

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated**  
**Financial Statements (Unaudited)**  
**For the three-month and nine-month periods ended**  
**30 September 2024**  
**Together with the**  
**Independent Auditor's review report**

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Interim Condensed Consolidated Financial Statements**  
**Together with the Independent Auditor's Review Report**  
**For the three-month and nine-month periods ended 30 September 2024**

<u>Page</u>	<u>Page</u>
<hr/>	
Independent auditor's report on review of interim condensed consolidated financial statements	-
Condensed Consolidated Statement of Financial Position (Unaudited)	1
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	2
Condensed Consolidated Statement of Changes in Equity (Unaudited)	3
Condensed Consolidated Statement of Cash Flows (Unaudited)	4
Notes to the interim condensed consolidated financial statements (Unaudited)	5 - 15



## KPMG Professional Services

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P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

واجهة روشن، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤  
المركز الرئيسي في الرياض

# Independent auditor's report on review of interim condensed consolidated financial statements

To the Shareholders of Al-Andalus Property Company (Saudi Joint stock Company)

## Introduction

We have reviewed the accompanying 30 September 2024 interim condensed consolidated financial statements of **Al-Andalus Property Company (the "Company")** and its subsidiaries (the "**Group**") which comprise:

- The condensed consolidated statement of financial position as at 30 September 2024,
- The condensed consolidated statement of profit or loss and other comprehensive income for the three-month period and nine-month periods ended 30 September 2024.
- The condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2024.
- The condensed consolidated statement of cash flows for the nine-month period ended 30 September 2024
- The notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

## Scope of review

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



# Independent auditor's report on review of Interim Condensed Consolidated financial statements (continued)

To the Shareholders of Al-Andalus Property Company (Saudi Joint stock Company)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 interim condensed consolidated financial statements of **Al-Andalus Property Company and its subsidiaries** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services

**Khalil Ibrahim Al Sedais**  
License No. 371

Date: 1 Jamaad Al-awwal1446H  
Corresponding to: 3 November 2024



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

	Notes	30 September 2024 (Unaudited)	31 December 2023 (Audited)
<b><u>ASSETS</u></b>			
Investment properties	6	1,268,614,607	1,253,363,451
Property and equipment	7	142,240,847	141,952,221
Right-of-use assets	8	117,314,283	70,654,069
Equity accounted investees	9	587,238,663	527,085,565
<b>Total non-current assets</b>		<b>2,115,408,400</b>	<b>1,993,055,306</b>
Receivables form operating lease		61,705,100	72,265,806
Prepayments and other receivables		21,608,601	15,211,949
Due from related parties	13	1,841,911	1,972,193
Cash and cash equivalents	10	81,563,514	176,940,865
<b>Total current assets</b>		<b>166,719,126</b>	<b>266,390,813</b>
<b>Total assets</b>		<b>2,282,127,526</b>	<b>2,259,446,119</b>
<b><u>EQUITY</u></b>			
Share capital		933,333,330	933,333,330
Statutory reserve		100,624,786	100,624,786
Retained (losses) /earnings		(1,155,484)	37,950,256
<b>Equity attributable to the Company's Shareholders</b>		<b>1,032,802,632</b>	<b>1,071,908,372</b>
Non-controlling interests		141,215,053	156,601,357
<b>Total equity</b>		<b>1,174,017,685</b>	<b>1,228,509,729</b>
<b><u>Liabilities</u></b>			
Employees' benefits- defined benefit obligations		12,230,067	10,873,929
Lease liabilities	8	126,567,330	98,159,287
Islamic finance facilities	11	818,064,361	798,367,365
<b>Total non-current liabilities</b>		<b>956,861,758</b>	<b>907,400,581</b>
Advances from lessees and deferred income		59,934,749	49,935,755
Lease liabilities – current portion	8	17,302,750	17,302,750
Islamic finance facilities - current portion	11	14,366,096	5,442,476
Due to related parties	13	25,869,836	16,020,364
Zakat provision		5,197,513	7,010,047
Accruals and other payables		28,577,139	27,824,417
<b>Total current liabilities</b>		<b>151,248,083</b>	<b>123,535,809</b>
<b>Total liabilities</b>		<b>1,108,109,841</b>	<b>1,030,936,390</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,282,127,526</b>	<b>2,259,446,119</b>

Mr. Fawaz Abdulaziz bin  
Huwail  
Chief Financial Officer

Eng. Faisal Abdulrahman  
Alnasser  
Chief Executive Officer

Mr. Omar bin Hamad Al  
Masha'al  
Authorized board member

The notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)

**Condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)**  
**For the three-month and nine-month periods ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2024	2023	2024	2023
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenue	14	58,681,933	55,538,145	170,387,189	163,950,352
Cost of revenue	14	(23,544,447)	(18,706,753)	(66,105,046)	(55,947,982)
<b>Gross profit</b>		<b>35,137,486</b>	<b>36,831,392</b>	<b>104,282,143</b>	<b>108,002,370</b>
General and administrative expenses		(13,502,992)	(11,037,400)	(37,074,847)	(33,311,108)
Marketing expenses		(765,124)	(269,061)	(2,854,530)	(2,362,318)
Impairment loss on receivables from operating lease		(374,699)	(2,000,000)	(7,088,311)	(5,500,000)
Share in (loss) / profit of equity-accounted investees	9	(10,551,517)	2,613,296	(21,384,902)	14,838,404
Other income		2,793,828	617,841	7,004,944	4,721,333
<b>Operating profit</b>		<b>12,736,982</b>	<b>26,756,068</b>	<b>42,884,497</b>	<b>86,388,681</b>
Finance cost		(18,367,683)	(13,144,920)	(48,544,146)	(37,022,278)
<b>(loss)/profit before Zakat</b>		<b>(5,630,701)</b>	<b>13,611,148</b>	<b>(5,659,649)</b>	<b>49,366,403</b>
Zakat		(2,068,586)	(1,870,415)	(4,000,000)	(4,798,028)
<b>(Loss)/ profit for the period</b>		<b>(7,699,287)</b>	<b>11,740,733</b>	<b>(9,659,649)</b>	<b>44,568,375</b>
<b>Attributable to:</b>					
Shareholders of the Company		(9,239,662)	7,185,812	(15,772,407)	33,095,834
Non-controlling interests		1,540,375	4,554,921	6,112,758	11,472,541
		(7,699,287)	11,740,733	(9,659,649)	44,568,375
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to statement of profit or loss:		-	-	-	-
<b>Total comprehensive (losses) / income</b>		<b>(7,699,287)</b>	<b>11,740,733</b>	<b>(9,659,649)</b>	<b>44,568,375</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		(9,239,662)	7,185,812	(15,772,407)	33,095,834
Non-controlling interests		1,540,375	4,554,921	6,112,758	11,472,541
		(7,699,287)	11,740,733	(9,659,649)	44,568,375
<b>Earnings per share</b>					
Basic and diluted (loss) /earnings per share	12	(0.10)	0.08	(0.17)	0.35

Mr. Fawaz Abdulaziz bin Huwail  
*Chief Financial Officer*

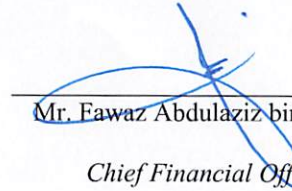
Eng. Faisal  
Abdulrahman Alnasser  
*Chief Executive Officer*

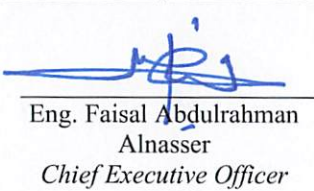
Mr. Omar bin Hamad Al Masha'al  
*Authorized board member*

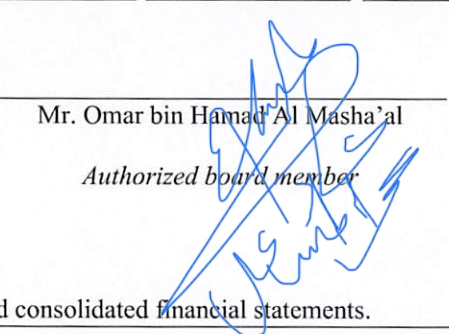
The notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Statement of Changes in Equity (Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

	<u>Company shareholders' equity</u>					<u>Total</u>
	<u>Share capital</u>	<u>Statutory Reserve</u>	<u>Retained (losses) / earnings</u>	<u>Equity attributable to the Company's Shareholders</u>	<u>Non-controlling interests</u>	
<b>Balance as at 1 January 2024 – (Audited)</b>	<b>933,333,330</b>	<b>100,624,786</b>	<b>37,950,256</b>	<b>1,071,908,372</b>	<b>156,601,357</b>	<b>1,228,509,729</b>
(Loss)/ profit for the period	-	-	(15,772,407)	(15,772,407)	6,112,758	(9,659,649)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive (losses) / income for the period</b>	-	-	(15,772,407)	(15,772,407)	6,112,758	(9,659,649)
Dividends during the period (note 16)	-	-	(23,333,333)	(23,333,333)	(21,499,062)	(44,832,395)
<b>Balance as at 30 September 2024 (unaudited)</b>	<b>933,333,330</b>	<b>100,624,786</b>	<b>(1,155,484)</b>	<b>1,032,802,632</b>	<b>141,215,053</b>	<b>1,174,017,685</b>
Balance as at 1 January 2023 (audited)	933,333,330	96,983,092	52,139,994	1,082,456,416	168,008,031	1,250,464,447
Profit for the period	-	-	33,095,834	33,095,834	11,472,541	44,568,375
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	33,095,834	33,095,834	11,472,541	44,568,375
Dividends during the period (note 16)	-	-	(46,666,666)	(46,666,666)	(23,648,875)	(70,315,541)
Balance as at 30 September 2023 - (unaudited)	933,333,330	96,983,092	38,569,162	1,068,885,584	155,831,697	1,224,717,281

  
Mr. Fawaz Abdulaziz bin Huwail  
Chief Financial Officer

  
Eng. Faisal Abdulrahman  
Alnasser  
Chief Executive Officer

  
Mr. Omar bin Hamad Al Masha'al  
Authorized board member

The notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

	For the nine-month period ended 30 September	
	2024 (Unaudited)	2023 (Audited)
<b><u>Operating activities</u></b>		
Profit / (loss) before Zakat	(5,659,649)	49,366,403
<b>Adjustments:</b>		
Depreciation:		
- Investment properties	20,512,820	16,037,684
- Property and equipment	4,020,354	3,934,678
- Right-of-use assets	4,703,751	4,613,607
Interest on lease liabilities	8,623,879	8,713,617
Share in loss / (profit) of equity-accounted investees	21,384,902	(14,838,404)
Impairment loss on receivables from operating lease	7,088,311	5,500,000
Employees' benefits – defined benefit obligations	1,549,366	1,403,287
Profit from investment in financial instruments at FVTPL	(925,075)	(786,117)
Finance cost	39,920,266	28,308,662
	<b>101,218,925</b>	<b>102,253,417</b>
<b>Changes in:</b>		
Receivables from operating leases	3,472,395	(28,562,435)
Prepayments and other receivables	(6,396,652)	(3,451,779)
Related parties' balances, net	9,979,754	10,227,975
Advances from lessees and deferred income	9,998,994	10,899,507
Accruals and other payables	752,722	5,601,199
Dividends received from equity-accounted investees	20,250,000	11,250,000
<b>Cash generated from operating activities</b>	<b>139,276,138</b>	<b>108,217,884</b>
Employees' benefits – defined benefit obligation paid	(193,228)	(247,567)
Zakat paid	(5,812,534)	(8,055,635)
<b>Net cash generated from operating activities</b>	<b>133,270,376</b>	<b>99,914,682</b>
<b><u>Investing activities</u></b>		
Additions to property and equipment	(4,308,980)	(754,067)
Additions to investment properties	(35,763,976)	(252,764,411)
Additions to investment in equity-accounted investees	(101,788,000)	(6,412,953)
Additions to right-of-use assets	(23,049,800)	-
Purchase of investments in financial instruments at FVTPL	(63,140,163)	-
Proceeds from sale of investments in financial instruments at FVTPL	64,065,238	81,890,298
<b>Net cash used in investing activities</b>	<b>(163,985,681)</b>	<b>(178,041,133)</b>
<b><u>Financing activities</u></b>		
Proceeds from Islamic finance facilities	33,000,000	202,487,132
Payment of interest on Islamic financing facilities	(44,299,650)	(28,163,525)
Payment of lease liabilities	(8,530,001)	(6,725,000)
Dividends paid	(23,333,333)	(46,666,666)
Dividends paid to the non-controlling interests	(21,499,062)	(23,648,875)
<b>Net cash (used in)/generated from financing activities</b>	<b>(64,662,046)</b>	<b>97,283,066</b>
Net change in cash and cash equivalents during the period	(95,377,351)	19,156,615
Cash and cash equivalents at the beginning of the period	176,940,865	139,138,373
<b>Cash and cash equivalents at the end of the period</b>	<b>81,563,514</b>	<b>158,294,988</b>

Mr. Fawaz Abdulaziz bin Huwail

*Chief Financial Officer*

Eng. Faisal Abdulrahman  
Alnasser

*Chief Executive Officer*

Mr. Omar bin Hamad Al Masha'al

*Authorized board member*

The notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements (Unaudited)**  
**For the nine-month period ended 30 September 2024**

## **1 REPORTING ENTITY**

Al-Andalus Property Company (the “Company”) is a Saudi joint stock company established pursuant to the Ministerial Resolution No. 2509 dated 03/09/1427H corresponding to 26/09/2006 approving the declaration of the establishment of the Company. The Company is registered in Riyadh under the Commercial Registration No. 1010224110 dated 17/09/1427H corresponding to 10/10/2006.

The main activities of the Company include construction, ownership and management of centers, commercial and residential complexes in addition to general contracting of residential, commercial buildings, educational, recreational, health institutions, roads, dams, water and sewage projects, electrical and mechanical works. The activities also include maintenance and operation of real estate properties, buildings and commercial complexes as well as ownership, development and investment of lands and properties for the benefit of the Company and based on its purposes.

The Company’s share capital is SR 933,333,330 divided into 93,333,333 shares with a nominal value of SR 10 each.

The Head office of the Company is located in Riyadh - Al Wadi District - Northern Ring Road - Al-Andalus Property Company Building.

The Company’s financial year starts on 1 January and ends on 31 December of each Gregorian year.

Al-Andalus Property Company is referred to as the “Company” or collectively with its subsidiaries disclosed in Note 3 as the “Group”.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These interim condensed consolidated financial statements (the “Interim Financial Statements”) for the three-month and nine-month periods ended 30 September 2024 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last consolidated financial statements for the year ended 31 December 2023 (“Annual Financial Statements”).

These interim financial statements do not include all the information and disclosures required in the annual financial statements in accordance with requirements of (IFRS Accounting Standards) issued by International Accounting Standards Board (“IASB”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”). However, these interim condensed financial statements include certain disclosures to explain some significant events and transactions to understand the changes in the Group’s financial position and performance since the last annual financial statements.

The results for the three month and nine-month periods ended 30 September 2024 are not necessarily indicative of the results that may be expected for the year ended 31 December 2024.

### **2.2 Basis of measurement**

The Interim financial statements have been prepared on a historical cost basis, except:

- Defined benefit obligation - employees’ benefits which are measured at present value using the projected unit credit method.
- Financial instruments - fair value through profit or loss.(FVTPL)

### **2.3 Functional currency**

The Functional currency of the Group is Saudi Riyals (SR).

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements (Unaudited)**  
**For the nine-month period ended 30 September 2024**

**3 BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements include the interim condensed financial statements of the Company and its subsidiaries listed below as at and for the period ended 30 September 2024:

<u>Subsidiary's name</u>	<u>Country of Incorporation</u>	<u>% of shareholding</u>	
		<u>2024</u>	<u>2023</u>
Al-Ahli REIT Fund 1	Kingdom of Saudi Arabia	<b>68.73%</b>	68.73%
Manafea Al-Andalus Company for Real Estate Development	Kingdom of Saudi Arabia	<b>70%</b>	70%

Details of subsidiaries are as follows:

**Al-Ahli REIT Fund 1**

Al Ahli REIT Fund 1 was formed in accordance with Capital Market Authority dated 11 Rabi' I 1438H (corresponding to 29 November 2017). The principal activity of the Fund is to invest in properties. Currently, the Fund has made investments in the below properties which are located in Jeddah/ Riyadh:

<u>Name of property</u>	<u>Location</u>
Al-Andalus Mall	Jeddah
Al-Andalus Mall Hotel	Jeddah
Salama Tower	Jeddah
QBIC Plaza	Riyadh

**Manafea Al-Andalus Company for Real Estate Development**

Manafea Al-Andalus Company for Real Estate Development was formed as a limited liability company in the Kingdom of Saudi Arabia and operates under Commercial Registration No 1010700657 dated 22 Rajab 1438H (corresponding to 19 April 2017). The principal activities of Manafea include leasing, managing properties owned or leasing (residential and nonresidential), commission based properties management activities, developments activities, and investment properties.

<u>Name of property</u>	<u>Location</u>
Al Marwah Plaza	Jeddah

**4 AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but these do not have an impact on the interim condensed consolidated financial statements of the Group.

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the interim condensed consolidated financial statements requires management to use judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties of the estimates were similar to those shown in the Group's annual consolidated financial statements as at 31 December 2023.

**6 INVESTMENT PROPERTIES**

	<b>30 September 2024 (Unaudited)</b>	<b>30 September 2023 (Unaudited)</b>
<b><u>Cost:</u></b>		
Balance at the beginning of the period/ year	<b>1,465,572,198</b>	1,192,875,861
Additions *	<b>35,763,976</b>	252,764,411
Balance at the end of the period / year	<b>1,501,336,174</b>	1,445,640,272
<b><u>Accumulated depreciation:</u></b>		
Balance at the beginning of the period/ year	<b>(212,208,747)</b>	(189,437,038)
Depreciation charged during the period / year	<b>(20,512,820)</b>	(16,037,684)
Balance at the end of the period / year	<b>(232,721,567)</b>	(205,474,722)
<b>Net carrying amount</b>	<b>1,268,614,607</b>	1,240,165,550

The Group has pledged Al-Andalus Mall against Islamic financing facility obtained from Saudi National Bank (note 11). It also pledged Yassmin Al-Andalus Tower to the Saudi Awwal Bank against obtaining a long-term Islamic finance facility (note 11).

The lands and the buildings classified as investment properties, were evaluated by external valuers to determine their fair value as at 31 December 2023. The fair values of the investment properties amounted to SR 2.2 billion as at that date. The fair values of investment properties owned by Al Ahli Reit Fund 1 ( the subsidiary ) was determined on 30 June 2024. The key assumptions used in determining the fair value of the investment properties are the discount rates and the valuation approach used is the income approach (discounted cash flows) and sales comparable method.

The evaluation was carried out by the external valuers accredited by the Saudi Authority for Accredited Valuers (TAQEEM), (Esnad: TAQEEM record No. 11000054), (Qaim: TAQEEM record No. 1210000052) (ValuStart: TAQEEM record No. 1210001039).

The management believes that the fair values of investment properties as at 30 September 2024 do not materially differ from the fair values determined as at 31 December 2023.

\* Additions to the investment properties during the period mainly represent the expansion works for Al-Andalus Mall, including the capitalized borrowing costs amounting to SR 6.1 million during the period.

\*\* During the period, The lease contract of Yassmin Al-Andalus concluded at 5 March 2024 with a total amount of SR 114,330,758 VAT inclusive for a period of five years. The Lease term of the building commenced in April 2024. Accordingly, revenue of SR 9.16 million was recorded during the period.



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**7 PROPERTY AND EQUIPMENT**

As at 30 September 2024, the cost of property and equipment amounted to SR 217.7 million (31 December 2023: SR 213.4 million) and the accumulated depreciation amounted to SR 75,4 million (31 December 2023: SR 71.4 million).

The Group pledged Al-Andalus Mall Hotel with a net carrying amount of SR 134 million as at 30 September 2024 against Islamic finance facility obtained from the Saudi National Bank (note 11).

**8 RIGHT-OF-USE ASSETS**

Right-of-use assets represent land leased for periods ranging from 20 to 25 years.

A- Right-of-use assets

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at the beginning of the period / year	<u>70,654,069</u>	76,805,545
Additions during the period *	<b>51,363,965</b>	-
Depreciation provision for the period/ year	<u>(4,703,751)</u>	(6,151,476)
<b>Balance at the end of the period / year</b>	<b><u>117,314,283</u></b>	<u>70,654,069</u>

B -Lease liabilities

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
Balance at the beginning of the year	<u>115,462,037</u>	120,036,631
Additions during the period	<b>28,314,165</b>	-
Interest expense on lease liabilities	<b>8,623,879</b>	11,618,156
Payment of lease liabilities	<u>(8,530,001)</u>	(16,192,750)
<b>Balance at the end of the year</b>	<b><u>143,870,080</u></b>	<u>115,462,037</u>

\* Additions to the right-of-use assets amount to 51 million Saudi Riyals, which includes a payment of 23 million Saudi Riyals to the previous lessee. This payment was made to secure lease agreements for six land plots in Riyadh. The amounts paid have been capitalized as part of the cost of right-of-use assets.

	<b>30 September 2024 (Unaudited)</b>	30 September 2023 (Unaudited)
<b>Amounts recognized in condensed consolidated statement of profit or loss</b>		
Depreciation on right of use assets	<b>4,703,751</b>	4,613,603
Interest expense on lease liabilities	<u>8,623,879</u>	8,713,617
	<b><u>13,327,630</u></b>	<u>13,327,220</u>

	<b>30 September 2024 (Unaudited)</b>	31 December 2023 (Audited)
<b>Discounted lease liabilities included in the consolidated statement of financial position</b>		
Non-current	<b>126,567,330</b>	98,159,287
Current	<u>17,302,750</u>	17,302,750
	<b><u>143,870,080</u></b>	<u>115,462,037</u>

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**9 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES**

Following are the details of investments in the equity accounted investees:

	<u>Country of Incorporation</u>	<u>% of shareholding</u>		<b>30 September 2024</b> (Unaudited)	31 December 2023 (Audited)
		<b>30 September 2024</b>	<b>31 December 2023</b>		
Alaswaq Almutatawerah Company**	Kingdom of Saudi Arabia	<b>50%</b>	50%	<b>98,770,390</b>	105,614,770
Hayat Real Estate Company	Kingdom of Saudi Arabia	<b>25%</b>	25%	<b>196,149,991</b>	192,011,638
Soroooh Al Marakiz Company*	Kingdom of Saudi Arabia	<b>25%</b>	25%	<b>49,031,249</b>	49,031,249
West Jeddah Hospital Company **	Kingdom of Saudi Arabia	<b>50%</b>	50%	<b>131,603,630</b>	62,052,533
Al-Jawhra Al-Kubra Company	Kingdom of Saudi Arabia	<b>25%</b>	25%	<b>55,369,075</b>	62,022,300
Massat Property Company *	Kingdom of Saudi Arabia	<b>25%</b>	25%	<b>56,314,328</b>	56,353,075
				<b>587,238,663</b>	<b>527,085,565</b>

\* These companies have not commenced commercial operations yet.

\*\* The Group owns 50% of the shareholding of some associates and does not have control or common control.

The movement in investments in equity accounted investees is as follows:

	<b>30 September 2024</b> (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/ year	<b>527,085,565</b>	515,034,291
Additions during the period / year *	<b>101,788,000</b>	13,000,000
Share in (loss) / profit of equity-accounted investees for the period/ year	<b>(21,384,902)</b>	24,051,274
Dividends received during the period/year	<b>(20,250,000)</b>	(25,000,000)
Balance at the end of the period / year	<b>587,238,663</b>	<b>527,085,565</b>

\* The additions during the period represent the share capital increase of West Jeddah Hospital Company for a total amount of SR 101,788,000. There is no increase in the shareholding percentage in that Company as a result of the increase in share capital from the shareholding percentage in previous periods. The total increase in the share capital of West Jeddah Hospital Company amounted to SR 203,576,000, of which the Group's share is 50%.

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**9 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONTINUED)**

The Group's share in the profit/ (loss) of equity-accounted investees for the period is as follows:

	<b>For the nine-month period ended</b>	
	<b>30 September 2024 (Unaudited)</b>	<b>30 September 2023 (Unaudited)</b>
Alaswaq Almutatawerah Company	2,155,620	2,393,577
Hayat Real Estate Company	15,388,351	16,746,306
West Jeddah Hospital Company *	(32,236,902)	(1,838,152)
Al-Jawhra Al-Kubra Company	(6,653,224)	(2,435,904)
Massat Property Company	(38,747)	(27,423)
	<b><u>(21,384,902)</u></b>	<b><u>14,838,404</u></b>

The Companies' interim financial information as at and for the period ended 30 September 2024, is derived from management reports of the companies.

\* West Jeddah Hospital Company became operational on 31 March 2024

**10 CASH AND CASH EQUIVALENTS**

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Cash at banks	35,501,741	176,940,865
Time deposits*	46,061,773	-
	<b><u>81,563,514</u></b>	<b><u>176,940,865</u></b>

\* Time deposits represent deposits with Alkhair Capital Fund with maturity of less than three months.

**11 ISLAMIC FINANCE FACILITIES**

Movement in Islamic finance facility during the period is as follows:

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Balance at the beginning of the year	993,752,859	743,730,159
Proceeds during the period / year	33,000,000	214,236,995
Additions to the finance cost for the period / year	3,480,568	75,974,601
Finance costs repaid during the period / year	(44,299,650)	(40,188,896)
Total value of facilities	985,933,777	993,752,859
Less: Deferred finance cost	(153,503,320)	(189,943,018)
Balance at the end of the period / year	<b><u>832,430,457</u></b>	<b><u>803,809,841</u></b>
Non-Current portion	818,064,361	798,367,365
Current portion	14,366,096	5,442,476



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**11. ISLAMIC FINANCE FACILITIES (CONTINUED)**

During 2019, the Group obtained an Islamic financing facility amounting to SR 650 million from the Saudi National Bank. The facility agreement included adherence to specific financial covenants for the Saudi National Bank. The Group pledged the properties (Al-Andalus Mall and Hotel) in favor of the Real Estate Development Company for Ownership and Management, a fully owned subsidiary of the Saudi National Bank as a guarantee against the financing. The tenor of Islamic financing facility is 15 years. The Islamic financing facility provides 5 years grace period during which only profit payments must be made. Following the grace period, the principal amount shall be repaid over 10 years on a quarterly basis. Further, an amendment to the Islamic financing agreement was signed and the type of facility was changed from Ijara to Murabaha. The tenure of the financing was revised and the outstanding financing balance became payable in July 2026. Accordingly, the financing balance was disclosed as non-current. The facility limit was increased to SR 760 million instead of SR 650 million. An additional amount of the facility of SR 33 million was utilized during the period ended 30 September 2024.

During 2023, the Group obtained an Islamic finance facility from the Saudi Awwal Bank to finance the acquisition transaction of Yassmin Al-Andalus Tower in Al-Yasmeen district, Riyadh city. The term of the facility is 7 years, and payments must be made after one year from the date of withdrawal in the form of incremental annual installments for a period of 7 years, with the last installment due on the date of termination. The Group pledged Yassmin Al-Andalus Tower classified within investment properties to the Saudi Awwal Bank as a guarantee against the financing. The Group also approved to waive the rental returns and transfer them directly to the Group account at the Saudi Awwal Bank.

The financing is subject to commission rates based on SIBOR plus an agreed commission rate ranging from 1 to 1.75% per annum. The increase in the finance cost is attributable to the increase in the interest rates accrued during the period. The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained.

**12 EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

	<b>For the three-month period ended</b>		<b>For the nine-month period ended</b>	
	<b>30 September 2024</b>	30 September 2023	<b>30 September 2024</b>	30 September 2023
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
Loss/ profit for the period	<b>(9,239,662)</b>	7,185,812	<b>(15,772,407)</b>	33,095,834
Weighted average number of outstanding ordinary shares	<b>93,333,333</b>	93,333,333	<b>93,333,333</b>	93,333,333
Basic and diluted (loss)/ earnings per share (SR)	<b>(0.10)</b>	0.08	<b>(0.17)</b>	0.35

The basic earnings per share is equal to the diluted earnings per share for the periods ended 30 September 2024 and 30 September 2023 as there are no instruments with diluting impact on earnings per share.

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**(Unaudited)**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties of the Group comprise of shareholders having control or significant influence, key management personnel and affiliates where shareholders have control or significant influence. The transactions with related parties are made on terms approved by the Board of the Directors of the Company. The Group and its related parties transact with each other in the ordinary course of business. The transactions and the balances between the Company and its subsidiaries and those between the subsidiaries have been eliminated in preparing these interim condensed consolidated financial statements.

The details of transactions with other related parties are mentioned below:

<b>Related party name</b>	<b>Relationship</b>	<b>Nature of the transaction</b>	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Hayat Real Estate Company	Associate	Operating income and expenses paid on behalf	<b>7,862,032</b>	10,362,519
Al-Ahli Capital	Fund manager of a subsidiary	Operating Services	<b>9,849,472</b>	10,846,217
Hilton Hotels and Resorts	Hotel Operator	Payment made on behalf of the Hotel	<b>6,157,196</b>	-

The details of balances with related parties are mentioned below:

	<b>30 September 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
<b>Provision for due from related parties</b>		
Hayat Real Estate Company	<b>1,841,911</b>	1,972,193
	<b>1,841,911</b>	1,972,193
<b>Due to related parties</b>		
Al-Ahli Capital	<b>25,869,836</b>	16,020,364
	<b>25,869,836</b>	16,020,364

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**14 SEGMENTS REPORTING**

The Group's activities include a number of sectors as follows: -

<u>The reportable sector</u>	<u>Activity</u>
Retail and operation sector	This includes rent for commercial units of the investment properties such as malls and the operation of the malls.
Hospitality sector	This includes entities engaged in providing hospitality services (Al-Andalus Mall Hotel).
Office sector	This includes rent for commercial units of the investment properties (Salama Tower, QBIC Plaza, Yassmin Al-Andalus Tower).

The Group reviews internal reports for each sector on a quarterly basis as a minimum.

The information related to each reportable sector is as follows: Net sector profit before zakat is used to measure performance as the Group's management believes that this information is the most relevant in assessing the results of the relevant sector compared to other companies operating in the same industry.

	<u>Retail and operation sector</u>	<u>Hospitality sector</u>	<u>Office sector</u>	<u>Other</u>	<u>Total</u>
<b><u>For the nine-month period ended 30 September 2024</u></b>					
<b><u>(unaudited)</u></b>					
Revenue	111,606,126	15,322,146	43,458,917	-	170,387,189
Cost of revenue	(36,636,153)	(17,661,496)	(11,807,397)	-	(66,105,046)
Share of loss in equity accounted investees	-	-	-	(21,384,902)	(21,384,902)
Expenses	(34,593,136)	-	(36,887,774)	(16,992,613)	(88,473,523)
Impairment loss on receivables from operating lease	(7,088,311)	-	-	-	(7,088,311)
Other income	-	-	-	7,004,944	7,004,944
Profit / (Loss) before Zakat	<u>33,288,526</u>	<u>(2,339,350)</u>	<u>(5,236,254)</u>	<u>(31,372,571)</u>	<u>(5,659,649)</u>
<b><u>As at 30 September 2024 (unaudited)</u></b>					
Total assets	<u>744,634,660</u>	<u>132,311,382</u>	<u>696,569,814</u>	<u>708,611,670</u>	<u>2,282,127,526</u>
Total liabilities	<u>420,408,693</u>	<u>-</u>	<u>652,777,469</u>	<u>34,923,679</u>	<u>1,108,109,841</u>

Group revenues are generated from contracts with customers by providing commercial unit rental services and hospitality services. Control over housing units rental services is transferred over time, while control over hospitality services is transferred at a point in time.

Information about geographic regions" All of the Group operating sectors operate within the borders of the Kingdom of Saudi Arabia.



**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**14. SEGMENTS REPORTING (CONTINUED)**

	<b>Retail and operation sector</b>	<b>Hospitality sector</b>	<b>Office sector</b>	<b>Other</b>	<b>Total</b>
<u>For the nine-month period ended 30 September 2023</u>					
<u>(unaudited)</u>					
Revenue	117,610,504	12,069,988	34,269,860	-	163,950,352
Cost of revenue	(33,334,350)	(14,847,262)	(7,766,370)	-	(55,947,982)
Share of profit from equity accounted investees	-	-	-	14,838,404	14,838,404
Expenses	(27,258,184)	-	(28,308,663)	(17,128,857)	(72,695,704)
Impairment loss on receivables from operating lease	(5,500,000)	-	-	-	(5,500,000)
Other income	-	-	-	4,721,333	4,721,333
Profit / (Loss) before Zakat	<u>51,517,970</u>	<u>(2,777,274)</u>	<u>(1,805,173)</u>	<u>2,430,880</u>	<u>49,366,403</u>
<u>As at 31 December 2023</u>					
Total assets	<u>708,870,685</u>	<u>132,646,133</u>	<u>694,173,006</u>	<u>723,756,295</u>	<u>2,259,446,119</u>
Total liabilities	<u>366,774,863</u>	<u>-</u>	<u>657,151,488</u>	<u>7,010,039</u>	<u>1,030,936,390</u>

**Al-Andalus Property Company**  
(A Saudi Joint Stock Company)  
**Notes to the interim condensed consolidated financial statements**  
**For the nine-month period ended 30 September 2024**  
(All amounts are in Saudi Riyal unless otherwise stated)

**15 DETERMINATION OF FAIR VALUES, CLASSIFICATION AND RISK MANAGEMENT**

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 and at prevailing market conditions regardless whether the price is directly identified or estimated using other valuation technique.

All assets and liabilities whether measured at fair value or their fair values are disclosed in the financial statements in accordance with the hierarchical levels of fair value measurements as stated below are classified into the lowest level of measuring input which is considered significant for measuring the fair value as a whole.

**Level 1:** Declared (unadjusted) and quoted market prices in active markets for identical assets or liabilities.

**Level 2:** Inputs that are directly or indirectly observable or tracked for an asset or a liability other than declared prices mentioned in level 1.

**Level 3:** Inputs that are unobservable or not tracked for an asset or a liability.

The Group is exposed to risks as a result of using financial instruments. The following explains the Company's objectives, policies and operations to manage these risks and methods used to measure them in addition to quantitative information related to these risks in the accompanying financial statements.

There were no significant changes that may expose the Group to financial instrument risks through its objectives, policies and operations to manage these risks and methods used that are different from what have been used in prior periods unless otherwise indicated.

**16 DIVIDENDS**

On 6 March 2024, the Board of Directors decided, pursuant to the authorization of the general assembly, to distribute interim dividends of SR 23.3 million (SR 0.25 per share) and these dividends were paid on 26 March 2024 (31 March 2023: SR 23.3 million - SR 0.25 per share).

**17 SUBSEQUENT EVENTS**

On 4 Rabi' II 1446H (corresponding to 9 October 2024), the Company announced that on 5 Rabi' II 1446H (corresponding to 8 October 2024), the Board of Directors recommended the Extraordinary General Assembly to approve the transfer of the full statutory reserve balance of SR 100,624,786 to the retained earnings balance as at the financial statements ended 31 December 2024 reporting date. The above mentioned amendment is subject to the approval of the Extraordinary General Assembly at its upcoming meeting.

**18 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements have been approved for issuance by the Board of Directors on 3 November 2024 (corresponding to 1 Jumada al-Awwal 1446 H).