



KINGDOM HOLDING COMPANY

(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the Year ended 31 December 2025
And Independent Auditor's Report

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of goodwill and other intangible assets with indefinite useful lives</p> <p>Goodwill and intangible assets are carried in the consolidated statement of financial position at SAR 1.9 billion. Goodwill arose on the acquisition of the George V Hotel whilst the intangible assets comprise the Savoy Hotel brand. These assets, which arose from past acquisitions, are intangible assets with indefinite useful lives and are stated at their original cost.</p> <p>IFRSs that are endorsed in Kingdom of Saudi Arabia requires that the recoverable amount of goodwill and intangible assets be determined and compared to their carrying amounts, regardless of whether or not any indicators of impairment are identified. The recoverable amount is the higher of the value in use (VIU) or fair value less costs to sell. An impairment charge, which cannot be reversed in future years, is recognized in profit or loss if the recoverable amount is less than the carrying amount. No impairment charge was recognized during the year.</p> <p>Management has determined the recoverable amount as the value in use ("VIU") using the discounted cash flow model. This requires management to apply significant judgments and make significant estimates such as:</p> <ul style="list-style-type: none"> • Cash flow projections, including the growth rates used in these projections and future business prospects; and • Discount rates <p>Impairment of goodwill and other intangible assets is considered to be a key audit matter due to the level of judgments applied and estimates made by management in determining the recoverable amount and the level of audit effort required.</p> <p>For further information on the accounting policies and disclosures relating to goodwill and intangible assets, refer to notes 4.9 and 14 to the consolidated financial statements respectively.</p>	<p>We performed the following procedures in relation to the key audit matter:</p> <p>We obtained an understanding of the process adopted by management to determine the recoverable amount of the aforementioned goodwill and intangible assets, including the key controls in this process.</p> <p>We assessed the above-mentioned key controls to determine if they were appropriately designed and implemented and tested these controls to determine if they were operating effectively.</p> <p>We assessed, with the assistance of our internal valuation experts, if the methodology applied by management to determine the recoverable amount was in accordance with the requirements of IFRSs that are endorsed in Kingdom of Saudi Arabia.</p> <p>We tested, with the assistance of our internal valuation experts, the data inputs used in the determination of the recoverable amount by comparing cash flow projections to the CGU's historical results and assessing the underlying assumptions used to determine the growth in forecasted cash flows.</p> <p>We reperformed the mathematical accuracy of the calculations used to determine the recoverable amount.</p> <p>We agreed the results of the calculation of the recoverable amount to the amounts reported in the consolidated financial statements, where applicable.</p> <p>We evaluated management's sensitivity analyses over key assumptions, to understand the potential impact of reasonably possible changes in assumptions on the determination of the recoverable amount.</p> <p>We assessed the disclosures relating to this matter in the consolidated financial statements against the requirements of IFRSs that are endorsed in Kingdom of Saudi Arabia.</p>

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of unquoted investments in equity securities	
<p>Unquoted investments in equity securities are carried in the consolidated statement of financial position at SAR 17.3 billion. This represents 43% of the total assets at the reporting date.</p> <p>These investments are measured at fair value with the majority of changes in fair value recognized in other comprehensive income. The Group recognized a net fair value gain on these investments of SAR 11.4 billion within other comprehensive income during the year.</p> <p>Management determined fair value primarily based on recent observable private transactions.</p> <p>The determination of the fair value of these investments requires management to apply significant judgements and make significant estimates, many of which are not observable.</p> <p>We considered the valuation of unquoted investments in equity securities to be a key audit matter as a result of the following factors:</p> <ul style="list-style-type: none"> • the level of judgements applied and estimates made by management; • the quantitative significance of the amount to the consolidated financial statements; and • the level of audit effort required. <p>Refer to note 4.4 in the consolidated financial statements on the accounting policy relating to these investments and notes 10 and 31 for more information relating to these investments.</p>	<p>We performed the following procedures to address the key audit matter:</p> <p>We obtained an understanding of the process adopted by management to determine the fair value of the aforementioned investment and identified the key controls in that process.</p> <p>We assessed the abovementioned key controls to determine if they were appropriately designed and implemented and tested these controls to determine if they were operating effectively.</p> <p>We assessed the relevant competence, capability and objectivity of the personnel within the Group who are part of the valuation process.</p> <p>We utilized our internal valuation specialists to assist us in determining if the valuation methodology applied was in accordance with the requirements of IFRSs that are endorsed in Kingdom of Saudi Arabia.</p> <p>We utilized our internal valuation specialists to assist in determining if the significant estimates used to determine the fair value were reasonable by benchmarking them to industry practices and data available in the public domain.</p> <p>We reperformed the mathematical accuracy of the calculations used to determine the valuation.</p> <p>We agreed the results of the calculation of the valuation to the amounts reported in the consolidated financial statements, where applicable.</p> <p>We assessed the disclosures relating to this matter in the consolidated financial statements against the requirements of IFRSs that are endorsed in Kingdom of Saudi Arabia..</p>

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 17 March 2025 (corresponding to 17 Ramadan 1446H).

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other Information (continued)

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

When we read the Group's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's annual report, if we conclude that there is a material misstatement of this other information, 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 IFRSs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies 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 ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, 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;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope 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.

Deloitte and Touche & Co. Chartered Accountants



Waleed bin Moh'd Sobahi
Certified Public Accountant
License No. 378



6 Shawwal | 1447H
(25 March 2026)

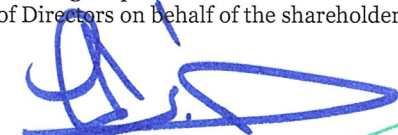
KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in ﷲ thousands unless otherwise stated)

	Note	As at 31 December	
		2025	2024
Assets			
Current assets			
Cash and cash equivalents	5	1,524,563	1,689,658
Investments at fair value through profit or loss ("FVTPL")	6	317,719	243,421
Trade and other receivables	7	611,204	252,385
Prepayments and other current assets	8	272,409	329,109
Due from related parties	9	115,167	114,893
Total current assets		2,841,062	2,629,466
Non-current assets			
Investments at fair value through other comprehensive income ("FVOCI")	10	39,536,004	22,105,792
Equity-accounted investees	11	19,617,880	18,196,697
Long-term receivables	7	191,854	-
Investment properties	12	3,367,564	3,124,986
Property and equipment	13	7,422,158	6,801,405
Goodwill and intangible assets	14	1,895,015	1,789,159
Deferred tax assets	19	16,978	20,326
Other long-term assets	15	45,806	51,381
Total non-current assets		72,093,259	52,089,746
Total assets		74,934,321	54,719,212
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	16	1,281,267	3,045,759
Accounts payable, accrued expenses and other current liabilities	17	1,374,862	969,845
Zakat, withholding and income tax provisions	18	559,420	492,203
Due to related parties	9	364	240
Dividends payable	35	259,411	259,411
Total current liabilities		3,475,324	4,767,458
Non-current liabilities			
Borrowings	16	11,487,254	9,551,676
Derivative financial instruments	36	61,903	62,799
Due to a related party	9	604,045	510,799
Deferred tax liabilities	19	126,697	107,594
Employee benefit obligations	32	101,821	93,501
Other long-term liabilities		58,896	66,543
Total non-current liabilities		12,440,616	10,392,912
Total liabilities		15,915,940	15,160,370
Net assets			
Equity			
Share capital	20	37,058,823	37,058,823
Statutory reserve	21	-	1,798,157
Retained earnings		5,818,299	2,533,203
Fair value reserve for investments at FVOCI	10	15,580,909	(2,372,493)
Other reserves	21	(54,401)	(84,561)
Equity attributable to shareholders of the Company		58,403,630	38,933,129
Non-controlling interests	22	614,751	625,713
Total equity		59,018,381	39,558,842

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:



Adel Abdulaziz AlAbdulsalam
Chief Financial Officer



Eng. Talal Ibrahim AlMaiman
Chief Executive Officer



HRH Prince AlWaleed Bin Talal AlSaudi
Chairman of the Board of Directors

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF INCOME
(All amounts in ﷲ thousands unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Hotels and other operating revenues	23	1,677,547	1,604,442
Hotel and other operating costs	24	(1,098,791)	(1,055,330)
Dividend income	25	948,289	786,082
Gain on investments at FVTPL	26	66,329	-
		1,593,374	1,335,194
General, administrative and marketing expenses	27	(513,109)	(497,600)
Impairment of financial assets	7	(2,723)	(1,174)
Share of results from equity-accounted investees	11	1,039,004	1,209,032
Reversal of impairment for equity accounted investee	11	500,000	200,000
Gain on sale of investment property	12	37,954	123,457
Gain on sale of equity-accounted investee	11	470,338	-
Other gains, net	37	12,221	19,994
Profit from operations		3,137,059	2,388,903
Finance income		-	46,872
Financial charges	28	(828,627)	(984,515)
Profit before zakat, withholding and income tax		2,308,432	1,451,260
Withholding and income tax	18	(73,557)	(93,235)
Zakat	18	(121,976)	(150,859)
Profit for the year		2,112,899	1,207,166
Profit / (loss) for the year attributable to:			
- Shareholders of the Company		2,143,294	1,236,970
- Non-controlling interests		(30,395)	(29,804)
		2,112,899	1,207,166
Basic and diluted earnings per share (ﷲ)	34	0.58	0.33

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:



Adel Abdulaziz AlAbdulsalam
Chief Financial Officer



Eng. Talal Ibrahim AlMaiman
Chief Executive Officer



HRH Prince AlWaleed Bin Talal AlSaud
Chairman of the Board of Directors

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in ﷲ thousands unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Profit for the year		2,112,899	1,207,166
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Unrealized gain on investments at FVOCI	10	18,334,647	3,223,200
Re-measurement of gain on employment benefit obligations	32	6,951	2,752
<i>Items that may be reclassified to profit or loss:</i>			
Share in other comprehensive income of equity-accounted investees	11	186,856	37,993
Fair value changes on cash flow hedge of interest rate swap derivatives	36	(896)	1,554
Exchange differences on translation of foreign operations		(143,318)	8,510
Other comprehensive income for the year		18,384,240	3,274,009
Total comprehensive income for the year		20,497,139	4,481,175
Total comprehensive income / (loss) for the year attributable to:			
- Shareholders of the Company		20,508,101	4,531,466
- Non-controlling interests	22	(10,962)	(50,291)
		20,497,139	4,481,175

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:

Adel Abdulaziz AlAbdulsalam
Chief Financial Officer

Eng. Talal Ibrahim AlMaiman
Chief Executive Officer

HRH Prince AlWaleed Bin Talal AlSaud
Chairman of the Board of Directors

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts in ﷲ thousands unless otherwise stated)

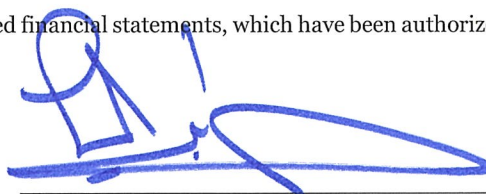
	Share capital	Statutory reserve	Retained earnings	Fair value reserve for investments at FVOCI	Other reserves	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2025	37,058,823	1,798,157	2,533,203	(2,372,493)	(84,561)	38,933,129	625,713	39,558,842
Profit / (loss) for the year	-	-	2,143,294	-	-	2,143,294	(30,395)	2,112,899
Other comprehensive income	-	-	-	18,334,647	30,160	18,364,807	19,433	18,384,240
Total comprehensive income / (loss)	-	-	2,143,294	18,334,647	30,160	20,508,101	(10,962)	20,497,139
Transfer of statutory reserve (Note 21(a))	-	(1,798,157)	1,798,157	-	-	-	-	-
Transfer of gain on disposal of investments at FVOCI to retained earnings (Note 10)	-	-	381,245	(381,245)	-	-	-	-
Dividends declared (Note 35)	-	-	(1,037,600)	-	-	(1,037,600)	-	(1,037,600)
Balance at 31 December 2025	37,058,823	-	5,818,299	15,580,909	(54,401)	58,403,630	614,751	59,018,381

	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 (Note 21(a))	-	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

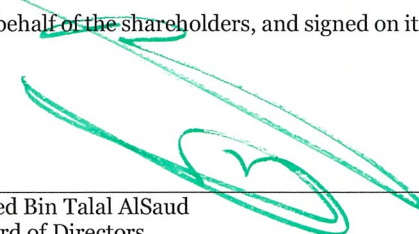
The accompanying notes form an integral part of these consolidated financial statements, which have been authorized for issue by the Board of Directors on behalf of the shareholders, and signed on its behalf by:



Adel Abdulaziz AlAbdulsalam
Chief Financial Officer



Eng. Talal Ibrahim AlMaiman
Chief Executive Officer



HRH Prince AlWaleed Bin Talal AlSaudi
Chairman of the Board of Directors

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

	Note	Year ended 31 December	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and income tax		2,308,432	1,451,260
Adjustments for non-cash items			
Share of results from equity-accounted investees	11	(1,039,004)	(1,209,032)
Depreciation and amortization	12, 13, 14	189,769	197,005
Unrealized gain on investments at FVTPL	6	(66,329)	-
Reversal / (Impairment) of financial assets	7	2,723	(1,174)
Net fair value gain on derivative	36	-	(13,682)
Gain on sale of investment properties	12	(37,954)	(123,457)
Finance income		-	(46,872)
Finance charges	28	828,627	984,515
Gain on sale of equity accounted investee	11	(470,338)	-
Provision for employee benefit obligations	32	7,834	11,958
Reversal of impairment for equity-accounted investee	11	(500,000)	(200,000)
		1,223,760	1,050,521
Changes in operating assets and liabilities			
Investment at FVTPL	6	(7,969)	(10,845)
Trade receivables, net of provisions		(553,396)	1,475,546
Prepayments and other current assets		56,700	(98,883)
Due from related parties		(274)	8,965
Other long-term assets		5,574	500,236
Derivative financial instruments		(896)	-
Accounts payable, accrued expenses and other current liabilities		405,017	(24,211)
Due to related parties		124	(100,875)
Other long-term liabilities		(7,647)	(1,751)
		1,120,993	2,798,703
Zakat and income tax paid	18	(128,316)	(114,565)
Employee benefit obligations paid during the year	32	(6,465)	(9,319)
Net cash generated from operating activities		986,212	2,674,819
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments at FVOCI	10	(107,074)	(3,053,375)
Proceeds from sales of investments at FVOCI	10	1,011,509	3,673,350
Dividends from equity-accounted investees	11	607,623	469,606
Proceeds from sales of equity-accounted investee	11	800,005	-
Proceed from sale of investment property	12	55,274	980,700
Additions to investment properties	12	(280,526)	-
Additions to property and equipment	13	(436,033)	(276,533)
Addition to equity accounted investee	11	(224,628)	(233,050)
Additions to goodwill	14	-	(121)
Net cash generated from investing activities		1,426,150	1,560,577
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	16	7,185,261	3,388,755
Repayment of borrowings	16	(7,809,889)	(5,433,087)
Dividends paid	35	(1,037,647)	(1,037,565)
Movement in restricted cash		746	104,847
Finance charges paid		(1,008,428)	(1,457,636)
Proceeds from a related party loan	9	93,246	70,006
Net cash utilized in financing activities		(2,576,711)	(4,364,680)
Net change in cash and cash equivalents		(164,349)	(129,284)
Cash and cash equivalents at beginning of year		1,495,903	1,625,187
Cash and cash equivalents at end of year	5	1,331,554	1,495,903

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:



Adel Abdulaziz AlAbdulsalam
Chief Financial Officer



Eng. Talal Ibrahim AlMaiman
Chief Executive Officer



HRH Prince AlWaleed Bin Talal AlSaud
Chairman of the Board of Directors

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)

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

(All amounts in ﷲ 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, 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

Liquidity and financial position

As of 31 December 2025, the Group had net current liabilities of ﷲ 0.6 billion (31 December 2024: ﷲ 2.1 billion), primarily due to the maturity of certain current borrowings amounting to ﷲ 1.3 billion (2024: ﷲ 3 billion). To manage its liquidity needs, the Group has access to undrawn borrowing facilities of ﷲ 10 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 5 Shawwal 1447H (corresponding to 24 March 2026).

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.

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

(All amounts in ₪ thousands unless otherwise stated)

1 CORPORATE INFORMATION (continued)

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	
	2025	2024
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	6.8

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% (2024: 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		Principal activities
	2025	2024	
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	89.8	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	89.8	Real estate development and management
Trade Centre Company Limited (TCCL) - Saudi Arabia	89.8	89.8	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	27.4	37.1	Aviation
Jeddah Economic Company (JEC) - Saudi Arabia	35.74	35.74	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	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.

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

(All amounts in ﷲ thousands unless otherwise stated)

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting 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, 2025

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
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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025, 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
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<ul style="list-style-type: none"> Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full. 	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	<p>Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.</p> <ul style="list-style-type: none"> The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system. 	1 January 2026.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity’s financial performance as ‘management-defined performance measures’ (‘MPMs’). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027

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2 BASIS OF PREPARATION (continued)

2.4 Standards, interpretations and amendments issued but not yet effective

Title	Key requirements	Effective date
IFRS 19, Subsidiaries without Public Accountability: Disclosures	<ul style="list-style-type: none">IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	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.

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 judgments 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 2025 and 2024 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 at FVTOCI, level 3 classification

The Group has exercised judgement in estimating the fair value of investments at FVTOCI, level 3 classification as at 31 December 2025 as part of the level 3 measurements of such financial instruments. For further details refer to Note 10.1 and 31.

3.2 Significant judgements

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.

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 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.

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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).

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4 MATERIAL ACCOUNTING POLICIES (continued)

4.2 Principles of consolidation and equity accounting (continued)

i. Subsidiaries (continued)

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

4 MATERIAL ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

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.

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.

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4 MATERIAL ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

(i) *Financial assets* (continued)

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.

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.

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4 MATERIAL ACCOUNTING POLICIES (continued)

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 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 MATERIAL ACCOUNTING POLICIES (continued)

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.

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 2025.

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

4.12 Zakat and income tax (continued)

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.

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 MATERIAL ACCOUNTING POLICIES (continued)

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.

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 MATERIAL ACCOUNTING POLICIES (continued)

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.

4.19 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to shareholders 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.

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4 MATERIAL ACCOUNTING POLICIES (continued)

4.21 Derivative financial instruments (continued)

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.

5 CASH AND CASH EQUIVALENTS

	2025	2024
Cash and cash equivalents (Note 5.1)	1,524,563	1,689,658
Less: Restricted cash (Note 5.2)	(193,009)	(193,755)
Cash and cash equivalents in the consolidated statement of cash flows	1,331,554	1,495,903

5.1 Cash and cash equivalents include deposit with a related party (associate) amounting to ﷲ 141.5 million (2024: ﷲ 26.2 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 2025, FVTPL investments consist of unquoted securities. The movement in FVTPL investments is set out below:

	2025	2024
FVTPL		
1 January	243,421	232,576
Addition	7,969	10,845
Changes in fair value	66,329	-
31 December	317,719	243,421

7 TRADE AND OTHER RECEIVABLES

	2025	2024
Trade receivables (current)	914,987	575,877
Less: provision for impairment of trade receivable	(303,783)	(323,492)
	611,204	252,385
Long-term receivables (non-current) (Note 11)	191,854	-
Total receivables	803,058	252,385

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7 TRADE AND OTHER RECEIVABLES (continued)

Following is the breakdown of net receivables:

	2025	2024
Receivables from others (non-current)	191,854	-
Receivables from guests	121,142	46,343
Receivables from tenants	126,326	103,026
Receivables from medical operations	5,701	5,701
Receivable from others	358,035	97,315
Trade receivables (current)	611,204	252,385

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:

	2025	2024
Balance at the beginning of the year	323,492	322,318
Provision during the year	2,723	1,174
Provision written off during the year	(22,432)	-
Balance at end of the year	303,783	323,492

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

	2025	2024
Prepaid expenses and other current assets	122,764	141,262
Inventories	30,904	31,503
Advances to suppliers	89,616	153,874
Value added tax claims receivable	29,125	2,470
	272,409	329,109

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.

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9 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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:

<u>Name</u>	<u>Relationship</u>	2025	2024
Due from related parties:			
Azizia Commercial Investment Company (Note 9.1)	Entity under common control	114,801	114,207
Others	Associate	366	686
Total		115,167	114,893
Due to related parties:			
Others – Current	Associates	364	240
Qatar Investment Authority – Katara Hospitality (Note 9.2) – Non-Current	Non-controlling interest	604,045	510,799
Total		604,409	511,039

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 2025.

9.2 The balance represents financing provided by the NCI to one of the subsidiaries. The loan carries interest at 3.71% and is payable on 31 October 2028.

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.

Key management compensation:

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

	2025	2024
Short and long-term benefits	33,868	36,412
Others	30,000	7,290
	63,868	43,702

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.

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10 INVESTMENTS AT FVOCI (continued)

(a) FVOCI investments consists of the following:

	2025	2024
International	38,390,815	20,666,125
Local and regional	1,145,189	1,224,119

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

	2025	2024
Cost:		
1 January - Note 10.1	24,478,285	26,260,691
Additions during the year	107,074	3,053,375
Disposals during the year	(630,264)	(4,835,781)
31 December - Note 10.1	23,955,095	24,478,285
Fair value reserve for investments at FVOCI:		
1 January	(2,372,493)	(6,758,124)
Unrealized gain during the year	19,246,328	4,219,953
Unrealized loss during the year	(911,681)	(996,753)
Realized loss / (gain) transferred to retained earnings upon disposal	(381,245)	1,162,431
31 December	15,580,909	(2,372,493)
Net carrying amount	39,536,004	22,105,792

The investments at FVOCI are denominated in the following currencies:

	2025	2024
US Dollar	33,052,929	16,659,910
Euro	5,441,992	3,998,770
Saudi Riyals	1,021,253	1,134,112
Others	19,830	313,000
	39,536,004	22,105,792

10.1 Investment in securities of an artificial intelligence company

As at 31 December 2025, the Group holds a position in equity securities of X.AI Holdings Corp (xAI), a North America-based artificial intelligence company. 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.

The fair value of the investment was determined primarily with reference to recent private market transactions involving the investee with independent market participants, which management considered to represent the most relevant observable evidence of fair value at the reporting date. During February 2026, and prior to the authorization of these consolidated statements for issue, X.AI Holdings Corp (xAI) and Space Exploration Technologies Corp. (SpaceX) completed a merger transaction, whereby xAI was acquired by, and became a wholly owned subsidiary of SpaceX. Accordingly, the Group's shares in xAI were cancelled and converted into SpaceX shares based on a mutually agreed conversion factor. This event is considered a non-adjusting event under IAS 10 and the investment continues to be presented as an investment in xAI.

Sensitivity analysis indicates that a hypothetical 5% adjustment would impact fair value by approximately ﷻ 0.83 billion. Management believes the assumptions and valuations employed are reasonable and align with prevailing market practices for similar investments in privately held entities.

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11 EQUITY-ACCOUNTED INVESTEEES

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

	2025	2024
1 January	18,196,697	17,172,435
Additions	224,628	233,050
Dividends	(607,623)	(469,606)
Disposals	(329,667)	-
Share of results	1,039,004	1,209,032
Share in other comprehensive income	186,856	37,993
Reversal of impairment	500,000	200,000
Unrealized exchange (loss) / gain on translation	407,985	(186,207)
31 December	19,617,880	18,196,697

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

Investee name	2025		2024	
	Effective ownership %	Amount	Effective ownership %	Amount
BSF – (Note 3.2)	16.2	8,336,847	16.2	7,676,049
Four Seasons Holding Inc ('FSH Inc.')	23.75	2,864,634	23.75	2,757,939
Accor S.A. ('Accor') (Note 3.2)	6.8	3,811,351	6.8	2,939,753
Jeddah Economic Company ('JEC')	35.74	2,523,264	35.74	2,487,831
Flynas Company ("Flynas")	27.4	1,720,620	37.1	2,049,350
East Shura III Company	50	308,439	50	233,050
Others	30.0-35.0	52,725	30.0-35.0	52,725
		19,617,880		18,196,697

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11 EQUITY-ACCOUNTED INVESTEEES (continued)

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 2025

(All amounts in ﷲ millions)

	NAS Holding Company	Flynas	East Shura III	JEC	FSH Inc.	BSF	Accor S.A.
Non-current assets	-	12,306	1,653	12,583	11,518	94,115	38,918
Current assets	-	4,916	856	856	3,990	214,891	12,791
Non-current liabilities	-	(9,567)	(1,605)	(5,281)	(4,302)	(63,127)	(18,730)
Current liabilities	-	(4,105)	(400)	(664)	(878)	(195,219)	(12,210)
Equity	-	3,550	504	7,494	10,328	50,660	20,769
KHC's share	-	973	-	2,678	2,453	8,207	1,412
Carrying amount	-	1,721	308	2,523	2,865	8,337	3,811
Revenue	-	7,844	-	-	2,764	17,558	23,908
Net profit / (loss)	-	(527)	(7)	99	576	5,353	2,116
Other comprehensive (loss) / income	-	(14)	-	-	267	1,351	(1,344)
Total comprehensive income / (loss)	-	(541)	(7)	99	843	6,704	772
Share in total comprehensive income / (loss)	-	(148)	-	35	200	1,086	52

31 December 2024

(All amounts in ﷲ 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

Among the equity-accounted investees mentioned above, BSF, Accor and Flynas are listed entities. At 31 December 2025, the fair value of the Group's holding in these associates as per quoted prices amounts to ﷲ 6,812 million (2024: ﷲ 6,415 million), ﷲ 3,501 million (2024: ﷲ 3,028 million), and ﷲ 3,045 million (2024: unlisted), respectively.

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11 EQUITY-ACCOUNTED INVESTEEES (continued)

Accor

For the year ended 31 December 2025, Accor reported strong financial performance, with EBITDA increasing to ﷲ 5.0 billion (2024: ﷲ 4.4 billion). Revenue grew by 1%, to the previous year. Accor also distributed ﷲ 1.3 billion in dividends during the year (2024: ﷲ 1.2 billion).

As at 31 December 2025, 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. For the year ended 31 December 2025, the Group assessed whether any indicators suggested that a previously recognized impairment loss for one of its associates, Accor, may no longer exist. Given Accor'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 ﷲ 500 million (2024: Nil) of impairment recognized in prior years.

Flynas

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 held 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.

On 18 June 2025, Flynas Company SJSC ("Flynas") was admitted on the Saudi Exchange or Tadawul through an Initial Public Offering (IPO). As part of the IPO, the Group's shareholding in Flynas diluted by 9.7% due to the issuance of additional shares and the Group disposing a portion of its existing shareholding in Flynas. As a result of this disposal, the Group recorded a gain on disposal of ﷲ 470 million. As of that date, the Group retained 27.4% shareholding in Flynas and still exercises significant influence over it. Therefore, the retained interest remains classified as an equity-accounted investee.

During 2025, Flynas' revenue increased by 4% to reach ﷲ 7.8 billion (2024: ﷲ 7.6 billion) for the year ended 31 December 2025.

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 ﷲ 7.2 billion, which includes ﷲ 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 2025 and 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. Under the terms of the agreement, the Group will receive an amount of ﷲ 230 million from SBG on completion of the Jeddah Tower in 2028. As per Group policy, the financial asset shall be recognized initially at its fair value. Therefore, the Group has discounted the receivable which resulted in a fair value of ﷲ 191 million and the discount of ﷲ 39 million is amortized until the collection date at the effective interest rate.

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.

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11 EQUITY-ACCOUNTED INVESTEEES (continued)

BSF

As of 31 December 2025, 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 in December 2024 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 continues 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 2025.

East Shura III Company:

During the year ended, the Group contributed an additional ﷲ 75 million in cash for the joint venture associated with the development of Shura Island resort.

12 INVESTMENT PROPERTIES

			Furniture, Fixtures and others	
2025	Land	Buildings		Total
Cost				
1 January	2,186,010	1,519,632	21,047	3,726,689
Additions	-	280,526	-	280,526
Disposals (Note 12.3)	(17,320)	-	-	(17,320)
31 December	2,168,690	1,800,158	21,047	3,989,895
Accumulated depreciation				
1 January	-	580,899	20,803	601,702
Charge for the year	-	20,629	-	20,629
31 December	-	601,528	20,803	622,331
Net book value	2,168,690	1,198,630	244	3,367,564
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 12.3)	(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

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

12.2 As at 31 December 2025, investment properties kept for the purpose of rental yields amounted to ﷲ 1.3 billion (2024: ﷲ 1 billion). 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 ﷲ 6.69 billion (2024: ﷲ 4 billion) as at 31 December 2025.

12.3 During the year ended 31 December 2025, the Group sold land of 16,749.52 square meters for the consideration of ﷲ 55 million resulting in gain of ﷲ 38 million. During the last year ended 31 December 2024, the sold compound for the consideration of ﷲ 981 million resulted in gain of ﷲ 123 million which was recorded in the books of the Group for the year ended 31 December 2024.

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13 PROPERTY AND EQUIPMENT

	Land	Buildings	Equipment	Furniture, fixtures and others	Total
2025					
Cost					
1 January	2,267,325	5,158,073	110,411	1,382,794	8,918,603
Additions	-	157,634	4,845	273,554	436,033
Currency translation and others	-	233,210	(1,254)	113,792	345,748
31 December	2,267,325	5,548,917	114,002	1,770,140	9,700,384
Accumulated Depreciation					
1 January	-	1,200,510	61,890	854,798	2,117,198
Charge / write off for the year	-	130,395	6,705	32,040	169,140
Currency translation and others	-	(2,891)	(3,199)	(2,022)	(8,112)
31 December	-	1,328,014	65,396	884,816	2,278,226
Net book value	2,267,325	4,220,903	48,606	885,324	7,422,158
	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
Disposals, 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
Disposals, 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

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14 GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets comprise the following:

	2025	2024
Goodwill	1,214,123	1,108,164
Other intangible assets	680,892	680,995
	1,895,015	1,789,159

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

	2025	2024
1 January	1,789,159	1,839,916
Additions	-	121
Currency translation adjustments and others	105,856	(50,878)
31 December	1,895,015	1,789,159

Goodwill recognized by the Group mainly represents an amount of ﷲ 1.2 billion (31 December 2024: ﷲ 1.1 billion) recognized on its cash generating unit – George V.

Other intangible assets include an indefinite life brand amounting to ﷲ 680.9 million (2024: ﷲ 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 (2024: 9 years) for George V and Savoy.

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

Particulars	George V	
	2025	2024
Revenue growth – CAGR	6.8%	6.8%
EBITDA margin – average	39.9%	39.9%
Terminal capitalization rate	5.5%	5.5%
Discount rate	10.0%	10.0%
	Savoy	
Particulars	2025	2024
Revenue growth – CAGR	5.5%	5.5%
EBITDA margin – average	42.8%	42.8%
Terminal Capitalization rate	5.0%	5.0%
Discount rate	11.8%	11.8%

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14 GOODWILL AND INTANGIBLE ASSETS (continued)

Impairment of indefinite life assets (continued)

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 2025 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.

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

Particulars	2025	
	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:

Particulars	2025	
	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

	2025	2024
Refundable deposits	1,915	129
Others	43,891	51,252
	45,806	51,381

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16 BORROWINGS

The outstanding borrowings balance is presented as follows:

	2025	2024
<u>Current</u>		
Current portion of term loans	1,281,267	3,045,759
<u>Non-current</u>		
Term loans, including long-term revolving facilities	11,487,254	9,551,676

The movement in the borrowings is as follows:

	2025	2024
1 January	12,669,967	15,040,234
Additions	7,185,261	3,388,755
Repayments	(7,809,890)	(5,433,087)
Foreign currency translation adjustments	825,507	(325,934)
31 December	12,870,845	12,669,968

Unamortized transaction costs:

1 January	(72,533)	(68,107)
Additions	-	-
Amortization	(29,791)	(4,426)
31 December	(102,324)	(72,533)
Net carrying amount	12,768,521	12,597,435

Details of borrowings by entity are as follows:

	2025	2024
Kingdom Holding Company	5,980,727	6,116,463
Kingdom 5-KR-11 Limited	2,779,592	2,862,210
Kingdom 5-KR-35 Group	1,839,419	1,614,772
Kingdom KR-114 Limited	924,501	857,425
Trade Centre Company Limited (TCCL)	1,090,712	964,190
Others	153,570	182,375
	12,768,521	12,597,435

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 2025, 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 2025, the Group has no outstanding loans 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 ﷲ 19 billion as at 31 December 2025. 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:

	2025	2024
Saudi Riyals	3,911,317	3,097,723
Euro	2,069,410	1,443,740
US Dollars	-	1,575,000
	5,980,727	6,116,463

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16 BORROWINGS (continued)

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 ﷲ 6.3 billion as at 31 December 2025. 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

During the year 2024, the Kingdom 5-KR-35 secured a new loan facility amounting to ﷲ 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 ﷲ 1.21 billion on 31 December 2025. 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 2025.

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 ﷲ 2.16 billion as at 31 December 2025 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.

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 2025, Property and Equipment and Investment Properties pledged as collateral to this loan facility amounted to ﷲ 821 million and ﷲ 764 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

	2025	2024
Borrowings	12,768,521	12,597,435
Due to a related party	604,045	510,799
Less: Cash and cash equivalents	(1,524,563)	(1,689,658)
	11,848,003	11,418,576

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16 BORROWINGS (continued)

16.1 Net Debt Reconciliation (continued)

	Borrowings	Due to a related party	Cash	Total
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
Net debt as at 1 January 2025	12,597,435	510,799	(1,689,658)	11,418,576
Financing cash flows	(624,628)	93,246	164,349	(367,033)
Other changes	1,277,922	(18,598)	746	1,260,070
Interest expense	776,316	52,311	-	828,627
Interest payments (presented as operating cash flows)	(1,258,524)	(33,713)	-	(1,292,237)
Net debt as at 31 December 2025	12,768,521	604,045	(1,524,563)	11,848,003

17 ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	2025	2024
Accrued expenses	954,957	678,547
Accounts and other payables	150,160	97,810
Unearned revenues	100,223	85,564
Advances from customers	95,367	36,804
Security deposits	20,186	21,183
Others	53,969	49,937
	1,374,862	969,845

18 ZAKAT, WITHHOLDING AND INCOME TAX PROVISIONS

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

	Note	2025	2024
Zakat	18.1	121,976	150,859
Income tax charge	18.2	15,636	18,569
Withholding tax on foreign dividends	18.2	57,921	74,666
		195,533	244,094

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:

	2025	2024
1 January	488,516	362,674
Charge for the year	121,976	150,859
Paid during the year	(51,072)	(25,017)
31 December	559,420	488,516

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.

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18 ZAKAT, WITHHOLDING AND INCOME TAX PROVISIONS (continued)

18.1 Zakat (continued)

Status of final assessments

The Company has filed its zakat returns with the Zakat, Tax and Customs Authority (“ZATCA”) for all years up to and including the year ended 31 December 2024.

The Company has finalized its zakat position with ZATCA for all years up to 2018. ZATCA has issued zakat assessments for the years 2019 to 2023, which are currently under review by the Company. The Company will determine whether to accept the assessments or submit an appeal within the prescribed period.

The zakat return for the year ended 31 December 2024 has been submitted to ZATCA and remains under review by the Authority. Management believes that the zakat provision recorded in the books sufficiently covers such years and is based on historical settlements and analysis conducted internally.

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.

	2025	2024
1 January	3,687	-
Charge for the year	15,636	18,569
Withholding tax on foreign dividends	57,921	74,666
Paid during the year	(77,244)	(89,548)
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:

	2025	2024
<u>Deferred tax liabilities</u>		
Property and equipment	125,508	106,248
Others	1,189	1,346
	126,697	107,594
<u>Deferred tax asset</u>	16,978	20,326

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

20 SHARE CAPITAL

The share capital as at 31 December 2025 and 31 December 2024 consists of 3,706 million authorized and issued shares at a par value of ﷲ 10 each. Each ordinary share carries one vote and rank pari passu for dividend distribution.

21 RESERVES

21 (a) Statutory reserve:

In line with the amendment to the Company’s By-laws to reflect the provisions of the new Companies Law effective January 2023 and based on the resolution approved by the shareholders in the General Assembly Meeting held on 25 May 2025, the Company has transferred the entire balance of the statutory reserve amounting to ﷲ 1,798.2 million to retained earnings as at 31 December 2025.

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21 RESERVES (continued)

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 2024	(278,432)	282,180	(30,672)	(128,933)	(155,857)
Share in other comprehensive loss	7,646	-	-	-	7,646
Net change in fair value	-	-	-	30,346	30,346
Actuarial gain / (losses) on employee benefit obligations during the year	-	-	2,752	-	2,752
Unrealized exchange loss for the year on translation	-	30,552	-	-	30,552
At 31 December 2024	(270,786)	312,732	(27,920)	(98,587)	(84,561)
Share in other comprehensive income	95,152	-	-	-	95,152
Net change in fair value	-	-	-	91,704	91,704
Actuarial gains on employee benefit obligations during the year	-	-	6,951	-	6,951
Unrealized exchange gain for the year on translation	-	(163,647)	-	-	(163,647)
At 31 December 2025	(175,634)	149,085	(20,969)	(6,883)	(54,401)

22 NON-CONTROLLING INTERESTS

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

<u>Name of the subsidiary</u>	2025		2024	
	Total non-controlling interest	Share in total comprehensive income / (loss)	Total non-controlling interest	Share in total comprehensive income / (loss)
Trade Centre Company Limited	247,653	4,507	243,145	2,100
Kingdom KR-114 Limited – Breezeroad Limited	183,925	(16,130)	200,055	(59,206)
Real Estate Investment Company	43,462	237	43,225	9,134
Kingdom Schools Company Limited	26,819	3,118	23,701	2,435
Consulting Clinic SAL	24,515	-	24,515	-
Fashion Village Trading Company Limited	(9,319)	-	(9,318)	-
Kingdom investment and development Company	97,696	(2,694)	100,390	(4,754)
	614,751	(10,962)	625,713	(50,291)

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22 NON-CONTROLLING INTERESTS (continued)

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 2025:

	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	1,100,769,000	251,602,926	57,786,066	194,738,497	8,027,509	2,920,000	154,310,796	1,770,154,794
Current liabilities	867,072,000	1,823,980,907	28,059,609	51,462,330	24,129,220	-	257,824,399	3,052,528,465
Net current assets	233,697,000	(1,572,377,981)	29,726,457	143,276,167	(16,101,711)	2,920,000	(103,513,603)	(1,282,373,671)
Non-current assets	2,230,194,000	2,868,333,442	397,965,638	157,385,920	71,475,754	-	3,638,322,305	9,363,677,059
Non-current liabilities	1,136,318,000	938,714,910	3,360,354	15,120,837	5,947,231	36,000,000	154,054,533	2,289,515,865
Net non-current assets	1,093,876,000	1,929,618,532	394,605,284	142,265,083	65,528,523	(36,000,000)	3,484,267,772	7,074,161,194
Net assets / (liabilities)	1,327,573,000	357,240,551	424,331,741	285,541,250	49,426,812	(33,080,000)	3,380,754,169	5,791,787,523
Revenue	490,204,000	298,074,066	17,060,094	107,811,640	-	-	9,289,750	922,439,550
Profit / (loss) for the year	44,185,000	(86,654,022)	2,319,523	30,569,780	-	-	(26,413,009)	(35,992,728)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income / (loss)	44,185,000	(86,654,022)	2,319,523	30,569,780	-	-	(26,413,009)	(35,992,728)
Profit / (Loss) allocated to NCI	4,506,870	(16,129,810)	236,591	3,118,118	-	-	(2,694,127)	(10,962,358)
Dividends paid to NCI	-	-	-	-	-	-	-	-

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22 NON-CONTROLLING INTERESTS (continued)

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	(94,344,135)	89,545,793	23,868,020	-	-	(46,594,104)	(6,939,426)
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 2024, 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. As a result, these advances, amounting to ₪ 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 and 2026 timeframe.

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23 HOTEL AND OTHER OPERATING REVENUES

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

	2025	2024
Revenue from hotel operations - over a period of time - for room sales and hotel stay	718,905	716,546
Revenue from hotel operations - at a point in time - for other goods and services	557,036	470,446
Revenue from tuition fees - over a period of time	107,812	94,927
Revenue from other services - at a point in time	9,290	-
	1,393,043	1,281,919
Revenue from renting of shops and apartments - over a period of time	267,444	313,269
Revenue from renting of villas and apartments - over a period of time	17,060	9,254
	284,504	322,523
	1,677,547	1,604,442

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:

Location	2025	2024
Europe (England and France)	969,969	935,855
Asia (Saudi Arabia)	624,365	590,287
Africa (Seychelles)	83,213	78,300
	1,677,547	1,604,442

24 HOTEL AND OTHER OPERATING COSTS

	2025	2024
Employee cost	551,671	426,053
Depreciation and Amortization	185,486	191,279
Repairs and maintenance	127,350	211,507
Utilities	88,717	96,835
Others	145,567	129,656
	1,098,791	1,055,330

25 DIVIDEND INCOME

	2025	2024
Dividends from international equity investments	948,289	786,082

26 GAIN ON INVESTMENTS AT FVTPL

	2025	2024
Unrealized gain on investments at FVTPL (Note 6)	66,329	-

27 GENERAL, ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2025	2024
Employee cost		181,748	148,851
Professional fees	27.1	39,118	63,077
Selling and marketing expenses		104,004	126,073
Utilities and office expenses		58,088	49,962
Repairs and maintenance		43,875	37,518
Others		86,276	72,119
		513,109	497,600

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27 GENERAL, ADMINISTRATIVE AND MARKETING EXPENSES (continued)

27.1 Includes the Group's auditors' fee of ﷻ 4.35 million (2024: ﷻ 4.64 million) for the audit and review of the consolidated financial statements and ﷻ Nil(2024: ﷻ 0.75 million) for the non-audit services.

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 2025 amounted to ﷻ 509 million (2024: ﷻ 231 million).

Flynas

The equity accounted investee (Flynas) of the Group has entered into contracts with the aircraft manufacturer for the purchase of certain aircraft. The remaining value of this contract is ﷻ 36,873 million (2024: ﷻ 13,735 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 2025, the Group does not have any outstanding letters of guarantee as at 31 December 2025 and 2024. However, the Group's share in the equity-accounted investees' letters of guarantees, credits and acceptance as of 31 December 2025 amounted to ﷻ 13.3 billion (31 December 2024: ﷻ 14 billion).

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group holds the following financial instruments:

	Note	2025	2024
Financial assets			
Financial assets at amortized cost			
Trade and other receivables	7	611,204	252,385
Due from related parties	9	115,167	114,893
Cash and cash equivalents	5	1,524,563	1,689,658
Long-term receivables	7	191,854	-
Financial assets at FVOCI			
Investments at FVOCI	10	39,536,004	22,105,792
Financial assets at FVTPL			
Investments at FVTPL	6	317,719	243,421
Financial liabilities			
Financial liabilities at amortized cost			
Accounts payables, accrued expenses and other current liabilities	17	1,026,295	886,985
Derivative financial instruments	36	61,903	62,799
Due to related parties	9	604,409	511,039
Borrowings	16	12,768,521	12,597,435
Dividends payable	35	259,411	259,411

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

Currency risk

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

	2025				
	SAR	EUR	GBP	USD	Others
Trade receivables	681,916	30,183	88,889	-	2,070
Bank loans	5,155,599	6,688,421	924,501	-	-
FVOCI investments	1,021,253	5,441,992	-	33,052,929	19,830
	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

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 ﷲ 334 million and ﷲ 46 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 ﷲ 0.99 million and ﷲ 272 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 ﷲ 102 million (2024: ﷲ 102 million).

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

Markets	2025	Sensitivity	
		Net Profit	Percentage
Investments at FVTPL (Current):			
- Asia	317,719	+/- 3,177	+/- 1%
Investments at FVOCI (Non-current):			
		OCI	Percentage
- North America	32,948,723	+/- 329,487	+/- 1%
- Asia	1,145,289	+/- 11,453	+/- 1%
- Europe	5,441,992	+/- 54,420	+/- 1%
	39,536,004	+/- 395,360	
	39,853,723	+/- 398,537	

Markets	2024	Sensitivity	
		Net Profit	Percentage
- Asia	243,421	+/- 2,434	+/- 1%
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	

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 2025 amounted to ﷲ 19.7 million (2024: ﷲ 1.2 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.

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk (continued)

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.

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 2025 and 2024 is not material. The cash balance as at 31 December 2025 is ₪ 1.5 billion (31 December 2024: ₪ 1.7 billion).

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

	2025	2024
Credit rating		
Aa3	550,254	429,854
A-1	971,187	1,258,975
A-2	3,122	829
	<u>1,524,563</u>	<u>1,689,658</u>

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 unlikeliness-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 83.89% in KSA, 1.02% in Gulf Cooperation Council (GCC) countries (other than KSA) and 15.09% in other countries (2024: 79.4% in KSA, 3.2% in GCC countries (other than KSA) and 17.4% 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 ₪ 115 million as at 31 December 2025 (31 December 2024: ₪ 115 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.

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

2025	Less than 1 year	1-3 years	More than 3 year	Total
Borrowings	1,315,626	3,763,688	8,723,781	13,803,095
Derivative financial instruments	-	-	61,903	61,903
Accounts payable, accrued expenses and other current liabilities	1,026,295	-	-	1,026,295
Due to related parties	364	-	604,045	604,409
Dividends payable	259,411	-	-	259,411
	2,601,696	3,763,688	9,389,729	15,755,113
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 expenses 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

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).

<i>Capital management</i>	2025	2024
Total borrowings (Note 16)	12,768,521	12,597,435
Total assets	74,912,747	54,719,212
Debt to total asset ratio	17.04%	23.02%

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 2025	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Investments at FVTPL (Current):</i>				
- Asia	-	-	317,719	317,719
<i>Investments at FVOCI (non-current):</i>				
- North America	16,000,683	-	16,948,040	32,948,723
- Asia	1,145,189	-	100	1,145,289
- Europe	5,441,992	-	-	5,441,992
Sub-total	22,587,864	-	16,948,140	39,536,004
Total financial assets at fair value	22,587,864	-	17,265,859	39,853,723
As at 31 December 2024				
Financial assets				
<i>Investments at FVTPL:</i>				
- Asia	-	-	243,421	243,421
<i>Investments at FVOCI (non-current):</i>				
- 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
	16,402,458	-	5,703,334	22,105,792
Total financial assets at fair value	16,402,458	-	5,946,755	22,349,213

Valuation techniques used to determine fair values

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.

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31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Valuation techniques used to determine fair values (continued)

Level 3 designated financial instruments – Investments at FVOCI/FVTPL

Investments at FVOCI

As at 31 December 2025, Level 3 investments designated under North America and Asia, relate to equity positions held in Tech securities. The respective valuation technique used to determine the fair values including the key inputs/assumptions have been disclosed in Note 10.1.

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 3 to level 1

As at 31 December 2025, certain investments previously classified as Level 3 were reclassified to Level 1. These investments had been Level 3 due to settlement constraints and limited clarity over the accessibility of returns. During the current period, improved transparency and practical evidence of effective settlement and fund transfer processes were observed. Management therefore concluded that quoted prices in active markets now provide observable and reliable inputs, resulting in the reclassification from Level 3 to Level 1.

Movement in level 3 designated FVOCI investments

	Securities at FVOCI (level 3) 2025	Securities at FVOCI (level 3) 2024
Fair value at 1 January	5,703,334	1,263,958
Gain (loss) recognised in other comprehensive income	12,520,115	1,399,922
Additions	31,683	3,039,454
Transfers into level 1	(1,306,992)	-
Fair value at 31 December	16,948,140	5,703,334

Portfolio Composition and Key Holdings

As of 31 December 2025, the Investments at FVOCI encompasses strategic holdings in xAI, Citibank, M&G, Phoenix, and Telefonica Groups, with their respective fair values constituting 42%, 22%, 6%, 5%, and 3% 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.

32 EMPLOYEE BENEFIT OBLIGATIONS

	2025	2024
At 1 January	93,501	88,110
Current service cost	4,096	8,720
Interest expense	3,738	3,238
Total amount recognized in profit or loss	7,834	11,958
<i>Re-measurements</i>		
Gain from change in financial assumptions	6,951	2,752
Total amount recognized in other comprehensive income	6,951	2,752
Benefit payments	(6,465)	(9,319)
At 31 December	101,821	93,501

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32 EMPLOYEE BENEFIT OBLIGATIONS (continued)

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 2025 and 2024, 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 5.3% to 6.1% (31 December 2024: 5.1% to 5.9%). The expected liability at the date of leaving the service has been discounted to its net present value using an approximate discount rate between 6.5% to 7.4% (31 December 2024: 6% to 7%).

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.

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33 SEGMENT INFORMATION (continued)

	Equity investments	Hotels	Real estate	All other segments	Total
2025					
Total assets	61,733,194	6,907,567	5,719,443	574,117	74,934,321
Total liabilities	10,302,828	4,031,382	1,389,628	192,102	15,915,940
Total revenues	948,289	1,053,182	582,883	107,811	2,692,165
Total operating costs	-	700,733	338,108	59,950	1,098,791
Profit (including NCI)	2,034,565	(46,985)	94,749	30,570	2,112,899
	Equity Investments	Hotels	Real estate	All other Segments	Total
2024					
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

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

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34 EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2025 and 2024 have been computed by dividing the profit for the year attributable to shareholders of the Company by the total number of shares outstanding during 2025 of 3,706 million shares (2024: 3,706 million shares).

35 DIVIDENDS DECLARATION

The General Assembly of the Company, in its annual meeting held on 27 Dhu al-Qa'dah 1446H (corresponding to 25 May 2025), declared and approved the distribution of cash dividends amounting to ﷲ 1,037.6 million (ﷲ 0.28 per share). Payment in respect of the first, second and third dividend distribution of ﷲ 778.2 million, relating to the year ended 31 December 2024, was made during the year ended 31 December 2025.

Payment for the fourth dividend distribution of ﷲ 259.4 million, relating to the year ended 31 December 2023, was made during the year ended 31 December 2025.

36 DERIVATIVE FINANCIAL INSTRUMENTS

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

During the year ended 31 December 2025, the Group recorded a net unrealized loss of ﷲ 0.9 million in other comprehensive income (2024: ﷲ 1.6 million), representing the effective portion of interest rate swap (IRS) derivatives, with ﷲ 9 million related to Kingdom 5-KR-35 and ﷲ 10 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: ﷲ 1.7 billion (2024: ﷲ 1.7 billion)

Fair value of the derivative: ﷲ 51.8 million (2024: ﷲ 61.2 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-114 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: ﷲ 650 million (2024: ﷲ 650 million)

Fair value of the derivative: ﷲ 10.1 million (2024: ﷲ 1.6 million)

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

KINGDOM HOLDING COMPANY
(A Saudi Joint Stock Company)

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

(All amounts in ﷻ thousands unless otherwise stated)

37 OTHER GAINS, NET

	2025	2024
Net fair value gains on derivatives (Note 36)	-	13,682
Other	12,221	6,312
	12,221	19,994

38 SUBSEQUENT EVENTS

38.1 The Board of Directors on 24 March 2026 proposed a distribution of cash dividends totaling to ﷻ 1,037.6 million, subject to approval in the next Ordinary General Assembly meeting.

38.2 Subsequent to the reporting date, geopolitical tensions in the Middle East have intensified leading to regional instability. Given the rapidly evolving nature of the situation, it is not currently possible to reliably quantify any potential financial impact, whether adverse or favorable. Accordingly, no adjustments have been made to the consolidated financial statements as of the reporting date, as these events are considered non-adjusting subsequent events. Management will continue to monitor developments and assess potential implications for operations, financial position, and performance.