



KINGDOM HOLDING COMPANY

(A Saudi Joint Stock Company)

Condensed Consolidated Interim
Financial Statements

For the three-month and Nine-month periods ended
30 September 2024
(unaudited)

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
Condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2024

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Report on review of condensed consolidated interim financial statements

To the Shareholders of Kingdom Holding Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Kingdom Holding Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 September 2024 and the related condensed consolidated interim statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended and the condensed consolidated statements of changes in equity and cash flows for the nine-month period ended 30 September 2024 and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

PricewaterhouseCoopers

A blue ink signature, appearing to read "Khalid A. Mahdhar", written over a horizontal line.

Khalid A. Mahdhar
License Number 368

12 November 2024

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Current assets			
Cash and cash equivalents		1,692,035	1,923,789
Investments at fair value through profit or loss ("FVTPL")	6	243,421	232,576
Trade and other receivables	17	356,100	429,486
Prepayments and other current assets		316,580	230,226
Due from related parties		114,890	123,858
Total current assets	1	2,723,026	2,939,935
Non-current assets			
Investments at fair value through other comprehensive income ("FVOCI")	6	21,069,106	19,502,567
Equity-accounted investees	7	18,430,874	17,172,435
Long-term receivables	17	-	1,250,399
Investment properties	16	3,229,167	3,997,522
Property and equipment		7,041,406	6,823,581
Goodwill and intangible assets		1,849,070	1,839,916
Deferred tax assets		23,384	20,364
Other long-term assets		546,864	551,616
Total non-current assets		52,189,871	51,158,400
Total assets		54,912,897	54,098,335
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	8	1,727,563	2,208,888
Derivative financial instruments	15	-	13,682
Accounts payable, accrued expenses and other current liabilities		1,049,364	994,056
Zakat, withholding and income tax provisions		478,641	362,674
Due to related parties		100,302	101,115
Dividends payable	12	518,788	259,376
Total current liabilities	1	3,874,658	3,939,791
Non-current liabilities			
Borrowings	8	10,938,803	12,763,240
Derivative financial instruments	15	77,128	61,245
Due to a related party		775,385	440,793
Deferred tax liabilities		115,439	112,444
Employee benefit obligations		93,518	88,110
Other long-term liabilities		61,604	68,294
Total non-current liabilities		12,061,877	13,534,126
Total liabilities		15,936,535	17,473,917
Net assets		38,976,362	36,624,418
Equity			
Share capital		37,058,823	37,058,823
Statutory reserve		1,674,460	1,674,460
Retained earnings		3,559,587	3,352,240
Fair value reserve for investments at FVOCI		(4,640,531)	(6,758,124)
Other reserves		(112,509)	(155,857)
Equity attributable to shareholders of the Company		37,539,830	35,171,542
Non-controlling interests		1,436,532	1,452,876
Total equity		38,976,362	36,624,418

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

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	Three-month period ended		Nine-month period ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
Hotels and other operating revenues		397,964	380,194	1,156,863	1,145,319
Hotels and other operating costs		(273,386)	(244,545)	(767,496)	(733,735)
Dividend income		214,053	227,989	667,011	828,693
		338,631	363,638	1,056,378	1,240,277
General, administrative and marketing expenses		(120,159)	(99,666)	(367,901)	(332,830)
Reversal of impairment for equity accounted investee	7	200,000	-	200,000	-
Share of results from equity-accounted investees	7	234,592	340,885	1,048,320	822,967
Gain on sale of investment property	16	-	-	123,457	-
Other losses / gains, net	18	(2,494)	218,277	(2,320)	241,801
Profit from operations		650,570	823,134	2,057,934	1,972,215
Finance income		-	21,801	46,872	65,403
Financial charges		(257,944)	(357,907)	(750,936)	(955,480)
Profit before zakat, withholding and income tax		392,626	487,028	1,353,870	1,082,138
Withholding and income tax		(39,951)	(34,855)	(67,870)	(123,606)
Zakat		(28,222)	(69,987)	(125,035)	(129,568)
Profit for the period		324,453	382,186	1,160,965	828,964
Profit for the period attributable to:					
- Shareholders of the Company		347,060	391,176	1,167,454	856,172
- Non-controlling interests		(22,607)	(8,990)	(6,489)	(27,208)
		324,453	382,186	1,160,965	828,964
Basic and diluted earnings per share (Saudi Riyals)	13	0.09	0.11	0.32	0.23

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KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Three-month period ended		Nine-month period ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
Profit for the period	324,453	382,186	1,160,965	828,964
Other comprehensive income / (loss):				
<i>Items that will not be reclassified to profit or loss:</i>				
Unrealized gain / (loss) on investments at FVOCI	880,544	(783,265)	2,195,086	297,774
Re-measurements of employment benefit obligations	(697)	-	2,751	9,293
<i>Items that may be reclassified to profit or loss:</i>				
Share in other comprehensive income / (loss) of equity-accounted investees	253,797	(71,213)	206,567	(45,486)
Fair value changes on cash flow hedge of interest rate swap derivatives (Note 15)	(47,739)	-	(15,883)	-
Exchange differences on translation of foreign operations	100,230	104,142	(159,942)	121,045
Other comprehensive income / (loss) for the period	1,186,135	(750,336)	2,228,579	382,626
Total comprehensive income / (loss) for the period	1,510,588	(368,150)	3,389,544	1,211,590
Total comprehensive income / (loss) for the period attributable to:				
- Shareholders of the Company	1,526,671	(352,637)	3,405,888	1,254,007
- Non-controlling interests	(16,083)	(15,513)	(16,344)	(42,417)
	1,510,588	(368,150)	3,389,544	1,211,590

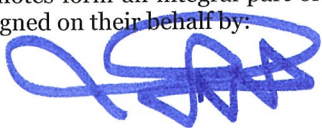
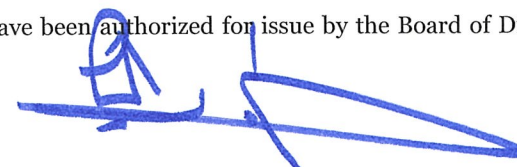
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KINGDOM HOLDING COMPANY
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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in Saudi Riyals thousands unless otherwise stated)

	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 as at 1 January 2024 (Audited)	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 period	-	-	1,167,454	-	-	1,167,454	(6,489)	1,160,965
Other comprehensive income / (loss)	-	-	-	2,195,086	43,348	2,238,434	(9,855)	2,228,579
Total comprehensive income / (loss)	-	-	1,167,454	2,195,086	43,348	3,405,888	(16,344)	3,389,544
Transfer of gain on disposal of investments at FVOCI	-	-	77,493	(77,493)	-	-	-	-
Dividends declared (Note 12)	-	-	(1,037,600)	-	-	(1,037,600)	-	(1,037,600)
Balance as at 30 September 2024 (Unaudited)	37,058,823	1,674,460	3,559,587	(4,640,531)	(112,509)	37,539,830	1,436,532	38,976,362

	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 as at 1 January 2023 (Audited)	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 period	-	-	856,172	-	-	856,172	(27,208)	828,964
Other comprehensive income / (loss)	-	-	-	297,774	100,061	397,835	(15,209)	382,626
Total comprehensive income / (loss)	-	-	856,172	297,774	100,061	1,254,007	(42,417)	1,211,590
Transfer of gain on disposal of investments at FVOCI	-	-	331,667	(331,667)	-	-	-	-
Dividends declared (Note 12)	-	-	(1,037,600)	-	-	(1,037,600)	-	(1,037,600)
Balance as at 30 September 2023 (Unaudited)	37,058,823	1,573,136	7,563,842	(14,746,875)	(505,780)	30,943,146	1,449,966	32,393,112

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

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Nine-month period ended	
	30 September 2024	30 September 2023
Cash flows from operating activities		
Profit before zakat, withholding and income tax	1,353,870	1,082,138
<u>Adjustments for non-cash items:</u>		
Depreciation and amortization	121,893	122,216
Share of results from equity-accounted investees (Note 7)	(1,048,320)	(822,967)
Reversal of impairment for equity-accounted investee (Note 7)	(200,000)	-
Gain on sale of investment property (Note 16)	(123,457)	(114,024)
Finance income	(46,872)	(65,403)
Provision for employee benefit obligations	2,843	1,781
Net fair value gain on derivative	(13,682)	-
Financial charges	750,936	955,480
	797,211	1,159,221
Changes in operating assets and liabilities		
Addition to investment at FVTPL	(10,845)	-
Trade and other receivables	1,370,657	(190,001)
Prepayments and other current assets	(86,354)	68,446
Due from related parties	8,968	(75)
Derivative financial instruments	-	89,286
Accounts payable, accrued expenses and other current liabilities	55,308	275,296
Due to related parties	(813)	60,096
Other long-term assets	4,752	7,386
Other long-term liabilities	(6,689)	(27,030)
	2,132,195	1,442,625
Zakat, withholding and income tax paid	(76,938)	(466,875)
Employee benefit obligations paid	(9,302)	(7,583)
Net cash generated from operating activities	2,045,955	968,167
Cash flows from investing activities		
Dividend received from equity accounted investees	468,615	435,322
Purchase of investments at FVOCI	(1,545,042)	(1,160,917)
Proceeds from sales of investments at FVOCI	2,173,589	2,087,887
Addition to equity accounted investee (Note 7)	(233,000)	-
Proceeds from sale of investment property (Note 16)	900,000	-
Other long-term assets	-	(183,000)
Additions to property and equipment	(216,599)	(178,750)
Additions to investment properties	-	(105,859)
Net cash generated from investing activities	1,547,563	894,683
Cash flows from financing activities		
Proceeds from borrowings	2,979,126	3,689,216
Repayments of borrowings	(5,350,345)	(5,719,459)
Financial charges paid	(1,010,457)	(958,813)
Dividends paid	(778,188)	(778,224)
Proceeds from a related party loan	334,592	-
Net cash utilized in financing activities	(3,825,272)	(3,767,280)
Net change in cash and cash equivalents	(231,754)	(1,904,430)
Cash and cash equivalents at the beginning of the period	1,923,789	3,440,947
Cash and cash equivalents at the end of the period	1,692,035	1,536,517

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

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
Notes to the condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2024
(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 Al Saud (“Ultimate controlling party”).

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

The Company and its subsidiaries (the “Group”) carry out activities through the entities as listed in Note 1 to the annual audited consolidated financial statements for the year ended 31 December 2023.

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 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 30 September 2024.

Liquidity and financial position

As of 30 September 2024, the Group had net current liabilities of Saudi Riyals 1.2 billion (31 December 2023: Saudi Riyals 1.0 billion), primarily due to the maturity of certain current borrowings amounting to Saudi Riyals 1.7 billion. To manage its liquidity needs, the Group has access to undrawn borrowing facilities of Saudi Riyals 8.2 billion, along with an existing portfolio of liquid, unpledged investments and the option to roll over revolving credit facilities as they mature.

In addition, the Group has been actively reducing its long-term borrowings and successfully decreased its debt by Saudi Riyals 2.3 billion as of 30 September 2024. 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 condensed consolidated interim financial statements are prepared on going concern basis.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 5 Jumada al-Awwal 1446H (corresponding to 7 November 2024).

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - “Interim Financial Reporting” (“IAS-34”), as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

These condensed consolidated interim financial statements should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2023 and do not include all of the information required for a complete set of financial statements under International Financial Reporting Standards (IFRS), that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual audited consolidated financial statements.

The interim results may not be an indicator of the annual results of the Group.

KINGDOM HOLDING COMPANY
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Notes to the condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

2 Basis of preparation (continued)

2.2 Historical cost convention

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value. Further, the employee termination benefits are calculated using the Projected Unit Credit Method (PUCM) and actuarial assumptions.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the Company's functional and the Group's presentation currency.

3 Use of estimates, assumptions and judgments

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

In instances where it is considered relevant, management has reassessed the significant inputs in its estimates of recoverable amounts of Investment in equity accounted investees, goodwill and intangible assets and certain investments carried at fair value through other comprehensive income (Notes 3.1, 3.2, 4.16, 10, 11 and 14 of the annual audited consolidated financial statements for the year ended 31 December 2023) and has concluded that recoverable amount of these assets are higher than the carrying values and therefore no impairment was recognized for the nine-month period ended 30 September 2024.

Also, refer to Note 7.4 explaining reversal of impairment for equity accounted investee.

4 Material accounting policies

The material accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's last annual audited consolidated financial statements for the year ended 31 December 2023.

New IFRS standards, amendments to standards and interpretations not yet adopted

In April 2024, the International Accounting Standards Board (IASB) issued a new IFRS Accounting Standard to improve reporting of financial performance. IFRS 18 - Presentation and Disclosure in Financial Statements replaces IAS 1 - Presentation of Financial Statements. IFRS 18 has an effective date of 1 January 2027. Earlier application is permitted. This IFRS is not yet endorsed by SOCPA. The Group is planning to assess the impact of this Standard as part of annual financial statements preparation exercise for 2024 once it is endorsed by SOCPA.

There are no other new standards or amendments issued effective from 1 January 2024, other than those disclosed and explained in the Group's annual consolidated financial statements, that could have a material effect on these condensed consolidated interim financial statements.

5 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.

5 Segment information (continued)

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.

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Notes to the condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

5 Segment information (continued)

	Equity investments	Hotels	Real estate	All other segments	Total
2024 (Unaudited)					
Total revenue (including dividend income):					
For the three-month period ended 30 September 2024	214,053	295,462	78,762	23,740	612,017
For the nine-month period ended 30 September 2024	667,011	764,062	321,606	71,195	1,823,874
Profit / (loss):					
For the three-month period ended 30 September 2024	375,660	1,856	(58,409)	5,346	324,453
For the nine-month period ended 30 September 2024	1,179,808	(38,633)	(359)	20,149	1,160,965
Total assets as at 30 September 2024	41,546,913	6,554,322	6,017,710	793,952	54,912,897
Total liabilities as at 30 September 2024	10,581,445	3,987,956	1,216,872	150,262	15,936,535
Timing of revenue recognition:					
- At point in time	N/A	N/A	N/A	N/A	
- Over a period of time	N/A	Yes	Yes	Yes	
	Equity investments	Hotels	Real estate	All other Segments	Total
2023					
Total revenue (including dividend income) (Unaudited):					
For the three-month period ended 30 September 2023	227,989	254,649	104,608	20,937	608,183
For the nine-month period ended 30 September 2023	828,693	714,500	367,975	62,844	1,974,012
Profit / (loss) (Unaudited):					
For the three-month period ended 30 September 2023	307,301	(5,703)	76,240	4,348	382,186
For the nine-month period ended 30 September 2023	756,121	(40,088)	95,909	17,022	828,964
Total assets as at 31 December 2023 (Audited)	39,575,122	6,630,532	7,293,605	599,076	54,098,335
Total liabilities as at 31 December 2023 (Audited)	12,420,450	3,856,864	1,116,860	79,743	17,473,917
Timing of revenue recognition:					
- At point in time	N/A	N/A	N/A	N/A	
- Over a period of time	N/A	Yes	Yes	Yes	

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

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Notes to the condensed consolidated interim financial statements
For the three-month and nine-month periods ended 30 September 2024
(All amounts in Saudi Riyals thousands unless otherwise stated)

6 Investments at fair value

Note 31 to the annual audited consolidated financial statements for the year ended 31 December 2023 explains the fair value hierarchy, valuation techniques and the valuation process including sensitivities for key assumptions and judgements used. The fair values of Level 3 financial instruments have been determined on the same basis and assumptions as for the year ended 31 December 2023.

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 as at period end:

	Level 1	Level 2	Level 3	Total
As at 30 September 2024 (Unaudited)				
Financial assets				
<i>Investments at FVTPL (Current):</i>				
- Asia	-	-	243,421	243,421
<i>Investments at FVOCI (Non-current):</i>				
- North America	12,443,409	-	2,660,127	15,103,536
- Asia	1,194,492	-	134,952	1,329,444
- Europe	4,636,126	-	-	4,636,126
Sub-total	18,274,027	-	2,795,079	21,069,106
Total financial assets at fair value	18,274,027	-	3,038,500	21,312,527
As at 31 December 2023 (Audited)				
Financial assets				
<i>Investments at FVTPL (Current):</i>				
- Asia	-	-	232,576	232,576
<i>Investments at FVOCI (Non-current):</i>				
- 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

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

During the nine-month period, the Group invested Saudi Riyals 1.5 billion (USD 400 million) in xAI, an artificial intelligence company. This investment was part of the completion of xAI's Series B funding round, which raised a total value of Saudi Riyals 22.5 billion (USD 6 billion).

7 Equity-accounted investees

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
At beginning of the period / year	17,172,435	16,371,058
Addition (Note 7.1)	233,000	-
Dividends	(468,615)	(437,647)
Reversal of impairment (Note 7.4)	200,000	-
Share of results	1,048,320	1,032,833
Share in other comprehensive income	206,568	107,207
Unrealized exchange gain on translation	39,166	98,984
At end of the period / year	18,430,874	17,172,435

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7 Equity-accounted investees (continued)

- 7.1** During the nine-month period ended, the Group contributed Saudi Riyals 233 million in cash for the joint venture associated with the development of Shura Island resort.
- 7.2** In October 2024, the Jeddah Economic Company (JEC), an associate of the Group, signed an agreement with Saudi Bin Ladin Company ('SBG') to resume the construction of JEC Tower project. The construction is anticipated to be completed within a period of 42 months.
- 7.3** During the nine-month period ended 30 September 2024, the ownership structure of Flynas Company ('Flynas'), an associate of the Group, was restructured. Previously, the Group held an indirect 37.1% equity stake in Flynas through National Air Services Company ('NAS Holding'), which owned 100% of Flynas. As of 30 September 2024, the ownership was restructured, resulting in a direct transfer of the Group's stake from NAS Holding to Flynas, giving the Group a direct 37.1% equity stake in Flynas.
- 7.4** During the nine-month period ended 30 September 2024, the Group assessed whether any indicators suggested that a previously recognized impairment loss for one of its associates, Flynas, may no longer exist. Given Flynas's strong financial and operational performance in recent quarters, the Group conducted an impairment assessment. This assessment indicated that the investment's recoverable amount exceeded its carrying value, leading to a reversal of Saudi Riyals 200 million (2023: Nil) of impairment recognized in prior years.

8 Borrowings

Details of borrowings by entity are as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Kingdom Holding Company	6,124,589	8,701,902
Kingdom 5-KR-11 Limited	3,055,673	2,672,431
Kingdom 5-KR-35 Group	1,730,818	1,704,026
Kingdom KR-114 Limited	915,605	1,142,259
Trade Centre Company Limited	839,273	751,102
Others	408	408
	12,666,366	14,972,128

The above outstanding balance is presented in the condensed consolidated interim statement of financial position as follows:

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Current portion of term loans	1,727,563	2,208,888
Non-Current		
Term loans, including long-term revolving facilities	10,938,803	12,763,240

As at 30 September 2024, borrowings from a related party amounted to Saudi Riyals 0.97 billion (31 December 2023: Saudi Riyals 1 billion).

9 Contingencies and commitments

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, other than those claims against the Group requiring provision and which have been already provided. Management believes that the provisions maintained for such claims are adequate. Any additional liabilities including any potential zakat assessments 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. Also refer to Note 29 and 30 of the annual audited consolidated financial statements for the year ended 31 December 2023 for contingencies and commitments disclosures related to an associate.

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10 Related party transactions

The Group enters into various transactions with related parties at mutually agreed terms. The transactions for the nine-month period ended 30 September 2024, individually or in aggregate, are not material to the condensed consolidated interim financial statements.

11 Share capital

The share capital as at 30 September 2024 and 31 December 2023 consists of 3,706 million authorized and issued shares at a par value of Saudi Riyals 10 each.

12 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 and second dividend distribution of Saudi Riyals 518.8 million, relating to the year ended 31 December 2023, was made during the nine-month period ended 30 September 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 nine-month period ended 30 September 2024.

13 Earnings per share

Earnings per share for the nine-month period ended 30 September 2024 and 2023 have been computed by dividing the profit attributable to the shareholders of the Company for each of the period presented by the number of shares outstanding of 3,706 million shares (30 September 2023: 3,706 million shares) during the period.

14 Zakat, withholding and income tax provisions

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.

There is no change in the status of income tax assessments received in relation to the operations of subsidiaries in foreign countries by their respective taxation authorities other than those disclosed in Note 18 to the annual audited consolidated financial statements.

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

15 Derivative financial instruments

During the nine-month period ended 30 September 2024, the Group recorded a net unrealized loss of Saudi Riyals 15.9 million (compared to nil for the same period in 2023) in other comprehensive income. This loss reflects the effective portion of interest rate swap (IRS) derivatives.

Of the total unrealized loss, Saudi Riyals 7 million relates to Kingdom 5-KR-35, a subsidiary of the Group (refer to Note 36 to the annual audited consolidated financial statements for the year ended 31 December 2023), while Saudi Riyals 9 million pertains to Kingdom 5-KR-114, another subsidiary of the Group (see Note 15.1 below).

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15 Derivative financial instruments (continued)

15.1 Interest rate swap derivative - Kingdom 5-KR-114

During the nine-month period ended 30 September 2024, 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 9 million

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

16 Investment property - Sale of compound by a subsidiary

During the period ended 30 September 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 nine-month period ended 30 September 2024.

17 Trade and other receivables

Note 31 to the annual audited consolidated financial statements for the year ended 31 December 2023, outlines the receivables associated with the sale of Oil and Gas companies and Telefonica securities. As of the quarter ended 30 September 2024, all outstanding amounts have been fully received.

Additionally, in July 2024, the long-term receivable of Saudi Riyals 1.3 billion, due from a third party, was fully settled in cash.

18 Other losses / gains, net

	30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Net fair value gain on derivative	13,683	85,160
Net gain on disposal of investment property	-	114,024
Other	(16,003)	42,617
	(2,320)	241,801

19 Subsequent events

No events have occurred subsequent to 30 September 2024, and prior to the signing of the independent auditor's review report that would have a significant impact on the condensed consolidated interim financial statements as of 30 September 2024, except for updates related to an agreement with SBG to resume construction of the JEC Tower project. Refer to Note 7.2 for further details.