Umm Al Qura for Development and Construction Company Delivers Positive Results in Q2 2026

- Revenue of Q2 2026 reached SAR 915.9 million, compared to SAR 669.2 million in Q2 2025.
- Net profit of Q2 2026 reached SAR 216.1 million, compared to SAR 236.7 million in Q2 2025.
- Six land plots were sold during Q2 2026, bringing the total number of plots sold, leased, under joint ventures or self-development agreements to 81 out of 203 plots as of 30 June 2026.

Makkah, Kingdom of Saudi Arabia 2 August 2026:

Umm Al Qura for Development and Construction announced its financial results for the second quarter ended 30 June 2026 ("Q2 2026").

Yasser AbuAteek, Chief Executive Officer, Umm Al Qura, commented:

"The strong performance delivered during the quarter, marked by the completion of six land sales, reinforces what we highlighted in the previous quarter regarding the nature of our business model. Demand and performance are more meaningfully assessed on a full-year view rather than on a quarterly basis, ***as most of the revenues at this stage are recognized upon the completion of land sale transactions, which may result in fluctuations in financial performance across quarters****. The momentum achieved during the quarter reflects the strong demand for Masar Destination, while our existing reservation pipeline continues to provide greater visibility over future sales and revenue generation.*

The launch of our five-year strategy also marked an important milestone in the Company's journey. ***During our Capital Markets Day, held on 22 July 2026, we outlined our strategic direction, growth plans, expansion initiatives, and revenue diversification model.*** *We have already begun translating these strategic priorities into tangible actions, including the announcement of the Masar Gardens project, which further supports the evolution of our business model and strengthens future revenue streams.*

We continue to see promising opportunities to further strengthen demand in the coming periods, particularly following the activation of real estate ownership to non-Saudis and the ***inclusion of Masar Destination within the designated areas in Makkah where non-Saudis are permitted to own real estates.*** *This development is expected to broaden our potential investor base and further enhance the attractiveness of the destination to a wider range of investors.*

We remain confident in the execution of our strategy, supported by strong underlying demand, a solid reservation pipeline, and continued progress in developing and activating the destination's assets. We believe our diversified business model—combining land sales, real estate development, and destination operations—provides a solid foundation for sustainable growth and long-term value creation for our shareholders.

Financial Performance

1. **Total Revenue:**
    - **H1 2026:** SAR 995.5 million, representing a 15% year-on-year decrease.
      Revenue declined slightly during the period compared to the corresponding period of the previous year despite a higher number of land plots sold (seven plots sold during H1 2026 versus five plots sold during H1 2025); this was primarily attributable to the location of the plots sold during H1 2026 being mostly in Zones 2 and 3 of Masar Destination, which are farther from Al Haram, whereas the plots sold during the corresponding period of the previous year were in Zones 1 and 2, which are closer to Al Haram and generally command higher average selling prices due to their location. It is worth highlighting that the overall average market prices of land plots across all zones of Masar Destination has witnessed an annual increase in 2026 compared to 2025.

    - **Q2 2026:** SAR 915.9 million, representing a 37% year-on-year increase.
      Six land plots were sold during the second quarter of 2026, compared to three land plots sold during the corresponding quarter of the previous year.

2. **Operating Profit:**
    - **H1 2026:** SAR 456.0 million, representing a 7% year-on-year increase.
    - **Q2 2026:** SAR 360.0 million, representing a 45% year-on-year increase.
      Despite the increase in operating expenses—primarily a result of higher operational activity costs in-line with the soft opening and activation workstreams of Masar Destination — reflected in the financial results for the first half and second quarter of 2026 compared to the corresponding periods of 2025, the Company achieved higher operating profit margins during both periods. This was primarily attributable to the increase in other operating income, mainly driven by a gain from the reversal of a provision, loan modification gains, and other operating income.
3. **Net Profit:**
    - **H1 2026:** SAR 261.0 million, representing a 34% year-on-year decrease.
    - **Q2 2026:** SAR 216.1 million, representing a 9% year-on-year decrease.
      The decline in net profit during both the first half and the second quarter of 2026, compared to the corresponding periods of 2025, was primarily attributable to higher financial charges recognized in the income statement following the discontinuation of capitalizing borrowing costs associated with financing infrastructure works concurrent with reaching a substantial completion of these works.

Business and Operational Review:
“Masar” destination represents a landmark urban development in Makkah, extending approximately 3.5 km and connecting key roads and central districts. The project spans 1.25 square kilometers and includes 203 investment plots aimed at enhancing mobility, improving quality of life, and addressing supply gaps across hospitality, residential, and retail sectors, in alignment with Saudi Vision 2030.

As of Q2 2026, the Company has executed agreements for 81 out of 203 investment plots **(excluding reserved plots)**, including sales, leases, joint ventures, and self-development projects:

- **Hospitality:** 23 plots designated for 3-to-5-star hotels and serviced apartments.
- **Residential:** 33 plots designated for residential development.
- **Retail & Commercial:** 22 plots designated for commercial use.
- **Other Uses:** 3 plots allocated for healthcare.
- **Reserved Plots:** 7 plots.

On 1 June 2026, Umm Al Qura for Development and Construction announced its five-year strategy for the 2026–2030 period, establishing the Company's roadmap for its next phase of growth. The strategy is designed to drive sustainable growth, diversify revenue streams, and expand the Company's investment and development portfolio.

The strategy is centered on expanding into new destinations within the Western Region of the Kingdom of Saudi Arabia, while targeting additional capital investments between SAR 3 billion and SAR 5 billion over the next five years to be funded primarily through the Company's internal sources in addition to debt financing as applicable for each project.

The strategy reflects the Company's ambition to strengthen its position as an integrated real estate development and investment platform, supporting sustainable growth, creating diversified sources of income, and delivering long-term value for its shareholders.

Key Transactions and Milestones Announced on the Saudi Exchange (Tadawul) During Q2 2026

- **18 May 2026**
    - Completion of the sale of one land plot within the Masar Destination project to Heyazah Real Estate Development Company (Link)
- **31 May 2026**
    - Receipt of two letters of award for the development of the Hindawiya West and Hindawiya South sites adjacent to Masar Destination (Link)
- **18 June 2026**
    - Completion of the sale of three land plots within the Masar Destination project to Osus Abraj Bawabat Al Rahmaniyah Company (Link)
- **28 June 2026**
    - Completion of the sale of two land plots within the Masar Destination project to Madar Al-Tase'e Company (Link)

Key Drivers Supporting Other Operating Income for the Current Quarter:

- During Q2 2026, the Company recognized a SAR 16 million gain arising from the modification of certain loan terms. This was complemented by an SAR 22 million increase from the unwinding of the financial component associated with certain land sales, as well as the recognition of approximately SAR 5 million in other operating revenues.

Income Statement (⃁ millions):

Income Statement	Q2 2026*	Q2 2025	YoY Change	H1 2026	H1 2025	YoY Change
Revenue	**915.87**	**669.18**	**37%**	**995.52**	**1,171.16**	**(15%)**
Cost of revenue	(470.13)	(345.87)	36%	(510.43)	(616.44)	(17%)
Gross profit	**445.74**	**323.31**	**38%**	**485.09**	**554.72**	**(13%)**
Gross profit margin	48.67%	48.31%	1%	48.73%	47.37%	3%
Other operating income	44.92	12.06	272%	200.18	36.57	447%
General and administration expense	(97.52)	(73.63)	32%	(171.66)	(120.03)	43%
Selling and marketing expenses	(24.16)	(12.67)	91%	(47.64)	(46.04)	3%
Allowance for expected credit losses	(8.99)	(0.14)	6370%	(9.92)	(0.53)	1782%
Operating profit	**359.99**	**248.93**	**45%**	**456.05**	**424.69**	**7%**
Finance income	0.57	4.42	(87%)	2.17	8.82	(75%)
Finance costs	(131.18)	(6.32)	1976%	(174.38)	(15.95)	994%
Profit before Zakat	**229.38**	**247.03**	**(7%)**	**283.84**	**417.56**	**(32%)**
Zakat	(13.28)	(10.36)	28%	(22.81)	(21.23)	7%
Profit for the period	**216.1**	**236.67**	**(9%)**	**261.03**	**396.33**	**(34%)**
Net profit margin	23.60%	35.37%	(33%)	26.22%	33.84%	(23%)

Balance sheet (⃁millions):

Balance sheet	30 June 2026	31 March 2026	Change %
Investment Properties	15,693.85	16,347.40	(%4)
Property and Equipment	3,794.99	3,702.38	%3
Trade Receivables	830.53	1,094.39	(%24)
Right-of-Use Assets	9.82	10.53	(%7)
Intangible Assets	20.71	28.22	(%27)
Total Non-Current Assets	**20,349.90**	**21,182.92**	**(%4)**
Properties Under Development	2,703.59	2,388.12	13%
Trade Receivables	1,396.78	1,113.06	25%
Advances and Other Receivables	185.08	219.62	(16%)
Fair Value Through Profit or Loss (FVTPL) Investments	32.35	231.10	(86%)

Balance sheet	30 June 2026	31 March 2026	Change %
Cash and Cash Equivalents	760.52	106.13	617%
Total Current Assets	**5,078.33**	**4,058.03**	**25%**
Total Assets	**25,428.22**	**25,240.95**	**%1**
Borrowings	6,776.24	7,031.91	(%4)
Lease Liabilities	6.33	6.22	%2
Employee Benefits	24.26	23.67	%2
Retention Payables	28.65	28.24	%1
Total Non-Current Liabilities	**6,835.48**	**7,090.04**	**(%4)**
Borrowings	580.17	256.64	%126
Lease Liabilities	3.20	3.20	-
Land Compensation Payables	419.76	421.09	(0.3%)
Trade Payables	39.13	38.19	%2
Accrued Expenses and Other Liabilities	1,399.77	1,466.93	(%5)
Zakat Provision	25.91	56.17	(%54)
Total Current Liabilities	**2,467.94**	**2,242.22**	**10%**
Total Liabilities	**9,303.42**	**9,332.26**	**(0.3%)**
Total Equity	**16,124.80**	**15,908.69**	**1%**
Total Liabilities and Equity	**25,428.22**	**25,240.95**	**1%**

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About Umm Al Qura:

Umm Al Qura for Development & Construction (UAQ), the owner, developer, was established in 2012 pursuant to a Royal Order as a closed joint-stock company, with its headquarters in Makkah, Saudi Arabia. At incorporation, the Company's share capital amounted to SAR 916,213,460, divided into 91,621,346 ordinary shares with a nominal value of SAR 10 per share. Since then, UAQ's share capital has increased to SAR 14,386,475,610 in 2025, divided into 1,438,647,561 ordinary shares.

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