other current assets	8	**329,109**	230,226
Due from related parties	9	**114,893**	123,858
Total current assets	1	**2,629,466**	2,939,935
Non-current assets			
Investments at fair value through other comprehensive income ("FVOCI")	10	**22,105,792**	19,502,567
Equity-accounted investees	11	**18,196,697**	17,172,435
Long-term receivables	7	**–**	1,250,399
Investment properties	12	**3,124,986**	3,997,522
Property and equipment	13	**6,801,405**	6,823,581
Goodwill and intangible assets	14	**1,789,159**	1,839,916
Deferred tax assets	19	**20,326**	20,364
Other long-term assets	15	**51,381**	551,616
Total non-current assets		**52,089,746**	51,158,400
Total assets		**54,719,212**	54,098,335

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	As at 31 December 2024	2023
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	16	**3,045,759**	2,208,888
Derivative financial instruments	36	**–**	13,682
Accounts payable, accrued expenses and other current liabilities	17	**969,845**	994,056
Zakat, withholding and income tax provisions	18	**492,203**	362,674
Due to related parties	9	**240**	101,115
Dividends payable	35	**259,411**	259,376
Total current liabilities	1	**4,767,458**	3,939,791
Non-current liabilities			
Borrowings	16	**9,551,676**	12,763,240
Derivative financial instrument	36	**62,799**	61,245
Due to related party	9	**510,799**	440,793
Deferred tax liabilities	19	**107,594**	112,444
Employee benefit obligations	32	**93,501**	88,110
Other long-term liabilities		**66,543**	68,294
Total non-current liabilities		**10,392,912**	13,534,126
Total liabilities		**15,160,370**	17,473,917
Net assets		**39,558,842**	36,624,418
Equity			
Share capital	20	**37,058,823**	37,058,823
Statutory reserves	21	**1,798,157**	1,674,460
Retained earnings		**2,533,203**	3,352,240
Fair value reserve for investments at FVOCI	10	**(2,372,493)**	(6,758,124)
Other reserves	21	**(84,561)**	(155,857)
Equity attributable to shareholders of the Company		**38,933,129**	35,171,542
Non-controlling interests	22	**625,713**	1,452,876
Total equity		**39,558,842**	36,624,418

The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:

Consolidated Statement of Income

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Hotels and other operating revenues	23	**1,604,442**	1,592,719
Hotel and other operating costs	24	**(1,055,330)**	(1,183,874)
Dividend income	25	**786,082**	983,333
Gain on investments at FVTPL	26	**–**	127,320
		1,335,194	1,519,498
General, administrative and marketing expenses	27	**(497,600)**	(522,232)
(Impairment) / reversal of financial assets	7	**(1,174)**	5,153
Share of results from equity-accounted investees	11	**1,209,032**	1,032,833
Reversal of impairment for equity accounted investee	11	**200,000**	–
Gain on sale of investment property	12	**123,457**	–
Other gains, net	37	**19,994**	463,256
Profit from operations		**2,388,903**	2,498,508
Finance income	12	**46,872**	87,204
Financial charges	28	**(984,515)**	(1,289,637)
Profit before zakat, withholding and income tax		**1,451,260**	1,296,075
Withholding and income tax	18	**(93,235)**	(140,977)
Zakat	18	**(150,859)**	(166,855)
Profit for the year		**1,207,166**	988,243
Profit for the year attributable to:			
– Shareholders of the Company		**1,236,970**	1,013,243
– Non-controlling interests		**(29,804)**	(25,000)
		1,207,166	988,243
Basic and diluted earnings per share (Saudi Riyals)	34	**0.33**	0.27

The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:

Consolidated Statement of Comprehensive Income

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Profit for the year		**1,207,166**	988,243
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Unrealized gain on investments at FVOCI	10	**3,223,200**	4,019,176
Re-measurement of gain on employment benefit obligations	32	**2,752**	6,397
Items that may be reclassified to profit or loss:			
Share in other comprehensive income of equity- accounted investees	11	**37,993**	107,207
Fair value changes on cash flow hedge of interest rate swap derivatives	36	**1,554**	–
Exchange differences on translation of foreign operations		**8,510**	321,873
Other comprehensive income for the year		**3,274,009**	4,454,653
Total comprehensive income for the year		**4,481,175**	5,442,896
Total comprehensive income for the year attributable to:			
– Shareholders of the Company		**4,531,466**	5,482,403
– Non-controlling interests	22	**(50,291)**	(39,507)
		4,481,175	5,442,896

The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:

Consolidated Statement of Changes in Equity

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments at FVOCI	Other reserves	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2024	**37,058,823**	**1,674,460**	**3,352,240**	**(6,758,124)**	**(155,857)**	**35,171,542**	**1,452,876**	**36,624,418**
Profit/(loss) for the year	**–**	**–**	**1,236,970**	**–**	**–**	**1,236,970**	**(29,804)**	**1,207,166**
Other comprehensive income/(loss)	**–**	**–**	**–**	**3,223,200**	**71,296**	**3,294,496**	**(20,487)**	**3,274,009**
Total comprehensive income/(loss)	**–**	**–**	**1,236,970**	**3,223,200**	**71,296**	**4,531,466**	**(50,291)**	**4,481,175**
Changes in non-controlling interest	**–**	**–**	**267,721**	**–**	**–**	**267,721**	**(776,872)**	**(509,151)**
Transfer to statutory reserve	**–**	**123,697**	**(123,697)**	**–**	**–**	**–**	**–**	**–**
Transfer of loss on disposal of investments at FVOCI to retained earnings (Note 10)	**–**	**–**	**(1,162,431)**	**1,162,431**	**–**	**–**	**–**	**–**
Dividends declared (Note 35)	**–**	**–**	**(1,037,600)**	**–**	**–**	**(1,037,600)**	**–**	**(1,037,600)**
Balance at 31 December 2024	**37,058,823**	**1,798,157**	**2,533,203**	**(2,372,493)**	**(84,561)**	**38,933,129**	**625,713**	**39,558,842**

	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments at FVOCI	Other reserves	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2023	37,058,823	1,573,136	7,413,603	(14,712,982)	(605,841)	30,726,739	1,492,383	32,219,122
Profit/(loss) for the year	–	–	1,013,243	–	–	1,013,243	(25,000)	988,243
Other comprehensive income/(loss)	–	–	–	4,019,176	449,984	4,469,160	(14,507)	4,454,653
Total comprehensive income/(loss)	–	–	1,013,243	4,019,176	449,984	5,482,403	(39,507)	5,442,896
Transfer to statutory reserve	–	101,324	(101,324)	–	–	–	–	–
Transfer of loss on disposal of equity investments at FVOCI to retained earnings (Note 10)	–	–	(3,935,682)	3,935,682	–	–	–	–
Dividends declared (Note 35)	–	–	(1,037,600)	–	–	(1,037,600)	–	(1,037,600)
Balance at 31 December 2023	37,058,823	1,674,460	3,352,240	(6,758,124)	(155,857)	35,171,542	1,452,876	36,624,418

The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:

Consolidated Statement of Cash Flows

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Cash Flows From Operating Activities			
Profit before zakat and income tax		**1,451,260**	1,296,075
Adjustments for non-cash items			
Share of results from equity-accounted investees	11	**(1,209,032)**	(1,032,833)
Depreciation and amortization	12, 13, 14	**197,005**	368,614
Unrealized gain on investments at FVTPL	6	**–**	(127,320)
Impairment of financial assets	7	**(1,174)**	5,153
Net fair value gain on derivative	37	**(13,682)**	–
Gain on sale of investment properties	12	**(123,457)**	(254,531)
Finance income	12	**(46,872)**	(87,204)
Finance charges		**984,515**	1,289,637
Provision for employee benefit obligations	32	**11,958**	2,062
Reversal of impairment for equity-accounted investee	11	**(200,000)**	–
		1,050,521	1,459,653
Changes in operating assets and liabilities			
Investment at FVTPL		**(10,845)**	–
Trade receivables		**1,475,546**	(235,802)
Prepayments and other current assets		**(98,883)**	45,995
Due from related parties		**8,965**	(2,882)
Other long-term assets		**500,236**	12,088
Derivative financial instruments		**–**	74,927
Accounts payable, accrued expenses and other current liabilities		**(24,211)**	(126,192)
Due to related parties		**(100,875)**	441
Other long-term liabilities		**(1,751)**	(27,291)
		2,798,703	1,200,937
Zakat and income tax paid	18	**(114,565)**	(491,488)
Employee benefit obligations paid during the year	32	**(9,319)**	(6,702)
Net cash generated from operating activities		**2,674,819**	702,747

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Year ended 31 December 2024	2023
Cash Flows from Investing Activities			
Purchase of investments at FVOCI	10	**(3,053,375)**	(3,173,907)
Proceeds from sales of investments at FVOCI	10, 9	**3,673,350**	6,776,442
Dividends from equity-accounted investees	11	**469,606**	437,647
Additions to investment properties	12	**–**	(94,246)
Proceed from sale of investment property	12	**980,700**	–
Additions to property and equipment	13	**(276,533)**	(284,993)
Addition to equity accounted investee	11	**(233,050)**	–
Additions to goodwill	14	**(121)**	–
Other long-term assets		**–**	(183,000)
Net cash generated from investing activities		**1,560,577**	3,477,943
Cash Flows from Financing Activities			
Proceeds from borrowings	16	**3,388,755**	9,661,639
Repayment of borrowings	16	**(5,433,087)**	(13,151,672)
Dividends paid	35	**(1,037,565)**	(1,037,636)
Movement in restricted cash		**104,847**	103,788
Finance charges paid		**(1,457,636)**	(1,383,653)
Repayment of a related party loan	9	**–**	(227,319)
Proceeds from a related party loan	9	**70,006**	440,793
Net cash utilized in financing activities		**(4,364,680)**	(5,594,060)
Net change in cash and cash equivalents		**(129,284)**	(1,413,370)
Cash and cash equivalents at beginning of year		**1,625,187**	3,038,557
Cash and cash equivalents at end of year	5	**1,495,903**	1,625,187

The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:

Notes to the Consolidated Financial Statements

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 Corporate Information

Kingdom Holding Company (the "Company" or "KHC") is a Saudi Joint Stock Company ("JSC") operating in the Kingdom of Saudi Arabia. The Company was previously formed as a limited liability company and operated under commercial registration number 1010142022 dated 11 Muharram 1417H (corresponding to 28 May 1996). The Ministry of Commerce approved, pursuant to resolution number 128/S dated 18 Jumad Awwal 1428H (corresponding to 4 June 2007), the conversion of the Company into a JSC. The majority shareholder of the Company is His Royal Highness Prince Alwaleed Bin Talal Bin Abdulaziz AlSaud ("Ultimate controlling party").

The principal activities of the Group are hotel management and operations, commercial services and education and investments.

The shares of the Company commenced trading on the Saudi Stock Exchange on 28 July 2007 after approval by the Capital Market Authority of the Kingdom of Saudi Arabia.

The Company's head office is located in Riyadh at the following address:

Kingdom Holding Company
66th Floor, Kingdom Centre
P.O. Box 1, Riyadh 11321
Kingdom of Saudi Arabia

Climate Change
The Group has reviewed its exposure to climate related and other emerging business risks and has not identified any risks that could materially impact the financial performance or position of the Group as at 31 December 2024.

Liquidity and financial position
As of 31 December 2024, the Group had net current liabilities of Saudi Riyals 2.1 billion (31 December 2023: Saudi Riyals 1.0 billion), primarily due to the maturity of certain current borrowings amounting to Saudi Riyals 3 billion. To manage its liquidity needs, the Group has access to undrawn borrowing facilities of Saudi Riyals 7.9 billion, along with an existing portfolio of liquid, unpledged investments and the option to roll over revolving credit facilities as they mature. Furthermore, management has conducted a cash flow projection analysis for the upcoming twelve months and remains confident that the Group will be able to meet its obligations as they come due.

Accordingly, these consolidated financial statements are prepared on going concern basis.

These consolidated financial statements were authorized for issue by the Company's Board of Directors on 16 Ramadan 1445H (corresponding to 16 March 2025).

The Company and its subsidiaries (the "Group") carry out activities through the entities listed below.

1.1 Kingdom 5-KR-11 Limited (KR-11)

KR-11 is a fully owned limited liability company incorporated in the Cayman Islands. The company's principal activity represents investments in international quoted securities, through its wholly owned subsidiaries.

1.2 Kingdom 5-KR-100 Limited (KR-100)

KR-100 is a fully owned limited liability company incorporated in the Cayman Islands. The company's principal activity represents ownership and management of mutual funds, through its equity-accounted investees.

1.3 Kingdom 5-KR-132 Limited (KR-132)

KR-132 is a fully owned limited liability company incorporated in the Cayman Islands. The company's principal activity includes holding investments in the following subsidiaries and equity-accounted investees that own and manage properties and hotels:

	Effective Ownership Percentage 2024	2023
Subsidiaries		
Kingdom Hotel Investments (KHI) – Cayman Islands	**100**	100
Kingdom 5 KR 35 Group (George V) – France	**100**	100
Equity-accounted investees (Associates)		
Four Seasons Holding Inc. (FSH Inc.) – Canada	**23.75**	23.75
Accor S.A. - France (Note 3.2)	**6.8**	6.3

(All amounts in Saudi Riyals thousands unless otherwise stated)

1.4 Kingdom 5-KR-114 Limited (KR-114)

KR-114 is a fully owned limited liability company incorporated in the Cayman Islands. The company holds 58.96% (2023: 58.96%) ownership in Breezeroad Limited, a company which is incorporated in the Cayman Islands which in turn holds a 100% ownership in Savoy Hotels Limited in the United Kingdom.

1.5 Local and regional subsidiaries

The Group also has ownership in the following local and regional subsidiaries and equity-accounted investees:

	Effective Ownership percentage		
	2024	2023	Principal activities
Subsidiaries			
Kingdom Real Estate Development Company (KRED) – Saudi Arabia	**100**	100	Real estate development and management
Kingdom Investment and Development Company (KIDC) – Saudi Arabia	**89.8**	89.8	Real estate development and management
Kingdom Schools Company Limited (The School) – Saudi Arabia (Note 3.2)	**89.8**	47	Education
Fashion Village Trading Company Limited (SAKS) – Saudi Arabia	**71.8**	71.8	Wholesale and retail merchandiser
Real Estate Investment Company (REIC) – Saudi Arabia	**89.8**	69.4	Real estate development and management
Trade Centre Company Limited (TCCL) – Saudi Arabia	**89.8**	70.6	Real estate development and management & hotel management
Consulting Clinic SAL (Clinic) – Lebanon	**50.4**	50.4	Healthcare
Equity-accounted investees (Associates)			
Flynas Company (Flynas) – Saudi Arabia	**37.1**	–	Aviation
National Air Services (NAS Holding Company) – Saudi Arabia	**37.1**	37.1	Aviation
Jeddah Economic Company (JEC) – Saudi Arabia	**35.74**	33.4	Real estate development and management
Banque Saudi Fransi (BSF) – Saudi Arabia (Note 3.2)	**16.2**	16.2	Financial institution
East Shura III Company*	**50**	–	

* Investment of KHC in East Shuraa III is effectively owned through a special purpose vehicle (Sea Front Company Limited) which is 100% owned by KHC.

The principal activities and the various segments of the Group are described in Note 33.

(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Basis of Preparation

2.1 Statement of compliance

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

2.2 Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, except for the Investments carried at FVOCI and FVTPL, which are measured at fair value.

Further, the employee termination benefits are calculated using the Projected Unit Credit Method (PUCM) and actuarial assumptions.

2.3 New standards and amendments applicable from January 1, 2024

Certain amendments to existing standards became applicable for the current reporting period. The amendments did not have an impact on the consolidated financial statements of the Group and accordingly the Group did not have to change its accounting policies or make any retrospective adjustments.

Title	Key requirements	Effective date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 'Presentation of Financial Statements, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.	1 January 2024
Leases on sale and leaseback – Amendment to IFRS 16	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are v-dex or rate are most likely to be impacted.	1 January 2024
Supplier Finance arrangements – Amendments to IAS 7 and IFRS 7	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024

(All amounts in Saudi Riyals thousands unless otherwise stated)

2.4 Standards, interpretations and amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024, reporting periods and have not been early adopted by the Group. The standards, interpretations and amendments issued that are relevant to the Group but are not yet effective are disclosed below:

Title	Key requirements	Effective date
Lack of exchangeability – Amendment to IAS 21	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Classification and Measurement of Financial Instruments- Amendment to IFRS 9 and IFRS 7	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	
IFRS 18 – Presentation and Disclosure in Financial Statements	The new standard on presentation and disclosure in financial statements, require more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: – the structure of the statement of profit or loss; – required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and – enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	IFRS 19 specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS. A subsidiary may elect to apply this Standard in its financial statements if it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS.	1 January 2027

The management is in the process of assessing the impact of these standards, amendments or interpretations on future periods and on foreseeable future transactions.

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 Use of Judgements and Estimates

The preparation of consolidated financial statements in conformity with IFRS, that are endorsed in the Kingdom of Saudi Arabia, requires the use of certain critical estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgments concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve-month period are discussed below:

3.1 Significant estimates

Investment in equity accounted investees – impairment testing

The Group assesses at each reporting date whether there is an indication that an interest in equity-accounted investees may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. For further details refer Note 4.16 and Note 11.

Goodwill and intangible assets – annual impairment testing

The Group tests whether goodwill and other intangible assets with indefinite useful life have suffered any impairment on an annual basis. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on fair value less costs of disposal which require the use of assumptions. For further details refer Note 14.

Estimation of fair value - Investment in a social media services company and certain Oil and Gas Companies' securities

The Group has exercised judgement in estimating the fair value of an investment in a social media services company and certain Oil and Gas Companies' securities as at 31 December 2024 as part of the level 3 measurements of such financial instruments. For further details refer to Note 10.1 and 10.2.

3.2 Significant judgements

Kingdom School Company Limited

The Group is the largest shareholder in KS while the remaining shares are held by twelve investors. The CEO of the Group is also the CEO of the KS. As a result of shareholder's agreement, the Group is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power to direct the activities of the company. The Group has therefore determined that it has control over KS, even though it only holds 47% of the voting rights.

Further, the Group has advanced funds to various minority shareholders of KS for the purpose of acquiring their respective shareholdings in the company. Upon completion of these transactions, the Group's effective ownership in KS will increase to 89.8%. While the legal formalities for these transactions are still pending, the Group has recognized its ownership at 89.8%, reflecting the substance of the arrangements, with the formalities expected to be finalized in the near future.

Also see Note 22 increase in effective stake in NCI.

Accor S.A France

The Group has a Board seat and other committee representations and actively participates in the policy making process of the company and it is the second largest strategic investor in the company. The CEO of the hospitality arm of the Group is the representative Board member and actively participates in the decision-making process through his presence on the Board and through significant interaction with key management of Accor Hotels. The Group has therefore determined that it has significant influence over this entity. During the year, the company's shareholders approved a share buyback. As a result of this transaction, the group shareholding increased slightly from 6.3% to 6.8%.

Banque Saudi Fransi (BSF) – Saudi Arabia

The Group is the largest shareholder of the bank and has a Board seat and other committee representations and participates in the policy making process

(All amounts in Saudi Riyals thousands unless otherwise stated)

of the bank. The CEO of the Group is also the Vice Chairman of the Board of Directors of the bank. The Group has therefore determined that it has significant influence over the bank, even though it only holds 16.2% of the voting rights.

4 Material Accounting Policies

The material accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). These consolidated financial statements are presented in Saudi Riyals which is the Company's functional and Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the consolidated statement of income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognized in the consolidated statement of income as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at FVOCI are recognized in consolidated statement of comprehensive income.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of income and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in the consolidated statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognized in consolidated statement of comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated statement of income, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4.2 Principles of consolidation and equity accounting

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (See Note 4.3).

(All amounts in Saudi Riyals thousands unless otherwise stated)

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests ('NCI') in the results and equity of subsidiaries are shown separately in the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

ii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

iii. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of income, and the Group's share of movements in other comprehensive income of the investee in consolidated statement of comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 4.18.

4.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the consolidated statement of income as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognized in the consolidated statement of income.

(All amounts in Saudi Riyals thousands unless otherwise stated)

4.4 Financial instruments

(i) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortized cost.

Classification of debt financial assets (long-term receivable) depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows.

The group holds the debt financial assets with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

For assets measured at fair value, gains and losses are either recorded in the consolidated statement of income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are de-recognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of income.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of income following the de-recognition of the investment. Dividends from such investments continue to be recognized in the consolidated statement of income when the Group's right to receive dividends is established.

Changes in the fair value of financial assets at FVTPL are recognized as revenues in the consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets carried at amortized cost. ECL reflects an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The financial assets of the Group subject to ECL are cash and cash equivalents, trade receivables, long-term receivable and due from related parties. Also refer Note 31. For long-term receivable, the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

(All amounts in Saudi Riyals thousands unless otherwise stated)

De-recognition

A financial asset or a part of a financial asset is de-recognized when:

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

(ii) Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. Where 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the consolidated statement of income. The Group's financial liabilities include borrowings, dividends payable, trade payables, accrued expenses and other current liabilities and due to related parties.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value less restricted cash. Restricted balances are excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.

4.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest rate method.

4.7 Investment properties

Investment properties comprise property held for capital appreciation, long-term rental yields or both, and are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Investment properties also include property that is being constructed or developed for future use as investment properties. In addition, land, if any held for undetermined use is classified as investment properties and is not depreciated. When the development of investment properties commences, it is classified as "Assets under construction" until development is complete, at which time it is transferred to the respective category and depreciated using straight-line method at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives of 4 to 99 years.

Maintenance and normal repairs which do not materially extend the estimated useful life of an asset are charged to the consolidated statement of income as and when incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognized and presented separately within other losses - net in the consolidated statement of income.

4.8 Property and equipment

Initial recognition

Property and equipment are recognized as an asset when, and only when, it is probable that future economic benefits will flow to the Group, and the cost of the asset can be measured reliably. Property and equipment are recognized and

(All amounts in Saudi Riyals thousands unless otherwise stated)

measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset and any directly attributable cost.

When parts of property and equipment are significant in cost in comparison to the total cost of the item and such parts have a useful life different than other parts, the Group recognizes such parts as individual assets and depreciates them accordingly.

Subsequent measurement

The Group adopted the cost model to measure the entire class of property and equipment. After recognition as an asset, an item of property equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Useful lives are determined by management based on the expected usage of the asset, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors. Depreciation is calculated on a straight-line basis over the below useful lives and is recognized in the consolidated statement of income:

Description	Number of years
Buildings (hotels)	20 to 99 years or the lease term
Equipment	5 to 13
Furniture and fixtures	4 to 20
Others	4 to 14

Land and assets under construction that are not ready for intended use are not depreciated.

De-recognition

Property and equipment are de-recognized when they have been disposed or no future economic benefits are expected to arise from their use or disposal. Gains or losses arising from de-recognition of an item of property and equipment is included in the consolidated statement of income at the time the item is de-recognized.

4.9 Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Goodwill is measured as described in Note 4.3. Goodwill and brands identified on acquisitions of subsidiaries are included in intangible assets. Goodwill and brands are not amortized but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that these might be impaired, and are carried at cost less accumulated impairment losses, if any. Gains and losses on the disposal of an entity include the carrying amount of goodwill or brands relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(All amounts in Saudi Riyals thousands unless otherwise stated)

4.10 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest rate method. Borrowing costs are recognized within finance charges in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. There were no borrowings costs that required capitalization during 2023.

Borrowings are derecognized from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of income as other income or finance costs.

4.11 Trade and other payables

These amounts represent liabilities for goods and services, provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

4.12 Zakat and income tax

The Group is subject to zakat and income tax in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat, for the Group and its subsidiaries subject to zakat, is calculated based on higher of approximate zakat base and adjusted profit and charged to the consolidated statement of income. Additional amounts, if any, are accounted for when determined to be required for payment.

Foreign subsidiaries and foreign branches are subject to income taxes in their respective countries of domicile, such income taxes are charged to the consolidated statement of income.

Income tax based on the applicable income tax rate is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Withholding tax

The Company and its Saudi Arabian subsidiaries also withhold taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Tax Law.

(All amounts in Saudi Riyals thousands unless otherwise stated)

4.13 Dividends

Dividend payable is recognized for the amount of any dividend declared being appropriately authorized and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. As per the corporate laws in the Kingdom of Saudi Arabia, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

4.14 Employee benefits and post-employment benefits

Short-term employee benefits

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

Post-employment obligation

The Group operates a post-employment benefit scheme plans driven by the local laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out using actuarial techniques on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in the consolidated statement of income while unwinding of the liability at discount rates used are recorded as financial cost.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to other reserves in the consolidated statement of changes in equity in the period in which they occur.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of income as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of the respective countries in which the Group operates.

4.15 Share capital

Ordinary shares are classified as equity.

4.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a Discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used.

Impairment losses are recognized in consolidated statement of income in expense categories consistent with the function of the impaired asset.

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

(All amounts in Saudi Riyals thousands unless otherwise stated)

4.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-zakat and income tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as interest expense. The expense relating to a provision is presented in the consolidated statement of income.

4.18 Revenue recognition

(i) Revenue from hotel operations

Revenue is primarily derived from hotel operations, including the rental of rooms, food and beverage sales and other services from owned hotels. Revenue is recognized when rooms are occupied, food and beverages are sold and services are performed.

Revenue is recognized net of returns, rebates, municipality fees and discounts. Service charges collected from the customers are recorded as revenue, as the Group is the principal / primary obligor and is required to provide the service to the customer in return for the receipt of the service charge.

A receivable is recognized when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Usually there are no rights to return attached, therefore no refund liabilities are required to be recognized.

4.18 Revenue recognition (continued)

(ii) Rental income

The Group owns offices, mall spaces, temporary spaces etc. The revenue is recognized on a straight-line basis over the term of the lease taking into consideration any incentives given, the rent received in advance, if any is recognized as a liability. The rental contracts are relatively simple and are fixed price contracts where the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, an asset is recognized. If the payments exceed the services rendered, a liability is recognized.

(iii) Educational services

Revenue is recognized when the educational services are performed. Revenue is shown net of discounts and scholarships. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met.

(iv) Retail

Revenue is recognized when goods are sold and invoices are issued to customers. Revenue is recorded net of discounts.

(v) Investment measured at FVTPL

The fair value gains or losses on investments measured at FVTPL are recognized as operational revenues as the Group invests in those equity investments as its operating activity in its normal course of business.

Financing component

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(All amounts in Saudi Riyals thousands unless otherwise stated)

4.19 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements, if any, in ordinary shares issued during the year and excluding treasury shares.

The Group does not have any share options, uncalled or partially paid shares, deferred or convertibles notes and therefore there is no difference between basic and diluted earnings per share.

4.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Board of Directors (BOD) is identified as CODM of the Group.

Reportable segments are disclosed separately at least where, total revenue is more than 10% of the total revenue of the Group, or absolute amount of profit or loss is more than 10% of combined reported profit of all segments (excluding loss making segments) and combined reported loss of all segments (excluding profit making segments), or total assets are more than 10% of total assets of the Group.

4.21 Derivative financial instruments

The Group utilizes derivative financial instruments to manage certain market risk exposures. The Group does not use derivative financial instruments for speculative purposes; however, it may choose not to designate certain derivatives as hedges for accounting purposes. The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

Written options

The Group uses 'European Style' written options contracts to manage its exposure to fair value movements on its certain investments at fair value. These contracts permit net settlement in cash or other financial assets equivalent to the change in the contract's fair value and hence these contracts are accounted for as a derivative financial instrument in the period between trade and settlement date. On initial recognition, the net fair value of these contract itself is recognized as a derivative financial liability at the trade date. The Group receives an option premium as consideration for entering written options contracts on the trade date from the counter party (i.e., seller of the written options contract). Any subsequent changes at each reporting date in the fair value of these written options are recognised immediately in consolidated statement of income and are included in other gains / (losses).

Interest Rate Swaps

The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its long-term borrowings. Other financial liabilities (excluding long term-borrowings) are primarily non-interest bearing.

4.22 Dividend Income

Dividends are received from financial assets measured at fair value through other comprehensive income (FVOCI). Dividends are recognised as dividend income in consolidated statement of income when the right to receive payment is established.

(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Cash and Cash Equivalents

	2024	2023
Cash and cash equivalents (Note 5.1)	**1,689,658**	1,923,789
Less: Restricted cash (Note 5.2)	**(193,755)**	(298,602)
Cash and cash equivalents in the consolidated statement of cash flows	**1,495,903**	1,625,187

5.1 Cash and cash equivalents include deposit with a related party (associate) amounting to Saudi Riyals 26.2 million (2023: Saudi Riyals 134.2 million).

5.2 Restricted cash and bank balance are related to the restrictions placed by the banks for the utilization of certain funds.

6 Investments at FVTPL

The Group classifies those equity investments at FVTPL for which it has not elected to recognize fair value gains and losses through other comprehensive income at initial recognition. As at 31 December 2024, FVTPL investments consist of unquoted securities. The movement in FVTPL investments is set out below:

	2024	2023
FVTPL		
1 January	**232,576**	105,256
Addition	**10,845**	–
Changes in fair value	**–**	127,320
31 December	**243,421**	232,576

7 Trade and Other Receivables

	2024	2023
Trade receivables (current)	**575,877**	751,804
Less: provision for impairment of trade receivable	**(323,492)**	(322,318)
	252,385	429,486
Long-term receivables (non-current) (Note 12)	**–**	1,250,399
Total receivables	**252,385**	1,679,885

(All amounts in Saudi Riyals thousands unless otherwise stated)

Following is the breakdown of net receivables:

	2024	2023
Receivables from real estate (non-current)	**–**	**1,250,399**
Receivables from guests	**46,343**	52,367
Receivables from tenants	**103,026**	100,645
Receivables from medical operations	**5,701**	5,701
Receivable related to sale of FVOCI securities	**–**	254,739
Receivable from others	**97,315**	16,034
Trade receivables (current)	**252,385**	429,486

During the year ended 31 December 2024, the receivable related to the sale of Oil and Gas companies, Telefonica securities amounting to Saudi Riyals 255 million, and a long-term receivable of Saudi Riyals 1.3 billion due from a third party was fully settled in cash.

Due to the short-term nature of the trade receivables and determination of the carrying value of the long-term receivable at fair market rate of discount, their carrying amount is not significantly different from their fair value. Also see Note 31.

Trade receivables are expected, on the basis of experience, to be fully recoverable. Generally, it is not the practice of the Group to obtain collateral over trade receivables. Thus, trade receivable balances are unsecured.

The following table shows movement in provision for impairment of trade receivable:

	2024	2023
Balance at the beginning of the year	**322,318**	327,471
Provision/(Reversal) during the year	**1,174**	(5,153)
Balance at end of the year	**323,492**	322,318

Information about the impairment of trade and other receivables and their credit quality, and the Company's exposure to credit risk, currency risk and interest rate risk can be found in Note 31.

8 Prepayments and Other Current Assets

	2024	2023
Prepaid expenses and other current assets	**141,262**	123,569
Inventories	**31,503**	31,810
Advances to suppliers	**153,874**	69,124
Value added tax claims receivable	**2,470**	5,723
	329,109	230,226

(All amounts in Saudi Riyals thousands unless otherwise stated)

9 Related Party Transactions and Balances

Related parties comprise the shareholders, directors, associate companies and key management personnel and business over which they exercise control or significant influence. Related parties also include entities in which certain directors or senior management have an interest.

The transactions with related parties represent rental services, maintenance and other general services rendered to or purchased from related parties of the Group including positions in certain listed entities. Balances due to and due from related parties are outstanding balances in lieu of such transactions. Related party balances, other than those disclosed elsewhere in these consolidated financial statements, as at 31 December are as follows:

Name	Relationship	2024	2023
Due from related parties:			
Azizia Commercial Investment Company (Note 9.1)	Entity under common control	**114,207**	114,207
Others	Associate	**686**	9,651
Total		**114,893**	123,858
Due to related parties:			
Kingdom Oasis – Current (Note 9.4)	Entity under common control	**–**	100,000
Others – Current	Associates	**240**	1,115
Qatar Investment Authority – Katara Hospitality (Note 9.2) – Non-Current	Non-controlling interest	**510,799**	440,793
Total		**511,039**	541,908

9.1 The balance is due from Azizia Commercial Investment Company "Azizia" (an entity under liquidation). The balance pertains to the funding provided by the Group to this entity in prior years for the acquisition of shares. The entity is under common control. The balance is considered to be recoverable as Azizia primarily carries investment in a listed entity the carrying value of which is more than the amount due to the Group as at 31 December 2024.

9.2 The balance represents financing provided by the NCI to one of the subsidiaries. During October 2023, the NCI carried out additional financing of Saudi Riyals 213 million. The loan carries interest at 3.71% and is payable on 31 October 2028.

9.3 During December 2023, the Group purchased shares of Citi Group from the Ultimate Shareholder for a consideration of Saudi Riyals 1.68 billion. The transaction was settled in cash.

9.4 During the year, one of the group's subsidiaries settled the balance with Kingdom Oasis.

See Note 5 and Note 16 for cash and borrowings balances held with a related party that is an equity-accounted investee (Banque Saudi Fransi). There are no other significant related party transactions that warrant separate disclosure in these consolidated financial statements.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Key management compensation:

The key senior executives including the CEO and CFO are considered the key management, and their benefits are as follows:

	2024	2023
Short and long-term benefits	**36,412**	23,818
Others	**7,290**	15,370
	43,702	39,188

10 Investments at FVOCI

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than the consolidated statement of income as these are strategic investments and the Group considered such election to be more relevant. FVOCI investments consist of international, local and regional quoted securities.

(a) FVOCI investments consists of the following:

	2024	2023
International	**20,666,125**	18,145,850
Local and regional	**1,224,119**	1,356,717

(b) The movement in FVOCI is set out below:

	2024	2023
Cost:		
1 January - Note 10.2	**26,260,691**	33,798,908
Additions - Note 9.3 & Note 10.3	**3,053,375**	3,173,907
Disposals during the year - Note 10.1	**(4,835,781)**	(10,712,124)
31 December	**24,478,285**	**26,260,691**
Fair value reserve for investments at FVOCI:		
1 January	**(6,758,124)**	(14,712,982)
Unrealized gain during the year	**4,219,953**	8,983,839
Unrealized loss during the year	**(996,753)**	(4,964,663)
Realized loss transferred to retained earnings upon disposal	**1,162,431**	3,935,682
31 December	**(2,372,493)**	(6,758,124)
Net carrying amount	**22,105,792**	19,502,567

(All amounts in Saudi Riyals thousands unless otherwise stated)

The investments at FVOCI are denominated in the following currencies:

	2024	2023
US Dollar	**16,659,910**	11,541,747
Euro	**3,998,770**	6,538,901
Russian Rubles ('RR')	**313,000**	97,452
Saudi Riyals	**1,134,112**	1,324,467
	22,105,792	19,502,567

10.1 Investments in Oil and Gas Companies' securities

The Group maintains investments in certain Oil and Gas Companies' securities that were dual-listed on both the London Stock Exchange (LSE) and Moscow Stock Exchange (MSE). The ongoing conflict between Russia and Ukraine led to the suspension of trading on the LSE in the first half of 2022, preventing the Group from trading its shares on the MSE from that point onward.

In the latter half of 2023, the Group successfully liquidated a portion of these securities, generating sales proceeds of Saudi Riyals 1.0 billion and recognized a realized loss of Saudi Riyals 0.27 billion for the year ended 31 December 2023. The remaining securities primarily represent purchase transactions executed by the Group after 1 March 2022. Challenges in disposing of these remaining securities have arisen due to increased regulatory and administrative barriers enacted by the Russian government.

To assess the fair value of the remaining Oil and Gas Companies' securities, management used the trading price prevalent on MSE as at 31 December 2024, amounting to Saudi Riyals 980 million (2023: Saudi Riyals 1,190 million). This amount was then reduced by 70% (2023: 92%) to account for the regulatory/administrative constraints. The decrease in the discount factor from 92% to 70% reflects an expected improvement in regulatory flexibility concerning the trading and transfer of such securities. A 5% change in this percentage would result in a Saudi Riyal 16 million change in the fair value of these securities as at 31 December 2024.

10.2 Investment in securities of a social media services company

As at 31 December 2024, the Group holds a position in equity securities of a privately held social media services company ('Tech Company') amounting to Saudi Riyals 985 million (USD 262.7 million). Given the absence of quoted market prices, the fair value measurement is classified within Level 3 of the IFRS 13 fair value hierarchy, relying significantly on unobservable inputs.

Management determined fair value primarily based on recent observable private transactions involving independent, knowledgeable, and willing market participants. Specifically, the Group referenced recent transactions executed by the majority shareholder of the Tech Company, including an additional equity investment of Saudi Riyals 562.5 million (USD 150 million) at a transaction price approximating the carrying value as at 31 December 2024. Furthermore, the majority shareholder has expressed willingness to acquire additional minority stakes at the same transaction price.

Based on these factors, management concluded that observable market evidence supports the carrying value as representative of fair value. Given the active interest of a market participant to transact at this price, management deemed no adjustments for liquidity or minority discounts necessary.

Sensitivity analysis indicates that a hypothetical 5% discount adjustment would impact fair value by approximately Saudi Riyals 50 million. Management believes the assumptions and valuations employed are reasonable and align with prevailing market practices for similar privately held minority investments.

(All amounts in Saudi Riyals thousands unless otherwise stated)

10.3 Addition to investment at FVOCI – North America (Level 3 Category)

During the year ended 31 December 2024, the Group invested Saudi Riyals 3 billion (USD 800 million) in xAI, a North America-based artificial intelligence company. This investment was part of xAI's Series B and Series C funding rounds, each of which raised Saudi Riyals 22.5 billion (USD 6 billion), amounting to total proceeds of Saudi Riyals 45 billion (USD 12 billion).

The Series C funding round concluded on 23 December 2024, valuing xAI at SAR 169 billion (USD 45 billion) and establishing a fair valuation of the Group's stake in xAI at SAR 4.2 billion as of 31 December 2024. Management has assessed that this recent funding round represents the relevant fair valuation for the Group's investment in xAI at the reporting date.

11 Equity-Accounted Investees

(a) The movement in investments in equity-accounted investees for the years ended 31 December is as follows:

	2024	2023
1 January	**17,172,435**	16,371,058
Additions (Note 11.1)	**233,050**	–
Dividends	**(469,606)**	(437,647)
Share of results	**1,209,032**	1,032,833
Share in other comprehensive income	**37,993**	107,207
Reversal of impairment	**200,000**	–
Unrealized exchange (loss)/gain on translation	**(186,207)**	98,984
31 December	**18,196,697**	17,172,435

Details of equity-accounted investees at 31 December are summarized as follows:

	2024		2023	
Investee name	**Effective ownership %**	**Amount**	Effective ownership %	Amount
BSF – Note 3	**16.2**	**7,676,049**	16.2	7,283,425
Four Seasons Holding Inc ('FSH Inc.')	**23.75**	**2,757,939**	23.75	2,452,216
Accor S.A. ('Accor') (Note 3)	**6.8**	**2,939,753**	6.3	3,002,262
Jeddah Economic Company ('JEC')	**35.74**	**2,487,831**	33.4	2,687,168
Flynas Company ("Flynas")	**37.1**	**2,049,350**	37.1	1,694,639
East Shura III Company	**50**	**233,050**	–	–
Others	**30.0-35.0**	**52,725**	30.0-35.0	52,725
		18,196,697		17,172,435

(All amounts in Saudi Riyals thousands unless otherwise stated)

11.1 During the year ended, the Group contributed Saudi Riyals 233 million in cash for the joint venture associated with the development of Shura Island resort.

Following is the summary financial information for the equity-accounted investments:

The summarized financial information below represents amounts shown in the equity-accounted investee's financial statements prepared in accordance with IFRS as applicable to the relevant jurisdiction.

31 December 2024 (All amounts in Saudi Riyals millions)	**NAS Holding Company**	**Flynas**	**East Shura III**	**JEC**	**FSH Inc.**	**BSF**	**Accor S.A.**
Non-current assets	**19**	**11,108**	**899**	**11,253**	**11,416**	**88,608**	**35,457**
Current assets	**58**	**2,096**	**445**	**898**	**3,607**	**204,168**	**11,589**
Non-current liabilities	**(39)**	**(9,265)**	**(721)**	**(3,904)**	**(4,229)**	**(431,287)**	**(14,711)**
Current liabilities	**(258)**	**(2,300)**	**(152)**	**(851)**	**(885)**	**185,118**	**(11,000)**
Equity	**(220)**	**(1,639)**	**471**	**7,396**	**9,909**	**46,607**	**21,335**
KHC's share	**(82)**	**(608)**	**–**	**2,643**	**2,353**	**7,550**	**1,451**
Carrying amount	**–**	**2,049**	**233**	**2,488**	**2,765**	**7,676**	**2,940**
Revenue	**3,223**	**4,337**	**–**	**–**	**2,507**	**16,372**	**22,744**
Net profit/(loss)	**185**	**253**	**4**	**(558)**	**1,412**	**4,544**	**2,665**
Other comprehensive (loss)/income	**(8)**	**(12)**	**–**	**–**	**(96)**	**290**	**316**
Total comprehensive income/(loss)	**177**	**241**	**4**	**(558)**	**1,316**	**4,834**	**2,981**
Share in total comprehensive income/(loss)	**66**	**90**	**2**	**(199)**	**313**	**783**	**203**

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 December 2023 (All amounts in Saudi Riyals millions)	NAS Holding Company	Flynas	East Shura III	JEC	FSH Inc.	BSF	Accor S.A.
Non-current assets	9,657	–	–	11,228	10,434	73,992	34,747
Current assets	1,882	–	–	1,129	3,181	179,391	11,511
Non-current liabilities	(9,196)	–	–	(3,563)	(4,218)	(40,053)	(12,599)
Current liabilities	(3,437)	–	–	(841)	(795)	(172,209)	(11,676)
Equity	(1,094)	–	–	7,953	8,602	41,121	21,983
KHC's share	(406)	–	–	2,656	2,043	6,662	1,385
Carrying amount	1,695	–	–	2,687	2,452	7,283	3,002
Revenue	6,360	–	–	–	2,274	14,710	20,510
Net profit/(loss)	363	–	–	(128)	381	4,223	2,637
Other comprehensive (loss)/income	(14)	–	–	–	32	667	(49)
Total comprehensive income/(loss)	349	–	–	(128)	413	4,890	2,588
Share in total comprehensive income/(loss)	129	–	–	(43)	98	792	163

Among the equity-accounted investees mentioned above, BSF and Accor are listed entities. At 31 December 2024, the fair value of the Group's holding in these associates as per quoted prices amounts to Saudi Riyals 6,415 million (2023: Saudi Riyals 7,352 million) and Saudi Riyals 3,028 million (2023: Saudi Riyals 2,362 million), respectively.

Accor

For the year ended 31 December 2024, Accor reported strong financial performance, with EBITDA increasing to SAR 4.4 billion (2023: SAR 4.0 billion). Revenue grew by 11%, while net profit increased by 1% compared to the previous year. Accor also distributed SAR 1.2 billion in dividends during the year (2023: SAR 1.2 billion).

As at 31 December 2024, the Group did not identify any impairment indicators requiring an impairment assessment of its investment in Accor. However, as part of its ongoing monitoring, the Group conducted a value-in-use assessment using a discounted cash flow model over a 10-year period, which management considers appropriate given Accor's diversified global presence and the investment lifecycle within the hospitality sector. The assessment indicated sufficient headroom, supporting the recoverability of the investment's carrying value.

NAS

Previously, the Group held an indirect 37.1% equity stake in Flynas through its investment in NAS Holding, which owned 100% of Flynas. As of 31 December 2024, the ownership structure was reorganized, resulting in a direct transfer of the Group's stake from NAS Holding to Flynas. Following this restructuring, the Group now holds a direct 37.1% equity stake in Flynas. The transaction was recorded at the net book value of the investment as carried in the Group's books, with no gain or loss recognized.

The Group's remaining investment in NAS continues to be carried at its existing value, primarily representing its services of charter and leased flights. No indicators of impairment were identified for NAS, excluding its former Flynas operations, which are discussed below.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Flynas

During 2024, NAS recorded strong topline growth. The revenue for NAS increased by 19% to reach Saudi Riyals 7.6billion (2023: Saudi Riyals 6.4 billion) for the year ended 31 December 2024. NAS also recorded a net profit of Saudi Riyals 438 million (2023: profit of Saudi Riyals 363 million) for the year ended 31 December 2024. The strong financial performance was underpinned by increase in fleet size to 70 aircrafts (2023: 64 aircrafts); increase in passengers by 31.6% to 14.7 million (2023: 11.1 million passengers) and launch of 14 new destinations in 2024 (40 new destinations in 2023).

In light of Flynas's strong financial performance, the Group reassessed the recoverable amount of investment. The impairment assessment model indicated that the recoverable amount exceeded the carrying value, supporting a reversal of previously recognized impairment. As a result, the Group reversed an impairment loss of Saudi Riyals 200 million (2023: Nil) that had been recorded in prior years.

JEC

On October 2, 2024, JEC entered into a construction contract with Saudi Binladin Group (SBG) to re-engage SBG for the completion of the JEC Tower project. Under this agreement, construction is expected to be completed within 42 months at a revised contract value of Saudi Riyals 7.2 billion, which includes Saudi Riyals 1.059 billion previously paid for completed work.

On the same date, JEC also entered into a Final Amendment and Settlement Agreement (the "New Agreement") with its existing shareholders and SBG. As per the New Agreement, the existing shareholders will initiate the necessary formalities to register SBG as a shareholder of JEC with a 10.66% ownership stake. However, the shares issued to SBG will not carry any economic benefits or variable interest in JEC until specific conditions are met, including but not limited to the completion, testing, and pre-commissioning of the JEC Tower project.

As at 31 December 2024, the Group has accounted for its investment in JEC based on the new Agreement with an effective ownership interest of 35.74%, reflecting the expected dilution. The Group believes that the conditions outlined in the New Agreement are administrative in nature and do not materially impact its economic interest in JEC at this stage. However, it will continue to assess the New Agreement's conditions and any developments that may affect the accounting treatment, including potential changes in control or economic entitlement.

These new agreements supersede all previous arrangements between SBG, the existing shareholders, and the Group, rendering any prior obligations or outstanding amounts null and void.

BSF

As of 31 December 2024, the market price of KHC's share of investment in BSF was below the carrying value, which was considered as a potential impairment indicator. The management believes that this decrease in market price is primarily due to the bonus share issuance, and is a temporary impact. Considering BSF's strong long-term financial and operational performance, management believes there are no underlying issues with BSF's financial health.

FSH

FSH continue to demonstrate strong topline growth and has been consistently profitable. As such the management of the Group did not identify any triggers for assessment of impairment and accordingly no impairment assessment was performed for the year ended 31 December 2024.

East Shura III Company

During the year ended, the Group contributed Saudi Riyals 233 million in cash for the joint venture associated with the development of Shura Island resort.

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 Investment Properties

2024	Land	Buildings	Furniture, Fixtures and others	Total
Cost				
1 January	**2,951,821**	**1,611,065**	**21,047**	**4,583,933**
Additions	**–**	**–**	**–**	**–**
Disposals (Note 12.5)	**(765,811)**	**(91,432)**	**–**	**(857,243)**
31 December	**2,186,010**	**1,519,633**	**21,047**	**3,726,690**
Accumulated depreciation				
1 January	**–**	**565,733**	**20,678**	**586,411**
Charge for the year	**–**	**15,167**	**126**	**15,293**
31 December	**–**	**580,900**	**20,804**	**601,704**
Net book value	**2,186,010**	**938,733**	**243**	**3,124,986**

2023	Land	Buildings	Furniture, Fixtures and others	Total
Cost				
1 January	3,250,684	963,424	21,047	4,235,155
Additions (Note 12.2)	–	647,641	–	647,641
Disposals (Note 12.2)	(298,863)	–	–	(298,863)
31 December	2,951,821	1,611,065	21,047	4,583,933
Accumulated depreciation				
1 January	–	540,548	17,917	558,465
Charge for the year	–	25,185	2,761	27,946
31 December	–	565,733	20,678	586,411
Net book value	2,951,821	1,045,332	369	3,997,522

(All amounts in Saudi Riyals thousands unless otherwise stated)

12.1 During the year ended 31 December 2021, the Group disposed of land for a total sale consideration of Saudi Riyals 1.5 billion (present value: Saudi Riyals 1.25 billion. Also see Note 7). The sale proceeds were structured to be received in cash over a five-year period. The transaction resulted in a net gain of Saudi Riyals 502 million, after discounting the sale proceeds to present value and deducting related sales expenses, including real estate taxes and sales commissions.

In July 2024, the outstanding long-term receivable balance of Saudi Riyals 1.3 billion, due from the third party, was fully settled in cash. Until settlement, the Group recognized finance income of Saudi Riyals 47 million in 2024 (2023: Saudi Riyals 87 million) using the effective interest rate method. This amount was recorded in the consolidated statement of income under 'Finance Income'. The difference between the carrying value of the receivable and the consideration received was not considered material.

12.2 Investment properties – Development and Sale of Riyadh land

On 6 July 2020, the Group, through its local subsidiaries, entered into an agreement (the "Agreement") with Hamad and Ahmed Mohammed Al-Muzaini Real Estate Company (the "Second Party") for development of a designated parcel of land totaling 4,103,561 Square Meters ('SQM').

The land for the project was divided into different sections, with specific areas allocated for residential units, commercial units, and services. The allocation of SQM for each plot of land was as follows:

Division	SQM
Residential	1,408,619
Commercial	1,053,620
Services	1,641,322
	4,103,561

It was agreed under the Agreement that the Second party will be entitled to ownership of land area designated for residential units i.e. 1,408,619 SQM, as a consideration of development activity carried out on the entire land parcel of 4,103,561 SQM.

Development on such land was completed during the year ended 31 December 2023. As at 31 December 2023, the Group has completed transfer of legal title for all the residential units measuring 1,408,619 SQM.

The Group has accounted for derecognition of residential land as consideration-in-kind for development/construction activity carried out by the Second Party on the remaining parcel of land designated for commercial and services area. The related development activity on the commercial and services area has been capitalized under 'Investment Property" in the statement of financial position at fair value of the consideration given up amounting to Saudi Riyals 553 million. The difference in the fair value of Saudi Riyals 553 million and carrying value of Saudi Riyals 299 million of the residential land has been recognized under "Other gains, net" in the consolidated statement of income for the year ended 31 December 2023.

The capitalization of development cost of Saudi Riyals 553 million is considered as non-cash investing activity for the purpose of statement of cash flow for the year ended 31 December 2023.

12.3 Certain investment properties have been collateralized against term loans (Note 16).

12.4 As at 31 December 2024, investment properties kept for the purpose of rental yields amounted to Saudi Riyals 1 billion (2023: Saudi Riyals 1.2 billion). The direct attributable expenses associated with the rental income amounts to Saudi Riyals 184 million (2023: Saudi Riyals 210 million) for the year ended 31 December 2024. Rental agreements for these properties are for a maximum period of one year.

The valuation for investment properties which has been performed by real estate valuers accredited by the Saudi Authority for Accredited Valuers (TAQEEM) by using accredited valuation techniques such as Market Method (Comparison Approach), amounted to Saudi Riyals 4 billion (2023: Saudi Riyas 4.5 billion) as at 31 December 2024.

(All amounts in Saudi Riyals thousands unless otherwise stated)

12.5 Investment property - Sale of compound by a subsidiary

During the year ended 31 December 2024, the Board of Directors approved the sale of a compound recognized under 'Investment Properties' Financial Statement Line Item and held by one of the subsidiaries (Real Estate Investment Company "REIC") of the Group.

The sale transaction was completed between REIC and Sakan Al Rabie Real Estate Company ("third party") on 4 February 2024. This transaction was executed for the consideration amounting to Saudi Riyals 0.9 billion. The carrying amount of this compound in books of Group amounted to Saudi Riyals 0.78 billion. The gain arising from this transaction amounted to Saudi Riyals 0.12 billion which has been recorded in the books of the Group for the year ended 31 December 2024.

13 Property and Equipment

	Land	Buildings	Equipment	Furniture, fixtures and others	Total
2024					
Cost					
1 January	**2,269,886**	**4,970,072**	**113,650**	**1,422,855**	**8,776,463**
Additions	**–**	**224,617**	**438**	**51,478**	**276,533**
Currency translation and others	**(2,561)**	**(36,616)**	**(3,677)**	**(91,539)**	**(134,393)**
31 December	**2,267,325**	**5,158,073**	**110,411**	**1,382,794**	**8,918,603**
Accumulated Depreciation					
1 January	**–**	**1,070,779**	**62,436**	**819,667**	**1,952,882**
Charge / write off for the year	**–**	**135,836**	**6,287**	**39,485**	**181,608**
Currency translation and others	**–**	**(6,105)**	**(6,833)**	**(4,354)**	**(17,292)**
31 December	**–**	**1,200,510**	**61,890**	**854,798**	**2,117,198**
Net book value	**2,267,325**	**3,957,563**	**48,521**	**527,996**	**6,801,405**

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Land	Buildings	Equipment	Furniture, fixtures and others	Total
2023					
Cost					
1 January	2,267,677	4,627,593	99,396	1,110,184	8,104,850
Additions	–	3,287	5,293	276,413	284,993
Disposals, currency translation and others	2,209	339,192	8,961	36,258	386,620
31 December	2,269,886	4,970,072	113,650	1,422,855	8,776,463
Accumulated Depreciation					
1 January	–	971,977	49,026	575,318	1,596,321
Charge/write off for the year	–	92,416	7,177	240,966	340,559
Disposals, currency translation and others	–	6,386	6,233	3,383	16,002
31 December	–	1,070,779	62,436	819,667	1,952,882
Net book value	2,269,886	3,899,293	51,214	603,188	6,823,581

14 Goodwill and Intangible Assets

Goodwill and intangible assets comprise the following:

	2024	2023
Goodwill	**1,108,164**	1,158,938
Other intangible assets	**680,995**	680,978
	1,789,159	1,839,916

Movement in goodwill and other intangible assets is set out below:

	2024	2023
1 January	**1,839,916**	1,813,812
Additions	**121**	–
Currency translation adjustments and others	**(50,878)**	26,104
31 December	**1,789,159**	1,839,916

(All amounts in Saudi Riyals thousands unless otherwise stated)

Goodwill recognized by the Group mainly represents an amount of Saudi Riyals 1.108 billion (31 December 2023: Saudi Riyals 1.159 billion) recognized on its cash generating unit – George V.

Other intangible assets include an indefinite life brand amounting to Saudi Riyals 680.9 million (2023: Saudi Riyals 680.9 million) recognized on acquisition of Savoy Hotels Limited. The indefinite life is due to the fact that the hotel is considered a trophy asset and management concluded that the benefits will be for an indefinite period. Therefore, the brand is not amortized but tested for impairment annually.

Intangible assets with definite lives are amortized over their useful economic lives ranging from 3 to 5 years.

Impairment of indefinite life assets

The recoverable amounts have been determined based on fair value less costs to disposal, using discounted cash flow analysis. The hotel is the lowest level within the Group at which the intangible asset is monitored for internal management purposes. The cash flow projections are based on financial budgets that are approved by management of the respective entities. These cash flow projections are for a period of 9 years (2023: 9 years) for George V and Savoy.

The following table sets out the key assumptions made in performing the impairment reviews:

	George V	
Particulars	**2024**	2023
	%	%
Revenue growth – CAGR	**6.8**	6.8
EBITDA margin – average	**39.9**	40.0
Terminal capitalization rate	**5.5**	4.0
Discount rate	**10.0**	9.5

	Savoy	
Particulars	**2024**	2023
	%	%
Revenue growth - CAGR	**5.5**	4.8
EBITDA margin - average	**42.8**	42.1
Terminal Capitalization rate	**5.0**	4.0
Discount rate	**11.8**	11.0

Assumption	Approach used to determine values
Revenue growth	The key factors, that the hotels will continue their status as premier hotels, occupancy rate and average rate per rooms, are based on management's assumption of achieving a stabilized level of performance and the hotels reaching their pre-covid levels based on the actual recoveries being made in 2024 considering the political and economic environment of the countries in which the hotels operate.
EBITDA margin	Based on past performance and management's expectations for the future.
Terminal capitalization rate	The rates are consistent with forecasts included in industry reports.
Discount rate	Reflect specific risks relating to the hospitality business and countries in which they operate.

(All amounts in Saudi Riyals thousands unless otherwise stated)

For George V, the recoverable amount would equal its carrying amount if the key assumptions were to change, keeping other variables constant, as follows:

	2024	
	From	**To**
	%	**%**
Revenue growth – CAGR	**6.8**	**5.3**
EBITDA margin – average	**39.9**	**38.6**
Discount rate	**10.0**	**13.5**

For Savoy, the recoverable amount would equal its carrying amount if the key assumptions were to change, keeping other variables constant, as follows:

	2024	
	From	**To**
	%	**%**
Revenue growth – CAGR	**5.5**	**3.7**
EBITDA margin – average	**42.8**	**41.4**
Discount rate	**11.8**	**15.9**

15 Other Long-Term Assets

	2024	2023
Long term advances (Note 22)	**–**	500,001
Refundable deposits	**129**	837
Others	**51,252**	50,778
	51,381	551,616

(All amounts in Saudi Riyals thousands unless otherwise stated)

16 Borrowings

The outstanding borrowings balance is presented as follows:

	2024	2023
Current		
Current portion of term loans	**3,045,759**	2,208,888
Non-current		
Term loans, including long-term revolving facilities	**9,551,676**	12,763,240

The movement in the borrowings is as follows:

	2024	2023
1 January	**15,040,234**	18,434,066
Additions	**3,388,755**	9,661,639
Repayments	**(5,433,087)**	(13,151,672)
Foreign currency translation adjustments	**(325,934)**	96,201
31 December	**12,669,968**	15,040,234
Unamortized transaction costs:		
1 January	**(68,107)**	(72,569)
Additions	**–**	–
Amortization	**(4,426)**	4,463
31 December	**(72,533)**	(68,106)
Net carrying amount	**12,597,435**	14,972,128

Details of borrowings by entity are as follows:

	2024	2023
Kingdom Holding Company	**6,116,463**	8,481,145
Kingdom 5-KR-11 Limited	**2,862,210**	2,672,431
Kingdom 5-KR-35 Group	**1,614,772**	1,704,026
Kingdom KR-114 Limited	**857,425**	1,142,259
Trade Centre Company Limited (TCCL)	**964,190**	751,102
Others	**182,375**	221,165
	12,597,435	14,972,128

(All amounts in Saudi Riyals thousands unless otherwise stated)

These borrowings are loan facilities from different banks and financial institutions. The management utilize them to settle the facilities which are falling due in the said years and to support the strategic decision making of the Group. Similar to the year ended 31 December 2024, the Group has drawn down to pay off facilities which are falling due during the year from the undrawn facilities. The Group has also entered into certain new loan facilities during the year. The Group has complied with all its covenants.

As at 31 December 2024, the Group had an outstanding loan of Saudi Riyals 970 million from a related party, BSF.

Following is a summary of the Group's significant borrowings:

KHC

Loans in KHC were obtained from commercial banks and consist of several facilities including syndicated loans and revolving credit facilities. These loans carry borrowing costs based on Saudi Inter-Bank Offered Rate ("SIBOR"), Euro Interbank Offered Rate ("EURIBOR") and Secured Overnight Financing Rate ("SOFR") plus a spread and are secured against certain investments and cash in certain bank accounts of the Group. The value of these assets pledged as securities amounts to Saudi Riyals 16.5 billion as at 31 December 2024. The aggregate maturities of these loans, based on their respective repayment schedules, are spread over a period of 5 years. Loan agreements include certain financial covenants with respect to minimum tangible net worth, consolidated EBIT, consolidated net commission costs, loan to value ratio, minimum standalone and consolidated total assets, debt service ratio and interest coverage ratio.

The carrying values of the borrowings are denominated in following currencies:

	2024	2023
Saudi Riyals	**3,097,723**	4,320,484
Euro	**1,443,740**	2,812,500
US Dollars	**1,575,000**	1,348,161
	6,116,463	8,481,145

Kingdom 5-KR-11 Limited

Loans in Kingdom 5-KR-11 limited carry floating interest rates based on EURIBOR plus a spread. The facilities are secured against certain FVOCI investments. The value of these investments amounts to Saudi Riyals 5.5 billion as at 31 December 2024. The aggregate maturities of these loans, based on their respective repayment schedules, are spread over a period of 3 years. These loans are denominated in Euro. Loan agreements include certain financial covenants with respect to minimum tangible net worth, consolidated EBIT, consolidated net commission costs, loan to value ratio, minimum standalone and consolidated total assets and debt service ratio.

Kingdom 5-KR-35 Group – George V Hotels

In October 2023, the loan associated with Kingdom 5-KR-35 was fully repaid. Additionally, during the current year, the Kingdom 5-KR-35 secured a new loan facility amounting to Saudi Riyals 1.7 billion, which was hedged through an Interest Rate Swap (IRS) derivative. This new facility is backed by a mortgage on the George V hotel property. The carrying value of this property amounts to Saudi Riyals 941 million. The loan agreement includes certain financial covenants such as loan to value ratio (based on the market value of the George V hotel property). The loan carries floating interest rates (based on EURIBOR) and is due to mature on 22 September 2028. The loan is denominated in Euro and has been classified as non-current borrowings as at 31 December 2023.

During 2024, the Kingdom 5-KR-35 has also entered an IRS derivative with certain financial institutions. For IRS related disclosures, refer to Note 36.1.

Kingdom KR-114 Limited – Savoy

Loans in Kingdom KR-114 Limited have different maturities within the next two years and carry interest rates which are either fixed or floating based on the Sterling Overnight Index Average ("SONIA"). These loans are denominated in GBP. The loans are secured through registered mortgages and liens over the Savoy Hotel. The carrying value of this hotel is Saudi Riyals 1.96 billion as at 31 December 2024 and fair value exceeds the carrying value as at that date. Loan agreements include certain financial and cash trap covenants which are based on loan to value ratios. Such loan to value ratios are computed based on market value of the Savoy Hotel property.

For IRS related disclosures, refer to Note 36.2.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Trade Centre Company Limited (TCCL)

The loan facility carries an interest rate based on SIBOR. Loan agreements include certain financial covenants with respect to debt service ratio. The loan facility is secured by a mortgage on tower (Kingdom Tower) land classified under Property and Equipment and Investment Properties Financial Statement Line Items ('FSLIs').

As at 31 December 2024, Property and Equipment and Investment Properties pledged as collateral to this loan facility amounted to Saudi Riyals 801 million and Saudi Riyals 643 million respectively. The facility is repayable in 30 quarterly installments, starting from 30 June 2020, and ending on 30 September 2026, with the balance due for repayment on the final maturity date of 31 December 2026.

16.1 Net Debt Reconciliation

	2024	2023
Borrowings	**12,597,435**	14,972,128
Due to a related party	**510,799**	440,793
Less: Cash and cash equivalents	**(1,689,658)**	(1,923,789)
	11,418,576	13,489,132

	Borrowings	Due to a related party	Cash	Total
Net debt as at 1 January 2023	18,361,498	227,319	(3,440,947)	15,147,870
Financing cash flows	(3,490,033)	213,474	1,413,370	(1,863,189)
Other changes	194,199	–	103,788	297,987
Interest expense	1,275,924	13,713	–	1,289,637
Interest payments (presented as operating cash flows)	(1,369,460)	(13,713)	–	(1,383,173)
Net debt as at 31 December 2023	14,972,128	440,793	(1,923,789)	13,489,132
Net debt as at 1 January 2024	**14,972,128**	**440,793**	**(1,923,789)**	**13,489,132**
Financing cash flows	**(2,044,332)**	**70,006**	**129,284**	**(1,845,042)**
Other changes	**161,358**	**(18,598)**	**104,847**	**247,607**
Interest expense	**932,204**	**52,311**	**–**	**984,515**
Interest payments (presented as operating cash flows)	**(1,423,923)**	**(33,713)**	**–**	**(1,457,636)**
Net debt as at 31 December 2024	**12,597,435**	**510,799**	**(1,689,658)**	**11,418,576**

(All amounts in Saudi Riyals thousands unless otherwise stated)

17 Accounts Payable, Accrued Expenses and other Current Liabilities

	2024	2023
Accrued expenses	**678,547**	606,983
Accounts and other payables	**97,810**	133,912
Unearned revenues	**85,564**	112,121
Advances from customers	**36,804**	88,105
Security deposits	**21,183**	21,893
Others	**49,937**	31,042
	969,845	994,056

18 Zakat, Withholding and Income Tax Provisions

Zakat and income tax expense reported in the consolidated statement of income consists of the following:

	Note	**2024**	2023
Zakat	18.1	**150,859**	166,855
Income tax charge	18.2	**18,569**	20,780
Withholding tax on foreign dividends	18.2	**74,666**	120,197
		244,094	307,832

18.1 Zakat

The zakat obligations for the year represent the estimated zakat due on the Company and its local subsidiaries located in Kingdom of Saudi Arabia ('KSA'). The movement in the zakat provision is as follows:

	2024	2023
1 January	**362,674**	532,177
Charge for the year	**150,859**	166,855
Paid during the year	**(25,017)**	(336,358)
31 December	**488,516**	362,674

(All amounts in Saudi Riyals thousands unless otherwise stated)

Zakat for the year represents the amount due on the Company and its subsidiaries located in KSA. The significant components of zakat base under zakat and income tax regulations are principally comprised of equity, provisions at the beginning of year, long-term borrowings and adjusted net income, less deduction for the net book value of long-term assets and certain other items. The differences between the accounting and adjusted net income are mainly due to provisions and other items which are not allowed in the calculation of adjusted net income subject to zakat.

Status of final assessments

During 2020, the Company settled all of its open assessment years with ZATCA for the years till 2020. However, during 2021, the Zakat, Tax and Customs Authority ("ZATCA") reopened the assessments for the years 2015 to 2018 claiming additional zakat amounts related to those years. During the year ended 31 December 2023, the Company has closed all its open assessments for such periods (2015 to 2018) with ZATCA and executed a payment of Saudi Riyals 256 million as settlement for open assessments which was in line with the provision recorded by the Company for such years.

The remaining years (2019 and onwards) are under review by ZATCA and management believes that the zakat provision recorded in the books sufficiently covers such years and is based on historical settlements and analysis conducted internally.

The Company has filed its zakat returns up to the years ended 31 December 2023 with ZATCA.

There are no significant pending zakat assessments received in relation to the operations of subsidiaries in the Kingdom of Saudi Arabia by ZATCA.

18.2 Income tax

The Group's subsidiaries which are incorporated outside the Kingdom of Saudi Arabia are subject to tax laws of the respective country of incorporation.

		2024	2023
1 January		**–**	14,153
	Income tax charge (reversal)	**13,757**	(12,959)
	Deferred tax debit	**4,812**	33,739
		18,569	20,780
	Withholding tax on foreign dividends	**74,666**	120,197
	Paid during the year	**(89,548)**	(155,130)
31 December		**3,687**	–

There are no significant pending income tax assessments or tax notices received in relation to the operations of subsidiaries in foreign countries by their respective taxation authorities.

The Group is subject to withholdings taxes deducted at source on dividend received on certain equity securities registered in foreign jurisdictions.

19 Deferred tax

Deferred tax liabilities and assets relate to the following:

		2024	2023
Deferred tax liabilities			
	Property and equipment	**106,248**	111,132
	Others	**1,346**	1,312
		107,594	112,444
Deferred tax asset		**20,326**	20,364

Deferred tax asset primarily relates to tax losses and employee benefit obligations arising related to the operations of George V hotel properties.

(All amounts in Saudi Riyals thousands unless otherwise stated)

20 Share Capital

The share capital as at 31 December 2024 and 31 December 2023 consists of 3,706 million authorized and issued shares at a par value of Saudi Riyals 10 each. Each ordinary share carries one vote and rank pari passu for dividend distribution.

21 Reserves

21 (a) Statutory reserve:

The By-laws of the Company requires to the Company to set aside 10% of net profit for the year as statutory reserve until the reserve reaches 30% of their share capital. The Company has amended its By-laws to align it with the requirements of new Regulation of Companies made effective in January 2023.

21 (b) Other reserves:

The following table shows a breakdown of other reserves and the movement in these reserves during the year:

	Share in other comprehensive income of equity-accounted investees	Exchange differences on translation of foreign operations and equity-accounted investees	Re-measurement of employee benefit obligations	Cash flow hedge	Total
At 1 January 2023	(311,928)	(54,200)	(37,069)	(202,644)	(605,841)
Share in other comprehensive loss	33,496	–	–	–	33,496
Net change in fair value	–	–	–	73,711	73,711
Actuarial gain/(losses) on employee benefit obligations during the year	–	–	6,397	–	6,397
Unrealized exchange loss for the year on translation	–	336,380	–	–	336,380
At 31 December 2023	(278,432)	282,180	(30,672)	(128,933)	(155,857)
Share in other comprehensive income	7,646	–	–	–	7,646
Net change in fair value	–	–	–	30,346	30,346
Actuarial gains on employee benefit obligations during the year	–	–	2,752	–	2,752
Unrealized exchange gain for the year on translation	–	30,552	–	–	30,552
At 31 December 2024	**(270,786)**	**312,732**	**(27,920)**	**(98,587)**	**(84,561)**

(All amounts in Saudi Riyals thousands unless otherwise stated)

22 Non-Controlling Interests

This balance represents the share of the non-controlling interest in the following subsidiaries:

Name of the subsidiary	2024 Total non-controlling interest	2024 Share in total comprehensive income/(loss)	2023 Total non-controlling interest	2023 Share in total comprehensive income/(loss)
Trade Centre Company Limited	243,145	2,100	708,183	(50,125)
Kingdom KR-114 Limited – Breezeroad Limited	200,055	(59,206)	210,468	(47,099)
Real Estate Investment Company	43,225	9,134	414,602	45,667
Kingdom Schools Company Limited	23,701	2,435	98,889	12,050
Consulting Clinic SAL	24,515	–	24,535	–
Fashion Village Trading Company Limited	(9,318)	–	(9,675)	–
Kingdom investment and development Company	100,390	(4,754)	–	–
Others	–	–	5,874	–
	625,713	(50,291)	1,452,876	(39,507)

(All amounts in Saudi Riyals thousands unless otherwise stated)

The summarized financial information below relates to the Group's subsidiaries and represents amounts before intra-group eliminations as of and for the year ended 31 December 2024:

	Trade Center Company Limited	Kingdom KR-114 Limited	Real Estate Investment Company	Kingdom Schools Company Limited	Consulting Clinic SAL	Fashion Village Trading Company Limited	Kingdom Investment and Development Company	Total
	10.20%*	**41%**	**10.20%***	**10.20%***	**50%**	**28%**	**10.20%***	
Current assets	**702,622,000**	**167,853,404**	**908,907,280**	**145,119,780**	**8,027,509**	**2,920,000**	**403,244,063**	**2,338,694,036**
Current liabilities	**272,806,000**	**1,487,556,913**	**30,324,437**	**31,536,110**	**24,129,220**	**–**	**190,128,741**	**2,036,481,421**
Net current assets	**429,816,000**	**(1,319,703,509)**	**878,582,843**	**113,583,670**	**(16,101,711)**	**2,920,000**	**213,115,322**	**302,212,615**
Non-current assets	**1,959,302,000**	**2,669,356,294**	**396,389,196**	**156,917,930**	**71,475,754**	**–**	**4,315,629,487**	**9,569,070,661**
Non-current liabilities	**1,007,641,000**	**862,188,814**	**1,195,833**	**14,628,800**	**5,947,231**	**36,000,000**	**182,860,225**	**2,110,461,903**
Net non-current assets	**951,661,000**	**1,807,167,480**	**395,193,363**	**142,289,130**	**65,528,523**	**(36,000,000)**	**4,132,769,262**	**7,458,608,758**
Net assets/(liabilities)	**1,381,477,000**	**487,463,971**	**1,273,776,206**	**255,872,800**	**49,426,812**	**(33,080,000)**	**4,345,884,584**	**7,760,821,373**
Revenue	**486,307,000**	**290,346,379**	**9,052,195**	**94,927,000**	**–**	**–**	**–**	**880,632,574**
Profit/(loss) for the year	**20,585,000**	**(94,344,135)**	**89,545,793**	**23,868,020**	**–**	**–**	**(46,594,104)**	**(6,939,426)**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss)	**20,585,000**	**(144,264,458)**	**89,545,793**	**23,868,020**	**–**	**–**	**(46,594,104)**	**(56,859,749)**
Profit/(Loss) allocated to NCI	**2,099,670**	**(59,148,428)**	**9,133,671**	**2,434,538**	**–**	**–**	**(4,752,599)**	**(50,233,148)**
Dividends paid to NCI	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

* Reassessment of Non-Controlling Interests and Related Accounting Adjustments

During the year, the Group increased its stake in various subsidiaries through share purchase agreements (SPAs) and power of attorneys signed in prior years. In certain cases, the revised NCI stake does not necessarily align with the percentages recorded in the Articles of Association (AoA) of the respective subsidiaries. For some subsidiaries, such as Kingdom Schools Company Limited, the Articles of Association are in the process of being updated to reflect the revised ownership structure.

Additionally, for certain entities (TCCL and REIC), the stake identified in the Articles of Association differs from the ownership percentage indicated by various SPAs and powers of attorney executed by minority shareholders. In these cases, the Group has recognized an effective ownership interest that reflects the rights conveyed through these agreements, which, in some instances, result in a higher stake than what is currently documented in the Articles of Association.

From an accounting perspective, advances previously paid to acquire additional stakes from non-controlling shareholders were classified as long-term advances in prior years. In 2024, the Group successfully completed key legal formalities for significant subsidiaries (TCCL and REIC). These formalities included updates to the Articles of Association and registration with the Ministry of Commerce.

(All amounts in Saudi Riyals thousands unless otherwise stated)

As a result, these advances, amounting to Saudi Riyals 500 million, have now been adjusted against the respective NCI balances. For other subsidiaries where legal formalities are still in progress, management expects completion by 2025.

The summarized financial information below relates to the Group's subsidiaries and represents amounts before intra-group eliminations as of and for the year ended 31 December 2023:

	Trade Center Company Limited	Kingdom KR-114 Limited	Real Estate Investment Company	Kingdom Schools Company Limited	Consulting Clinic SAL	Fashion Village Trading Company Limited	Total
	29%	41%	31%	53%	50%	28%	
Current assets	196,683,060	163,074,889	54,312,993	58,718,700	8,027,509	2,920,000	483,737,151
Current liabilities	134,355,648	73,794,562	10,495,677	13,130,815	24,536,868	–	256,313,570
Net current assets	62,327,412	89,280,327	43,817,316	45,587,885	(16,509,359)	2,920,000	227,423,581
Non-current assets	531,337,674	1,103,020,882	176,319,264	85,979,716	71,475,754	–	1,968,133,290
Non-current liabilities	192,158,694	935,450,836	419,498	6,270,430	5,539,583	36,000,000	1,175,839,041
Net non-current assets	339,178,980	167,570,046	175,899,766	79,709,286	65,936,171	(36,000,000)	792,294,249
Net Assets/(liabilities)	401,506,392	256,850,373	219,717,082	125,297,171	49,426,812	(33,080,000)	1,019,717,830
Revenue	477,499,000	299,238,240	196,209,822	85,889,984	–	–	1,058,837,046
(Loss) profit for the year	(170,494,000)	(79,414,526)	149,239,816	22,735,494	–	–	(77,933,216)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive (loss) income	(170,494,000)	(79,414,526)	149,239,816	22,735,494	–	–	(77,933,216)
(Loss)/profit allocated to NCI	(50,125,236)	(32,591,722)	45,667,384	12,049,812	–	–	(24,999,762)
Dividends paid to NCI	–	–	–	–	–	–	–

(All amounts in Saudi Riyals thousands unless otherwise stated)

23 Hotel and other Operating Revenues

23.1 Following is the break-up of hotel and other operating revenues under different streams:

	2024	2023
Revenue from hotel operations – over a period of time – for room sales and hotel stay	**470,446**	687,174
Revenue from hotel operations – at a point in time – for other goods and services	**716,546**	477,850
Revenue from tuition fees – over a period of time	**94,927**	83,795
Revenue from other services – at a point in time	**–**	2,851
	1,281,919	1,251,670
Revenue from renting of shops and apartments – over a period of time	**313,269**	268,868
Revenue from renting of villas and apartments – over a period of time	**9,254**	72,181
	322,523	341,049
	1,604,442	1,592,719

23.2 Disaggregation of revenue from external customers

The Company is domiciled in the Kingdom of Saudi Arabia. The amount of its revenue from the customers, broken down by location of the customers, is mentioned below:

	2024	2023
Location		
Europe (England and France)	**935,855**	884,459
Asia (Saudi Arabia)	**590,287**	624,702
Africa (Seychelles)	**78,300**	83,558
	1,604,442	1,592,719

24 Hotel and other Operating Costs

	2024	2023
Employee cost	**426,053**	493,647
Depreciation and Amortization	**191,279**	354,151
Repairs and maintenance	**211,507**	128,039
Utilities	**96,835**	96,802
Others	**129,656**	111,235
	1,055,330	1,183,874

(All amounts in Saudi Riyals thousands unless otherwise stated)

25 Dividend Income

	2024	2023
Dividends from international equity investments	**786,082**	983,333

26 Gain on Investments at FVTPL

	2024	2023
Unrealized gain on investments at FVTPL (Note 6)	**–**	127,320

27 General, Administrative and Marketing Expenses

	Note	2024	2023
Employee cost		**148,851**	146,411
Professional fees	27.1	**63,077**	97,126
Selling and marketing expenses		**126,073**	137,217
Utilities and office expenses		**49,962**	40,257
Repairs and maintenance		**37,518**	15,963
Others		**72,119**	85,258
		497,600	522,232

27.1 Includes the Group's auditors' fee of Saudi Riyals 4.64 million (2023: Saudi Riyals 4.31 million) for the audit and review of the consolidated financial statements and Saudi Riyals 0.75 million (2023: Saudi Riyals 0.75 million) for the non-audit services.

(All amounts in Saudi Riyals thousands unless otherwise stated)

28 Financial Charges

Finance charges consist of interest payments on outstanding borrowings net of finance income, which is not material for separate disclosure, arising from cash balance and short-term deposits held at banks.

29 Commitments

Hotel segment

The Group has on-going activities to construct and renovate hotels and other properties, with various stages of completion. The total outstanding capital commitments relating to such developments as at 31 December 2024 amounted to Saudi Riyals 231 million (2023: Saudi Riyals 389 million).

NAS

The equity accounted investee (NAS) of the Group has entered into contracts with the aircraft manufacturer for the purchase of certain aircraft. The remaining value of this contract is Saudi Riyals 13,735 million (2023: Saudi Riyals 6,420 million) as at statement of financial position.

30 Contingencies, Letter of Credits and Guarantees

30.1 Contingencies

The Group is a defendant in various legal claims arising in the normal course of business. Based on the information presently available, there are no significant claims against the Group requiring a provision. Management believes that the provisions maintained for such claims are adequate. Any additional liabilities including any potential zakat assessments (Note 18) that may result in connection with other claims are not expected to have a material effect on the Group's financial position or results of operations.

30.2 Letter of Credits and Guarantees

At 31 December 2024, the Group does not have any outstanding letters of guarantee as at 31 December 2024 and 2023. However, the Group's share in the equity-accounted investees' letters of guarantees, credits and acceptance as of 31 December 2024 amounted to Saudi Riyals 14 billion (31 December 2023: Saudi Riyals 13.5 billion).

(All amounts in Saudi Riyals thousands unless otherwise stated)

31 Financial Instruments and Risk Management

The Group holds the following financial instruments:

	Note	2024	2023
Financial assets			
Financial assets at amortized cost			
Trade and other receivables	7	**252,385**	429,486
Due from related parties	9	**114,893**	123,858
Cash and cash equivalents	5	**1,689,658**	1,923,789
Long-term receivables	7	**–**	1,250,399
Financial assets at FVOCI			
Investments at FVOCI	10	**22,105,792**	19,502,567
Financial assets at FVTPL			
Investments at FVTPL	6	**243,421**	232,576
Financial liabilities			
Financial liabilities at amortized cost			
Accounts payables, accrued expenses and other current liabilities	17	**886,985**	879,972
Derivative financial instruments	36	**62,799**	74,927
Due to related parties	9	**511,039**	541,908
Borrowings	16	**12,597,435**	14,972,128
Dividends payable	35	**259,411**	259,376

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risks and equity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by senior management under policies approved by the Board of Directors.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Currency risk

The Group's exposure to foreign currency risk at the end of the reporting period, 31 December was as follows:

	2024				
	SAR	**EUR**	**GBP**	**USD**	**Others**
Trade receivables	**206,042**	**14,570**	**29,414**	**–**	**2,359**
Bank loans	**4,244,288**	**5,920,722**	**857,425**	**1,575,000**	**–**
FVOCI investments	**1,134,112**	**3,998,770**	**–**	**16,659,910**	**313,000**

	2023				
	SAR	EUR	GBP	USD	Others
Trade receivables	1,627,517	22,653	25,380	–	4,335
Bank loans	5,292,750	7,188,957	1,142,259	1,348,162	–
FVOCI investments	1,324,467	6,538,901	–	11,541,747	97,452

Currency risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. Majority of the Group's assets and liabilities are denominated in the functional currency of the respective subsidiaries, therefore the related currency risk is minimal. At the parent entity level, the assets and liabilities are denominated in Saudi Riyals or US Dollars. The Saudi Riyal is currently pegged to the US Dollar, therefore there is no currency risk on US Dollars denominated assets and liabilities.

The Group has exposure for its borrowings in Euros and GBP respectively. A 5% change in the closing exchange rate for borrowings in Euro and GBP will impact the consolidated statement of other comprehensive income by Saudi Riyals 296 million and Saudi Riyals 43 million respectively.

The Group is also exposed to exchange rate fluctuations arising from RR and EUR due to its investments in Russian and European securities. A 5% change in the currencies of such securities will impact OCI by Saudi Riyals 16 million and Saudi Riyals 199 million, respectively.

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group closely monitors the movement in interest rates and manages its risk accordingly. It is not a practice to hedge the interest rate risk except for loan facilities obtained by Kingdom 5-KR-35 limited.

An increase/decrease in interest rate of 1% (excluding hedging relationships), with all other variables held constant, would have resulted in a decrease/increase in the Group's consolidated total comprehensive income amounting to Saudi Riyals 102 million (2023: Saudi Riyals 133 million).

Equity price risk

The Group's listed and unlisted equity investments are susceptible to price risk, arising from uncertainties about fair values of investment securities. The Group manages equity price risk through diversification and setting limits on investments. The exposure to equity securities and its impact on equity is detailed in the table below with a % change in equity prices. The Company has historically faced a risk of 1% fluctuation in its equity price risk. The sensitivity is also computed for the same risk.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Markets	2024	Sensitivity	
Investments at FVTPL (Current):		**Net Profit**	**Percentage**
Asia	**243,421**	**+/-2,434**	**+/-1%**

		Sensitivity	
Investments at FVOCI (Non-current):		**OCI**	**Percentage**
North America	**16,532,403**	**+/-165,324**	**+/-1%**
Asia	**1,574,619**	**+/-15,746**	**+/-1%**
Europe	**3,998,770**	**+/-39,988**	**+/-1%**
	22,105,792	**+/-221,058**	
	22,349,213	**+/-223,492**	

Markets	2023	Sensitivity	
Investments at FVTPL (Current):		Net Profit	Percentage
Asia	232,576	+/-2,326	+/-1%

		Sensitivity	
Investments at FVOCI (Non-current):		OCI	Percentage
North America	11,471,997	+/-114,720	+/-1%
Asia	1,491,669	+/-15,292	+/-1%
Europe	6,538,901	+/-65,389	+/-1%
	19,502,567	+/-194,729	
	19,735,143	+/-197,351	

Credit risk

The Company is exposed to credit risk as a result of the counterparty's failure to meet its contractual obligations when due, in respect of:

- Trade receivables
- Long-term receivable
- Due from related parties
- Cash at banks

Credit risk is the risk that the Group will incur a financial loss as a result of the failure of the customer or counterparty to a financial instrument to fulfil its contractual obligations. The carrying amount of financial assets represents their maximum credit exposure. Impairment/(reversal) on financial assets recognized in the statement of income for the year ended 31 December 2024 amounted to Saudi Riyals 1.2 million (2023: Saudi Riyals (5.2) million). Credit risk is managed on an entity level.

Revenue from hotel operations is settled mainly in cash or credit card therefore the related credit risk is minimal. Revenue from educational services is also received in advance therefore resulting in low credit risk.

For other receivables (arising from sale of land, renting of shops, villas and apartments), the Group assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are then assigned.

For banks and financial institutions, only independently rated parties with a minimum rating of A are accepted. Therefore, the ECL on cash and cash equivalents is immaterial.

(All amounts in Saudi Riyals thousands unless otherwise stated)

The Group has kept cash and cash equivalents in reputable banks and financial institutions, so the expected credit losses of cash and cash equivalents as at 31 December 2024 and 2023 is not material. The cash balance as at 31 December 2024 is Saudi Riyals 1.7 billion (31 December 2023: Saudi Riyals 1.9 billion).

The credit ratings of banks in which the Group holds cash as at 31 December are as follows:

	2024	2023
Credit rating		
Aa3	**429,854**	828,480
A-1	**1,258,975**	994,202
A-2	**829**	101,107
	1,689,658	1,923,789

Trade receivables are shown net of allowance for impairment. The Group applies the IFRS 9 simplified approach for measuring expected credit losses on trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due, or the counterparty meets the unlikeness-to-pay criteria listed as follows:

- the counterparty is deceased;
- the counterparty is insolvent;
- the counterparty is in breach of financial covenant(s); and
- it is becoming likely that the counterparty will enter bankruptcy.

The expected loss rates are based on the payment profiles over a period of 36 and 12 months for regular receivables from tenants and guests respectively before the reporting date and the corresponding historical credit losses experienced within this period. Unless 100% collateralized any receivables beyond the above-mentioned periods of the respective profiles are written off.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified GDP and the unemployment rates to be the most relevant factors and has accordingly adjusted the historical loss rates based on expected changes in these factors.

There are no significant concentrations of credit risk, whether through exposure to individual customers and specific industry sectors.

The Group evaluates the concentration risk with respect to trade receivables which are primarily located in the Kingdom of Saudi Arabia (KSA). Trade receivables balance comprises of 79.4% in KSA, 3.2% in Gulf Cooperation Council (GCC) countries (other than KSA) and 17.4% in other countries (2023: 80.6% in KSA, 0.60% in GCC countries (other than KSA) and 2.86% in other countries). The nature of businesses of the Group owned entities does not expose it to credit concentration risk.

Trade receivables from other operations are not material to the consolidated financial statements.

With regard to due from related parties amounting to Saudi Riyals 115 million as at 31 December 2024 (31 December 2023: Saudi Riyals 124 million), the Group has never experienced any default from these related parties. The amount is due on demand and management has no concern over the recoverability of this balance. Hence, no ECL provision was charged against this receivable.

The table at the start of Note 31 shows the maximum exposure to credit risk.

(All amounts in Saudi Riyals thousands unless otherwise stated)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters. In addition, the Group has access to credit facilities.

Cash flow forecasting is performed by management which monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal ratio targets. Also see Note 1.

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2024	**Less than 1 year**	**1-3 years**	**More than 3 year**	**Total**
Borrowings	**3,118,932**	**4,230,759**	**6,368,777**	**13,718,468**
Derivative financial instruments	**–**	**–**	**62,799**	**62,799**
Accounts payable, accrued expense and other current liabilities	**886,985**	**–**	**–**	**886,985**
Due to related parties	**240**	**–**	**510,799**	**511,039**
Dividends payable	**259,411**	**–**	**–**	**259,411**
	4,265,568	**4,230,759**	**6,942,375**	**15,438,702**

2023	Less than 1 year	1-3 years	More than 3 year	Total
Borrowings	2,234,835	3,331,526	11,910,845	17,477,206
Derivative financial instruments	13,682	–	61,245	74,927
Accounts payable, accrued expense and other current liabilities	879,972	–	–	879,972
Due to related parties	101,115	–	440,793	541,908
Dividends payable	259,376	–	–	259,376
	3,488,980	3,331,526	12,412,883	19,233,389

Capital management risk

Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

The Group's capital management strategy is to maintain sufficient capital so that the percentage of debt to total assets does not exceed 60% of total assets (i.e. to maintain a 40% headroom).

Capital management

	2024	2023
Total borrowings (Note 16)	**12,597,435**	14,972,128
Total assets	**54,719,212**	54,098,335
Debt to total asset ratio	**23.02%**	27.68%

(All amounts in Saudi Riyals thousands unless otherwise stated)

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group's financial instruments are measured under the historical cost convention, except for investment carried at FVOCI and FVTPL which are carried at their fair values.

Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as trading and fair value through other comprehensive income securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's financial assets measured and recognized at fair value on a recurring basis including their levels in the fair value hierarchy at 31 December 2024:

As at 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments at FVTPL (Current):				
Asia	**–**	**–**	**243,421**	**243,421**
Investments at FVOCI (non-current):				
North America	**11,179,569**	**–**	**5,352,834**	**16,532,403**
Asia	**1,224,119**	**–**	**350,500**	**1,574,619**
Europe	**3,998,770**	**–**	**–**	**3,998,770**
Sub-total	**16,402,458**	**–**	**5,703,334**	**22,105,792**
Total financial assets at fair value	**16,402,458**	**–**	**5,946,755**	**22,349,213**

As at 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments at FVTPL				
Asia	**–**	**–**	**232,576**	**232,576**
Investments at FVOCI (non-current):				
North America	10,342,991	–	1,129,006	11,471,997
Asia	1,356,717	–	134,952	1,491,669
Europe	6,538,901	–	-	6,538,901
Sub-total	18,238,609	–	1,263,958	19,502,567
Total financial assets at fair value	18,238,609	–	1,496,534	19,735,143

Valuation techniques used to determine fair values

(All amounts in Saudi Riyals thousands unless otherwise stated)

Level 1 and level 2 designated financial instruments

Specific valuation techniques used to value financial instruments include, the use of quoted market prices resulting in level 1 valuations, observable market inputs and latest transaction prices resulting in level 2 valuations.

Level 3 designated financial instruments – Investments at FVOCI/FVTPL

Investments at FVOCI

As at 31 December 2024, Level 3 investments designated under North America and Asia, relate to equity positions held in Tech and Oil and Gas Companies' securities, respectively. The respective valuation technique used to determine the fair values including the key inputs/assumptions have been disclosed in Note 10.1, 10.2 and 10.3.

Valuation process

The Group has a team that performs/reviews the valuations of non-property items required for financial reporting purposes, including fair values of financial instruments. This team reports directly to the Chief Investment Officer (CIO). Discussions of valuation processes and results are held between the CIO and the valuation team at least once every six months, in line with the Group's half-yearly reporting periods.

Changes in level 2 and 3 fair values are analyzed at the end of each reporting period during the half-yearly valuation discussion.

Transfer from level 2 to level 3

During the year ended 31 December 2024, there were no transfers carried out between Level 1, Level 2 and Level 3 fair value measurements.

Movement in level 3 designated FVOCI investments

	Securities at FVOCI (level 3) 2024	Securities at FVOCI (level 3) 2023
Fair value at 1 January	**1,263,958**	1,207,987
Gain (loss) recognised in other comprehensive income	**1,399,922**	(2,443)
Additions	**3,039,454**	180,968
Disposals	**–**	(122,554)
Fair value at 31 December	**5,703,334**	1,263,958

Portfolio Composition and Key Holdings

As of 31 December 2024, the Investments at FVOCI encompasses strategic holdings in Citibank, xAI, M&G, Phoenix, and Telefonica Groups, with their respective fair values constituting 24%, 19%, 6%, 5%, and 5% of the portfolio.

Fair value of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates (mostly due to frequent re-pricing) or the instruments are short-term in nature.

(All amounts in Saudi Riyals thousands unless otherwise stated)

32 Employee Benefit Obligations

	2024	2023
At 1 January	**88,110**	85,665
Current service cost	**8,720**	2,062
Interest expense	**3,238**	688
Total amount recognized in profit or loss	**11,958**	2,750
Re-measurements		
Gain from change in financial assumptions	**2,751**	6,397
Total amount recognized in other comprehensive income	**2,751**	6,397
Benefit payments	**(9,318)**	(6,702)
At 31 December	**93,501**	88,110

In accordance with the provisions of IAS 19 'Employee Benefits', management has carried out an exercise to assess the present value of its obligation at 31 December 2024 and 2023, using the projected unit credit method, in respect of employees' end of service benefits payable under the local laws applicable to the respective subsidiaries and the parent company. Under this method, an assessment has been made of the employee's expected service life with the Group and the expected basic salary at the date of leaving the service.

Management has assumed average increment/promotion costs between 5.1% to 5.9% (31 December 2023: 4.9% to 5.5%). The expected liability at the date of leaving the service has been discounted to its net present value using an approximate discount rate between 6% to 7% (31 December 2023: 5% to 6%).

(All amounts in Saudi Riyals thousands unless otherwise stated)

33 SEGMENT INFORMATION

The Group is a diversified organization and derives its revenues and profits from a variety of sources. The investment committee, comprising senior management and the Chief Executive Officer, organize and manage its operations by business segments and have identified the following segments separately for the purposes of monitoring, decision making and performance assessment.

Description of segments and principal activities

The Group's primary operations are organized into the following segments:

Equity investments	International – The principal activity includes investments in international quoted and unquoted securities; Domestic and regional – The principal activity includes investments in securities quoted on the Saudi Stock Exchange, regional stock exchanges and investments in associates other than real estate; and Private equity – The principal activity includes investments in private equities, managed funds and other entities existing within the structure of the Group.
Hotels	The principal activity of this segment includes investments in subsidiaries and associates that are in the business of managing and owning hotel properties and related activities.
Real estate	The principal activity includes investments in activities relating to ownership and development of land and real estate projects.
All other segments	The principal activities include, consulting clinics, operations of Kingdom School and other trading activities carried out by the Group.

2024	**Equity investments**	**Hotels**	**Real estate**	**All other segments**	**Total**
Total assets	**42,119,933**	**6,192,752**	**5,619,378**	**787,149**	**54,719,212**
Total liabilities	**10,230,522**	**3,497,731**	**1,277,294**	**154,823**	**15,160,370**
Total revenues	**786,082**	**1,014,156**	**495,359**	**94,927**	**2,390,524**
Total operating costs	**–**	**669,116**	**329,724**	**56,490**	**1,055,330**
Profit (including NCI)	**1,204,538**	**(61,644)**	**40,403**	**23,869**	**1,207,166**

2023	Equity investments	Hotels	Real estate	All other segments	Total
Total assets	39,575,122	6,630,532	7,293,605	599,076	54,098,335
Total liabilities	12,420,450	3,856,864	1,116,860	79,743	17,473,917
Total revenues	971,316	968,018	680,243	83,795	2,703,372
Total operating costs	–	616,581	520,377	46,916	1,183,874
Profit (including NCI)	771,742	(24,247)	218,013	22,735	988,243

The inter-segment revenues for the Group are insignificant and accordingly have not been disclosed.

(All amounts in Saudi Riyals thousands unless otherwise stated)

34 Earnings per Share

Earnings per share for the years ended 31 December 2024 and 2023 have been computed by dividing the profit for the year by the total number of shares outstanding during 2024 of 3,706 million shares (2023: 3,706 million shares).

35 Dividends Declaration

The General Assembly of the Company, in its annual meeting held on 26 Dhu al-Qa'dah 1445H (corresponding to 3 June 2024), approved the distribution of cash dividends amounting to Saudi Riyals 1,037.6 million (Saudi Riyals 0.28 per share). Payment in respect of the first, second and third dividend distribution of Saudi Riyals 778.2 million, relating to the year ended 31 December 2023, was made during the year ended 31 December 2024

Payment for the fourth dividend distribution of Saudi Riyals 259.4 million, relating to the year ended 31 December 2022, was made during the year ended 31 December 2024.

36 Derivative Financial Instruments

The put option expired out of the money in the month of June 2024 and a gain of Saudi Riyals 14 million was recorded under "other gains, net" during the year ended 31 December 2024.

During the year ended 31 December 2024, the Group recorded a net unrealized loss of Saudi Riyals 1.6 million in other comprehensive income (2023: Nil), representing the effective portion of interest rate swap (IRS) derivatives, with Saudi Riyals 0.1 million related to Kingdom 5-KR-35 and Saudi Riyals 1.5 million to Kingdom 5-KR-114 (refer to Notes 36.1 and 36.2).

36.1 Interest rate swap derivative – Kingdom-5-KR-35 – George V hotels

As disclosed in Note 16, to hedge the variability in the interest rate on the new loan facility, Kingdom-5-KR-35 entered into an IRS derivative contract (the 'Contract') with a counterparty whereby the interest rate was fixed for a determinable rate for the entire period of loan facility due to mature in September 2028.

Under the contract, Kingdom-5-KR-35 agreed to pay a fixed interest rate to the counterparty for 5 years while receiving a variable interest rate based on the EURIBOR.

For the purpose of hedge accounting, IRS derivative contract (hedge item) has been designated as cash flow hedge. The critical terms of the hedge item match with the designated hedge instrument. The fair value and notional amount of the IRS derivative is as follows:

Notional amount of the loan: Saudi Riyals 1.7 billion

Fair value of the derivative: Saudi Riyals 61 million

The hedge is deemed effective, with a net unrealized loss recorded in other comprehensive income.

36.2 Interest rate swap derivative – Kingdom 5-KR-114 – Savoy

As disclosed in Note 16, Kingdom 5-KR-114 Limited entered into an IRS derivative contract (the "Contract") with a counterparty to hedge against interest rate fluctuations on its new loan facility, which is scheduled to mature in October 2028. The Contract effectively fixed the interest rate for the duration of the loan.

Under the contract, Kingdom 5-KR-11 Limited agreed to pay a fixed interest rate to the counterparty (DBS Bank, OCBC Bank, and National Bank of Kuwait) for five years, while receiving a variable interest rate based on the Sterling Overnight Index Average (SONIA).

For hedge accounting purposes, the IRS derivative contract was designated as a cash flow hedge. The critical terms of the hedge item match those of the designated hedging instrument. The fair value and notional amount of the IRS derivative are as follows:

Notional amount of the loan: Saudi Riyals 650 million

Fair value of the derivative: Saudi Riyals 1.5 million

The hedge is deemed effective, with a net unrealized loss recorded in other comprehensive income.

(All amounts in Saudi Riyals thousands unless otherwise stated)

37 Other Gains, Net

	2024	2023
Net fair value gains on derivatives (Note 36)	**13,682**	160,763
Net gain on derecognition of investment property (Note 12.2)	**–**	254,531
Net gain on settlement of put options	**–**	79,000
Other	**6,312**	(31,038)
	19,994	463,256

38 Subsequent Events

The Board of Directors on 16 March 2025 proposed a distribution of cash dividends totaling to Saudi Riyals 1,037.6 million, subject to approval in the next Ordinary General Assembly meeting.

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