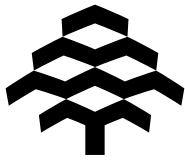


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PROSPECTUS



الرمز Alramz

Prospectus of Al Ramz Real Estate Company

A closed joint stock company established under Commercial Registration No. 1010488618 dated 29/11/1437H (corresponding to 01/09/2016G) pursuant to Ministerial Resolution No. Q/5369 dated 29/05/1442H (corresponding to 13/01/2021G) approving the announcement of the Company's conversion into a closed joint stock company.

Offering of twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares, representing 30% of Al Ramz Real Estate Company's share capital post-capital increase (and 43% thereof pre-capital increase), through a public offering at a price of SAR 70 per Share.

The Offering Period: Three business days

starting on Sunday, 16/06/1447H (corresponding to 07/12/2025G) and ending at 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G).

Al Ramz Real Estate Company (hereinafter referred to as the "Company" or the "Issuer") is a Saudi closed joint stock company established under Commercial Registration No. 1010488618 dated 29/11/1437H (corresponding to 01/09/2016G) issued in Riyadh, Kingdom of Saudi Arabia, and Ministerial Resolution No. Q/5369 dated 29/05/1442H (corresponding to 13/01/2021G) approving the announcement of the Company's conversion into a joint stock company. As at the date of this Prospectus, the Company's capital is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a fully paid-up nominal value of ten (10) Saudi Riyals per Share (the "Share(s)"). Post-capital increase, the Company's capital will be four hundred twenty-eight million five hundred seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares at a nominal value of ten (10) Saudi Riyals per Share.

The Company was established as a Saudi limited liability company (one person company) in Riyadh under Commercial Registration No. 1010488618 dated 29/11/1437H (corresponding to 01/09/2016G) by Mr. Rasheed Abdulrahman Nasser Al-Rasheed with a capital of five hundred thousand (500,000) Saudi Riyals divided into fifty thousand (50,000) Shares of an equal value of ten (10) Saudi Riyals per Share.

On 07/04/1442H (corresponding to 22/11/2020G), the Capital Owner, Mr. Rasheed Abdulrahman Nasser Al-Rasheed, decided to assign, without compensation, a part of his Shares to: (1) Fatima Abdullah Nasser Al-Majed (1,250 Shares at a value of SAR 12,500); (2) Haya Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); (3) Harun Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (4) Abdulmalik Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (5) Rakan Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (6) Moudhi Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); and (7) Sara Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720), as new shareholders in the Company.

During the same meeting, the shareholders agreed as well to convert the Company from a limited liability company to a closed joint stock company, and to increase the Company's capital from five hundred thousand (500,000) Saudi Riyals to fifty million (50,000,000) Saudi Riyals, by transferring the additional capital amount from the Shareholder's current account. Upon conversion into a closed joint stock company, the Company's capital amounted to fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share. These changes were reflected in the Bylaws issued on 15/01/1443H (corresponding to 23/08/2021G).

On 15/05/1443H (corresponding to 19/12/2021G), the Extraordinary General Assembly agreed to increase the Company's capital from fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a value of ten (10) Saudi Riyals per Share by (1) capitalizing an amount of SAR 238,358,653 from the additional paid-up capital account and (2) capitalizing an amount of SAR 11,641,347 from the retained earnings account.

On 11/06/1446H (corresponding to 12/12/2024G), the Extraordinary General Assembly agreed to increase the Company's capital from three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to four hundred twenty-eight million five hundred seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares at a nominal value of ten (10) Saudi Riyals per Share by issuing and offering twelve million eight hundred fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares.

(For further information, please refer to Section 4.5 ("Overview of the Structure of the Company and Evolution of Capital") of this Prospectus).

The Initial Public Offering (hereinafter referred to as the "Offering") consists of the offering of twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) new Ordinary Shares (collectively, the "Offer Shares", and each an "Offer Share") with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per Ordinary Share, at an offer price of seventy Saudi Riyals (SAR 70) per Share (hereinafter referred to as the "Offer Price"). The Offer Shares represent 30% of the Company's post-increase share capital.

Subscription to the Offer Shares shall be restricted to the two following groups of investors (hereinafter referred to as the "Investors"):

Tranche (A): Participating Parties: This tranche comprises parties eligible to participate in the book-building process in accordance with the Book-Building Instructions and Allocation Method in Initial Public Offerings, as issued by the Capital Market Authority (hereinafter referred to as the "CMA") (said instructions shall hereinafter be referred to as the "Book-Building Instructions") (said parties shall be collectively referred to as

the "Participating Parties" and each a "Participating Party") (for further details, please refer to Section 1 ("Definitions and Abbreviations") of this Prospectus). The number of Offer Shares to be initially allocated to Participating Parties effectively participating in the book-building process is twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Offer Shares, representing 100% of the total Offer Shares. In the event there is sufficient demand by individual Subscribers (as defined under Tranche (B) below), the Lead Manager shall have the right to reduce the number of Offer Shares initially allocated to Participating Parties to a minimum of ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares, representing 80% of the total Offer Shares. The Financial Advisor, in coordination with the Company, shall determine the number and percentage of Offer Shares to be allocated to Participating Parties. It is possible not to allocate Shares to some Participating Parties, as deemed appropriate by the Company and the Financial Advisor. Initially, 3,857,143 Ordinary Shares will be allocated to public funds, representing 30% of the total number of Offer Shares in the event of sufficient demand by the public funds, noting that if there is sufficient demand by individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of Shares allocated to public funds to 3,085,714 Ordinary Shares as a minimum, representing 24% of the total number of Offer Shares, after completion of subscription by individual Subscribers.

Tranche (B): Individual Subscribers: This tranche includes Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children; and any non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council (the "GCC"), in each case who has an investment account and an active investment portfolio with a Receiving Entity (collectively, the "Individual Subscribers", and each an "Individual Subscriber"). Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted. A maximum of two million five hundred seventy-one thousand four hundred twenty-nine (2,571,429) Ordinary Shares, representing 20% of the Offer Shares, shall be allocated to individual Subscribers. In the event that the individual Subscribers do not subscribe in full for the Offer Shares allocated to them, the Lead Manager may reduce the number of Offer Shares allocated to individual Subscribers in proportion to the number of Offer Shares subscribed for thereby.

The Company's Current Shareholders own the entirety of the Company's Shares prior to the Offering and shall own seventy percent (70%) of the Company's capital following the Offering and will continue to hold the controlling interest in the Company (for more information, please see Table 121 ("The Company's Ownership Structure Pre- and Post-Offering as at the Date of this Prospectus") hereof).

The Substantial Shareholder whose name appears on page (19) of this Prospectus will be subject to a lock-up period during which the Substantial Shareholder shall be prohibited from disposing of or pledging Shares held thereby for a period of twelve (12) months (hereinafter referred to as the "Lock-Up Period") from the date on which the Company's Shares began trading on the Saudi Exchange (hereinafter referred to as "Tadawul", the "Market" or the "Saudi Stock Exchange"). Following the Lock-Up Period, the Substantial Shareholder may dispose of their Shares without obtaining prior consent of the Capital Market Authority.

The Company will use the Offering proceeds (the "Offering Proceeds"), after deduction of the Offering expenses (hereinafter referred to as the "Net Offering Proceeds"), to enable the Company to use approximately 37% of the Offering Proceeds to develop projects; 36% to finance the Group's investments in new real estate funds for the development of certain projects; 23% to be available to the Group for general purposes; and 4% to cover expenses related to the Offering. Current Shareholders shall not receive any part of the Offering Proceeds (for more information, please see Section 8 ("Use of Proceeds") of this Prospectus); noting that the Underwriter has fully pledged to cover the Offering (for more information, please refer to Section 13 ("Underwriting") of this Prospectus).

The Offering Period will commence on Sunday, 16/06/1447H (corresponding to 07/12/2025G) and will remain open for a period of three business days up to 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G) (hereinafter referred to as the "Offering Period"). Subscription Application Forms may be submitted to any Receiving Entities (hereinafter referred to as the "Receiving Entities") listed on page (x) during the Offering Period (for further details, please refer to page (xvii) ("Key Dates and Subscription Procedures") of this Prospectus). Individual Subscribers can apply for the Offer Shares through the Receiving Entities during the Offering Period, and Participating Parties can subscribe to the Offer Shares through the Bookrunner (defined in Section 1 ("Definitions and Abbreviations") of this

Prospectus) during the Book-Building Process taking place prior to the Offering to individual Subscribers.

Each individual Subscriber who subscribes to the Offer Shares must apply for a minimum of ten (10) Ordinary Shares. The maximum number of Shares that can be subscribed for is two hundred fifty thousand (250,000) Ordinary Shares per individual Subscriber. The balance of the Offer Shares, if any, will be allocated on a pro rata basis based on the number of Offer Shares applied for by each individual Subscriber. In the event that the number of individual Subscribers exceeds two hundred fifty-seven thousand one hundred forty-three (257,143) Subscribers, the Company will not guarantee the minimum allocation of Offer Shares, and the allocation will be made in accordance with the recommendations of the Issuer and the Financial Advisor. Excess subscription monies, if any, will be refunded to the individual Subscribers without any charge or withholding by the Receiving Entities. Notification of the final allocation will be made by no later than Monday, 24/06/1447H (corresponding to 15/12/2025G) and refund of excess subscription monies, if any, shall be made by no later than Tuesday, 25/06/1447H (corresponding to 16/12/2025G). (For further details, please refer to "Key Dates and Subscription Procedures" on page (xvii) and Section 18 ("Subscription Terms and Conditions") of this Prospectus).

The Company has one class of Ordinary Shares. Each Share entitles its holder to one vote, and gives them the right to delegate whomever they choose from among non-members of the Board of Directors to vote at assemblies, and each shareholder in the Company (hereinafter referred to as a "Shareholder"), regardless of the number of Shares held thereby, has the right to attend and vote at Shareholders' general assembly meetings (hereinafter referred to as the "General Assembly"), but they will not be entitled to any preferential voting rights. The Offer Shares will entitle holders to receive dividends declared by the Company as of the date of this Prospectus (hereinafter referred to as the "Prospectus") and for subsequent Financial Years (for more information, please refer to Section 7 ("Dividend Distribution Policy") of this Prospectus).

Prior to the Offering, the Company's Shares have never been listed or traded in any stock market either in the Kingdom of Saudi Arabia (hereinafter referred to as "KSA" or the "Kingdom") or elsewhere. Applications have been submitted by the Company to: (i) CMA for the registration and offering of the Shares, and (ii) the Exchange for the listing of the Shares. All supporting documents have been submitted to the CMA and all requirements have been satisfied, including those pertaining to listing the Company on the Exchange, with all approvals required to conduct the Offering granted, including approvals pertaining to this Prospectus (hereinafter referred to as the "Prospectus"). It is expected that trading in the Offer Shares will commence on the Exchange shortly after the allocation of the Shares and satisfaction of necessary conditions and procedures (for further details, please refer to "Key Dates and Subscription Procedures") on page (xvii) of this Prospectus). Saudi nationals, non-Saudi nationals holding valid residency permits in the Kingdom, and companies, banks, and investment funds established in the Kingdom or in any of the GCC countries as well as GCC nationals will be permitted to trade in the Shares after trading therein starts on the Exchange. Qualified Foreign Investors will be permitted to trade in the Company Shares pursuant to the Rules for Foreign Investment in Securities. Non-Saudi individuals living outside the Kingdom and institutions registered outside the Kingdom (hereinafter referred to as "Foreign Investors") will have the right to acquire an economic benefit in the Company Shares by entering into Swap Agreements with Capital Market Institutions licensed by the CMA to carry out securities business, to purchase Shares listed on the Exchange and to trade these Shares for the benefit of Foreign Investors. The Capital Market Institutions will remain the legal owners of the Shares subject to the Swap Agreements.

Subscription to the Offer Shares can potentially entail risks and uncertainties. Those wishing to subscribe to the Company's Shares should carefully read and review this Prospectus in full and consider the ("Important Notice") Section on page (iv) and Section 2 ("Risk Factors") of this Prospectus, before making any decision to invest in the Offer Shares.

This Prospectus contains information for the application for registration and offer of securities in accordance with the Rules on the Offer of Securities and Continuing Obligations (OSCOs) issued by the Capital Market Authority in the Kingdom of Saudi Arabia (the "CMA") and the application for listing securities in accordance with the Listing Rules of the Saudi Exchange. The Directors, whose names appear in this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is dated 05/01/1447H (corresponding to 30/6/2025G).

Financial Advisor, Lead Manager, Bookrunner and Underwriter



SNB Capital

الجزيرة كابيتال
ALJAZIRA CAPITAL

GIB
جى اى بى كابيتال
CAPITAL

BSF Capital

الاستثمار كابيتال
ALISTITHMAR CAPITAL

EFG Hermes
An EFG Holding Company

الراجحي المالية
Al Rajhi Capital

الابراهيمية
Al Ibrahimia Capital

Sahm

الاول للاستثمار
SAB Invest

anb capital

درايف
derayah

الإنماء المالية
alinnama capital

يقين
Yaqeen

awad

الرياض المالية
Riyad Capital

الخبر المالية
Alkhaiber Capital

مشاركة
Musharaka



IMPORTANT NOTICE

This Prospectus contains detailed information relating to the Company and the Offer Shares. When submitting a Subscription Application Form for the Offer Shares, Investors, whether Participating Parties or Individual Subscribers, will be treated as applying solely on the basis of the information contained in this Prospectus, copies of which may be obtained from the Company, the Lead Manager, or the Receiving Entities, and are available by visiting the websites of the CMA (www.cma.org.sa), the Saudi Exchange Company (Tadawul) (www.saudiexchange.sa), the Company (www.alramzre.com), or the Financial Advisor, Lead Manager, Bookrunner and Underwriter (www.alahlicapital.com).

In respect to the Offering, the Company has appointed SNB Capital as financial advisor (hereinafter referred to as the “**Financial Advisor**”), lead manager (the “**Lead Manager**”), bookrunner (the “**Bookrunner**”), and underwriter (the “**Underwriter**”).

This Prospectus includes information provided in accordance with the Rules on the Offer of Securities and Continuing Obligations (OSCOs) issued by the CMA, as well as the Listing Rules of the Saudi Exchange. The Directors, whose names appear on page (iv), collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has conducted all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date of its publication, a substantial portion of the information in this Prospectus relevant to the market and industry in which the Company operates is derived from external sources. Despite the fact that none of the Company, the Financial Advisor, nor any of the Company’s other advisors whose names appear on pages (vii), (viii) and (ix) of this Prospectus (hereinafter referred to collectively with the Financial Advisor as the “**Advisors**”), have any reason to believe that any of the market and industry information is materially inaccurate, neither the Company nor any of the Advisors has independently verified such information. Accordingly, no representation or assurance is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date of its publication is subject to change. In particular, the financial condition of the Company and the value of the Offer Shares may be adversely affected by future developments, such as inflation, interest rates, taxation or other economic, political, and any other factors, over which the Company has no control (for further details, please refer to Section 2 (“**Risk Factors**”) of this Prospectus). Neither the delivery of this Prospectus nor any oral, written, or printed information in relation to the Offer Shares is intended to be, or should be construed as or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, the Directors, the Receiving Entities or any of the Advisors to participate in the subscription to the Offer Shares. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of persons wishing to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the Offering and must rely on its own examination of the appropriateness of both the investment opportunity and the information herein with regard to the recipient’s individual investment objectives, financial situation and needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others, and prospective investors should not rely on another party’s decision to invest or not to invest as a basis for their own examination of the investment opportunity and such investor’s individual circumstances.

Subscription to the Offer Shares is restricted to two groups of investors which are: (A) Participating Parties: this comprises the parties entitled to participate in the book-building process in accordance with the Book-Building Instructions (for further details, please refer to Section 1 (“**Definitions and Abbreviations**”) of this Prospectus); and (B) Individual Subscribers: this includes Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children; and any non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the GCC, in each case who has a bank account with a Receiving Entity or has the right to open an investment account with a Capital Market Institution. Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted.

It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares to any person outside the Kingdom of Saudi Arabia, other than to Qualified Foreign Financial Institutions or Foreign Investors pursuant to Swap Agreements entered into with a Capital Market Institution in accordance with such Swap Agreements terms and conditions, and in each case subject to applicable laws and instructions. All recipients of this Prospectus must inform themselves of any legal restrictions relevant to this Offering and the sale of the Offer Shares and to comply with such restrictions. Each eligible Individual Subscriber and Participating Party should read the entire Prospectus and seek and rely on their own legal counsel, financial advisor, and other professional advisors for advice concerning the various legal, tax, regulatory and economic considerations relating to their investment in the Shares and will be responsible for the fees of their own counsels, accountants and other advisors as to all matters concerning an investment in the Company’s Shares. No assurance can be made that profits will be achieved.



MARKET AND INDUSTRY INFORMATION

The information and data contained in Section 3 (“**Market and Industry Overview**”) of this Prospectus are derived from the market study report prepared for the Company by the Market Study Consultant, Professional Real Estate Company – Colliers (one person Company) (the “**Market Study Consultant**”) dated 16/05/1446H (corresponding to 18/11/2024G), regarding the real estate sector in the Kingdom of Saudi Arabia (the “**Market Study**”). Professional Real Estate Company – Colliers (single-person company) was founded in 2011G, in Riyadh, Kingdom of Saudi Arabia and provides strategic market research services (For more information about Professional Real Estate Company – Colliers (single-person company), please visit: <https://www.colliers.com/en-sa>). The Market Study Consultant prepared the study report independently and objectively and was keen to ensure the accuracy and completeness of said report. The research was conducted from a broad sector perspective and may not necessarily reflect the performance of individual companies in the sector.

Subject to the provisions of (“**Forecasts and Forward-Looking Statements**”) Section, the Directors believe that the Market Study information and data from other sources contained in this Prospectus, including that provided by the Market Study Consultant, is reliable. However, this information and data has not been independently verified by the Company, the Directors, nor the Advisors, and therefore none of the aforementioned bears any liability for the accuracy or completeness of said information.

The Market Study Consultant does not, nor does any of its subsidiaries, affiliates, partners, shareholders, directors, managers or their Relatives own any Shares or any interest of any kind in the Company or its Subsidiaries. As at the date of this Prospectus, the Market Study Consultant has given and not withdrawn its written consent for the use of its name, logo, market information and data supplied thereby to the Company in the manner and format set out in this Prospectus.

FINANCIAL INFORMATION

The Company's audited Financial Statements for the Financial Years Ended 31 December 2022G, 2023G and 2024G have been prepared in accordance with the International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (“**IFRS-KSA**”).

The audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G were audited by the Company's independent auditor, Ibrahim Ahmed AlBassam & Co. Chartered Accountants (AlBassam & Co.) – PKF. These Financial Statements are included in Section 21 (“**Financial Statements and Auditor's Report**”) of this Prospectus. The Company publishes its Financial Statements in Saudi Riyals .

The financial information contained in this Prospectus is subject to rounding to the nearest whole number. Accordingly, the figures shown for the same item presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. In cases where the amounts included in this Prospectus were converted from a foreign currency into Saudi Riyal, the Saudi Riyal exchange rate against the relevant currency is the one in effect as at the date hereof. Throughout this Prospectus, Hijri dates are presented along with corresponding Gregorian dates, where relevant. The Hijri calendar is based on anticipated lunar cycles. However, an actual sighting of the moon is used to determine the beginning of each month, as a result of which conversions from the Hijri to Gregorian calendars are often subject to discrepancies estimated at one day. In addition, unless otherwise expressly stated in this Prospectus, any reference to “**year**” or “**years**” means Gregorian years.



FORECASTS AND FORWARD-LOOKING STATEMENTS

Forecasts set forth in this Prospectus have been prepared on the basis of assumptions relating to the Company's information as derived from its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used, and consequently no representation or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company confirms that, to the best of its knowledge, statements have been made hereunder following the required due diligence.

Certain statements in this Prospectus constitute "**Forward-Looking Statements**". Such statements can generally be identified by their use of forward-looking words such as "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be" or the negative thereof or other variations of such terms or comparable terminology.

These forward-looking statements reflect the current views of the Company with respect to future events but are not a guarantee of future performance, whereby many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (for further details, please refer to Section 2 ("**Risk Factors**") of this Prospectus). Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, the Company's actual results may vary materially from those described in this Prospectus as estimated, believed, expected, or planned.

Under the OSCOs' requirements, the Company must submit a supplementary Prospectus to the CMA if, at any time after the publication of this Prospectus, and before the end of the Offering, the Company becomes aware that:

- a- there has been a significant change in any material information contained in this Prospectus; or
- b- significant additional issues have arisen whose inclusion in this Prospectus is necessary.

With the exception of these two cases, the Company does not intend to update or amend any sector or market information or the forward-looking-statements included in this Prospectus, whether as a result of new information, future events or otherwise. As a result, and due to the risks, contingencies, and other assumptions, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or may not occur at all. Therefore, prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

DEFINITIONS AND ABBREVIATIONS

For further details on the terms used in this Prospectus, please refer to Section 1 ("**Definitions and Abbreviations**") of this Prospectus.



CORPORATE DIRECTORY

Table (1.1): Members of the Company's Board of Directors

No.	Name	Position	Nationality	Status	Date of Appointment	Direct Ownership		Indirect Ownership	
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1-	Rasheed Abdulrahman Nasser Al-Rasheed	Chairman of the Board of Directors	Saudi	Non-Executive	11/06/1446H (corresponding to 12/12/2024G)	80.00%	56.00%	-	-
2-	Faisal Abdullah Ali Al-Nassar	Vice Chairman	Saudi	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
3-	Abdulaziz Mohammed Abdullatif Al-Mulhim	Board Member	Saudi	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
4-	Nizar bin Hussein bin Abdullah Banbilah	Board Member	Saudi	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
5-	Harun Rasheed Abdulrahman Al-Rasheed	Managing Director	Saudi	Executive	11/06/1446H (corresponding to 12/12/2024G)	3.89%	2.72%	-	-
6-	Abdulmalik Rasheed Abdulrahman Al-Rasheed	Board Member	Saudi	Executive	11/06/1446H (corresponding to 12/12/2024G)	3.89%	2.72%	-	-

Source: the Company

The current Secretary of the Company's Board of Directors is Faisal Abdulaziz Al Fawzan, who does not own any shares in the Company. He was appointed to this position pursuant to a resolution of the Board of Directors dated 27/01/1447H (corresponding to 22/07/2025G). For a summary of the curriculum vitae of the Secretary of the Board of Directors, please refer to section 5.1.4 ("**Biographies of the Members and Secretary of the Board**").



Company Address, Representatives and the Board Secretary

Company Address and Authorized Representatives

Company Address

Al Ramz Real Estate Company

Faseelah Square Complex, Al-Malqa District, Abdullatif bin
Abdulmalik Al Shaikh Road

Riyadh - Kingdom of Saudi Arabia

Zip Code: 13521

P.O. Box: 543077

Tel: +966 92 0033397

Fax: +966 11 2193335

Website: alramzre.com

Email: info@Al Ramzre.com



Company's First Authorized Representative

Harun Rasheed Abdulrahman Al-Rasheed

Managing Director

Faseelah Square Complex, Al-Malqa District, Abdullatif bin
Abdulmalik Al Shaikh Road

Riyadh - Kingdom of Saudi Arabia

Zip Code: 13521

P.O. Box: 543077

Tel: +966 11 5001199

Website: alramzre.com

Email: harun@Al Ramzre.com

Company's Second Authorized Representative

Abdulmalik Rasheed Abdulrahman Al-Rasheed

Board Member

Faseelah Square Complex, Al-Malqa District, Abdullatif bin
Abdulmalik Al Shaikh Road

Riyadh - Kingdom of Saudi Arabia

Zip Code: 13521

P.O. Box: 543077

Tel: +966 11 5001190

Website: alramzre.com

Email: Abdulmalik@Al Ramzre.com

Secretary of the Board of Directors

Faisal Abdulaziz Al Fawzan

Faseelah Square Complex, Al-Malqa District, Abdullatif bin
Abdulmalik Al Shaikh Road

Riyadh - Kingdom of Saudi Arabia

Zip Code: 13521

P.O. Box: 543077

Tel: +920031055 Ext. 104

Website: alramzre.com

Email: f.alfawzan@Al Ramzre.com



Stock Exchange

Saudi Exchange Company (Tadawul)

Saudi Exchange Company (Tadawul)

King Fahd Road - Olaya 6897

Unit No.: 15

P.O. Box: 3388

Riyadh 12211

Kingdom of Saudi Arabia

Tel: +966 92 000 1919

Fax: +966 11 218 9133

Website: www.saudiexchange.sa

Email: csc@saudiexchange.sa



Securities Depository Center Company (Edaa)

Securities Depository Center Company (Edaa)

King Fahd Road - Olaya 6897

Unit No.: 11

P.O. Box: 3388

Riyadh 12211

Kingdom of Saudi Arabia

Tel: +966 920026000

Fax: +966 11 218 9133

Website: www.edaa.sa

Email: cc@edaa.com.sa



من مجموعة تداول السعودية
From Saudi Tadawul Group



Advisors and Auditors

Advisors and Auditors

Financial Advisor, Lead Manager, Bookrunner and Underwriter

SNB Capital

King Saud Road, SNB Regional Building
P.O. Box: 22216, Riyadh 11495
Kingdom of Saudi Arabia
Tel: +966 92 0000232
Fax: +966 11 4060052
Website: www.alahlicapital.com
Email: snb.ipo@alahlicapital.com



Legal Advisor to the Issuer

Baker McKenzie Law Firm

Olayan Complex, Tower II, 3rd Floor
Al Ahsa Street, Malaz
P.O. Box: 69103
Riyadh 11547
Kingdom of Saudi Arabia
Tel: +966 11 265 8900
Fax: + 966 11 265 8999
Website: www.bakermckenzie.com
Email: legaladvisors@bakermckenzie.com



Legal Advisor to the Financial Advisor, Lead Manager, Bookrunner and Underwriter

Zeyad Sameer Khoshaim Company (Professional Limited Liability Company)

17th Floor, Tower B
Olaya Towers, Olaya District
P.O. Box 230667 Riyadh 11321
Kingdom of Saudi Arabia
Tel: +966 11 461 8700
Fax: +966 11 461 8799
Website: www.khoshaim.com
Email: info@khoshaim.com



Financial Due Diligence Advisor

PricewaterhouseCoopers (PwC) - Chartered Accountants

Kingdom Tower, 21st Floor
P.O. Box: 8282
Riyadh 11482
Kingdom of Saudi Arabia
Tel: +966 11 211 0400
Fax: +966 11 211 0250
Website: www.pwc.com.sa
Email: Mer_project_sky_ksa@pwc.com





Advisors and Auditors

Market Study Consultant

Professional Real Estate Company - One person Company (Colliers)

Al Faisaliah Tower - Second Floor- Olaya - King Fahd Road

P.O. Box 5678 Riyadh 11432

Tel: +966 11 273 7775

Fax: +966 11 273 7776

Website: <https://www.colliers.com/en-sa>

E-mail: Imad.Damrah@colliers.com



Advisor to the Shareholders of Al Ramz Real Estate Company

Himmah Capital Investment Company

King Abdulaziz Road

P.O. Box 230645, Riyadh 11321

Tel: +966 11 269 0043

Fax: N/A

Website: <https://www.himmahcapital.com>

Email: projectsky@himmahcapital.com



Auditors

Auditor for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G

Ibrahim Ahmed AlBassam & Co. Chartered Accountants (AlBassam & Co.) – PKF

Prince Abdelaziz bin Mosaed Street, Sulaymaniyah District

P.O. Box 69658 – Riyadh 11557

Kingdom of Saudi Arabia

Tel: +966 11 206 5333

Fax: +966 11 206 5444

Email: www.pkfalbassam.com

Website: info.sa@pkf.com



Note: As at the date of this Prospectus, all of the above-mentioned Advisors and Auditor have given and have not withdrawn their written consent to the publication of and reference to their names, logos and the statements or reports attributed to each of them, as applicable, in the context in which they appear in this Prospectus. They do not themselves, their employees (forming the engagement team serving the Company), or any of their Relatives have any Shares or interest of any kind in the Company and its Subsidiaries as at the date of this Prospectus which would impair their independence.



Receiving Entities

BSF Capital

King Fahd Road 8092
4th Floor, Legend Tower
P.O. Box 23454 Riyadh 12313-3735
Kingdom of Saudi Arabia
Telephone: +966 (11) 282 6666
Fax: +966 (11) 282 6723
Website: www.bsfcapital.sa
Email: sfc-supportcenter@bsfcapital.sa



Al Rajhi Capital

Head Office, King Fahd Road, Al Murooj District
P.O. Box 5561 Riyadh 11432
Kingdom of Saudi Arabia
Telephone: +966 92 000 5856
Fax: +966 (11) 460 0625
Website: www.alrajhi-capital.com
Email: investmentbankingteam@alrajhi-capital.com



Alawwal Invest Company (SAB Invest)

Olaya Main Street
P.O. Box 1467 Riyadh 11431
Kingdom of Saudi Arabia
Telephone: 8001242442
Fax: +966 (12) 216 9102
Website: www.sabinvest.com
Email: customercare@sabinvest.com



Alinma Capital

Al Anoud Tower 2, King Fahd Road
P.O. Box 55560, Riyadh 11544
Kingdom of Saudi Arabia
Telephone: +966 (11) 218 5999
Fax: +966 (11) 218 5970
Website: www.alinmainvestment.com
Email: Info@alinmainvest.com



Riyad Capital Company

2414 - Al Shuhada District, Unit No. 69
P.O. Box 13241, Riyadh 7279
Kingdom of Saudi Arabia
Telephone: +966 (11) 486 5649
Fax: +966 (11) 486 5908
Website: www.riyadcapital.com
Email: ask@riyadcapital.com



AlJazira Capital

King Fahd Branch Road, Al Rahmaniyah
P.O. Box 20438, Riyadh 11455
Kingdom of Saudi Arabia
Telephone: +966 (11) 225 6000
Fax: +966 (11) 225 6182
Website: www.aljazaracapital.com.sa
Email: contactus@aljazaracapital.com.sa





Receiving Entities

SNB Capital

King Saud Street, Al-Murabba District - Building No. 7347

P.O. Box 2575 Riyadh 12624

Kingdom of Saudi Arabia

Telephone: +966 920000232

International Call Center: +966 (11) 4060052

Website: www.alahlicapital.com

Email: snbc.ipo@alahlicapital.com



Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)

King Fahad Branch Road

P.O. Box 6888, Riyadh 11452

Kingdom of Saudi Arabia

Telephone: +966 (11) 254 7666

Fax: +966 (11) 489 6253

Website: www.icap.com.sa

Email: WebEcare@icap.com.sa



AlBilad Investment Company

King Fahd Road, Olaya, Riyadh - 12313 - 3701

Kingdom of Saudi Arabia

Telephone: 800116002

Fax: +966 (11) 290 6299

Website: www.albilad-capital.com

Email: investmentbanking@albilad-capital.com



ANB Capital

King Faisal Street

ANB Capital Building

P.O. Box 220009, Riyadh 11311

Kingdom of Saudi Arabia

Telephone: +966 (11) 406 2500

Fax: +966 (11) 406 2548

Website: www.anbcapital.com.sa

Email: Investment.Banking@anbcapital.com.sa



Derayah Financial

Riyadh - Al-Takhassusi Street - Prestige Center - Third Floor

Kingdom of Saudi Arabia

Telephone: +966 (11) 299 8000

Fax: +966 (11) 419 5498

Website: www.derayah.com

Email: support@derayah.com



Yaqeen Capital

ANB Capital Building

Al Worood District - Al Olaya Road - Riyadh

P.O. Box 884 Riyadh 11421

Kingdom of Saudi Arabia

Telephone: +966 800 429 8888

Fax: +966 (11) 205 4827

Website: www.yaqeen.com

Email: addingvalue@yaqeen.sa





Receiving Entities

AlKhabeer Capital

Madinah Road, Jeddah
P.O. Box 128289 Jeddah 21362
Kingdom of Saudi Arabia
Telephone: +966 (12) 612 9345
Fax: +966 (12) 685 6663
Website: www.alkhabeer.com
Email: info@alkhabeer.com

الخبير المالية
Alkhabeer Capital



Sahm Capital Financial Company

King Abdullah Financial District - Tower 305
Riyadh 13519
Kingdom of Saudi Arabia
Telephone: +966 (11) 414 5260
Website: www.sahmcapital.com
Email: info@sahmcapital.com



GIB Capital

Granada Business & Residential Park - Building B1
Eastern Ring Road
P.O. Box 89589, Riyadh 11692
Kingdom of Saudi Arabia
Telephone: +966 800 1240121
Website: www.gibcapital.com
Email: customercare@gibcapital.com



Musharaka Financial Company

Al-Khobar - Prince Turki Bin Abdulaziz Road - Adair Tower - 13th Floor
P.O. Box 712, Al-Khobar 31952
Kingdom of Saudi Arabia
Telephone: +966 920006811
Fax: +966 13 881 8412
Email: receiving-entity@musharaka.sa
Website: www.musharaka.sa



EFG Hermes KSA

3rd Floor, Northern Tower, Sky Towers
King Fahd Road, Olaya, Riyadh
P.O. Box 300189, Riyadh 11372
Kingdom of Saudi Arabia
Telephone: +966 (11) 2938048
Fax: +966 (11) 2938032
Website: www.efghermesksa.com
Email: KSAR_eipo@efg-hermes.com



Awaed Financial Assets

AlUrubah Road 2163, AlMathar Ash Shamali 12334
Home Offices, Riyadh
Kingdom of Saudi Arabia
Telephone: 8001111870
Website: www.awaed.capital
Email: ipo_awaed@awaed.co





SUMMARY OF THE OFFERING

This Summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors. Therefore, this Summary should be read as an introduction to this Prospectus and prospective investors should read and review this Prospectus in its entirety, and any decision regarding investing in the Offer Shares should be based by prospective investors on all the information in this Prospectus as a whole. Accordingly, it is important to carefully consider the **“Important Notice”** on page (iv) and Section 2 (**“Risk Factors”**), prior to making any investment decision in the Offer Shares.

Company Name, Description and Incorporation

Al Ramz Real Estate Company (hereinafter referred to as the **“Company”** or the **“Issuer”**) is a Saudi closed joint stock company established under commercial registration No. 1010488618, dated 29/11/1437H (corresponding to 01/09/2016G) issued in Riyadh, Kingdom of Saudi Arabia and Ministerial Resolution No. Q/5369 dated 29/05/1442H (corresponding to 13/01/2021G) approving the announcement of the Company’s conversion into a joint stock company. As at the date of this Prospectus, the Company’s current capital is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a fully paid-up nominal value of ten (10) Saudi Riyals per Share (**“Shares”**). Post-capital increase, the Company’s capital will be four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred and fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share.

The Company was established as a Saudi limited liability company (one person Company) in Riyadh under commercial registration No. 1010488618, dated 29/11/1437H (corresponding to 01/09/2016G) by Mr. Rasheed Abdulrahman Nasser Al-Rasheed with a capital of five hundred thousand (500,000) Saudi Riyals divided into fifty thousand (50,000) Shares of an equal value of ten (10) Saudi Riyals per Share.

On 07/04/1442H (corresponding to 22/11/2020G), the Capital Owner Mr. Rasheed Abdulrahman Nasser Al-Rasheed decided to assign, without compensation, a part of his Shares to: (1) Fatima Abdullah Nasser Al-Majed (1,250 Shares at a value of SAR 12,500); (2) Haya Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); (3) Harun Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (4) Abdulmalik Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (5) Rakan Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (6) Moudhi Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); and (7) Sara Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720) as new shareholders in the Company. During the same meeting, the shareholders agreed as well to convert the Company from a limited liability company to a closed joint stock company, and to increase the Company’s capital from five hundred thousand (500,000) Saudi Riyals to fifty million (50,000,000) Saudi Riyals, by transferring the additional capital amount from the shareholder’s current account. Upon conversion into a closed joint stock company, the Company’s capital amounted to fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per share. These changes were reflected in the Bylaws issued on 15/01/1443H (corresponding to 23/08/2021G).

On 15/05/1443H (corresponding to 19/12/2021G), the Extraordinary General Assembly agreed to increase the Company’s capital from fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share by (1) capitalizing an amount of SAR 238,358,653 from the additional paid-up capital account and (2) capitalizing an amount of SAR 11,641,347 Saudi Riyals from the retained earnings account.

On 11/06/1446H (corresponding to 12/12/2024G), the Extraordinary General Assembly agreed to increase the Company’s capital from three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred and fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share by issuing and offering twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares.

(For further information, please refer to Section 4.5 (**“Overview of the Structure of the Company and Evolution of Capital”**) of this Prospectus.



Company's Activities	Pursuant to its Bylaws, the Company's activities are as follows:																				
	1- Construction of buildings																				
	2- Construction of roads and railways																				
	3- Construction of utility projects																				
	4- Demolition																				
	5- Site preparation																				
	6- Electrical installation																				
	7- Plumbing, heat and air-conditioning installation																				
	8- Building completion and finishing																				
	9- Other specialized construction activities																				
10- Short term accommodation activities																					
11- Real estate activities with own or leased property																					
12- Real estate activities on a fee or contract basis																					
13- Combined facilities support activities																					
14- Activities of professional membership organizations																					
Pursuant to its main commercial register, the Company's activities are as follows:																					
1- Buying, selling and subdividing land and properties, and off-plan sales activities (subject to a license from the Real Estate General Authority (REGA)).																					
2- Management and leasing of owned or rented residential properties (subject to a license from REGA).																					
3- Management and leasing of owned or rented non-residential properties (subject to a license from REGA).																					
4- Activities of real estate brokers (subject to a license from REGA).																					
5- Property management (subject to a license from REGA).																					
6- General constructions of residential buildings.																					
7- General constructions of non-residential buildings (such as schools, hospitals, hotels, etc. subject to a permit from the Ministry of Municipalities and Housing (MoMAH)).																					
8- Restoration of residential and non-residential buildings.																					
9- Drilling and earth moving for site preparation purposes.																					
10- Casting of bases and foundations.																					
11- Building finishing.																					
12- Management of operation and maintenance services in buildings and annexed utilities (subject to a permit from MoMAH).																					
The Company is currently engaged in purchasing lands and developing residential and commercial projects, whether owned by the Company or by third parties.																					
Substantial Shareholder, Number of Shares, and Ownership Percentage held thereby Pre- and Post-Offering	The following table sets out the name of the Substantial Shareholder as well as his ownership percentage pre-Offering and post-Offering.																				
	Table (1.2): Substantial Shareholder and Ownership Percentages held thereby Pre- and Post-Offering																				
	<table><tr><th rowspan="2">Shareholder Name</th><th colspan="3">Pre-Offering</th><th colspan="3">Post-Offering</th></tr><tr><th>No. of Shares</th><th>Direct Ownership</th><th>Par Value (SAR)</th><th>No. of Shares</th><th>Direct Ownership</th><th>Par Value (SAR)</th></tr><tr><td>Rasheed Abdulrahman Nasser Al-Rasheed</td><td>24,000,012</td><td>80.00%</td><td>240,000,120</td><td>24,000,012</td><td>56.00%</td><td>240,000,120</td></tr></table>	Shareholder Name	Pre-Offering			Post-Offering			No. of Shares	Direct Ownership	Par Value (SAR)	No. of Shares	Direct Ownership	Par Value (SAR)	Rasheed Abdulrahman Nasser Al-Rasheed	24,000,012	80.00%	240,000,120	24,000,012	56.00%	240,000,120
	Shareholder Name		Pre-Offering			Post-Offering															
		No. of Shares	Direct Ownership	Par Value (SAR)	No. of Shares	Direct Ownership	Par Value (SAR)														
Rasheed Abdulrahman Nasser Al-Rasheed	24,000,012	80.00%	240,000,120	24,000,012	56.00%	240,000,120															
Source: the Company																					
Company's Capital Pre-Offering	Three hundred million (300,000,000) Saudi Riyals .																				
Company's Capital Post-Offering	Four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals .																				
Total Number of the Company's Shares Pre-Offering	Thirty million (30,000,000) fully paid-up Ordinary Shares.																				
Total Number of the Company's Shares Post-Offering	Forty-two million eight hundred and fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares.																				



Offering	Offering of twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) new Ordinary Shares.
Total Number of Offer Shares	Twelve million eight hundred and fifty-seven thousand one hundred forty-three (12,857,143) Ordinary Shares.
Nominal Value per Share	Ten (10) Saudi Riyals .
Percentage of Offer Shares to the Company's Capital	The Offer Shares represent 30% of the Company's capital post-capital increase (which represents 43% of the Company's capital pre-capital increase).
Offer Price	Seventy (70) Saudi Riyals per Share.
Total value of Offer Shares	Nine hundred million and ten (900,000,010) Saudi Riyals .
Use of Proceeds	The Company will use the Offering proceeds (the " Offering Proceeds ") to enable the Company to use approximately 37% of the Offering Proceeds to develop projects; 36% to finance the Group's investments in new real estate funds for the development of certain projects; 23% to be available to the Group for general purposes; and 4% to cover expenses related to the Offering (for more information, please see Section 8 (" Use of Proceeds ") of this Prospectus).
Number of Shares Underwritten	Twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares.
Total Underwritten Offering Amount	Nine hundred million and ten (900,000,010) Saudi Riyals .
Categories of Targeted Investors	Subscription to the Offer Shares shall be restricted to the two following groups of investors: Tranche (A): Participating Parties: This tranche comprises parties eligible to participate in the book-building process in accordance with the Book-Building Instructions. The number of Offer Shares to be initially allocated to Participating Parties effectively participating in the book-building process is twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Offer Shares, representing 100% of the total Offer Shares. In the event there is sufficient demand by Individual Subscribers (as defined under Tranche (B) below), the Lead Manager shall have the right to reduce the number of Offer Shares initially allocated to Participating Parties to a minimum of ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares, representing 80% of the total Offer Shares. The Financial Advisor, in coordination with the Company, may determine not to allocate any Offer Shares to some Participating Parties. Initially, 3,857,143 Ordinary Shares (representing 30% of the total Offer Shares) will be allocated to public funds, in case there is sufficient demand by this Category. However, in the event there is sufficient demand by Individual Subscribers to subscribe in the Offer Shares, the Lead Manager shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of 3,085,714 Ordinary Shares representing 24% of the total Offer Shares, after completion of subscription by the Individual Subscribers. Tranche (B): Individual Subscribers: This tranche includes Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children; and any non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council (the "GCC"), in each case who has an investment account and an active investment portfolio with a Receiving Entity. Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted. A maximum of two million five hundred seventy-one thousand four hundred twenty-nine (2,571,429) Ordinary Shares, representing 20% of the Offer Shares, shall be allocated to Individual Subscribers. In the event that the Individual Subscribers do not subscribe in full for the Offer Shares allocated to them, the Lead Manager may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed for thereby.
Total Offer Shares Available for each Targeted Investor Category	
Number of Shares Offered to Participating Parties	Twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares, representing one hundred percent (100%) of the total Offer Shares. In the event there is sufficient demand by Individual Subscribers, the Financial Advisor, in coordination with the Company, shall have the right to reduce the number of Offer Shares initially allocated to Participating Parties to a minimum of ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares, representing eighty percent (80%) of the total Offer Shares. Initially, 3,857,143 Ordinary Shares (representing 30% of the total Offer Shares) will be allocated to public funds if there is sufficient demand by this Category. However, in the event there is sufficient demand to subscribe for the Offer Shares by Individual Subscribers, the Lead Manager shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of 3,085,714 Ordinary Shares representing 24% of the total Offer Shares, after completion of subscription by the Individual Subscribers.



Number of Shares Offered to Individual Subscribers	A maximum of two million five hundred seventy-one thousand four hundred twenty-nine (2,571,429) Ordinary Shares, representing twenty percent (20%) of the total Offer Shares. In the event that Individual Subscribers do not subscribe in full for the Offer Shares allocated to them, the Lead Manager may reduce the number of Offer Shares allocated thereto in proportion to the number of Offer Shares subscribed for thereby.
Subscription Method for each Targeted Investor Category	
Subscription Method for Participating Parties	Participating Parties are entitled to apply for the subscription process, through the Bid Forms that the Bookrunner will provide during the Book-Building Process. Following the initial allocation, Participating Parties must fill out the Subscription Application Forms provided by the Bookrunner in accordance with the instructions set forth in Section 18 (" Subscription Terms and Conditions ") of this Prospectus.
Subscription Method for Individual Subscribers	Subscription Application Forms will be provided to Individual Subscribers during the Offering Period by one of the Receiving Entities through their websites. Subscription Application Forms must be completed in accordance with the instructions described in Section 18 (" Subscription Terms and Conditions ") of this Prospectus provided however that the following requirements shall be satisfied: (a) the Subscriber must have an investment account and an active portfolio at a Receiving Entity which offers such services, and (b) there have been no changes in the personal information or data of the Individual Subscriber since such person's subscription to the last initial public offering.
Minimum Number of Shares to be Applied for by each Category of Targeted Investors	
Minimum Number of Shares to be Applied for by Participating Parties	Fifty thousand (50,000) Shares.
Minimum Number of Shares to be Applied for by Individual Subscribers	Ten (10) Shares.
Minimum Subscription Amount by each Category of Targeted Investors	
Minimum Subscription Amount for Participating Parties	Three million and five hundred thousand (3,500,000) Saudi Riyals .
Minimum Subscription Amount for Individual Subscribers	Seven hundred (700) Saudi Riyals.
Maximum Number of Shares to be Applied for by each Category of Targeted Investors	
Maximum Number of Shares to be Applied for by Participating Parties	Two million one hundred and forty-two thousand eight hundred and fifty-six (2,142,856) Shares.
Maximum Number of Shares to be Applied for by Individual Subscribers	Two hundred and fifty thousand (250,000) Shares.
Maximum Subscription Amount by each Category of Targeted Investors	
Maximum Subscription Amount for Participating Parties	One hundred forty-nine million nine hundred ninety-nine thousand nine hundred twenty dollars (149,999,920) Saudi Riyals .
Maximum Subscription Amount for Individual Subscribers	Seventeen million five hundred thousand (17,500,000) Saudi Riyals .
Allocation and Refund Method for each Category of Targeted Investors	
Allocation of Offer Shares to Participating Parties	Final allocation of the Offer Shares to the Participating Parties will be made following subscription by Individual Subscribers. The number of Offer Shares to be initially allocated to Participating Parties is twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares, representing one hundred percent (100%) of the total Offer Shares. In the event there is sufficient demand by Individual Subscribers, the Lead Manager shall have the right to reduce the number of Offer Shares initially allocated to Participating Parties to a minimum of ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares, representing eighty percent (80%) of the total Offer Shares following subscription by Individual Subscribers. No Offer Shares may be allocated to some Participating Parties, as determined by the Company and the Financial Advisor. Initially, 3,857,143 Ordinary Shares (representing 30% of the total Offer Shares) will be allocated to public funds if there is sufficient demand by such Category. However, in the event there is sufficient demand by Individual Subscribers, the Lead Manager shall have the right to reduce the number of Offer Shares allocated to public funds to a minimum of 3,085,714 Ordinary Shares, representing 24% of the total Offer Shares, after completion of subscription by the Individual Subscribers.



Allocation of Offer Shares to Individual Subscribers	The allocation of the Offer Shares for Individual Subscribers is projected to be completed by no later than Monday, 24/06/1447H (corresponding to 15/12/2025G), with the minimum allocation per Individual Subscriber amounting to ten (10) Shares, and the maximum allocation per Individual Sub-scriber amounting to two hundred and fifty thousand (250,000) Shares. The remaining Offer Shares, if any, shall be allocated on a pro-rata basis based on the number of Offer Shares applied for by each Individual Subscriber to the total number of subscribed for Shares. In the event that the number of Individual Subscribers exceeds two hundred fifty-seven thousand one hundred forty-three (257,143), the Company will not guarantee the minimum allocation of Offer Shares, and the allocation will be made as determined by the Financial Advisor, in coordination with the Company.
Refund of Excess Subscription Monies	Surplus subscription amounts (if any) will be refunded to Individual Subscribers without any charge or withholding by the Lead Manager or Receiving Entities. Announcement of the final allotment and refund of subscription monies will be made by no later than Tuesday, 25/06/1447H (corresponding to 16/12/2025G) (for further details, please see (“ Key Dates and Subscription Procedures ”) on page (xvii) and Section 18 (“ Subscription Terms and Conditions ”) of this Prospectus).
Offering Period	The Offering Period will commence on Sunday, 16/06/1447H (corresponding to 07/12/2025G) and will remain open for a period of three business days up to 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G).
Distribution of Dividends	The Offer Shares will entitle their holders to receive any dividends declared and paid by the Company from the date of this Prospectus and for subsequent Financial Years (for further details, please refer to Section 7 (“ Dividend Distribution Policy ”) of this Prospectus).
Voting Rights	All the Company’s shares are Ordinary Shares of a single class and do not grant any preferential voting rights. Each Shareholder shall have one vote for every Share in General Assemblies. Shareholders may delegate another person, who is not a member of the Company’s Board of Directors, to attend General Assembly meetings and vote on their behalf. (For further details, please refer to Section 12.17 (“ Shareholders’ Rights ”) of this Prospectus).
Share Restrictions (Lock-Up Period)	The Substantial Shareholder, shown on page (xiii) of this Prospectus, will be subject to a Lock-up Period of twelve (12) months starting from the commencement of trading of the Shares on the Saudi Stock Exchange, during which the Substantial Shareholder shall be prohibited from disposing of their Shares. Following the lock-up period, the Substantial Shareholder shall be entitled to dispose of his Shares without obtaining the CMA approval. In addition, the Company is prohibited from listing shares of the same class as the Offer Shares for a period of six (6) months starting from the start of trading of the Offer Shares on the Exchange. Shares shall be also subject to the general restrictions applicable to the shares listed in the Kingdom.
Listing and Trading of Shares	Prior to the Offering, the Company’s Shares has not been listed in KSA or elsewhere. An application has been made by the Company to the CMA for the registration and offering of the Shares in accordance with the OSCOs, and the Company has made an application to the Exchange to list its Shares in accordance with the Listing Rules. All relevant regulatory and corporate approvals required from the CMA and the Exchange to conduct the Offering have been granted, including approvals pertaining to the Offering and all supporting documents have been submitted to the CMA. It is expected that Shares will commence trading on the Exchange shortly after the allocation of the Shares.
Risk Factors	There are certain risks related to investing in the Offer Shares. Such risks can be classified as follows: (a) risks related to the Company’s operations; (b) risks related to the market, industry and regulatory environment, and (c) risks related to the Offer Shares. These risks are described in Section 2 (“ Risk Factors ”) and the “ Important Notice ” on page (iv) hereof, and should be considered carefully prior to making a decision to invest in the Offer Shares.
Offering Expenses	The Company shall be responsible for all expenses and costs associated with the Offering, which are estimated at around (SAR 36,000,000) thirty-six million Saudi Riyals. Such costs shall be deducted from the Offering Proceeds, and include the fees of the Financial Advisor, Underwriter, Legal Advisors, the Financial Due Diligence, Auditor and Market Study Consultant, in addition to the fees of the Receiving Entities, government fees, marketing, printing and distribution expenses, as well as other related expenses.
Financial Advisor, Lead Manager, Bookrunner, and Underwriter	SNB Capital King Saud Road, SNB Regional Building P.O. Box: 22216, Riyadh 11495 Kingdom of Saudi Arabia Tel: +966 92 0000232 Fax: +966 11 4060052 Website: www.alahlicapital.com Email: snbc.ipo@alahlicapital.com

Note: Page (iv) (“**Important Notice**”) and Section 2 (“**Risk Factors**”) of this Prospectus must be carefully studied before making any decision regarding investing in the Offer Shares under this Prospectus



KEY DATES AND SUBSCRIPTION PROCEDURES

Table (1.3): Expected Offering Timetable

Expected Offering Timetable	Date
Offering Period for Participating Parties and Book-Building Process	Five days commencing on Sunday, 02/06/1447H (corresponding to 23/11/2025G) and ending at 5:00 p.m. on Thursday, 06/06/1447H (corresponding to 27/11/2025G).
Submission Period for Individual Subscribers	Three business days commencing on Sunday, 16/06/1447H (corresponding to 07/12/2025G) and ending at 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G).
Deadline for submission of Subscription Application Forms by Participating Parties based on the initial allocation of Offer Shares	Thursday, 13/06/1447H (corresponding to 04/12/2025G).
Deadline for submission of Subscription Application Forms and payment of the subscription monies by Individual Subscribers	Monday, 17/06/1447H (corresponding to 18/12/2025G).
Deadline for payment of subscription money by Participating Parties based on their initially allocated Offer Shares	Sunday, 16/06/1447H (corresponding to 07/12/2025G).
Announcement of final Offer Shares allotment	Monday, 24/06/1447H (corresponding to 15/12/2025G).
Refund of excess subscription monies (if any)	No later than Tuesday, 25/06/1447H (corresponding to 16/12/2025G).
Expected trading commencement date for the Shares on the Exchange	Trading of the Offer Shares on the Exchange is expected to commence after all relevant legal requirements and procedures have been fulfilled. Trading will be announced in local newspapers and on the Saudi Exchange website (www.saudiexchange.sa).

Note: The above timetable and dates therein are indicative. Actual dates will be communicated in local daily newspapers and on the Saudi Exchange website (www.saudiexchange.sa), the Company's website (<https://AI-Ramzre.com>) and the website of the Financial Advisor (www.alahlicapital.com).

How to Apply for Offer Shares

The Offering shall be restricted to the following two groups of investors:

Tranche (A): Participating Parties: This tranche comprises investors eligible to participate in the book-building process in accordance with the Book-Building Instructions (for further information, please refer to Section 1 (“**Definitions and Abbreviations**”) and to Section 18 (“**Subscription Terms and Conditions**”) of this Prospectus).

Tranche (B): Individual Subscribers: This tranche includes Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children; and any non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council (the “**GCC**”), in each case who has a bank account with a Receiving Entity or has the right to open an investment account with a Capital Market Institution. Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted.

Below is an overview of the method of subscription by the Participating Parties and Individual Subscribers:

Participating Parties:

Participating Parties can obtain the Bid Forms from the Lead Manager during the Book-Building Period and obtain the Subscription Application Forms from the Lead Manager following the initial allocation. The Lead Manager shall, after the approval of CMA, offer the Offer Shares to Participating Parties only during the Book-Building Period. Subscriptions by Participating Parties shall commence during the Offering Period, which shall also include the Individual Subscribers, according to the terms and conditions detailed in the Subscription Application Forms. A signed and stamped Subscription Application Form shall be submitted to the Lead Manager, with such Subscription Application Form representing a binding agreement between the Company and the applicant Participating Party.



Individual Subscribers:

Subscription Application Forms shall be provided to Individual Subscribers by the Receiving Entities, through their websites, provided that the following requirements are satisfied:

- i- The Individual Subscriber must have a bank account at the Receiving Entity which offers such services; and
- ii- There have been no changes in the personal information or data of the Individual Subscriber (by way of exclusion or addition of any member of his family) since such person last participated in an offering.

Each Individual Subscriber is required to fill out the Subscription Application Forms according to the instructions described in Section 18 (“**Subscription Terms and Conditions**”). Each applicant must complete all the relevant Sections in the Subscription Application Form. The Company reserves the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions are not met. The Subscription Application Form cannot be amended or withdrawn once submitted. Furthermore, the Subscription Application Form shall, upon submission, be considered to be a legally binding agreement between the relevant Subscriber and the Company (for further information, please refer to Section 18 (“**Subscription Terms and Conditions**”) of this Prospectus).

Excess subscription monies, if any, will be refunded to the primary Individual Subscriber’s account held with the Receiving Entity from which the subscription value has been debited in the first place, without withholding any charge or commission by the Lead Manager or relevant Receiving Entity. Excess subscription monies shall not be refunded in cash or to third-party accounts.

SUMMARY OF KEY INFORMATION

This summary of key information aims to give an overview of the information contained in this Prospectus. As it is a summary, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary should be treated as an introduction to this Prospectus. Recipients of this Prospectus should read the Prospectus in its entirety, as any decision by prospective investors to invest in the Offer Shares should be based on a study of this Prospectus as a whole. In particular, it is important to carefully consider the (“**Important Notice**”) on page (iv) and Section 2 (“**Risk Factors**”), respectively, prior to making any investment decision in relation to the Offer Shares.



COMPANY OVERVIEW

Overview of the Company and its Business Activities

Al Ramz Real Estate Company (hereinafter referred to as the “**Company**” or the “**Issuer**”) is a Saudi closed joint stock company established under commercial registration No. 1010488618, dated 29/11/1437H (corresponding to 01/09/2016G) issued in Riyadh, Kingdom of Saudi Arabia and Ministerial Resolution No. Q/5369 dated 29/05/1442H (corresponding to 13/01/2021G) approving the announcement of the Company’s conversion into a joint stock company. As at the date of this Prospectus, the Company’s current capital is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a fully paid-up nominal value of ten (10) Saudi Riyals per share (“**Shares**”). Post-capital increase, the Company’s capital will be four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred and fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share.

The Company was established as a Saudi limited liability company (one person Company) in Riyadh under commercial registration No. 1010488618, dated 29/11/1437H (corresponding to 01/09/2016G) by Mr. Rasheed Abdulrahman Nasser Al-Rasheed with a capital of five hundred thousand (500,000) Saudi Riyals divided into fifty thousand (50,000) Shares of an equal value of ten (10) Saudi Riyals per Share.

On 07/04/1442H (corresponding to 22/11/2020G), the Capital Owner Mr. Rasheed Abdulrahman Nasser Al-Rasheed decided to assign, without compensation, a part of his Shares to: (1) Fatima Abdullah Nasser Al-Majed (1,250 Shares at a value of SAR 12,500); (2) Haya Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); (3) Harun Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (4) Abdulmalik Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (5) Rakan Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (6) Moudhi Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); and (7) Sara Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720) as new shareholders in the Company.

During the same meeting, the shareholders agreed as well to convert the Company from a limited liability company to a closed joint stock company, and to increase the Company’s capital from five hundred thousand (500,000) Saudi Riyals to fifty million (50,000,000) Saudi Riyals, by transferring the additional capital amount from the shareholder’s current account. Upon conversion into a closed joint stock company, the Company’s capital amounted to fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per share. These changes were reflected in the Bylaws issued on 15/01/1443H (corresponding to 23/08/2021G).

On 15/05/1443H (corresponding to 19/12/2021G), the Extraordinary General Assembly agreed to increase the Company’s capital from fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share by (1) capitalizing an amount of SAR 238,358,653 from the additional paid-up capital account and (2) capitalizing an amount of SAR 11,641,347 Saudi Riyals from the retained earnings account.

On 11/06/1446H (corresponding to 12/12/2024G), the Extraordinary General Assembly agreed to increase the Company’s capital from three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty (428,571,430) Saudi Riyals divided into forty-two million eight hundred and fifty-seven thousand one hundred and forty-three (42,857,143) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share by issuing and offering twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares.

(For further information, please refer to Section 4.5 (“**Overview of the Structure of the Company and Evolution of Capital**”) of this Prospectus.

Company Vision

To be the fastest-growing urban development company in the Kingdom by creating communities filled with comfort.

Company Mission

To be an added value that contributes to the development of the architectural environment of the real estate sector, and a trusted symbol for customers in the Kingdom of Saudi Arabia.



Company's Strengths and Competitive Advantages

The Company possesses many strengths and competitive advantages that it believes significantly distinguish it from its peers and contribute to its success. Management believes that the competitive advantages and strengths available to the Company are as follows:

- Agile project execution methodology
- Well established brand and proven track record
- The Company's Development Expertise and its Unitarization of its Wholly-Owned Subsidiary Responsible for Construction Management
- Deep expertise in developing diverse residential and commercial real estate products across multiple cities
- Focus on research and market analysis
- Technology-driven efficiency and customer engagement
- Large secured project pipeline

Company Strategy

The Company's strategy is to grow in a sustainable manner through the following strategic pillars:

- Achieve sustainable expansion and drive shareholder returns
- Deliver value to customers
- Build community and support social impact
- Empower and grow the organization

Company's Main Developments Since Its Establishment

The following table shows the Company's and its business key developments since its establishment:

Table (1.4): Company's Key Developments Since its Establishment

Year	Event / Development
2016G	Al Ramz Real Estate Company was established with a capital of SAR 500,000
2016G	Commenced operations in Riyadh, with leasing 194 residential apartments in Riyadh
2017G	Commenced leasing and operation activities of 98 residential apartments in the Eastern Province
2017G	Acquired a 1,710 sqm land in Al-Taawun District, Riyadh
2018G	Acquired a 910 sqm land in Irqa District, Riyadh
2019G	Acquired four residential and commercial blocks with an area of more than 21,000 sqm in the following distinctive districts in Riyadh: Al-Nada, Al-Malqa, Irqa and Al-Wadi.
2020G	Company converted into a Saudi closed joint-stock company
2020G	Capital increased from SAR 500,000 to SAR 50,000,000
2020G	Sold and delivered more than 148 residential units in Riyadh
2020G	Acquired residential lands of more than 36,000 sqm in Riyadh for development
2020G	Initiated the first residential development project in Al-Khobar
2021G	Acquired residential and commercial lands of more than 70,000 sqm in Riyadh and Al-Khobar for development purposes
2021G	Started the first mixed office and commercial projects, Faseelah Square
2021G	Sold and delivered more than 395 residential units in Riyadh
2022G	Initiated its first residential project (Jawharat Al-Ramz) in cooperation with the National Housing Company for the development of 521 apartments in Khuzam suburb, north of Riyadh
2022G	Established a real estate investment fund affiliated with Riyadh Capital for the development of 393 residential units in Riyadh and Al-Khobar, with a value exceeding SAR 400 million
2022G	Established a real estate investment fund affiliated with Blominvest for the development of 176 residential units in Al-Khobar, with a value exceeding SAR 270 million



Year	Event / Development
2022G	Established ZAT Construction Company as a subsidiary engaging in constructions works and management thereof
2022G	Launched the ERP first phase
2023G	Acquired three lands in distinctive locations in Riyadh for the purpose of establishing mixed-use projects, with a total leasable area of 130,000 sqm
2023G	Sold and delivered more than 700 residential units in Riyadh and Al-Khobar
2023G	Initiated its first residential development project in Al-Salama District, Jeddah, for the development of more than 144 residential apartments
2023G	Acquired residential and commercial lands in Riyadh, Al-Khobar and Jeddah with an area of more than 146,000 sqm for their development
2023G	Earned the Great Place to Work certificate
2023G	Subsidiary ZAT Construction (formerly known as Osus Al-Ramz Contracting Company) won KSA Contracting Excellence Award by the Saudi Contractors Authority
2023G	Launched three real estate funds with a value exceeding SAR 1.8 billion for the development of mixed-use projects in Riyadh and Al-Khobar.
2024G	Established a real estate fund affiliated with SNB Capital with a value of more than SAR 650 million for the development of more than 780 residential units in Riyadh downtown
2024G	Launched a mobile application to serve its customers and optimize their experience
2024G	Sold all 521 residential units in Jawharat Al-Ramz off-plan project
2024G	Acquired residential lands in Jeddah of more than 90,000 sqm for the development of more than 900 residential units.
2024G	Awarded 4 International Property Awards for its Ramz Al-Nakheel Project

Source: the Company

Market Overview

The market study, prepared by Colliers, provides an in-depth analysis of the Saudi real estate market, with a particular focus on the major cities, including Riyadh, Jeddah, the Eastern Province (Dammam, Al-Khobar, and Dhahran), and Makkah. The study addresses the residential and office sectors in Riyadh and Jeddah, as well as the residential sector in Makkah and the Eastern Province. The market study includes an overview of economic performance, population trends, household dynamics, and market performance. Additionally, Colliers conducted a Company-specific assessment and benchmarking in Riyadh, with particular attention to competitors similar to the Company, especially those developing freehold apartments, villas, and low-rise office complexes.

1- Overview of Saudi Arabia – Kingdom of Saudi Arabia's Economy and Performance Thereof

The Kingdom has made significant progress in achieving the economic diversification goals outlined in Vision 2030 initiatives, as evidenced from the performance of the non-oil sector in recent years, where non-oil activities in the Kingdom grew at an average of over 5.8% from 2021G to 2023G, contributing approximately SAR 1,732 billion to real GDP in 2023G, accounting for 50% of the total GDP. Moreover, the share of non-oil revenues covering total budget expenditures has shown positive growth, rising from 17% in FY2015G to around 35% in FY2023G.

Regarding price stability, the average Consumer Price Index increased by 1.6% in 2024G during the period from January to August, compared to the same period last year.

Based on the latest census conducted by the General Authority for Statistics in 2022G, the total population of the Kingdom reached 32.2 million in 2022G. Based on historical growth, the total population is expected to grow at a compound annual growth rate (CAGR) of 2.5%, potentially reaching 39.1 million by 2030G. The total number of households in the Kingdom was approximately 8.2 million in 2022G, according to census data. Based on the historical CAGR of 3.6% from the 1992G census to the 2022G census, the total number of households is expected to grow to 11.0 million by 2030G. According to labor statistics issued by the General Authority for Statistics, the total number of employed individuals in the Kingdom increased by 11.5%, rising from 10.5 million in Q2 2023G to 11.7 million in Q2 2024G.

As part of Vision 2030, the Kingdom launched the National Housing Program, which increased the homeownership rate to 63% by FY2023G, with a target of achieving 70% by 2030G. This is supported by affordable housing projects backed by the government, financing solutions provided through the Real Estate Development Fund, and digital platforms such as “**Sakani**.” The National Tourism Strategy aims to position the Kingdom as a global tourism destination through



mega-projects such as NEOM, Diriyah Gate, and Qiddiya. The number of tourists, including foreign and local visitors, reached 109.3 million, with total spending amounting to SAR 255.6 billion in 2023G. This achieved the initial annual tourist target of 100 million, which has since been revised to 150 million by 2030G. The National Industrial Development and Logistics Program focuses on transforming the Kingdom into a leader in energy, mining, and logistics, with plans for 22 logistics centers and cumulative government funding for industrial projects reaching SAR 20.4 billion in H1 of FY2024G. Infrastructure improvements support these diversification efforts, such as the expansion project at King Abdulaziz Port, enabling it to handle 7.5 million containers.

Regulatory initiatives, whether already in place or soon to be introduced by the government, aim to support the residential real estate market by opening the sector to foreign investors, encouraging residential property developers to increase housing supply, facilitating access to housing finance, and adjusting taxes on real estate transactions. Similarly, the government has introduced regulatory initiatives to expand non-oil economic sectors, aiming to increase employment levels and support the office real estate market. These initiatives include incentives to attract global companies and foreign investments to the Kingdom, alongside supporting local small and medium-sized enterprises by providing financing solutions and simplifying establishment procedures and requirements.

2- Riyadh

Riyadh, the capital of the Kingdom, serves as a pivotal hub characterized by a diversified economy, encompassing sectors such as real estate, finance, logistics, tourism, and entertainment. The government is implementing a series of impactful initiatives aimed at positioning Riyadh as a leading global business hub and a desirable tourist destination. These initiatives are strategically designed to enhance the quality of life in the city and increase its population to 10 million. The strategic plan includes mega and large-scale projects, such as the New Murabba Project, Diriyah Gate, and Qiddiya. Additionally, it features vital infrastructure initiatives, including the Riyadh Metro, the Green Riyadh Project, and King Salman Airport. Based on historical population growth trends leading to an estimated population of 8.7 million by 2030G and the projected increase in housing supply, including announced projects, the additional market gap is estimated at 91,000 residential units between 2024G and 2030G. However, under a high population growth scenario projecting a population of 10 million by 2030G, the additional market gap increases to approximately 356,000 residential units during the same period. Residential unit sales transactions remained relatively stable between 2020G and 2023G, peaking in 2021G. However, noticeable activity in H1 2024G indicates a potential market recovery this year. Similarly, using historical growth rates of the working population, the Riyadh office unit market is projected to face a negative gap of approximately 581,000 square meters of gross leasable office space by 2030G, suggesting a potential market oversupply. Nevertheless, additional demand for office units in Riyadh is estimated at around 2.5 million square meters from 2024G to 2030G under this scenario, which could be targeted with competitive offerings. In contrast, under the most ambitious scenario of a high population growth rate, a significant positive gap of approximately 465,000 square meters of gross leasable office space is anticipated by 2030G.

3- Jeddah

The city has experienced continuous growth in business sectors and is home to one of the busiest seaports in the region, serving as the strategic gateway to Makkah. Considering the total projected supply of residential units, an additional market gap of approximately 50,000 residential units is expected between 2024G and 2030G. According to data from the Ministry of Justice, residential unit sales transactions in Jeddah remained relatively stable between 2020G and 2023G. The number of registered sales transactions in H1 2024G indicates that this trend is likely to continue throughout the year. Additionally, in the office unit sector, based on estimated future demand and the currently announced and expected supply of office units to be introduced to the market by 2030G, a negative market gap of approximately 311,000 square meters is anticipated in 2030G, indicating a potential market oversupply. However, additional demand for office units is estimated at around 204,000 square meters between 2024G and 2030G, which could be realized through the introduction of new projects offering competitive advantages over the existing supply in the market.

4- Makkah

The real estate market in Makkah is shaped by its unique status as a religious and tourist hub, attracting millions of visitors annually. The city's economy is focused on serving pilgrims, with significant development projects aimed at enhancing hospitality services, retail offerings, and residential supply. Considering the expected growth in the number of households and the estimated total supply, a market gap of approximately 33,000 residential units is anticipated between 2024G and 2030G. According to data from the Ministry of Justice, residential land sales transactions increased from Q2 2023G to Q2 2024G, with these lands expected to be developed into projects providing residential units in the coming years.



5- Dammam Metropolitan Area (DMA)

DMA holds strategic importance in the global oil economy, hosting the headquarters of Aramco, one of the largest companies in the world. To diversify its economic reliance on oil, the Eastern Province has developed its industrial sector and established numerous public industrial cities. Based on historical growth in the number of households and the total supply of residential units, an additional market gap of approximately 21,000 residential units is anticipated between 2024G and 2030G. According to data from the Ministry of Justice, residential unit sales transactions decreased from 10,912 transactions in 2020G to 6,670 transactions in 2023G, potentially due to rising interest rates and a relative increase in residential land prices per square meter during this period. However, the registered transactions in H1 2024G, totaling 5,426, indicate that transactions in 2024G are expected to surpass the numbers observed in 2023G.

The real estate market in the Kingdom is generally shaped by demographic trends, economic factors, and strategic urban planning, with a particular focus on mixed-use developments and affordable housing to meet increasing demand. The market is characterized by dynamic growth in major cities, driven by Vision 2030 initiatives and significant investments in infrastructure and real estate projects.

Summary Financial Information

SAR ('000)	FY2022G (Audited)	FY2023G (Audited)	FY2024G (Audited)
Statement of Comprehensive Income			
Revenue	633,253	531,909	951,755
Cost of Revenues	(467,660)	(404,307)	(785,129)
Gross Profit	165,593	127,603	166,626
General and Administrative Expenses	(13,472)	(17,037)	(31,356)
Selling and Marketing Expenses	(4,832)	(9,624)	(18,290)
Depreciation Expense of Right-of-Use Asset	0	0	(3,334)
Other Income	1,699	4,518	21,888
Financing Interest Income	0	0	269
Realized Gains from Investments at Fair Value Through Profit and Loss	0	0	2,012
Unrealized Gains from Investments at Fair Value Through Profit and Loss	0	28,240	47,828
Interest income from Islamic deposits	0	400	516
Operating Profit	148,988	134,099	186,159
Financing Cost and Banking Facilities	(1,770)	(2,360)	(16,692)
Net Profit for the Year before Zakat	147,218	131,739	169,467
Zakat	(7,396)	(5,140)	(11,117)
Net Profit for the Year	139,822	126,599	158,350
Other Comprehensive Income Not to Be Reclassified to the Consolidated Income Statement in Subsequent Years			
Gains / (Losses) from revaluation of investments through other comprehensive income	0	0	3,204
Actuarial Gains / (Losses) on End-of-Service Benefits	(20)	49	(475)
Total Comprehensive Income for the Year	139,801	126,647	161,079
Statement of Financial Position			
Total Non-Current Assets	175,266	358,858	391,629
Total Current Assets	458,763	596,627	972,154
Total Assets	634,029	955,485	1,363,783
Total Equity	512,772	609,420	740,499



SAR ('000)	FY2022G (Audited)	FY2023G (Audited)	FY2024G (Audited)
Total Non-Current Liabilities	33,242	230,147	288,772
Total Current Liabilities	88,014	115,919	334,512
Total Liabilities	121,256	346,066	623,284
Total Equity and Liabilities	634,029	955,485	1,363,783
Cash Flow Statement			
Net Cash From/(Used in) Operating Activities	138,455	(40,489)	(129,395)
Net Cash Flows From / (Used in) Investing Activities	(59,175)	(156,604)	30,956
Net Cash Flows From/(Used in) Financing Activities	(15,186)	148,206	126,385
Cash and Cash Equivalents at the End of the Year/Period	73,086	24,200	52,146

Source: Audited Consolidated Financial Statements for FY2022G and FY2023G and FY2024G.

Key Performance Indicators	FY2022G (Management Information)	FY2023G (Management Information)	FY2024G (Management Information)
Revenue from Sale of Units			
Number of Units sold	271	212	208
Average Revenue per Square Meter (SAR per sqm)	6,941	7,621	9,583
Development Revenue for Others			
Number of Active Projects	2	8	10
Average Revenue per Project (SAR '000)	28,522	27,282	20,846
Key Financial Indicators			
Gross Margin	26.1%	24.0%	17.5%
Operating Profit Margin	23.5%	25.2%	19.6%
Net Profit Margin	22.1%	23.8%	16.6%
Real Estate Inventory Turnover (Days)	90	213	82
Return on Assets	22.1%	13.2%	11.6%
Return on Equity	27.3%	20.8%	21.4%
Debt to Equity Ratio	0.1	0.4	0.6
Current Ratio	5.2	5.1	2.9
Ratio of Total Liabilities to Total Assets	0.2	0.4	0.5

Source: Management Information



SUMMARY OF RISK FACTORS

Before considering an investment in the Offer Shares, prospective investors are advised to carefully consider all the information contained in this Prospectus, particularly the risks stated below and which are described in detail in Section 2 (“**Risk Factors**”).

A- Risks Related to the Company’s Operations

- 1- Risks Related to Subcontractors
- 2- Risks Related to the Success of Current or New Projects
- 3- Risks Related to the Company’s Clients Defaulting on their Payments
- 4- Risks Related to the Company’s Material Contracts
- 5- Risks Related to the Development of the Company’s Projects
- 6- Risks Related to Deficiencies or Errors in Project Design or Construction, or Failure to Complete Projects as per Design Specifications
- 7- Risks Related to Development Contracts with Investment Funds
- 8- Risks Related to the Annual Valuation of Real Estate Investment Funds by Independent External Experts
- 9- Risks Related to the Impact of Increased Operating Expenses on the Company’s Business
- 10- Risks Related to Safety Accidents at the Company’s Facilities and Employees’ Occupational Errors
- 11- Risks Associated with the Company’s Current Financing Arrangements
- 12- Risks Related to Negative Changes in Interest Rates
- 13- Risks Related to the Company’s Off-Plan Sales Model
- 14- Risks Related to the Protection of the Company’s Trademarks
- 15- Risks Related to Interruptions in the Company’s IT Network or Cloud Systems
- 16- Risks Related to the Company’s Strategy
- 17- Risks Associated with the Company’s Related Party Transactions
- 18- Risks Related to the Company’s Reliance on its Senior Management and Key Personnel
- 19- Risks Related to the Availability of Financing for Clients
- 20- Risks Related to Future Financing
- 21- Risks Related to Mortgages
- 22- Risks Related to the Company’s Ability to Distribute Dividends
- 23- Risks Related to the Company’s Implementation of a Newly Adopted Corporate Governance Manual
- 24- Risks Related to Management’s Limited Experience in Managing a Listed Joint-Stock Company
- 25- Risks Related to Inadequate Insurance Coverage
- 26- Risks Related to Litigation Involving the Company and the Imposition of Fines Thereon
- 27- Risks Related to the Potential Misconduct of the Company’s Employees and Third-Party Agents
- 28- Risks Related to Construction Contract Revenues by Calculating the Percentages of Completion
- 29- Risks Related to Outstanding Receivables
- 30- Risks Related to Revenue from Unit Sales



B- Risks Related to the Market, Industry and Regulatory Environment

- 1- Risks Related to Political and Economic Conditions on the Company's Operations
- 2- Risks Related to Real Estate Prices
- 3- Risks Related to the Impact of Demand for Residential and Commercial Properties in the Kingdom of Saudi Arabia on the Company's Business
- 4- Risks Related to the Illiquidity of Real Estate Investments
- 5- Risks Related to Environmental, Occupational Health and Safety Matters, or Inadequate Reserves, Insurance or Insurance Proceeds
- 6- Risks Related to the Application of the Real Estate Transaction Tax
- 7- Risks Related to the Impact of the Highly Competitive Industry in which the Company Operates
- 8- Risks Related to White Land and Vacant Real Estate Fees
- 9- Risks Related to Expropriation
- 10- Risks Related to the Cost of Electricity, Water and Other Services
- 11- Risks Related to Natural Disasters
- 12- Risks Related to Permits, Licenses and Approvals Necessary for the Company's Business Operations
- 13- Risks Related to the Changes in Laws and Government Policies in Saudi Arabia
- 14- Risks Related to Saudization, Foreign Labor, and Other Labor Law Requirements
- 15- Risks Related to the Competition Law
- 16- Risks Related to the Outbreak of an Infectious Disease or Other Serious Public Health Concerns
- 17- Risks Related to the Companies Law
- 18- Risks Related to Zakat
- 19- Risks Related to the Imposition of Additional Fees or New Taxes
- 20- Risks Related to VAT

C- Risks Related to the Offer Shares

- 1- Risks Related to the Effective Control by Current Shareholders Post-Offering
- 2- Risks Related to the Absence of a Prior Market for the Shares
- 3- Risks Related to Future Sales and Offers
- 4- Risks Related to Non-Publication of Research or the Publication of Negative Research About the Company
- 5- Risks Related to Stock Price Volatility in the Market
- 6- Risks Related to the Sale of a Large Number of the Company's Shares Post- Offering
- 7- Risks Related to Foreign Currency Exchange When Investing in the Offer Shares
- 8- Risks Related to the Issuance of New Shares in the Market Post-Offering



Table of Contents

1.	DEFINITIONS AND ABBREVIATIONS	01
1.1	Glossary	01
1.2	Specific Terms	05
2.	RISK FACTORS	07
2.1	Risks Related to the Company's Operations	07
2.1.1	Risks Related to Subcontractors	07
2.1.2	Risks Related to the Success of Current or New Projects	08
2.1.3	Risks Related to the Company's Clients Defaulting on their Payments	08
2.1.4	Risks Related to the Company's Material Contracts	09
2.1.5	Risks Related to the Development of the Company's Projects	11
2.1.6	Risks Related to Deficiencies or Errors in Project Design or Construction, or Failure to Complete Projects as per Design Specifications	12
2.1.7	Risks Related to Development Contracts with Investment Funds	12
2.1.8	Risks Related to the Annual Valuation of Real Estate Investment Funds by Independent External Experts	13
2.1.9	Risks Related to the Impact of Increased Operating Expenses on the Company's Business	13
2.1.10	Risks Related to Safety Accidents at the Company's Facilities and Employees' Occupational Errors	14
2.1.11	Risks Associated with the Company's Current Financing Arrangements	15
2.1.12	Risks Related to Negative Changes in Interest Rates	18
2.1.13	Risks Related to the Company's Off-Plan Sales Model	18
2.1.14	Risks Related to the Protection of the Company's Trademarks	18
2.1.15	Risks Related to Interruptions in the Company's IT Network or Cloud Systems	19
2.1.16	Risks Related to the Company's Strategy	19
2.1.17	Risks Associated with the Company's Related Party Transactions	20
2.1.18	Risks Related to the Company's Reliance on its Senior Management and Key Personnel	22
2.1.19	Risks Related to the Availability of Financing for Clients	23
2.1.20	Risks Related to Future Financing	23
2.1.21	Risks Related to Mortgages	24



2.1.22	Risks Related to the Company's Ability to Distribute Dividends	24
2.1.23	Risks Related to the Company's Implementation of a Newly Adopted Corporate Governance Manual	24
2.1.24	Risks Related to Management's Limited Experience in Managing a Listed Joint-Stock Company	25
2.1.25	Risks Related to Inadequate Insurance Coverage	25
2.1.26	Risks Related to Litigation Involving the Company and the Imposition of Fines Thereon	26
2.1.27	Risks Related to the Potential Misconduct of the Company's Employees and Third-Party Agents	26
2.1.28	Risks Related to Construction Contract Revenues by Calculating the Percentages of Completion	26
2.1.29	Risks Related to Outstanding Receivables	27
2.1.30	Risks Related to Revenue from Unit Sales	27
2.2	Risks Related to the Market, Industry and Regulatory Environment	28
2.2.1	Risks Related to Political and Economic Conditions	28
2.2.2	Risks Related to Real Estate Prices	28
2.2.3	Risks Related to the Impact of Demand for Residential and Commercial Properties in the Kingdom of Saudi Arabia on the Company's Business	29
2.2.4	Risks Related to the Illiquidity of Real Estate Investments	29
2.2.5	Risks Related to Environmental, Occupational Health and Safety Matters, or Inadequate Reserves, Insurance or Insurance Proceeds	30
2.2.6	Risks Related to the Application of the Real Estate Transaction Tax	30
2.2.7	Risks Related to the Impact of the Highly Competitive Industry in which the Company Operates	30
2.2.8	Risks Related to White Land and Vacant Real Estate Fees	31
2.2.9	Risks Related to Expropriation	32
2.2.10	Risks Related to the Cost of Electricity, Water and Other Services	32
2.2.11	Risks Related to Natural Disasters	32
2.2.12	Risks Related to Permits, Licenses and Approvals Necessary for the Company's Business Operations	32
2.2.13	Risks Related to Changes in Laws and Government Policies in Saudi Arabia	33
2.2.14	Risks Related to Saudization, Foreign Labor, and Other Labor Law Requirements	34
2.2.15	Risks Related to the Competition Law	34
2.2.16	Risks Related to the Outbreak of an Infectious Disease or Other Serious Public Health Concerns	35
2.2.17	Risks Related to the Companies Law	35
2.2.18	Risks Related to Zakat	36



2.2.19	Risks Related to the Imposition of Additional Fees or New Taxes	37
2.2.20	Risks Related to VAT	37
2.3	Risks Related to the Offer Shares	38
2.3.1	Risks Related to the Effective Control by Current Shareholders	38
2.3.2	Risks Related to the Absence of a Prior Market for the Shares	38
2.3.3	Risks Related to Future Sales and Offers	38
2.3.4	Risks Related to Non-Publication of Research or the Publication of Negative Research About the Company	38
2.3.5	Risks Related to Stock Price Volatility in the Market	38
2.3.6	Risks Related to the Sale of a Large Number of the Company's Shares Post- Offering	39
2.3.7	Risks Related to Foreign Currency Exchange When Investing in the Offer Shares	39
2.3.8	Risks Related to the Issuance of New Shares in the Market Post-Offering	39
3.	MARKET AND SECTOR OVERVIEW	41
3.1	Saudi Arabia Overview – Saudi Arabia's Economic and Demographic Trends	41
3.1.1	General Overview:	41
3.1.2	Macro-economic Indicators	42
3.1.3	Demographic Indicators	43
3.1.4	Saudi Vision 2030 Key Highlights and Initiatives:	45
3.1.5	Regulatory Initiatives for the Residential Sector:	45
3.1.6	Regulatory Initiatives for the Offices Sector:	46
3.2	Riyadh	46
3.2.1	Overview	46
3.2.2	Population, Household, and Income	46
3.2.3	Supply	47
3.2.4	Demand, Affordability, and Market Gap	48
3.2.5	Performance-based on REGA transactions – LTM Q2 2024	48
3.2.6	Competitive Residential Landscape in Riyadh	50
3.2.7	Market Share of Residential Apartment Units	51
3.2.8	Demand, Supply, and Market Performance – Offices Sector	52
3.2.9	Competitive Office Landscape	53
3.3	Jeddah	54
3.3.1	Overview	54
3.3.2	Population, Household, and Income	55



3.3.3	Supply	55
3.3.4	Demand, Affordability, and Market Gap	56
3.3.5	Performance-based on MOJ transactions – LTM June 2024	57
3.3.6	Demand, Supply, and Market Performance – Offices	58
3.4	Makkah	58
3.4.1	Overview	58
3.4.2	Population, Household, and Income	59
3.4.3	Supply	59
3.4.4	Demand, Affordability, and Market Gap	60
3.4.5	Performance-based on MOJ transactions – LTM end of June 2024	60
3.5	Dammam, Al Khobar, and Dhahran (DMA – Dammam Metropolitan Area)	61
3.5.1	Overview	61
3.5.2	Population, Household, and Income	61
3.5.3	Supply	61
3.5.4	Demand, Affordability, and Market Gap	62
3.5.5	Performance-based on MOJ transactions – LTM end of June 2024	62
3.5.6	The Company's Residential Offering in DMA:	63
3.5.7	Market Share of Residential Apartment Units	63
4.	THE COMPANY	65
4.1	Overview of the Company and its Business Activities	65
4.2	Vision and Mission of the Company	66
4.2.1	Vision	66
4.2.2	Mission	66
4.3	Competitive Advantages, Strengths and Strategies of the Company	66
4.3.1	Competitive Advantages and Strengths of the Company	66
4.3.2	Company Strategy	72
4.4	Key Suppliers	74
4.5	Overview of the Structure of the Company and Evolution of Capital	75
4.6	Key Developments of the Company since Establishment	76
4.7	Overview of the Structure of the Company and its Subsidiaries	77
4.7.1	ZAT Construction Company	77



4.7.2	Mabna Al Majd Real Estate Development and Investment Company	77
4.7.3	Al Ramz and Assayel Real Estate Development Company	78
4.7.4	Oud Capital	78
4.8	Overview of the Shareholders	78
4.9	Overview of the Company's Principal Activities	79
4.9.1	Key Performance Indicators	79
4.9.2	Business Model	80
4.9.3	Company's Significant Completed and Ongoing Projects	85
4.10	Employees	90
4.10.1	Al Ramz Company	90
4.10.2	ZAT Construction (formerly known as Osus Al-Ramz Contracting Company)	90
4.11	Saudization	91
4.12	Business Activities or Assets outside Saudi Arabia	91
4.13	Management and Support Services	91
4.13.1	Finance Department	91
4.13.2	Support Services Department	92
4.13.3	Project Management Department	92
4.13.4	Marketing Department	92
4.13.5	Sales Department	93
4.13.6	Information Technology Department	93
4.14	Business Continuity	93
5.	ORGANIZATIONAL STRUCTURE AND CORPORATE GOVERNANCE	95
5.1	Board Members and Secretary	96
5.1.1	Formation of the Board of Directors	96
5.1.2	Responsibilities of the Board of Directors	96
5.1.3	Remuneration of Members of the Board of Directors	99
5.1.4	Biographies of the Members and Secretary of the Board	99
5.2	Company and Board Committees	109
5.2.1	Audit Committee	109
5.2.2	Nomination and Remuneration Committee	112
5.2.3	Executive Committee	115



5.3	Senior Management	117
5.3.1	Overview of the Senior Management	117
5.3.2	Biographies of Senior Executives	118
5.3.3	Employment Contracts with Senior Executives	122
5.4	Remuneration of Board Members and Senior Executives	122
5.5	Corporate Governance	123
5.5.1	Overview	123
5.5.2	Key Corporate Governance Requirements	123
5.5.3	Corporate Governance Manual and Internal Charters	123
5.6	Conflict of Interest	125
5.6.1	Business Similar to or Competing with the Company's	125
5.6.2	Direct and Indirect Interest of Directors, Board Secretary, and Senior Executives	125
6.	MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS	128
6.1	Introduction	128
6.2	Directors' Declaration of the Financial Statements	128
6.3	Key Factors Affecting the Company's Performance	130
6.4	Corporate Information	132
6.5	Basis of Preparation	133
6.5.1	Material Accounting Policies	134
6.5.2	Accounting Judgments, Estimates and Assumptions	145
6.5.3	New Amendments to Standards Issued	149
6.6	Material Subsidiaries	150
6.7	Results of operations for the financial years ending on 31 December 2022G, 2023G, 2024G	151
6.7.1	Consolidated Statement of Profit or Loss and Other Comprehensive Income	151
6.7.2	Statement of Financial Position as at December 31, 2022G, 2023G and 2024G	169
6.7.3	Statement of cash flow	197
6.7.4	Commitments and Contingent Liabilities	199
6.7.5	Zat Construction Company (initially named Osos Al Ramz Contracting Company)	199
6.7.6	Dividend distribution	206



7.	DIVIDEND DISTRIBUTION POLICY	208
8.	USE OF PROCEEDS	211
8.1	USE OF PROCEEDS	211
8.1.1	Presentation of Proceeds Used for Project Development	211
8.1.2	Use of Proceeds to Finance Group's Share of Units in Real Estate Funds Created for Specific Project Development	212
8.2	Use of Proceeds to Finance the Company's General Purposes	212
8.3	Timeline for Expected Use of Net Offering Proceeds and Potential Changes	213
9.	CAPITALIZATION AND INDEBTEDNESS	215
10.	EXPERTS' STATEMENT	217
11.	DECLARATIONS	219
12.	LEGAL INFORMATION	223
12.1	Declarations Related to Legal Information	223
12.2	The Company	223
12.3	Shareholding Structure	223
12.4	Subsidiaries	224
12.5	Government Consents, Licenses and Certificates	225
12.6	Government Consents, Licenses and Certificates	231
12.7	Material Project Agreements	235
12.7.1	Material Construction Agreements	235
12.7.2	Material Development Agreements	240
12.7.3	Material Sale and Purchase Agreements	246
12.7.4	Material Services Agreements	247
12.8	Real Estate Assets	248
12.8.1	Title Deeds Relating to the Company's Projects	248
12.8.2	Leases	253
12.9	Transactions and Contracts with Related Parties	254



12.9.1	Contracts with Related Parties	254
12.10	Credit Facilities and Loans	256
12.11	Insurance	262
12.12	Intellectual Property	266
12.12.1	Trademarks	266
12.12.2	Other Intellectual Property Rights	268
12.13	Litigation	268
12.14	The Zakat Status of the Company	268
12.15	VAT	268
12.16	Summary of the Bylaws	268
12.16.1	Company's Name	269
12.16.2	Head Office of the Company	269
12.16.3	Objectives of the Company	269
12.16.4	Duration of the Company	269
12.16.5	Participation and Interest in Companies	269
12.16.6	Capital of the Company	269
12.16.7	Share Subscription	270
12.16.8	Issuance of Shares	270
12.16.9	Share Trading	270
12.16.10	Sale of Non-Paid up Shares	270
12.16.11	Shareholders' Register and Share Certificates	270
12.16.12	Purchase by the Company of Its Own Shares or Pledging, Mortgaging, or Selling Treasury Shares	271
12.16.13	Capital Increase	271
12.16.14	Decrease of Capital	271
12.16.15	Company's Management	272
12.16.16	Expiration of the Term of the Board of Directors, Retirement or Dismissal of its Members, or Vacancy of Membership	272
12.16.17	Powers of the Board of Directors	272
12.16.18	Remuneration of Board Members	272
12.16.19	Powers of the Chairman, Vice Chairman, Managing Director and Secretary	272
12.16.20	Expiration of the Term of the Board of Directors, Retirement or Dismissal of its Members, or Vacancy of Membership	272



12.16.21	Remuneration of Board Members	273
12.16.22	Meetings of the Board of Directors	273
12.16.23	Board Quorum and Decisions	273
12.16.24	Board Deliberations	273
12.16.25	Issuing Board Decisions on Urgent Matters	274
12.16.26	Calling for the Convening of Assemblies	274
12.16.27	Voting at Assemblies	274
12.16.28	Drafting Assembly Minutes	274
12.16.29	Shareholders' General Assembly Meeting	274
12.16.30	Quorum of the Extraordinary General Assembly Meeting	275
12.16.31	Assembly Decisions	275
12.16.32	Assembly Deliberations	275
12.16.33	Appointment, Dismissal and Resignation of the Company's Auditor	275
12.16.34	Auditor's Powers	275
12.16.35	Financial Year	276
12.16.36	Financial Documents	276
12.16.37	Distribution of Profits	276
12.16.38	Entitlement to Dividends	276
12.16.39	Termination of the Company	276
12.16.40	Final Provisions	276
12.16.41	Liability Action	276
12.17	Shareholders' Rights	277
12.17.1	Voting Rights	277
12.17.2	Rights to Dividends	277
12.17.3	Right to Repurchase Shares	277
12.17.4	Rights to Surplus Assets in Cases of Liquidation and Amendment of Shareholder Rights	277
12.17.5	Amendment of Shareholder Rights	278
12.17.6	Rights of Holders of Ordinary Shares	278
13.	UNDERWRITING	280
13.1	Summary of the Underwriting Agreement	280
14.	UNDERWRITING COSTS	282



15.	EXPENSES	284
16.	COMPANY'S POST-LISTING UNDERTAKINGS	286
17.	WAIVERS	288
18.	SUBSCRIPTION TERMS AND CONDITIONS	290
18.1	Subscription to Offer Shares	290
18.2	Book-Building for Participating Parties	290
18.3	Subscription by Individual Subscribers	291
18.4	Allocation and Refunds	296
18.4.1	Allocation of Offer Shares to Participating Parties	296
18.4.2	Allocation of Offer Shares to Individual Subscribers	296
18.5	Circumstances in which Listing may be Suspended or Cancelled	296
18.5.1	Power to Suspend or Cancel Listing	296
18.5.2	Voluntary Cancellation of Listing	298
18.5.3	Temporary Trading Suspension	298
18.5.4	Lifting of Suspension	298
18.5.5	Re-Listing of Cancelled Securities	299
18.6	Approvals and Decisions under which the Offer Shares are Offered and Listed	299
18.7	Lock-Up Period	299
18.8	Shares' Record and Trading Arrangements	299
18.9	Saudi Stock Exchange	299
18.10	Trading in the Company's Shares	300
18.11	Miscellaneous	300
19.	ACKNOWLEDGMENTS BY SUBSCRIBERS	302
20.	DOCUMENTS AVAILABLE FOR INSPECTION	304
21.	FINANCIAL STATEMENTS AND AUDITORS' REPORT TO THE RECEIVING ENTITIES	306



List of Tables and Exhibits

Table (1.1):	Members of the Company's Board of Directors	iv
Table (1.2):	Substantial Shareholder and Ownership Percentages held thereby Pre- and Post-Offering	xiii
Table (1.3):	Expected Offering Timetable	xvii
Table (1.4):	Company's Key Developments Since its Establishment	xx
Table (2.1):	Related Party Transactions, as per the Audited Financial Statements for FY2022G, FY2023G, and FY2024G	20
Table (2.2):	Receivables from Related Parties	22
Table (2.3):	Payables to Related Parties	22
Table (3.1):	Economic Projections GDP Figures from FY 2023 to FY 2027	42
Table (3.2):	Fiscal Projections Pre-Budget FY 2025	43
Table (3.3):	Population Forecast	43
Table (3.4):	Number of Households Forecast 2023 to 2030	43
Table (3.5):	Average Household Size Forecast 2023 to 2030	44
Table (3.6):	Employed Population KSA	44
Table (3.7):	Unemployment Rate KSA	44
Table (3.8):	Population Forecast 2023 to 2030	47
Table (3.9):	Household Forecast	47
Table (3.10):	Housing Typology shares (2017 – 2022)	47
Table (3.11):	Estimated Market Share Freehold Apartments in Riyadh:	52
Table (3.12):	Population Forecast	55
Table (3.13):	Household Forecast	55
Table (3.14):	Housing Typology shares (2017 – 2022)	56
Table (3.15):	Population Forecast	59
Table (3.16):	Household Forecast	59
Table (3.17):	Housing Typology shares (2017 – 2022)	59
Table (3.18):	Population Forecast	61
Table (3.19):	Household Forecast	61
Table (3.20):	Housing Typology shares (2017 – 2022)	62
Table (3.21):	The Company's average price range SAR /sqm for apartment and villa units across zones in DMA	63
Table (4.1):	The Company's Annual Unit Sales	66
Table (4.2):	Project Pipeline by Type of Project, as at the Date of this Prospectus	68



Table (4.3):	Project Pipeline by Project Location	69
Table (4.4):	Project Portfolio as at 31 December 2024G	70
Table (4.5):	The Company's Top Five (5) Suppliers as at the Financial Years 2022G, 2023G, and 2024G	74
Table (4.6):	The Company's Ownership Structure Upon Establishment	75
Table (4.7):	The Company's Ownership Structure on 07/04/1442H (corresponding to 22/11/2020G)	75
Table (4.8):	The Company's Ownership Structure on 15/05/1443H (corresponding to 19/12/2021G) and as at the Date of this Prospectus	76
Table (4.9):	The Ownership Structure of ZAT Construction as at the Date of this Prospectus	77
Table (4.10):	The Ownership Structure of Mabna Al Majd Real Estate Development and Investment Company as at the Date of this Prospectus	78
Table (4.11):	The Ownership Structure of Al Ramz and Assayel Real Estate Development Company as at the Date of this Prospectus	78
Table (4.12):	Key Performance Indicators	79
Table (4.13):	Company Revenues by Business Line	79
Table (4.14):	Projects Directly Owned by the Issuer	80
Table (4.15):	Projects Developed Through Funds	81
Table (4.16):	Sources of Revenue from Projects Developed Through Funds and Developer Only Projects	82
Table (4.17):	All Projects Completed During FY2022G, FY2023G, and FY2024G	85
Table (4.18):	Directly Owned Projects Completed During FY2022G, FY2023G, and FY2024G	85
Table (4.19):	Projects developed through funds completed during FY2022G, FY2023G, and FY2024G	86
Table (4.20):	Projects Under Development as at 31 December 2024G	87
Table (4.21):	Directly Owned Projects Under Development Targeted for Completion by 2028G	88
Table (4.22):	Projects Developed Through Funds Under Development Targeted for Completion by 2028G	88
Table (4.23):	Developer Only Projects Under Development Targeted for Completion by 2027G	89
Table (4.24):	Employees by Department (Al Ramz Company)	90
Table (4.25):	Employees by Department (ZAT Construction)	90
Table (4.26):	The Company Saudization Rate as at 31 December 2024G	91
Figure (5.1):	Figure 5.1: The Company's Organizational Structure as at the date of this Prospectus	95
Table (5.1):	Structure of Corporate Direct Ownership Pre-Offering and Post-Offering:	95
Table (5.2):	The Company's Members of the Board of Directors:	96
Table (5.3):	Members of the Audit Committee	110
Table (5.4):	Members of the Nomination and Remuneration Committee	112
Table (5.5):	Members of the Executive Committee	116



Table (5.6):	Senior Management Details	117
Table (5.7):	Summary of Employment Contracts with the Company's Executive Management Members	122
Table (5.8):	Remuneration of Board Members and Senior Executives	122
Table (5.9):	Details of Related Parties' Agreements and Transactions in which a Board Member has an Interest	126
Table (6.1):	Assets and liabilities by entity	150
Table (6.2):	Statement of comprehensive income	151
Table (6.3):	Key performance indicators	152
Table (6.4):	Revenue by type	155
Table (6.5):	Unit sales revenue	156
Table (6.6):	Real estate development revenue	158
Table (6.7):	Cost of revenue	162
Table (6.8):	General and administrative expenses	164
Table (6.9):	Selling and marketing expenses	167
Table (6.10):	Other income	168
Table (6.11):	Finance cost	168
Table (6.12):	Statement of financial position	169
Table (6.13):	Non-current assets	172
Table (6.14):	Property and equipment, net	172
Table (6.15):	Additions to property and equipment	172
Table (6.16):	Depreciations of property and equipment	173
Table (6.17):	Intangible assets, net as at December 31, 2022G, 2023G, and 2024G	174
Table (6.18):	Investment properties, net as at December 31, 2022G, 2023G, and 2024G	174
Table (6.19):	Investment properties, net as at December 31, 2022G, 2023G, and 2024G	174
Table (6.20):	Investment carried at fair value through other comprehensive income (FVOCI)	175
Table (6.21):	Investments in associate companies	176
Table (6.22):	Investments carried at fair value through profit or loss (FVTPL)	177
Table (6.23):	Movement of Investments carried at fair value through profit or loss (FVTPL) as at December 31, 2022G, 2023G, and 2024G	178
Table (6.24):	Investments carried at fair value through profit or loss (FVTPL) as at December 31, 2022G, 2023G, and 2024G	179
Table (6.25):	Right-of-use assets	179
Table (6.26):	Current assets	180
Table (6.27):	Cash at banks	180



Table (6.28):	Trade receivables, net	181
Table (6.29):	Ageing of trade receivables, net as at December 31, 2022G, 2023G, and 2024G	181
Table (6.30):	Prepayments and other receivables	181
Table (6.31):	Real estate under development as at December 31, 2022G, 2023G, and 2024G	183
Table (6.32):	Summary of real estate under development	184
Table (6.33):	Real estate inventory	185
Table (6.34):	Summary of real estate inventory as at December 31 2024G	186
Table (6.35):	Due from related parties	186
Table (6.36):	Equity	187
Table (6.37):	Share capital	187
Table (6.38):	Non-current liabilities	188
Table (6.39):	Employee end-of-service benefit obligation	188
Table (6.40):	Non-current portion from long-term borrowings	189
Table (6.41):	Long-term loans as at December 31, 2022G, 2023G, and 2024G	189
Table (6.42):	Movement of long-term loans as at December 31, 2022G, 2023G, and 2024G	191
Table (6.43):	Movements of finance costs as at December 31, 2022G, 2023G, and 2024G	191
Table (6.44):	Current liabilities	192
Table (6.45):	Due to related parties	192
Table (6.46):	Accrued expenses and other payable	193
Table (6.47):	Advance payments clients	194
Table (6.48):	Lease liabilities	194
Table (6.49):	Lease liabilities	195
Table (6.50):	Zakat provision payable	195
Table (6.51):	Current portion from long-term borrowings	195
Table (6.52):	Working capital	196
Table (6.53):	Capitalization of the company's debt and equity	197
Table (6.54):	Statement of cash flows	197
Table (6.55):	Commitments and Contingent Liabilities	199
Table (6.56):	Statement of comprehensive income	200
Table (6.57):	Key performance indicators	200
Table (6.58):	Statement of financial position	201
Table (6.59):	Property and equipment, net	203
Table (6.60):	Additions to property and equipment	203
Table (6.61):	Depreciation of property and equipment as at 31 December 2022G, 2023G and 2024G	204



Table (6.62):	Statement of cash flows	205
Table (7.1):	Dividends Declared and Distributed by Company During Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G ⁽¹⁾ :	209
Table (8.1):	Expected Use of Offering Proceeds by Item	211
Table (8.2):	Presentation of Proceeds Used for Project Development	212
Table (8.3):	Presentation of Proceeds Used for Project Development	212
Table (9.1):	Capitalization and Indebtedness	215
Table (12.1):	Company's Shareholding Structure Pre- and Post-Offering as at the Date of this Prospectus	224
Table (12.2):	Subsidiaries and Investments in which the Company holds Ownership Interests	224
Table (12.3):	Details of Commercial Registration Certificates Obtained by the Company	225
Table (12.4):	Details of Commercial Registration Certificate of the Company's Subsidiary	225
Table (12.5):	Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company	225
Table (12.6):	Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company's Subsidiary	225
Table (12.7):	Details of the Main Municipality Licenses Obtained by the Company	225
Table (12.8):	Details of the Civil Defense License Obtained by the Company	226
Table (12.9):	Details of the Main Municipality Licenses for the Company Offices	226
Table (12.10):	Details of the Civil Defense Licenses for the Company Offices	226
Table (12.11):	Details of the Main Municipality Licenses Obtained by the Company's Subsidiary	226
Table (12.12):	Details of the Civil Defense License Obtained by the Company's Subsidiary	226
Table (12.13):	Details of Building Permits Relating to Company Projects	226
Table (12.14):	Occupancy Certificates Relating to Company Projects	229
Table (12.15):	Details of Off-Plan Sale Licenses Relating to Company Projects	230
Table (12.16):	Real Estate Activity Licenses / Permits / Certificates	230
Table (12.17):	Subsidiaries and Investments in which the Company holds Ownership Interests	230
Table (12.18):	Details of Commercial Registration Certificates Obtained by the Company	231
Table (12.19):	Details of Commercial Registration Certificate of the Company's Subsidiary	231
Table (12.20):	Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company	231
Table (12.21):	Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company's Subsidiary	232
Table (12.22):	Details of the Main Municipality Licenses Obtained by the Company	232
Table (12.23):	Details of the Civil Defense License Obtained by the Company	232
Table (12.24):	Details of the Main Municipality Licenses for the Company Offices	232



Table (12.25):	Details of the Civil Defense Licenses for the Company Offices	232
Table (12.26):	Details of the Main Municipality Licenses Obtained by the Company's Subsidiary	232
Table (12.27):	Details of the Civil Defense License Obtained by the Company's Subsidiary	232
Table (12.28):	Details of Building Permits Relating to Company Projects	233
Table (12.29):	Details of Off-Plan Sale Licenses Relating to Company Projects	234
Table (12.30):	Real Estate Activity Licenses / Permits / Certificates	234
Table (12.31):	Ramz Tower Project - King Salman Road: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 01/04/2024G	235
Table (12.32):	Ay kah Town Project – Apartments: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G	236
Table (12.33):	Ay kah Town Project – Town Houses: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G	236
Table (12.34):	Yousor Village Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G	237
Table (12.35):	Lolia Villa Project: Construction Contract between the Company and ZAT Construction Company dated 23/04/2024G	237
Table (12.36):	Ramz Tharwah Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 17/12/2023G	238
Table (12.37):	Jawharat Al-Ramz Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G	238
Table (12.38):	RAFD Project - Hittin: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G	239
Table (12.39):	Jadeel Alrimal Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 17/11/2024G	239
Table (12.40):	Obhur Al-Janoubiyah Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 20/10/2024G	240
Table (12.41):	Al Ramz Tower Project – King Salman Road: Development Agreement entered into between Riyadh Real Estate Development Fund and the Company on 01/07/2025G	240
Table (12.42):	King Khaled Offices Project: Development Agreement between Durrat King Khaled Fund and the Company dated 17/01/2024G	241
Table (12.43):	Sadeem Villas Project – Phase I: Development Agreement between AlAhli AlRabwa Al Ramz Real Estate Fund and the Company Dated 10/07/2024G	242



Table (12.44):	Sadeem Apartments Project – Phase I: Development Agreement between AlAhli AlRabwa Al Ramz Real Estate Fund and the Company dated 10/07/2024G	243
Table (12.45):	Rayya Al-Nakheel Project: Development Agreement between Itqan Capital and the Company dated 26/12/2023G	243
Table (12.46):	Ramz Tharwah Project: Development Agreement between Musharaka Capital Co. and the Company dated 04/12/2023G	244
Table (12.47):	Jawharat Al-Ramz Project: Development Agreement between the National Housing Company and the Company dated 16/04/2023G	244
Table (12.48):	RAFD Project – Hittin: Development Agreement between Riyadh Real Estate Development Fund and the Company dated 30/03/2023G	245
Table (12.49):	Qurtuba Project: Real Estate Sale and Purchase Agreement between Abdulaziz bin Ali bin Omar Al-Shuwaier and the Company dated 06/04/2025G.	246
Table (12.50):	Jeddah front Project: Real Estate Sale and Purchase Agreement between AlWajha AlGharbiyah Real Estate Company and the Company on 24/11/2024G	246
Table (12.51):	Masar Project: Real Estate Sale and Purchase Agreement between Allnma Development II Ltd. and the Company on 13/11/2024G.	246
Table (12.52):	Masar Project: Real Estate Sale and Purchase Agreement between Allnma Development II Ltd. and the Company on 13/11/2024G.	247
Table (12.53):	Al Nada Project: Real Estate Sale and Purchase Agreement between the heirs of Suleiman bin Abdulaziz bin Rayes and the heirs of Sarah bint Abdullah Al-Nemer and the Company dated 12/08/2025G.	247
Table (12.54):	Masar Project – Utilities Services Agreement between Umm AlQura for Development and Construction and the Company dated 13/11/2024G	247
Table (12.55):	Masar Project – Utilities Services Agreement between Umm AlQura for Development and Construction and the Company dated 13/11/2024G	247
Table (12.56):	The table below sets out the title deeds relating to the Company's Projects as at the date of this Prospectus	248
Table (12.57):	The table below sets out a summary of the provisions of the main leases entered into by the Company:	253
Table (12.58):	Details of Related Party Transactions	255
Table (12.59):	Current Facilities between Bank AlJazira and the Company dated 18 July 2022G as Amended by Annex No. 1 to the Facilities Agreement Dated 20 December 2023G	256
Table (12.60):	Current Facilities between Riyadh Bank and the Company dated 3 May 2023G and 25 September 2023G	257
Table (12.61):	Current Facilities between Riyadh Bank and the Company dated 7 July 2025G	258
Table (12.62):	Current Facilities between Saudi Awwal Bank and the Company dated 18 July 2024G and Amended on 12 May 2025G	259
Table (12.63):	Current Facilities between Arab National Bank and the Company dated 05 December 2024G	260



Table (12.64):	Current Facilities Between the Company and AlMajd Real Estate Development and Investment Company dated 17 November 2024G	260
Table (12.65):	Current Facilities Between the Company and Alinma Bank dated 02 July 2025G	261
Table (12.66):	Current Facilities Between the Company and Banque Saudi Fransi dated 14 May 2025.	262
Table (12.67):	Details of Insurance Policies	262
Table (12.68):	Details of the Company's Registered Trademarks	267
Table (12.69):	Details of the Internet Domain Names	268
Table (13.1):	Underwriter	280
Table (13.2):	Underwritten Shares	280
Table (18.1):	Receiving Entities	291



01

Definitions and Abbreviations





1. DEFINITIONS AND ABBREVIATIONS

1.1 Glossary

Term	Definition
Acting in Concert	Actively cooperating, pursuant to an agreement or an understanding (whether formal or informal) between persons, to be controllers (whether directly or indirectly, excluding indirect ownership of shares through swap agreements or through an investment fund whose unit owner have no discretion in its investment decisions) of a company, through the acquisition by any of them (through direct or indirect ownership) of voting shares in that company. Moreover, "concert parties" shall be construed accordingly.
Affiliate	A person who controls another person or is controlled by that other person, or who is under common control with that person by a third person. In any of the preceding, control could be direct or indirect.
Audit Committee	The Company's Audit Committee.
Bid Form	Application form used by the Participating Parties to apply for the Offer Shares during the book-building period.
Board of Directors or Board	The Company's Board of Directors.
Book-Building Instructions and Allocation Method in Initial Public Offerings	Book-Building Instructions and Allocation Method in Initial Public Offerings (IPOs) issued by the Board of the CMA pursuant to resolution number 2-94-2016 dated 15/10/1437H (corresponding to 20/07/2016G) as amended by CMA resolution number 1-103-2022 dated 02/03/1444H (corresponding to 28/09/2022G), as amended.
Branch	Company's branch registered in the commercial registry as an independent branch, through which profits are collected.
Business Day	Any business day for Receiving Entities in Saudi Arabia (with the exception of Fridays, Saturdays and official holidays).
Bylaws	The Company's Bylaws, as approved by the General Assembly.
Capital Market Institution	A person authorized by the CMA to carry out securities business.
Capital Market Law	The Capital Market Law issued by Royal Decree Number M/30 dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
CEO	The Company's Chief Executive Officer.
Chairman	The Chairman of the Company's Board of Directors.
CMA or the Authority	The Capital Market Authority in Saudi Arabia.
Companies Law	The Companies Law, issued under Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Company or Issuer	Al Ramz Real Estate Company.
Competition Law	The Competition Law issued under Royal Decree No. M/75 dated 29/6/1440H (corresponding to 06/03/2019G), as amended.
Control	Pursuant to the Glossary of Defined Terms used in the Regulations and Rules of the Capital Market Authority, "Control" means the ability to influence the actions or decisions of another person through, whether directly or indirectly, alone or with a relative or affiliate: (i) holding 30% or more of the voting rights in a company; or (ii) having the right to appoint 30% of more of the members of the governing body, and a "controller" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA's Board pursuant to Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G), amended by Resolution No. 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G), as amended.
Current Shareholders	The Current Shareholders in the Company, whose name and shareholding percentage are shown in Table 12.1 (the "Company's Ownership Structure pre- and post-Offering as at the Date of this Prospectus"), as per the following: • Rasheed Abdulrahman Nasser Al-Rasheed • Abdulmalik Rasheed Abdulrahman Al-Rasheed • Rakan Rasheed Abdulrahman Al-Rasheed • Harun Rasheed Abdulrahman Al-Rasheed • Fatima Abdullah Al-Majed • Haya Rasheed Abdulrahman Al-Rasheed • Moudhi Rasheed Abdulrahman Al-Rasheed • Sara Rasheed Abdulrahman Al-Rasheed



Term	Definition
Directors or Board Members	Members of the Company's Board of Directors appointed by the General Assembly whose names appear in Section 5.1 (" Board Members and Secretary ") of this Prospectus.
Extraordinary General Assembly	An extraordinary general assembly of the Shareholders convened in accordance with the Company's Bylaws.
Financial Advisor, Lead Manager, Bookrunner or Underwriter	SNB Capital.
Financial Year or Financial Year (FY)	The Company's Financial Year commencing from January 1 to December 31 of each Gregorian year.
Fund or Real Estate Investment Fund(s)	A joint real estate investment program aimed at providing investors with the opportunity to participate collectively in the program's profits. Such fund is managed by a Fund Manager for a specified fee.
FY2022G	The period commencing 01 January 2022G and ended 31 December 2022G.
FY2023G	The period commencing 01 January 2023G and ended 31 December 2023G.
FY2024G	The period commencing 01 January 2024G and ended 31 December 2024G.
G	Gregorian.
GAC	The General Authority for Competition of Saudi Arabia.
General Assembly	An Extraordinary General Assembly or an Ordinary General Assembly.
Government	Government of Saudi Arabia, and " Governmental " shall be interpreted accordingly.
Group	The Company and its Subsidiaries.
H	Hijri.
Head Office	The Company's head office in Riyadh.
Independent Auditors	Ibrahim Ahmed AlBassam & Co. Chartered Accountants (AlBassam & Co.) – PKF.
Individual Subscribers	Saudi Arabian natural persons, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe in her own name or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children; and any non-Saudi Arabian natural person who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council (the " GCC "), in each case who has an investment account and an active portfolio with a Receiving Entity.
International Financial Reporting Standards applicable in the KSA (IFRS-KSA)	The International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA.
KSA, the Kingdom, or Saudi Arabia	The Kingdom of Saudi Arabia.
Labor Law	The Saudi Labor Law issued under Royal Decree No. M/51 dated 23/08/1426H (corresponding to 27/09/2005G), amended by Royal Decree No. M/5 dated 07/01/1442H (corresponding to 26/08/2020G), as amended.
Listing	The listing of the Company's Shares on the Main Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules of Tadawul issued by the board of the CMA pursuant to resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), amended by resolution No. 3-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G), as amended.
Lock-Up Period	The twelve-month period during which the Substantial Shareholder may not dispose of any of his shares starting from the date of listing the New Shares on the Saudi Stock Exchange.
Main Exchange	The exchange in which the Shares will be registered and offered pursuant to Part 4 of the OSCOs.



Term	Definition
Management	Executive board members and senior executives of the Company.
Market Study	Market study prepared by the Market Study Consultant regarding the real estate sector in KSA on 16/05/1446H (corresponding to 18/11/2024G).
Market Study Consultant	Professional Real Estate Company – Colliers (One person Company)
MHRSD	The Ministry of Human Resources and Social Development in Saudi Arabia.
MoC	The Ministry of Commerce in Saudi Arabia.
Mol	The Ministry of Investment in Saudi Arabia.
MoMAH	The Ministry of Municipalities and Housing in Saudi Arabia.
NCP	The National Center For Privatization.
New Shares	Twelve million eight hundred and fifty-seven thousand one hundred and forty-three (12,857,143) Ordinary Shares, to be issued and offered for subscription during the Offering in order to increase the Company's capital.
Nine-Month Period Ended 30 September 2024G	The period commencing on 01 January 2024G and ended on 30 September 2024G.
Nomination and Remuneration Committee	The Company's Nomination and Remuneration Committee.
Offer Price	[•] Saudi Riyal (SAR [•]).
Offer Shares	Consist of the New Shares, which represent 30% of the Company capital following the capital increase and the issuance of shares.
Offering	The initial public offering of the Company's Shares in accordance with the terms set forth in this Prospectus.
Offering Period	The Offering Period will commence on Sunday, 16/06/1447H (corresponding to 07/12/2025G) and will remain open for a period of three business days up to 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G).
Ordinary General Assembly	An ordinary general assembly of the Shareholders convened in accordance with the Company's Bylaws.
OSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA pursuant to resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), amended by resolution No. 3-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G), as amended.
Participating Parties	Parties eligible to participate in the Book-Building process pursuant to the Book-Building Instructions, namely: 1- public and private funds that invest in securities listed on the Exchange, if permissible according to the terms and conditions of such funds, in accordance with the provisions and restrictions set forth in the Investment Fund Regulations and the Book-Building Instructions; 2- Capital Market Institutions licensed to deal as principal, in accordance with the Prudential Rules when submitting the Bid Form; 3- clients of a Capital Market Institution authorized by the CMA to conduct managing activities in accordance with the provisions and restrictions set forth in the Book-Building Instructions; 4- legal persons allowed to open an investment account in the Kingdom and an account with the Securities Depository Center (Edaa), including foreign legal persons who are allowed to invest in the Exchange in which the shares of the Issuer are to be listed, subject to the investment requirements of companies listed on the security market, as stipulated in the CMA's Circular No. (6/05158) dated 11/08/1435H (corresponding to 09/06/2014G) based on the Capital Market Authority's board resolution No. (9-28-2014) dated 20/07/1435H (corresponding to 19/05/2014G); 5- Government entities and any supranational authority recognized by the CMA, the Exchange or any other exchange recognized by the CMA or the Securities Depository Center (Edaa); 6- companies owned by the Government, directly or through a portfolio manager; and 7- GCC companies and GCC funds if the terms and conditions of the fund so permit.
Person	Any natural or legal person recognized as such under the laws of the Kingdom.



Term	Definition
Prospectus	This document prepared by the Company in relation to the Offering.
Prudential Rules	The Prudential Rules issued pursuant to the CMA Board Resolution No. 1-40-2012 dated 17/02/1434H (corresponding to 20/12/2012G), amended by resolution No. 1-129-2022 dated 04/06/1444H (corresponding to 28/12/2022G), as amended.
Public	Persons other than the following: 1- Affiliates of the Issuer; 2- Substantial Shareholders of the Issuer; 3- Directors and Senior Executives of the Issuer; 4- Directors and Senior Executives of the Affiliates of the Issuer; 5- Directors and Senior Executives of the Substantial Shareholders of the Issuer; 6- any relative of persons described at (1), (2), (3), (4) or (5) above; 7- any company controlled by any persons described at (1), (2), (3), (4), (5) or (6) above; and 8- persons acting in concert and, collectively, holding 5% or more of the class of shares to be listed.
QFI or Qualified Foreign Investor	A foreign investor that has been qualified in accordance with the Rules for Qualified Foreign Financial Institution Investment in Listed Securities.
Receiving Entities	The Receiving Entities whose names are stated on page (x).
Related Party(ies)	In this Prospectus and pursuant to the Glossary of Defined Terms used in the Regulations and Rules of the CMA, a " Related Party " includes any of the following: 1- Affiliates of the Issuer, except for wholly owned companies; 2- Substantial Shareholders of the Issuer; 3- Directors and Senior Executives of the Issuer; 4- Directors and Senior Executives of an Affiliate of the Issuer; 5- Directors and Senior Executives of Substantial Shareholders of the Issuer; 6- any Relatives of persons described at (1), (2), (3), (4) or (5) above; and 7- any company controlled by any persons described at (1), (2), (3), (4), (5) or (6) above. For the purposes of the abovementioned paragraph (6), a relative means a father, mother, husband, wife and children.
Relatives	A " relative " includes the husband, wife and minor children. For purposes of the Corporate Governance Regulations, a " Relative " includes any of the following: - fathers, mothers, grandfathers, grandmothers and ancestors thereof; - children, grandchildren and descendants thereof; - brothers, sisters and half-siblings; and - husbands and wives.
Saudi Riyal(s) or SAR	Saudi Arabian Riyal(s), the official currency of Saudi Arabia.
Saudization	Saudization requirements applicable to the labor market in Saudi Arabia.
Saudization Rate	The percentage of employees within any workforce who are deemed to count towards the level of Saudization within the workforce of any company, including Saudi nationals and persons married to Saudi nationals, with certain categories of persons, such as disabled Saudi national employees, given greater weighting when counted towards the Saudization level.
Secretary	The secretary of the Board of Directors.
Senior Executives	Any natural person tasked with assuming management and supervision roles, alone or jointly with others, upon the request of the Board of Directors or a member of the Board of Directors of the Company. A Senior Executive may report to the Board of Directors directly, a member of the Board of Directors, or the CEO.
Shareholder(s)	Any holder of Shares in the Company.
Shares	Any ordinary share of the Company with a nominal value of SAR (10) per share in the Company's capital.
Subscribers	The Participating Parties and Individual Subscribers.



Term	Definition
Subscription Application Form	The subscription application form that the Subscriber uses to apply for Offer Shares.
Substantial Shareholder	Anyone who own 5% or more of the Issuer's share capital
Tadawul or Market	Saudi Exchange Company.
Underwriting Agreement	The underwriting agreement entered into between the Company and the Underwriter in connection with the Offering.
VAT	Value Added Tax, also known as Goods and Services Tax.
Zakat	Zakat imposed on Muslims under the relevant laws.
ZATCA	The Zakat, Tax and Customs Authority in Saudi Arabia (formerly known as the General Authority of Zakat and Tax).

1.2 Specific Terms

Term	Definition
Inventory of Completed Properties	Properties that have been completed but not yet sold.
Inventory of Properties	Asset held for sale within the Company's ordinary business activities, divided into two categories: (i) Inventory of Completed Properties and (ii) Inventory of Properties Under Development, including raw land acquired for development purposes.
Inventory of Properties Under Development	Properties that are still under construction or development and have not yet reached the stage of readiness.
Property Investments or Investment Properties	Include Completed Properties and Properties Under Development or redevelopment that are held or will be held to earn rental income, for capital appreciation, or both. Properties held under lease contracts are classified as Investment Properties when they are retained to earn rental income, for capital appreciation, or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
Turnkey Projects	Construction contracts that require the contractor to deliver the project fully completed and ready for use at the end of the contract term.



02

Risk Factors



2. RISK FACTORS

Before deciding whether to invest in the Offer Shares, prospective investors should carefully consider all the information contained in this Prospectus, particularly the risk factors described below. These risk factors may not include all the risks that the Company may encounter, and additional risks may exist that are not currently known by the Company, or that may be deemed immaterial but may nevertheless affect the Company's operations.

The Company's business, financial position, results of operations, and prospects could be adversely and materially affected if any of the following risks, which are identified as material, or if any other risks that the Directors have not identified or are currently considered not to be material, actually occur or become material. As a result of such risks or other factors that may affect the Company, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company and/or the Directors expect, or at all. Investors should consider all forward-looking statements in this Prospectus in light of these explanations and should not place any reliance on forward-looking statements (see "**Forecasts and Forward-Looking Statements**" on page iii, Section 11 ("**Declarations**"), and Section 16 ("**Company Post-Listing Undertakings**").

The Directors also confirm that, to the best of their knowledge and belief, there are no other material risks besides those mentioned in this section, the non-disclosure of which would affect investors' decisions to invest in any Offer Shares as of the date of this Prospectus.

An investment in the Offer Shares is only appropriate for investors who are capable of assessing the risks and merits of such an investment and who have sufficient resources to bear any loss that might result from this investment. Any prospective investor who has any doubts concerning the appropriate action to be taken should consult a financial advisor licensed by the CMA for advice in connection with any investment in the Offer Shares.

The risks and uncertainties described below are presented in an order that does not reflect their importance or anticipated effect on the Company. Additional unknown risks and uncertainties or those deemed immaterial now by the Company may have the impact or consequences described in this Prospectus. The risks set out in this Section 2 ("**Risk Factors**") do not purport to be: (a) a complete list of all risks which may affect the Company or in any case its operations, activities, assets or markets in which it operates; and/or (b) an explanation of all the risks involved in investing in the Offer Shares.

2.1 Risks Related to the Company's Operations

2.1.1 Risks Related to Subcontractors

The Company capitalizes on the expertise of its subsidiary, ZAT Construction (formerly known as Osus Al-Ramz Contracting Company), which in turn hires specialized subcontractors to carry out construction activities associated with the Company's projects, including project planning, site preparation, material procurement, quality control, and workforce coordination. While ZAT Construction has access to experienced contractors, there can be no guarantee that it will continue to have such access in the future, or that the costs associated with hiring experienced contractors will not increase due to higher levels of competition for their services or otherwise. Furthermore, the Company's property developments are complex, and in addition to the Company's reliance on the main contractors who oversee their construction and assist in elements of the design and planning process. Additionally, there can be no assurance that the quality of construction of the Company's completed and ongoing projects will be maintained on its future projects. Any difference in the quality of construction from project to project could adversely affect the Company's brand and have a material adverse effect on the Company's business, results of operations or financial position.

The subcontractors typically provide between one (1) to ten (10) year warranties on the construction work of units and generally remain liable for structural defects for a period of ten (10) years. The ZAT Construction, in turn, typically offers its clients between one (1) to three (3) year warranty relating to the mechanical, electrical and contractors' works within the residential unit and generally remains liable for structural defects for a period of ten (10) years. If a contractor defaults on its warranty or liability in relation to the correction of a workmanship-related or structural defect which is discovered during the relevant period, ZAT Construction may not be able to locate another suitably-qualified contractor to rectify the defect in a timely manner, or at all, and may not be able to recover the cost of any repairs from the defaulting contractor. Furthermore, if a significant number of clients encounter manufacturing or structural defects and these are not rectified in a timely and satisfactory manner, the Company's reputation may be adversely affected, which could have a material adverse effect on the Company's business, results of operations and financial position.



In addition to the above, should one of the subcontractors default on its arrangements with ZAT Construction for any reason, including as a result of its bankruptcy or insolvency, or if ZAT Construction's relationship with a contractor deteriorates, the Company may not be able to find a suitably qualified replacement promptly, on similar terms or at all. In addition, any new contractor or supplier may need time to familiarize itself with the ongoing project, causing a further delay in the completion of the project. In addition, some contractors may require licenses or permits to work for the Company and there can be no assurance that a successor contractor could be found in a timely manner with the requisite approvals and licenses. If any of these events were to occur, this could adversely affect the Company's ability to complete the affected project(s), which could have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.2 Risks Related to the Success of Current or New Projects

The Company aims to continue expanding its real estate development activities in the coming years by launching new projects in various regions of the Kingdom, primarily in Riyadh, Jeddah, Makkah, and Al-Khobar. The Company may face several risks and obstacles when launching new projects, such as finding new properties in prime locations at competitive prices, entering into relevant contracts with suitable terms, obtaining all necessary regulatory licenses and approvals, and other factors and challenges.

The Company's ability to complete its projects on schedule and in the required quality largely depends on the parties it contracts with for project execution, such as development companies, contractors, engineering offices, and other consultants and service providers. If these parties fail to meet their contractual obligations, it will affect the Company's ability to complete its projects on schedule and in the required quality.

Additionally, launching new projects does not necessarily guarantee their success or the achievement of the expected profits according to the relevant feasibility studies. The success of projects depends on several factors, some of which are beyond the Company's control, such as political and economic conditions in the Kingdom and the entry of new competitors into the market, among other factors mentioned in this Section of the Prospectus.

Therefore, there is no guarantee that the Company will be able to launch new projects in the required quality or that launching new projects will be successful. If the Company is unable to launch new projects or if new projects are unsuccessful, this will negatively affect the Company's business, financial position, operations, and prospects.

2.1.3 Risks Related to the Company's Clients Defaulting on their Payments

The Company has three types of projects, as follows: (i) 100% owned projects, where the Company is the sole owner of the projects; (ii) development projects with investment funds, where the Company acts only as a developer for the funds; and (iii) developer projects, where the Company operates solely as a developer of the projects with third parties, noting that projects with the National Housing Company (NHC) fall under this category. The Company typically sells its real estate units for cash. However, there are certain cases in which the Company faces credit risks. The Company sells the residential units that form part of its projects off-plan. Upon buying a unit, the client contractually agrees to pay the Company the purchase price in installments as per a pre-agreed payment schedule. The Company commences main construction works on projects that do not involve the Ministry of Municipalities and Housing once it receives a sufficient portion of deposits, and the Company uses the cash collected to cover initial phase construction costs. The Company commences main construction works on projects that involve the Ministry of Municipalities and Housing once it sells all of the units comprising these projects. Subsequent purchase price installments are used to fund further construction of the project. If, due to poor economic conditions, declines in property values or otherwise, a significant portion of clients were to default on paying their subsequent installments at any particular stage in the construction of a project, the Company would be required to seek to recover monies owed, which can be a costly and time-consuming process (for more information, please refer to Section 2.1.29 ("**Risks Related to Outstanding Receivables**") of this Prospectus).

It is worth noting that competition for selling residential units increased in the FY2024G, leading the Company to change payment terms for some projects, such as Stone Complex, Jadeel Floors, and Naqsh Villa, to facilitate the sale of 13 units, which achieved a total value of SAR 34 million during the Financial Year Ended 31 December 2024G, i.e. 3.6% of the Company's total revenue of SAR 951.8 million during the same period. Previously, the Company collected the full purchase price upon the delivery of the apartment. Accordingly, the Company realized revenue within the unit sales division upon (1) signing the sale and purchase agreement with a client; (2) signing the delivery certificate; (3) receiving the full purchase price of the sold unit and transferring the title deed. Concerning projects such as Stone Complex, Jadeel Floors, and Naqsh Villa, the Company signed sale and purchase agreements, subjecting customers to a creditworthiness check conducted by the Saudi Credit Bureau (SIMAH), and after signing sale and purchase agreements for the units, customers pay only a portion of the purchase price. Subsequently, delivery certificates are signed. As a result, and in addition to the reasons mentioned in Section 2.1.29 ("**Risks Related to Outstanding Receivables**"), the balance of trade receivables increased from SAR 110.3 million as at 31 December 2023G to SAR 375.0 million as at 31 December 2024G. After 31 December 2024G, the Company was able to collect a total of SAR 298 million from this outstanding balance from purchasers.



Demand in the real estate sector is conditional on a number of macroeconomic conditions, including employment, per capita income and interest rates, in addition to the circumstances specific to each project, including location, quality, and competitive offerings. Hence, changes in the level of demand as a result of macroeconomic conditions, project specifications, or increased competition may lead the Company to adopt plans aimed at facilitating sales. Thus, the Company faces an increased risk of failure to collect its dues, which in turn affects its performance and financial position.

If the Company were unsuccessful and unable to obtain the relevant funding, this could jeopardize the completion of the project, which would have a material adverse effect on the Company's business, results of operations, financial position, and prospects.

2.1.4 Risks Related to the Company's Material Contracts

The Company is party to a number of material agreements including project development agreements and construction agreements that the Company signs with contractors, which contain provisions that are onerous on the Company or otherwise unfavorable thereto (for more details about material agreements, please refer to Section 12.7 ("**Material Project Agreements**") of this Prospectus). For example, none of the development agreements entered into by the Company in relation to the projects mentioned below expressly grant the Company (as the developer) termination rights. The absence of such termination rights means that the Company has limited protection in the event that the project owners fail to perform their obligations under the development agreement, in which case the Company would have to resort to the Saudi courts to claim its rights from the project owners.

- Ramz Tower Project – King Salman Road
- Sadeem Villa Project
- Sadeem Apartment Project
- Rayya Al-Nakheel
- Jawharat Al-Ramz
- Ramz Tharwah Project

Additionally, the Company may be subject to delay penalties imposed by project owners if it fails to deliver its projects by the agreed delivery dates. The following development agreements include delay penalties that may be imposed on the Company as follows:

- Ramz Tharwah Project: 1% of development costs for each week of delay (up to a maximum of 10% of development costs).
- Jawharat Al-Ramz: 7% of the unit sale price divided by 365 for each day of delay in selling/completing the development of any real estate unit before the project completion date.

In cases in which the development agreements do not explicitly stipulate delay penalties, project owners can claim such compensation through Saudi courts, such that the owners shall provide proof to demonstrate direct losses, which may have a material adverse effect on the Company's business, results of operations, and financial position.

With respect to the Ramz Tower Project - King Salman Road and pursuant to the Project Development Agreement, the Project Owner must provide an advance payment to the Company in the amount of SAR 13,519,249.3 for the execution of the development works, and the Company is required to issue (1) a promissory note in favor of the Owner with the same value as the advance payment, provided that such note remains valid throughout the term of the Agreement, and (2) an irrevocable and unconditional bank guarantee in the same value as the advance payment, as security for the advance payment. However, it should be noted that the Developer had already made progress in carrying out the development works of the Project prior to the transfer of ownership of the Project to the relevant investment fund, and prior to the execution of the Development Agreement with the Fund Manager. As of the date of this Prospectus, the Company is still the sole owner of the Fund's units, and accordingly, the Fund's Company (the Project Owner) has neither formally notified the Company nor requested the issuance of the promissory note or the bank guarantee, since the risks of implementing the Project are effectively borne by the Company as the sole owner of the Fund's units. Nevertheless, from a legal perspective, the Company is deemed in breach of the Development Agreement, which may grant the Fund Manager the right to demand such guarantees and the right to terminate the Agreement in the event they are not issued following a demand. Although there is no actual or expected risk regarding this breach under the current circumstances, such risk may become more significant in the event additional investors join the Fund, which would oblige the Fund Manager to act in the interests of all Unitholders and, consequently, to demand such guarantees. Upon the issuance of such guarantees by the Company, the Project Owner will be entitled to enforce the bank guarantee or the promissory note in the event the Company breaches its obligations under the Development Agreement, whether partially or fully, depending on the nature of the breach or default by the Company.



With respect to King Khaled Project, and in accordance with the project development agreement, the project owner shall provide the Company with a SAR 30 million advance payment to carry out the development works. The Company, in turn, shall issue a promissory note in favor of the owner in the amount of SAR 30 million as a guarantee for the advance payment, with such note remaining valid throughout the term of the agreement. On 25/03/2024G, the Company received only a partial advance payment of SAR 16 million, and issued a promissory note to the owner in the same amount. The delay in the project owner paying the full amount of the advance is due to: (i) a delay in obtaining the building permit for the project, which was issued on 25/03/2025G, and (ii) a delay in securing bank financing for the project, as the lender required an additional bank guarantee covering 5% of the contract value. To date, the remaining balance of the advance payment has not been provided by the project owner to the Company. Accordingly, on 17/06/2025G, the Company issued a bank guarantee in the name of the project owner covering 5% of the contract value. As a result, the Company is currently awaiting payment of the remaining SAR 14 million of the advance from the project owner. Once the remaining amount is received, the Company shall issue a promissory note in the same amount in favor of the project owner. Should the Company fail to meet its obligations under the development agreement, the project owner may enforce either the bank guarantee or the promissory notes issued thereto, whether partially or in full, depending on the nature of the Company's default or breach under the development agreement.

In addition to the material development agreements, the Company entered into 4 real estate sale and purchase agreements in its capacity as a purchaser. Two of these agreements are dated 13/11/2024G, and relate to a project called Masar; one is dated 24/11/2024G, and relates to Jeddah Front Project; and the last one is dated 06/04/2025G and relates to a project in Qurtuba District in Riyadh.

Under the terms of the Masar agreements, the Company shall develop residential projects on the lands within four years of the agreement dates. The Company has issued two promissory notes to the seller, each equivalent to 5% of the relevant purchase price, to guarantee the Company's performance in fulfilling its development obligations under the agreements. Failure to complete the development works within the specified timeframe, or any breach of the Company's obligations under the agreements, could result in the seller enforcing the promissory notes. Such enforcement will have an adverse financial impact on the Company, as it would effectively cover the costs of the Company's delays or breaches under the agreements.

Masar agreements also require the Company to first approach the seller in the event the Company wishes to sell the lands in the future and agree on a purchase price at that time. If the parties are unable to agree on a purchase price, the land will be valued by licensed appraisers, and the purchase price will be based on such valuation. Given that the purchase price will be determined by appraisers in the case of parties' disagreement, this could restrict the Company from selling the lands at a higher market value in the event a third-party offer is made and the seller refuses to match it.

Under the terms of Jeddah Front agreement, the Company shall make three payments toward the purchase price of the lands, as follows: a first payment of SAR 27,239,985, due upon signing the agreement and which has already been paid by the Company, and upon which six (6) plots of land of equivalent value were transferred to the Company; the second payment of SAR 72,639,888 was paid by the Company, pursuant to which sixteen (16) plots of land with a value equal to the second payment were transferred to the Company. The agreement also provides for a final installment due on 25/12/2025G, which the Company must pay on its due date. If the Company fails to make any of the payments on their respective due dates, the seller may notify the Company of the default and request payment within 21 days from the date of notice. If the Company fails to remedy the default within this period, the seller shall have the right to terminate the agreement. In such case, the Company will lose its right to purchase lands under the agreement. In this case, the seller may reclaim the twenty-two (22) plots of land that were transferred to the Company under the first and second payments. The seller shall refund the amount of the first and second payments to the Company only after the plots of land are sold to a third party. This will have a material adverse impact on the Company's business, results of operations, financial position, and prospects.

Under the terms of the agreement related to Qurtuba District Project, and in relation to the white land tax invoice issued by the competent authorities to the seller in the amount of SAR 16,194,599.12, the Company shall pay the seller a portion of this tax bill, specifically SAR 11,935,198, by no later than 04/06/2025G. Failure to pay the agreed-upon amount to the seller by the due date may result in the Company bearing full responsibility for the white land tax invoice. It is also worth noting that the Company's liability in this matter is owed to the seller only under the terms of the agreement and not directly to the relevant authorities, as the invoice pertains to a period prior to the Company's legal ownership of the land. Although the Company has paid the full purchase price of the land and the title has been transferred to the Company, it has not yet paid the agreed-upon portion of the white land tax to the seller. The Company sent the seller a letter stating that it will pay its share of the invoice within 3 Business Days of the seller's request. The seller has signed the letter to acknowledge receipt. As at the date of this Prospectus, the seller has not objected to the letter submitted by the Company nor requested payment of the Company's share.



2.1.5 Risks Related to the Development of the Company's Projects

The Company's performance and profitability largely depend on the completion of its current projects. There are various construction, financing, operating and other risks associated with property development. As at 31 December 2024G, the Company had ongoing projects in the following sectors, which are expected to generate revenue upon completion:

- Sale of real estate inventory: As at 31 December 2024G, the Group had 13 units in inventory related to 5 projects, as follows: Ramz 27 Project (9 units), Ramz 49 B (1 unit), Ramz 25 Project (1 unit), Stone Complex (1 unit), Adwar Jadeel (1 unit) (for more information, please refer to Section 4.9.3.1 ("**Completed Projects**") of this Prospectus);
- Projects under development: As at 31 December 2024G, the Group had 19 ongoing projects under development (for more information, please refer to Section 4.9.3.2 ("**Projects Under Development**") of this Prospectus);
- Development revenue from Funds: The Group currently has secured projects valued at SAR 178.3 million, divided into four (4) development projects executed in partnership with Funds;
- Off-plan unit sales: The Group secured revenue of SAR 119.1 million from off-plan sales from the sale of one project established in collaboration with the National Housing Company.

Any material delays in the construction process or any changes in market trends will delay the revenue the Company is able to recognize. Delays can have a significant impact on the associated timing of revenue recognition, which can lead to potentially significant fluctuations in financial results. This is particularly true with respect to high value projects where even a small delay in construction progress can result in delays in large amounts of revenue from being recognized.

Additionally, some of the Company's projects under development as of 31 December 2024G are mixed-purpose developments, such as Rafid Project in Hittin, and King Khaled Project. These mixed-purpose developments combine commercial units with retail spaces. If substantial parts of these amenities are delayed, cancelled or changed, clients who have acquired residential units may not be able to enjoy the services or the overall environment that they may have expected when the project was originally launched. Delays in completion or cancellation of all or a portion of a project could also adversely affect the Company's reputation and ability to attract future clients.

The time taken and the costs involved to complete construction can be adversely affected by many factors, including:

- Delays in obtaining all, or refusals of any, necessary zoning, land use, building, development, occupancy and other required governmental permits, requisite licenses, permits, approvals and authorizations (including due to new regulatory frameworks);
- Unforeseen engineering, environmental or geological problems;
- The Company's inability to obtain necessary financing arrangements on acceptable terms, or at all, and otherwise fund construction and capital improvements and provide any necessary future performance guarantees that may be required during the construction process;
- Defaults by, or the bankruptcy or insolvency of, main contractors and other counterparties;
- Inadequate supporting infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project;
- Design or construction defects and otherwise failing to complete projects according to design specification;
- Shortages of, or defective, materials and/or equipment, labor shortages, shortages of other necessary supplies and/or disputes with contractors or sub-contractors;
- Availability of suitable land for the Company's projects;
- Increases in the cost of construction materials (for example, raw materials such as steel and other commodities common in the construction industry), energy, building equipment (including, in particular, cranes), labor and/or other necessary supplies (due to rising commodity prices or inflation or otherwise);
- Shortages of project managers, contractors and construction specialists, both internally and externally, to ensure that planned projects are delivered both on time and on budget;
- Strikes and work stoppages or other labor disputes or disturbances affecting the Company's projects, contractors, sub-contractors or suppliers;
- The failure of contractors to meet agreed timetables, in particular with respect to more complex or technically challenging developments (for example, due to the scale, height or complex design of a development);
- Adverse weather conditions, natural disasters, accidents, force majeure events and/or changes in governmental priorities;
- Increases in the supply of properties from competitors during the construction of certain projects; and
- Changes in demand trends due to, among other things, a shift in buyer preferences, a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation centers or population density or otherwise.



Any of these factors could give rise to delays in the completion of construction and/or result in construction costs exceeding budgeted amounts. Projects subject to delays or cost overruns may take longer or fail to generate the revenue, cash flow and profit margins that were originally anticipated. In addition, the targeted return on the investment in the project may not be realized. There can be no assurance that the revenue that the Company is able to generate from its projects will be sufficient to cover the associated construction costs. The occurrence of any of the foregoing factors could have a material adverse effect on the Company's business, results of operations, financial position, and prospects.

2.1.6 Risks Related to Deficiencies or Errors in Project Design or Construction, or Failure to Complete Projects as per Design Specifications

The Company's business model is based on the soundness and safety of project design, construction, and maintenance. Any defects or errors in the design or construction of Company projects, including any defects in the building materials used, design errors, or safety matters, may affect the operational performance of the projects. Moreover, such defects and errors may force the Company to carry out repair works and therefore incur additional costs related to such work. Furthermore, failure to complete projects in accordance with the designs and specifications agreed upon by the Company, which must be approved by the concerned authorities, such as the Ministry of Municipalities and Housing before the issuance of the relevant building permit, may affect the Company's ability to obtain occupancy certificates from the Ministry of Municipalities and Housing. In such case, the Company would not be able to divide its properties or continue to sell units in the concerned projects. Delays in issuing occupancy certificates are likely to delay the sale, and would therefore result in financial damages associated with correcting project defects before the sale.

Additionally, any undiscovered material defects in the construction work may result in injuries or wounds to visitors, as well as damage to the reputation of the Company and its projects. Such events may require the Company to carry out foundational structural repairs to its projects and incur significant additional expenses in this regard. They may also result in lawsuits against the Company and higher insurance premiums on its projects, leading to an adverse and material impact on the Company's business, financial position, results of operations, and prospects.

2.1.7 Risks Related to Development Contracts with Investment Funds

The Company undertakes some development projects as per the Investment Fund structure, with the Company owning units in the Fund (mostly ranging from 17% to 52% depending on the Fund, except for Al Ramz Tower Project Fund - King Salman Road, which is fully owned by the Company). The Company also acts as a developer in Fund-owned projects. For more information on Investment Funds, please refer to Section 4.9.3.1.2 ("**Projects Developed Through Funds**").

The Company achieved a gross profit of SAR 17.3 million and SAR 43.7 million in FY2022G and 2023G, respectively, while incurring a gross loss of SAR 32.8 million in the Financial Year Ended 31 December 2024G. These figures represented 10.5%, 34.3%, and (19.7%) of the total gross profit for the respective periods.

The loss incurred by the Company in the Financial Year Ended 31 December 2024G estimated at around SAR 32.8 million, primarily resulted from Management's decision to tolerate cost differences and expense overruns in Ramz Al-Maaly, Ramz Al-Nakheel and Tal Alrimal Projects, developed with Riyadh Capital Company, as an investment to enhance its relationships with Fund Managers. During FY2023G and FY2024G, the Company decided to improve the delivery quality of the Ramz Al-Nakheel and Ramz Al-Maaly projects developed for the Blominvest, and the Ramz 45, Ramz 48, and Tal Alrimal projects developed with Riyadh Capital, by enhancing the approved specifications until the projects were completed. It is worth noting that these improvements were considered project expansions and were not based on the initially agreed budgets, with the Company bearing the full costs associated therewith. As a result, the Company recorded a negative cumulative net profit on the development contracts of these five projects, which affected the profitability of the development division as a whole in FY2023G and FY2024G. In addition to the margin on development contracts, the Company earns a development fee typically ranging between 10% and 15% of the development contract value and generates commission income from the sale of completed units, which is recorded as marketing and sales commission revenue. Additionally, the Company sells Fund lands that are ready to develop. Considering these income sources, only the Ramz 48 project may record a cumulative loss from Fund development activities. The Group also invests in the Fund in which it holds units.

As the Company's reliance on Fund development projects increases, its financial performance is significantly affected by its ability to maintain and increase the usual number of projects it develops through Funds, and also maintain a reasonable development cost. Therefore, any deterioration in the Company's relationship with real estate Fund Managers or the incurrence of additional costs to maintain such relationships could negatively impact the Company's financial performance and position.



It is also worth noting that the Company sold four projects under development to Investment Funds in FY2022G and FY2023G, generating revenues of SAR 224 million and SAR 50 million, respectively, representing 35% and 9% of the revenues in FY2022G and FY2023G, respectively. While selling projects to Funds aligns with the Company's strategy of purchasing land and ensuring its readiness for construction before selling it to Investment Funds, any deterioration in market conditions or the Company's relationship with the Funds could negatively impact the Company's financial performance and position. Additionally, if the Company is unable to sell the Funds the land or projects it has acquired for development through Funds, its financial performance and position would be negatively affected.

Moreover, with regard to projects that it develops through Funds, the Company shall always ensure that the projects it develops comply with the objectives of the Fund itself and the regulations governing real estate funds in the Kingdom of Saudi Arabia. Therefore, utilizing a real estate investment fund structure can lead to more complex compliance procedures defined and regulated by the CMA. Given the nature of real estate investment fund structures, the developer shares their interest in the project with several other Fund unitholders. Moreover, to achieve balance and protect the interests of unitholders, a Fund Manager is appointed to handle the day-to-day functions of the Fund. Therefore, a developer cannot be considered in control over the project, even if they have already been appointed as a developer. Furthermore, for the same purpose, Funds have a Board of Directors appointed by the Fund Manager (including independent members) that take certain decisions on behalf of and for the Fund. Additionally, a real estate investment fund structure often entails a slower decision-making process (when compared to projects that do not use such structure) due to a more complex governance structure. For example, project contracts must usually be approved by the designated Fund's Board of Directors before they are signed by the developer, which can lead to delays in the development schedule. Moreover, in some cases, the Company executes contracts with Investment Funds to provide marketing services and sell residential units for a percentage of the sale price. However, there is no guarantee that Investment Funds will execute such contract with the Company to provide these services in future projects.

There is no guarantee that the Company will continue to obtain new development contracts from Investment Funds, or marketing and sales contracts, or maintain its relationships with Investment Funds, or renew them on favorable terms. Investment Funds may terminate development agreements or change terms in a way that is unfavorable to the Company. If renewal of agreements or obtaining new agreements does not occur, or if agreements are terminated, it will have a negative and material impact on the Company's business, financial position, operations, and prospects.

2.1.8 Risks Related to the Annual Valuation of Real Estate Investment Funds by Independent External Experts

When the Company develops projects through a real estate investment fund structure, it holds units in the Fund (typically ranging from 17% to 52% depending on the Fund), and these units are considered financial assets held at fair value in the profit and loss statement. The value of these financial assets was SAR 132 million, SAR 314 million, and SAR 316 million, for FY2022G, FY2023G, and FY2024G, respectively. At the balance sheet date, these financial assets are revalued based on valuation reports issued by the Fund based on valuation reports prepared by an independent expert. The said valuations resulted in unrealized gains for the Company of SAR 28.2 million in FY2023G and SAR 47.8 million in FY2024G. The Company has no control over the Fund's operations or the valuation process, as its role vis-à-vis Funds is limited to providing development, sales, and marketing services. Moreover, the Company is one of the unit holders in these Funds.

There is no guarantee that the value of investments in the Funds will continue to rise, or that there will not be any fluctuations in the value of the Company's investments in the Funds. Any negative fluctuation in the value of these investments could have a material adverse effect on the Company's business, financial position, operations, and prospects.

2.1.9 Risks Related to the Impact of Increased Operating Expenses on the Company's Business

The Company's operating expenditure could increase as a result of a number of factors (for more information about the financial and operational performance of the Company, see Section 6 ("**Management's Discussion and Analysis of Financial Position and Results of Operations**")), including, but not limited to, an increase in the cost of contractors, the cost of raw materials used in the construction industry, commodity prices, the costs of outsourcing services to service providers, labor costs, fuel and utility costs, repair and maintenance costs, insurance premiums, and costs related to the increase of rents of office space or showrooms leased by the Company. The price of fuel and utilities has increased significantly in recent years. In addition, any further increase in Saudization requirements of the Company's workforce may lead to an increase in the Company's operational expenditure (see Section 2.2.14 ("**Risks Related to Saudization, Foreign Labor, and Other Labor Law Requirements**")). The operating expenses of the Company amounted to 2.9%, 5.0% and 5.2% of the Company's total revenues for the Financial Years Ended 31 December 2022G, 2023G, and 2024G, respectively.



Since FY2021G, the Company has experienced an increase in the cost of developing units. During this period, the cost of sold units has risen, and the average cost per square meter of a unit has increased from SAR 4.6 thousand in FY2022G to SAR 6.8 thousand in FY2024G. This increase is primarily due to:

- Increased Land Costs: The average cost of land has risen from SAR 2.0 thousand per square meter in FY2022G to SAR 3.4 thousand per square meter in FY2024G, due to higher demand for vacant plots of land in prime locations.
- Increased Construction Costs: The average construction cost has increased from SAR 2.6 thousand per square meter in the FY2022G to SAR 3.5 thousand per square meter in the FY2024G, due to increased costs of raw material. Although the Company managed to offset the cost increase in FY2023G, it could not maintain the sector's profit margin in the FY2024G. Revenue per square meter increased by approximately 25.7% to SAR 9,583 per square meter, while costs increased by approximately 36.5% to SAR 6.8 thousand per square meter. Additionally, the Company has historically incurred extra costs to finalize finished projects. These costs are mainly related to maintenance, finishing, and repairs conducted after project delivery rather than during the development phase. The costs of finalizing finished projects amounted to SAR 1.9 million, SAR 4.7 million, and SAR 7.7 million in FY2022G, FY2023G, and FY2024G, respectively.

It should be noted that the six development agreements concluded by the Company (as the developer) for the projects mentioned below stipulate that if development costs exceed the allocated and agreed budget, the Company will bear all development expenses in excess of the budget. Any increase in the Company's operating expenses will result in a decrease in its cash flow, profit margin, and the amounts available for operating its current projects and any future expansion. This, in turn, will have a material adverse effect on the Company's business, operations, financial position, and prospects.

- Ramz Tower Project – King Salman Road;
- King Khaled Project;
- Sadeem Villas - Phase I;
- Sadeem Apartments - Phase I;
- Ramz Tharwah; and
- Rafid Project – Hittin.

2.1.10 Risks Related to Safety Accidents at the Company's Facilities and Employees' Occupational Errors

The Company is subject to safety and health laws in force in the Kingdom (which includes the Labor Law, and more specifically the Occupational Safety and Health Manual, and the Occupational Safety and Health Management Regulations issued by the Ministry of Human Resources and Social Development), that set out various standards for regulating aspects of health, safety and security quality, and impose civil and criminal penalties and other liabilities for violations or breaches.

Occupational errors and potential health, safety and security events, such as fires, light vehicle incidents, falls from height, personal injuries and fatalities, electrocutions, and incidents involving equipment could occur, and if they did, would have a material impact on the Company's business. Fatalities or serious injuries to employees may occur due to any of the above or other factors.

The Company's employees may make occupational errors while performing their jobs and professional duties that may result in material technical malfunctions in the Company's facilities, which would adversely and materially affect the Company's business, results of operations, financial position or prospects, and therefore the Company's share price.

if the Company does not comply with the relevant health and safety requirements, this may expose it to legal liability in the future, which may expose the Company to risks related to compensation claims filed by the heirs of the deceased persons, in addition to the risks associated with the revocation of any of the Company's licenses in case of any health and safety standard compliance violations.

In addition, the competent authorities could impose the current regulations, including health, safety and security regulations, more stringently than in the past, and may impose stricter standards or higher fines and penalties for violations in the future than those currently in place. The Company cannot estimate the future financial impact of the Company's compliance with these regulations.

The Company also does not guarantee that no other accidents will take place and affect its facilities, employees or other persons, which could adversely and materially affect the Company's business, results of operations, financial position or prospects.



2.1.11 Risks Associated with the Company's Current Financing Arrangements

The Company has entered into several financing agreements, including: (1) the facilities agreement between Bank AlJazira and the Company dated 18/07/2022G, amended on 20/12/2023G, for a total amount of SAR 100,000,000; (2) the facilities agreement between Riyadh Bank and the Company dated 03/05/2023G for a total amount of SAR 150,000,000 and dated 25/09/2023G for a total amount of SAR 100,000,000; (3) the facilities agreement between Saudi Awwal Bank and the Company dated 18/07/2024G, amended on 12/05/2025G, for a total amount of SAR 356,135,000; (4) the facilities agreement between Arab National Bank and the Company dated 05/12/2024G, for a total amount of SAR 356,135,000; (5) the facilities agreement between Banque Saudi Fransi and the Company dated 14/05/2025G for a total amount of SAR 40,383,122,251, (6) the facilities concluded between Riyadh Bank and the Company dated 07/07/2025G for a total amount of SAR 603,320,000; and (7) the facilities concluded with Alinma Bank on 02/07/2025G for a total amount of SAR 300,000,000. The total amounts used from the total facilities granted to the Company amounted to SAR 463,504,000 as at 31 December 2024G. The table below shows details of the loans and facilities obtained by the Group during the Financial Years 2022G, 2023G and 2024G.

Facilities		Limits of Available Facilities (SAR'000s)			Amounts Used (SAR'000s)		
Bank	Status as at 31 December 2024G	31 December 2022G	31 December 2023G	31 December 2024G	31 December 2022G	31 December 2023G	31 December 2024G
Riyadh Bank (2)	In force and effect*	-	150,000	150,000	-	0	28,350
Riyadh Bank (1)	In force and effect*	-	100,000	100,000	-	100,000	100,000
Bank AlJazira (2)****	In force and effect*	79,456	79,456	79,456	-	79,456	79,456
Bank AlJazira (1)	In force and effect*	20,544	20,544	20,544	20,544	20,544	20,544
Bank AlJazira (3)	Unused**	-	110,000	110,000	-	0	0
Arab National Bank (3)	In force and effect*	-	70,000	70,000	-	0	60,631
Arab National Bank (2)	In force and effect*	-	30,000	30,000	-	30,000	30,000
SAB (1)	Paid in full***	25,000	25,000	25,000	25,000	21,250	16,250
SAB (2)	In force and effect*	-	-	330,000	0	0	128,273
Arab National Bank (1)	Paid in full***	35,000	35,000	0	35,000	26,250	0
Amlak International	Paid in full***	18,230	-	0	18,230	-	0
Arab National Bank (4)	In force and effect*	0	0	273,000	0	0	0
Total		178,230	620,000	1,188,000	98,774	277,500	463,504

Source: the Company

* In force and effect: Facilities currently used by the Company.

**Unused: Approved facilities that the Company has not yet drawn upon. These facilities represent available lines of credit that the Company can utilize when needed.

***Paid in Full: Facilities that the Company has fully repaid and settled.

****It should be noted that, as at the date of this Prospectus, the entire amount of the facility granted has been repaid.

The aforementioned facilities agreements include various provisions to protect the lenders' interests. For instance, the Company must obtain prior approval from the lenders before making any changes to its legal form, ownership structure, share capital, or management. The Company has obtained the necessary approvals from each of Bank AlJazira, Saudi Awwal Bank, Arab National Bank, Riyadh Bank and Alinma Bank regarding the changes required to proceed with the offering.

The referred to financing agreements include certain material covenants that the Company shall comply with. In the event that the Company breaches any of the provisions stipulated in these agreements, the lenders have the right to demand immediate repayment of all outstanding amounts due. Examples of such breaches include failure to pay any amounts due, the Company's failure to fulfill any of its obligations under the financing agreements, inaccuracies in the information provided, liquidation of the Company, the Company being placed under administration, or the Company's inability to meet its due obligations to third parties, among other breaches. If any of the aforementioned risks materialize, this could have an adverse effect on the Company's business, operating results, financial position, and prospects. It is also worth noting that the financing agreements include broad set-off rights. For more information about the financing facilities, please refer to Section 12.10 ("**Credit Facilities and Loans**").



The agreement entered into with Bank AlJazira includes certain material restrictions or covenants, including the Company's undertaking to provide the Bank with a quarterly report detailing the status of the projects whose lands are financed or developed under the financing granted by Bank AlJazira. The Company also undertakes to inform the Bank, in writing, of all provisions and mortgages on any current or future assets. Bank AlJazira reserves the right to request additional guarantees from time to time. Additionally, the Company has provided guarantees under the credit facility agreement concluded with Bank AlJazira, including: (i) a SAR 330,000,000 promissory note (20/12/2023G); (ii) a mortgage dated 18 July 2022G (title deed numbers 630109021978 and 217815005626) to secure an amount of SAR 54,604,287, noting that the Company is required under the facility agreement with Bank AlJazira to provide a mortgage covering 125% of the total value of the facilities; and (iii) an assignment of receivables from the sale of the property/project equal to 100% of the amount used from the facilities. It is worth noting that Bank AlJazira has waived the promissory note mentioned in item (i) above, provided that the Company obtains approval from CMA for the Offering application and completing the Listing of its Shares on Tadawul Main Market.

The facilities entered into with Riyadh Bank dated 03/05/2023G and 07/07/2025G also include certain material restrictions or covenants, including the Company's undertaking to notify the Bank, in writing, of all provisions and mortgages on any current or future assets. The Company may not mortgage or sell any of its properties until all dues to the Bank are settled and prior written approval from Riyadh Bank is obtained. The facilities include cross-default provisions applicable to the Company or any of the sister companies. Furthermore, the Company has provided the following guarantees under the facility agreement concluded with Riyadh Bank: (i) a SAR 161,250,000 promissory note dated 3 May 2023G; (ii) a mortgage on plots of land to be purchased by the Company, covering 140% of the total facility limit, increasing to 150% of the total facility amount upon development of the properties; (iii) a SAR 150,000 joint and several guarantee dated 3 May 2023G, issued by Mr. Rasheed bin Abdulrahman Al-Rasheed to Riyadh Bank; and (iv) an account pledge dated 28 May 2024G, issued by the Company in favor of Riyadh Bank, whereby the Company pledged certain shares and/or units in (a) Riyadh Real Estate Development Fund – Durrat 9095, (b) Riyadh Real Estate Development Fund – Al Ramz – 4093, and (c) Riyadh Real Estate Development Fund – Durrat – 00101. The Company provided guarantees under the Credit Facilities Agreement with Riyadh Bank dated 07/07/2025G, which include: (1) a promissory note in the amount of SAR 875,000,000 dated 07/07/2025G; (2) a mortgage over the acquired land plots with a coverage ratio of not less than 120%, increasing to 150% following the development of the properties; (3) a joint and several guarantee in the amount of SAR 853,320,000 dated 07/07/2025G, issued by Mr. Rasheed bin Abdulrahman Al Rasheed in favor of Riyadh Bank; and (4) the assignment of the rental proceeds of the Project and their deposit into the Company's account with Riyadh Bank. With respect to the guarantees of the general limit of SAR 100,000,000, the Company undertakes to maintain the partial pledge of the units of Ramz Fund + Durrat Hittin, the continuation of the partial pledge of the units of Ramz Fund + Durrat Hittin, and the continuation of the units of Durrat King Fahd Fund, with a clear coverage ratio of not less than 140% during the financing period.

The facilities entered into with Saudi Awwal Bank (SAB) include certain material restrictions and covenants, including the Company's undertaking to channel all sales proceeds and not to use any of the financing amounts without obtaining the prior written approval of SAB. The Company shall also provide the Bank with semi-annual reports on the project progress and provide the Bank with copies of the legal permits for the financed land and residential buildings. The Company shall also inject funds in the event that sales do not proceed according to the agreed-upon sales plan and shall cover any cost overruns related to the project. Moreover, the Company is also responsible for the evaluation of any land intended for mortgage by appraisers approved by the Bank's committee, and the re-evaluation thereof upon any event that may affect its value. The Company has provided the following guarantees under the credit facility agreement concluded with SAB: (i) a SAR 467,233,000 promissory note; (ii) a SAR 467,233,000 personal guarantee issued by Mr. Rasheed bin Abdulrahman Al-Rasheed; (iii) an assignment of project sales proceeds; (iv) a first-class floating mortgage on the property land covering not less than 125% of the value at the time of land acquisition and 145% upon completion of Phase I, to secure the full amount of the facility; and (v) a first-class assignment and mortgage of insurance proceeds. Additional obligations were introduced through an amendment dated 14/05/2025G, including: a requirement that the ratio of EBITDA to debt service amount shall not fall below 1.20 for each relevant period; at least 65% of the loan shall be repaid prior to the final payment; the Company shall transfer 50% of its annual revenues to its account with the Bank, and coverage shall not fall below 130% of the facilities, with any shortfall to be covered within 15 days; the financing amount shall be transferred directly to the judicial officer; and the Company shall assign AlRabwa Contract and the proceeds from the sale amounting to SAR 74 million.



The facility agreement entered into with Arab National Bank (ANB) also includes certain material restrictions and covenants, including the Company's undertaking to deposit the following into its account with ANB: (a) at least 65% of the proceeds from the sale of residential units financed under the agreement, upon completion of construction - failure to comply therewith will result in a fee of 0.5% of the total value of the granted facility; (b) a portion of annual rental income from real estate investment projects, in the amount of SAR 2,500,000; (c) all proceeds from projects financed by ANB. Additionally, under the facilities, the Company shall not distribute dividends or repay loans to partners in the event of any default. Under the credit facility agreement with ANB, the Company has provided the following guarantees: (i) a SAR 356,135,000 promissory note dated 5 December 2024G, issued by the Company and guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed, (ii) a SAR 356,135,000 personal guarantee dated 5 December 2024G, issued by Mr. Rasheed bin Abdulrahman Al-Rasheed, (iii) a mortgage in favor of the Bank on property deed(s) covering 120% of Limit No. (i), (iv) a mortgage in favor of the Bank on property deed(s) covering 90% of Limit No. (ii), and (v) a mortgage in favor of the Bank on property deed(s) covering 120% of Limit No. (iii), or any additional guarantees required by ANB.

The facility agreement entered into with Banque Saudi Fransi (BSF) includes certain material restrictions and covenants, including the Company's undertaking to maintain a mortgage coverage ratio of not less than 125% of the financing amount at all times, increasing to 150% upon project completion; to use any proceeds from sales and/or rentals to repay existing debt; and to submit a third-party development cost estimate prior to drawing any development-related financing in order to verify project completion cost. The Company shall also maintain a debt-to-equity ratio of 7:3 and assign project sales proceeds upon completion to BSF. The Company has provided the following guarantees under the credit facility agreement concluded with BSF: (i) a SAR 383,122,252 promissory note issued by the Company and guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed, (ii) a SAR 383,122,252 personal guarantee issued by Mr. Rasheed bin Abdulrahman Al-Rasheed, and (iii) a mortgage in favor of the Bank on property deed(s) covering 125% of the facility amount, to be registered within 15 days from the date of withdrawal of the acquisition financing.

The Credit Facilities Agreement concluded with Alinma Bank dated 02/07/2025G includes certain restrictions or material covenants, including the Company's undertaking not to create any disposition such as a mortgage, contract, lien, right, or otherwise over its movable or immovable property that has already been provided as security to the Bank, except after obtaining the Bank's written approval. The Company also undertakes to notify the Bank in writing of all mortgages, liens, and rights that may in the future be created over such property or any of its other assets, whether currently existing or in the future. The Company further undertakes that it has not previously entered into, and is not expected to enter into during the validity of the facilities, any default in payment with other Banks or financial institutions. The Company provided guarantees under the Credit Facilities Agreement with the Bank, which include: (1) a promissory note in the amount of SAR 300,000,000 issued by the Company and guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed; (2) a promissory note in the amount of SAR 30,000,000 issued by the Company and guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed; (3) a personal guarantee in the amount of SAR 300,000,000 issued by Mr. Rasheed bin Abdulrahman Al-Rasheed; (4) a real estate mortgage over title deed(s) in favor of the Bank covering 150% of the total facility value in the event the financing is used for the purchase of the land and/or the refinancing of the land purchase only, to be perfected upon completion of the project; and (5) the assignment of proceeds of the financed project, with the requirement that such proceeds be deposited into the revenue collection account with the Bank, which account shall be managed by the Bank.

The primary purpose of obtaining loans is to develop the Group's owned projects. The loans are granted in exchange for mortgaging the lands and construction works of the projects in favor of the lending bank. As at 31 December 2024G, these loans are secured by an amount equivalent to SAR 378.5 million related to projects under development and SAR 38.6 million from investment properties. Additionally, except for the facilities granted by Bank AlJazira, all other facilities are secured by personal guarantees provided by Mr. Rasheed bin Abdulrahman Al-Rasheed, the major shareholder of the Group. The Company has obtained a waiver from Saudi Awwal Bank, Arab National Bank, and Riyadh Bank regarding the personal guarantee provided by the shareholder Rasheed Al-Rasheed, noting that all assignments mentioned are conditional on the Company obtaining approval from CMA for the Offering application and completing the Listing of its Shares on Tadawul Main Market. Waiver of the personal guarantee, as mentioned above, does not include the agreements concluded with Riyadh Bank and the Company on 07/07/2025G.

If any of the foregoing risks were to materialize, this would adversely affect the Company's business, results of operations, financial position and prospects.



2.1.12 Risks Related to Negative Changes in Interest Rates

In its expansion effort, the Company relies on financing facilities obtained from commercial banks. Therefore, the Company's external financing arrangements are highly influenced by interest rates, which in turn are highly sensitive to a number of factors outside the Company's control, including government, monetary and tax policies, and local and global economic and political conditions. The commercial banks have provided loans to the Company at a variable interest rate equal to the SAIBOR rate + a profit margin ranging from 1.2% to 2.5%. Any fluctuation in interest rates, whether resulting from the SAIBOR rate or the Company's credit rating, may lead to an increase in the interest rate, which could negatively impact the Company's financial performance. The cost of financing and banking facilities increased from SAR 1.8 million in FY2022G to SAR 2.4 million in FY2023G in line with the rise in outstanding loans. Additionally, the cost of financing and banking facilities increased by 607.3% from SAR 2.4 million in FY2023G to SAR 16.7 million in FY2024G due to the Company obtaining additional facilities from Riyadh Bank, Bank AlJazira, and Arab National Bank.

Since the Company has not entered into any hedging agreements to reduce the risk of exposure to high interest rates, an increase in interest rates and related financing costs may lead to a decrease in the Company's profitability and cash flows, which will have a negative and material impact on the Company's business, financial position, results of operations and prospects. It should be noted that the Company is still in the negotiation stage with one of the banks regarding the possibility of entering into future hedging arrangements, and a preliminary schedule has been signed in this regard.

2.1.13 Risks Related to the Company's Off-Plan Sales Model

Off-plan sales constitute a key component of the Company's financing and sales strategy. The Company began adopting off-plan sales in 2023G for various projects, including the Jawharat Al-Ramz and Yousor Village projects in Jeddah. These sales accounted for approximately 86.2% of its residential units sold **"off-plan"** or during the early stages of construction, as a proportion of total sales for the FY2024G. The completion of a specific project depends on several factors, including macroeconomic conditions, the timely delivery by the Company's contractors and subcontractors, and the absence of any force majeure events. In the event of a delay or cancellation of a project involving pre-sale commitments from clients, clients may resort to filing civil lawsuits against the Company. Additionally, clients are entitled to seek compensation from the Company if it fails to deliver a residential or commercial unit sold, even if such compensation is not explicitly stipulated in their contracts with the Company, or they may demand a refund of the amounts paid. The off-plan sales mechanism represented 0% in FY2022G, 1.7% in FY2023G, and 20.2% in FY2024G of the Company's total sales.

Any of the foregoing factors could have a material adverse effect on the Company's business, results of operations, financial position, and prospects.

2.1.14 Risks Related to the Protection of the Company's Trademarks

The Company has registered eight (8) trademarks in Saudi Arabia on which it relies, details of which are set out in Section 12.12 (**"Trademarks"**). As at the date of this Prospectus, there are 21 unregistered trademarks belonging to the Company (including 10 trademarks related to development projects with investment funds). These trademarks pertain to residential and commercial projects, which may lead to their use by third parties due to the lack of protection by the competent authorities. Consequently, this may require the Company to engage in costly legal proceedings and to divert the efforts of some of its technical and administrative staff toward such legal actions. In the event the Company is unable to register or renew its trademarks, or in the event a third party objected to the registration of a trademark, this would affect the Company's operations, financial position and results of operation. The competitive position of the Company depends on its ability to continue using such trademarks and to protect its rights related to such trademarks against any illegal use of such trademarks by third parties.

In the event the intellectual property rights related to the Company's trademarks are infringed, including as a result of unauthorized use or a failure to protect such rights by the competent authorities in accordance with the regulations of the relevant countries, it may face costly litigation and the diversion of technical and management personnel. Furthermore, the outcome of a dispute may require the Company to enter into royalty or licensing agreements, which may not be available on terms acceptable to the Company, or at all. Any of the above would have a material adverse effect on the Company's business, results of operations, financial position and prospects.



2.1.15 Risks Related to Interruptions in the Company's IT Network or Cloud Systems

The Company's ability to operate its business effectively depends upon the sophistication and reliability of its IT network and availability of its cloud services, and, in particular the Company's Microsoft Dynamics Enterprise Resource Planning (ERP) system, which is used to track all transactions completed within the Company's projects.

External and internal risks, such as malware, code anomalies, attempts to breach the Company's networks, unavailability of required updates or modifications, data leakage and human error all pose a direct threat to the Company's services and data. The Company's networks may also be subject to interruption due to unforeseen "**force majeure**" events or power outages. These types of adverse events could also occur in the event the confidentiality, integrity or availability of Company and client information is compromised due to a data loss by the Company or a trusted third party. Additionally, the cost and operational consequences of implementing further upgrades to the Company's IT systems and networks, and data or system protection measures, whether due to expansion, upgrades, new technology, new laws and regulations, or otherwise, could be significant.

The Company's facilities and systems, or those of third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism or sabotage, vandalism or theft, computer viruses, loss or corruption of data or programming or human errors or other similar events. Because such attacks are increasing in sophistication and change frequently in nature, the Company and its third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of the Company's systems, or those of its third-party service providers, may not be discovered and remediated promptly, which could result in a loss of data. A security breach, act of cyber terrorism or sabotage, vandalism or theft, computer viruses, loss or corruption of data or programming or human error made by the Company's employees may lead to a breach of consumers, employees' and clients' data privacy and security. Any such breach may result in a divulgence of such data to third parties against the will of all affected parties, which could undermine the privacy of such parties and result in reputational harm to the Company. In addition, this could adversely affect the Company's performance due to judicial proceedings or claims initiated against the Company in case it defaulted in preserving the safety and confidentiality of data and in ensuring compliance with the relevant controls on disclosing data in an accurate and timely manner via the appropriate channels. Any such breach or other similar event may also lead to a change of current and potential consumers behavior in a way that would impact the Company's ability to retain current members or attracting new members, which would materially and adversely affect the Company's business, financial position, internal operations (e.g. logistics, inventory and management), results of operation and prospects.

Any disruption to the Internet or the Company's IT systems and/ or technology infrastructure, including those impacting the Company's computer systems and website, or the occurrence of any of the aforementioned risks, would have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.16 Risks Related to the Company's Strategy

The Company's future performance depends on its ability to implement its strategy as highlighted in Section 4.3.2 ("**Company Strategy**") of this Prospectus. Under its current strategy and as of the date of this Prospectus, the Company's current strategy includes achieving sustainable growth, maintaining financial flexibility, and adopting a balanced investment approach through the acquisition of strategic residential and commercial lands, expanding its portfolio of real estate funds, diversifying into income-generating investment projects, and collaborating with key governmental entities. Furthermore, the Company's strategy encompasses supporting social impact initiatives by undertaking charitable efforts and providing affordable housing units to increase home ownership rates. The Company may face challenges in successfully implementing its business plan to achieve its strategy and targeted growth in a manner that ensures profitability due to factors beyond its control, such as economic conditions, financing costs, regulatory changes, failure to obtain required regulatory approvals, and other reasons. Additionally, market changes, including shifts in client preferences, may pose challenges. If the Company is unable to deliver its projects and services on time, secure the necessary permits, or if its projects and services do not gain market acceptance, this could negatively impact the execution of its growth plan. Moreover, if competitors execute projects more quickly and at more competitive prices, clients may choose to engage with competitors instead of the Company, which could adversely affect the Company's growth plan.

Additionally, the Company's expansion plans are subject to a specified timeline, and it may require additional funding to cover extra costs. Failure to adhere to the specified timeline or secure additional funding may result in the inability to achieve the desired economic outcome from the anticipated growth and expansion plans. If the Company fails to execute its business plans and growth strategies in a timely manner for any reason, this would have a material and adverse impact on the Company's operations, profitability, financial position, results of operations, or prospects.



2.1.17 Risks Associated with the Company's Related Party Transactions

Under Articles 27 and 71 of the Companies Law, no member of the Board of Directors may have a direct or indirect interest in the operations and contracts executed on behalf of the Company without authorization from the Ordinary General Assembly and in accordance with the controls set by the competent authority. A Board member must notify the Board of any direct or indirect interest they have in the operations and contracts conducted on behalf of the Company, and this notification must be recorded in the minutes of the Board meeting. The member is prohibited from participating in voting on resolutions related to this matter within the Board of Directors and shareholders' assemblies. If the Company enters into contracts with Related Parties on terms that are not purely commercial or results in undue benefits to Related Parties, the Company may be subject to penalties for violating the mandatory provisions and rules of the Companies Law. These penalties may reach up to SAR 500,000 under the Companies Law, which could negatively impact the costs incurred by the Company and its revenues. This would have a materially adverse effect on the Company's operations, financial position, results of operations, and future prospects.

The Company maintains ongoing business relationships with several Related Parties. As of the date of this Prospectus, the Company has four (4) active Related Party Transactions. All transactions between the Company and Related Parties were approved in the General Assembly held on 15/05/1443H (corresponding to 19/12/2021G), the General Assembly held on 21/12/1445H (corresponding to 27/06/2024G), and the Ordinary General Assembly held on 11/06/1446H (corresponding to 12/12/2024G). The amounts due from Related Parties were SAR 0; SAR 24,001,588; and SAR 46,969,290, representing 0%; 2.5%; and 3.4% of total assets for the Financial Years Ended 31 December 2022G, 2023G, and 2024G, respectively. The amounts payable to Related Parties were SAR 0, SAR 361,094; and SAR 300,000, representing 0%, 0.1% and 0.05% of total Company liabilities for the Financial Years Ended 31 December 2022G, 2023G, and 2024G, respectively. For a summary of Related Party Transactions, please refer to Section 12.8 ("**Transactions and Contracts with Related Parties**").

It should be noted that, in accordance with the financial statements, Related Party Transactions, including unit sales, supplies, office rentals, consultancy services, salaries, and compensations have been recorded. The total value of transactions executed with Related Parties (as per the approved accounting standards) amounted to SAR 131,568; SAR 47,251,474; and SAR 58,920,869 for the Fiscal Years Ending on 31 December 2022G, 2023G, and 2024G, respectively (for more information, please refer to Section 12.9 "**Transactions and Contracts with Related Parties**" of this Prospectus). Since the definition of Related Party Transactions, as per the terminology used in the Capital Market Authority's regulations and the Companies Law, does not apply to these transactions, they do not require the approval of the General Assembly of Shareholders.

Table (2.1): Related Party Transactions, as per the Audited Financial Statements for FY2022G, FY2023G, and FY2024G

Related Party (SAR 000)	Capacity	2022G	2023G	2024G
Tfwed For Building Materials Company	Nasser Al-Rasheed (who is the brother of the Chairman of the Board of Directors of the Company) serves as a member of the Board of Directors of Tfwed and owns a percentage of its capital.	132	0	0
Romoz Holding Company	Subsidiary	0	44,002	18,350
Romoz Holding Company	Subsidiary	0	0	(24,002)
Romoz Holding Company	Subsidiary	0	0	3,400
Romoz Holding Company	Subsidiary	0	0	(3,400)
Rasheed Abdulrahman Nasser Al-Rasheed	Substantial Shareholder and the Chairman of the Board of Directors of the Company	(1,295)	0	0
Harun Rasheed Al-Rasheed	Shareholder, Managing Director, and Chief Executive Officer of the Company	(151)	0	0
Abdulmalik Rasheed Al-Rasheed	Shareholder, member of the Board of Directors, and Chief Financial Officer of the Company	(319)	0	0
Meshkati Trading Company	Majed Al-Rasheed (who is the brother of the Chairman of the Board of Directors of the Company) serves as a member of the Board of Directors of Meshkati.	0	3,135	21



Related Party (SAR 000)	Capacity	2022G	2023G	2024G
Meshkati Trading Company	Majed Al-Rasheed (who is the brother of the Chairman of the Board of Directors of the Company) serves as a member of the Board of Directors of Meshkati.	0	0	(21)
Majed Abdul Rahman Al Rasheed Professional Consulting Company	Company owned by Majed Al-Rasheed (who is the brother of the Chairman of the Board of Directors of the Company), in which Majed Al-Rasheed also holds an executive position.	0	115	81
Majed Abdul Rahman Al Rasheed Professional Consulting Company	Company owned by Majed Al-Rasheed (who is the brother of the Chairman of the Board of Directors of the Company), in which Majed Al-Rasheed also holds an executive position.	0	0	(81)
Al Majd Building For Real estate Development and Investment Company	Subsidiary	0	0	28,619
Al Majd Building For Real estate Development and Investment Company	Subsidiary	0	0	8,150
Al Majd Building For Real estate Development and Investment Company	Subsidiary	0	0	(50)
Al Ramz and Asayel Real Estate Development Company	Subsidiary	0	0	(250)

Source: the Company

The primary Related Party Transactions include those entered into with Romoz Holding, which are operational in nature and pertain to the sale of villas and buildings from the Company to Romoz Holding. These transactions resulted in an outstanding receivable balance from Romoz Holding of SAR 24.0 million and SAR 18.3 million as of FY2023G and FY2024G, respectively. Conversely, the Group owes an outstanding balance to Meshkati Trading Company amounting to SAR 0 as of 31 December 2024G, related to the supply of electrical equipment. Meshkati Trading Company is considered a Related Party as one of its board members is a second-degree relative of the Company's shareholders.

As of the date of this Prospectus, all current Related Party Transactions have been conducted on purely commercial terms. However, entering into agreements with any related party on non-commercial terms or granting undue benefits to related parties could negatively impact the company's costs and revenues, potentially resulting in a materially adverse effect on its business, results of operations, financial position, and prospects.

In addition, during FY2024G, the Company financed the operations of a newly established entity, AlMajd Building For Real Estate Development and Investment Company, resulting in related party receivables amounting to SAR 18.4 million as of 31 December 2024G.

As of 31 December 2024G, the Company had invested in Mabna AlMajd Real Estate Development and Investment Company (50 shares with a value of SAR 8.2 million) and in Al Ramz & Asayel Real Estate Development Company (250 shares with a value of SAR 250 thousand). The Company had not yet settled its balance. As a result, these transactions led to a related party payable balance of SAR 300 thousand as of 31 December 2024G. On 22/06/2025G, the General Assembly approved transactions with three related parties: (1) a transaction with Meshkati Trading Company during the fourth quarter of FY2024G in the amount of SAR 332,665; (2) a transaction with Majid Abdulrahman Al-Rasheed Professional Consulting Company (LLC) during the fourth quarter of FY2024G in the amount of SAR 46,000; (3) a transaction with Al Ramz & Asayel Real Estate Development Company during FY2024G in the amount of SAR 250,000.

In addition, and pursuant to Article 71 of the Companies Law, any transactions in which a member of the Company's Board of Directors has an interest must be presented to the General Assembly for approval. Members of the Board of Directors or shareholders with an interest in such transactions (e.g., a shareholder represented by a board member) are prohibited from participating in deliberations related to their approval. The voting restrictions imposed on General Assembly approvals under Article 71 of the Companies Law prevent any current shareholder from voting on related decisions in the General Assembly.

There is a risk that the Board of Directors or the company's General Assembly may not approve such transactions. In such cases, the board member with an interest in the transaction would be required to resign or take measures to ensure they no longer have any interest (e.g., by terminating the relevant contract or waiving the rights arising from the stated interest).



The table below summarizes the related party receivables as of 31 December 2022G, 2023G, and 2024G:

Table (2.2): Receivables from Related Parties

Company (SAR 000)	Nature of Relationship	Nature of Transaction	31 December 2022G (Reviewed)	31 December 2023G (Reviewed)	31 December 2024G
Romoz Holding Company	Subsidiary	Operational	-	24,002	18,350
Mabna AlMajd Real Estate Development and Investment Company	Subsidiary	Financing	-	-	28,619
Receivables from Related Parties	-	-	-	24,002	46,969

Source: Audited consolidated financial statements for the years ended 31 December 2022G, 2023G, and 2024G

The receivables from Related Parties relate to the outstanding balance from Romoz Holding Company in connection with the sale of villas and administrative buildings, in addition to the outstanding balance from AlMajd Building For Real Estate Development and Investment Company amounting to SAR 28.6 million.

The receivables from related parties amounted to SAR 24.0 million as of 31 December 2023G and SAR 46.9 million as of 31 December 2024G.

The table below summarizes the payables to related parties as of 31 December 2022G, 2023G, and 2024G:

Table (2.3): Payables to Related Parties

Company (SAR 000)	Nature of Relationship	Nature of Transaction	31 December 2022G (Reviewed)	31 December 2023G (Reviewed)	31 December 2024G (Reviewed)
Meshkati Trading Company	Subsidiary	Operational	-	361	-
Al Ramz & Asayel Real Estate Development Company	Subsidiary	Investment	-	-	250
AlMajd Building For Real Estate Development and Investment Company	Subsidiary	Investment	-	-	50
Payables to Related Parties	-	-	-	361	300

Source: Audited consolidated financial statements for the years ended 31 December 2022G, 2023G, and 2024G

Payables to Related Parties consist of a balance payable to AlMajd For Real Estate Development and Investment Company in the amount of SAR 50 thousand as of 31 December 2024G, and a balance payable to Al Ramz and Asayel Real Estate Development Company in the amount of SAR 250 thousand for the same period.

The balance of amounts payable to Related Parties increased from nil as of 31 December 2022G to SAR 361 thousand as of 31 December 2023G due to amounts payable to Meshkati Trading Company amounting to SAR 361 thousand.

The balance of amounts payable to Related Parties decreased from SAR 361 thousand as of 31 December 2023G to SAR 300 thousand as of 31 December 2024G due to settlements with Meshkati Trading Company.

2.1.18 Risks Related to the Company's Reliance on its Senior Management and Key Personnel

The Company's success depends upon the continued service and performance of its senior management and other key personnel, as well as its ability to identify, hire, develop, motivate and retain qualified personnel in the future. The Company relies on a number of key individuals in its senior management team, who have valuable experience in real estate development and who have made substantial contributions to the development of the Company's operations and expansion. Competition for senior management and key employees in the real estate industry is intense, and the Company cannot guarantee that it will be able to retain its personnel or attract new, suitably qualified personnel. The Company may not be able to continue to benefit from the Substantial Shareholder's extensive experience and understanding of the Saudi market, which would materially and adversely affect the Company's business, results of operations, financial position and prospects.



The Company may need to invest significant financial and human resources to attract and retain new senior management members and/or employees. The loss of the services of members of the Company's senior management or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seeking certain qualified replacements or adversely affect its ability to manage its business effectively. Each member of senior management, as well as key employees, may resign at any time. If the Company loses the ability to hire and retain key senior management and employees with high levels of skills in appropriate domains, this would materially and adversely affect the Company's business, results of operations, financial position and prospects and increase its expenses.

The Company's senior management or key personnel could behave in a manner which negatively impacts the Company's business, including through misuse of information or systems, disclosure of confidential information, or disseminating misleading information. Additionally, the Company may not always be able to prevent its senior management and key personnel from committing any gross misconduct or ensure compliance with internal regulations and policies of the Company, which could result in losses, fines or financial liabilities for the Company, or cause harm to the Company's reputation and could adversely and materially affect the Company's business, results of operations, financial position and prospects.

2.1.19 Risks Related to the Availability of Financing for Clients

As of the date of this Prospectus, the Company's financing clients represent 79% of the Company's total customers. The ability of clients to source financing for the purchase cost of residential units is contingent on numerous factors including general economic and market conditions, interest rates, inflation, credit availability from banks or other lenders and willingness of banks or other lenders to lend to particular clients. In particular, a significant portion of the financing of the purchase cost for the Company's affordable residential units is subsidized by the Ministry of Municipalities and Housing, in which interest free mortgage loans are offered to help fund the purchase of residential units by clients. However, there can be no assurance that such financing will continue at such levels or at all in the future, whether in the short-term or over the longer-term. Any future inability by clients to obtain the requisite financing on terms favorable to help fund the purchase of the Company's residential units would, in turn, lead to reduced demand for the Company's residential units. This would, in turn, have a material adverse effect on the Company's business, results of operations, financial position, and prospects.

2.1.20 Risks Related to Future Financing

The Company needs to continue to make investments to support the growth of its business and may require additional funds to respond to business challenges, implement its growth strategy, increase its market share in its current markets or expand into other markets, or broaden its product offering. The cash generated from operations and the Company's existing financial resources may not be sufficient to fund this growth strategy. Accordingly, the Company may seek to raise additional capital or incur additional indebtedness.

For various reasons, including any non-compliance with undertakings under existing or future lending arrangements, additional financing or the refinancing of existing lending arrangements may not be available when needed, or may not be available on terms favorable to the Company, if at all.

An increase in indebtedness may expose the Company to additional risks. For example, an increase in the indebtedness of the Company may restrict its ability to make strategic acquisitions or cause it to make non-strategic divestitures to sell or dispose of assets, as well as limit its ability to obtain additional financing. In addition, as the Company has relatively high fixed costs, it may have greater difficulty servicing higher debt levels. In addition, documentation pertaining to indebtedness of the Company typically includes covenants that restrict the operations of the Company.

If the Company fails to obtain adequate debt on a timely basis or on terms satisfactory to the Company, or if the Company becomes unable to service its debt repayments as they fall due, this will adversely affect the Company's ability to sustain its operations or achieve its planned rate of growth, which would adversely and materially affect the Company's business, results of operations, financial position and prospects.



2.1.21 Risks Related to Mortgages

72.4% of Company-owned lands are mortgaged to financing entities as collateral for the Company's debts, which include the following lands owned for the purpose of developing projects or completed residential rental projects:

- Lolia Villa Project:
 - 26 residential villas mortgaged to Arab National Bank in the amount of SAR 2,332,874.70;
 - One residential villa, title deed No. 960002827640, mortgaged to Arab National Bank in the amount of SAR 2,335,971.80;
 - One residential villa, title deed No. 860002827625, mortgaged to Arab National Bank in the amount of SAR 2,336,631.75;
 - One residential villa, title deed No. 760002827623, mortgaged to Arab National Bank in the amount of SAR 2,335,971.73;
 - One residential villa, title deed No. 560002827624, mortgaged to Arab National Bank in the amount of SAR 2,336,682.52.
- Ramz 40 Project: A land with a total area of 1,500 square meters mortgaged under Deed No. 560001250892 with a mortgage amounting to SAR 100,000,000.
- Jadeel AlRimal Project: All land parcels related to this project (146 properties) are mortgaged with a mortgage value of SAR 330,983,000.
- Residential Rental Project: A land with a total area of 1,980 square meters mortgaged under deed No. 960001250879 with a mortgage amounting to SAR 100,000,000.
- Residential Rental Project: A land with a total area of 906.76 square meters mortgaged under deed No. 530127007037 with a mortgage amounting to SAR 60,625,000.
- Residential Rental Project: A land with a total area of 920.27 square meters mortgaged under deed No. 530121005174 with a mortgage amounting to SAR 60,625,000.
- Residential Rental Project: A land with a total area of 900 square meters mortgaged under Deed No. 430128001962 with a mortgage amounting to SAR 60,625,000.

(For further details, please refer to Section 12.8 ("Real Estate Assets").

In the event that the Company fails to comply with the terms of the credit facilities under which the lands are mortgaged, the financing body may execute the mortgage and sell the land to repay the debt, which may be at an inappropriate or unfair price, or at an inappropriate time, or may cause interruption in work and development on the land subject to implementation. If such risks materialize, they will have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.1.22 Risks Related to the Company's Ability to Distribute Dividends

Future distribution of dividends will depend on several factors including, among other things, future earnings, financial positions, cash flows, working capital requirements, capital expenditures and distributable reserves of the Company. In addition to other factors, the Company may not be able to pay dividends, and the Directors may not recommend and the Shareholders may not approve the payment of dividends. Additionally, the Company may be restricted by the terms of financing and facilities agreements executed with financing entities which some of them require their written approval prior making dividend payments to Shareholders. The Company may incur expenses or liabilities that would reduce or eliminate the cash available for distribution of dividends. If the Company does not pay dividends on the Shares, Shareholders may not receive any return on investment in the Shares unless they sell the Shares at a price higher than the price at the time of purchase, which would have a material adverse effect on Subscribers' anticipated returns. For further details regarding the dividends policy of the Company, please refer to Section 7 ("Dividend Distribution Policy").

2.1.23 Risks Related to the Company's Implementation of a Newly Adopted Corporate Governance Manual

The Ordinary General Assembly approved the implementation of the updated Corporate Governance Manual on 11/06/1446H (corresponding to 12/12/2024G), which includes rules and procedures related to corporate governance derived from the Corporate Governance Regulations issued by the CMA. The Company's success in properly implementing the corporate governance rules and procedures will depend on the extent of the comprehension and understanding of these rules as well as the proper execution of such rules and procedures by the Board, its committees and Senior Executives, especially with regards to the formation of the Board and its committees, independence requirements, as well as rules related to conflict of interests and Related Party Transactions.



Article 22 of the Corporate Governance Regulations also requires the adoption of a written and detailed policy, defining the powers delegated to the executive management, and a table clarifying such powers. On 02/06/1446H (corresponding to 03/12/2024G), the Board of Directors approved the authority tables governing the specialization and delegation of powers and authorities between the Board and the Senior Executives. Failure to comply with the governance rules, especially the mandatory rules derived from the Corporate Governance Regulations issued by the CMA, would subject the Company to regulatory penalties and would adversely and materially affect the Company's business, results of operations, financial position, and prospects.

On 02/06/1446H (corresponding to 03/12/2024G), the Company's Board of Directors approved the formation of the Audit Committee; and on 11/06/1446H (corresponding to 12/12/2024G), the Company's Ordinary General Assembly approved the updated, amended Charter of the Audit Committee. The Board of Directors formed the Nomination and Remuneration Committee 02/06/1446H (corresponding to 03/12/2024G), and on 11/06/1446H (corresponding to 12/12/2024G) the Company's Ordinary General Assembly approved the amended Charter of the Nomination and Remuneration Committee (for further details, please refer to Section 5.2 ("**Company and Board Committees**") of this Prospectus). Failure by members of these committees to perform their duties and adopt a work approach that protects the interest of the Company, and its Shareholders will affect corporate governance compliance, the continuous disclosure requirements, and the Board's ability to monitor the Company's business through these committees. That would have a material adverse effect on the Company's business, financial position, results of operations and prospects.

Any future inability of such committee members and independent members to carry out the tasks assigned thereto and follow a work methodology that ensures the protection of the interests of the Company and the Shareholders may affect the implementation of Governance Regulations and the efficiency of the Company's Board of Directors control over the management of its business through such committees. This may expose the Company to potential non-compliance with continuous disclosures after listing requirements on one hand, and to operational, administrative and financial risks on the other hand. Consequently, this would have a negative and material impact on the Company's business, results of operations, financial position, and prospects.

2.1.24 Risks Related to Management's Limited Experience in Managing a Listed Joint-Stock Company

The Senior Executives have limited or no experience in managing a listed joint stock company in the Kingdom and complying with the laws and regulations pertaining to such companies. In particular, the internal and/or external training that the Senior Executives will receive in managing a Saudi Arabian publicly listed company, coupled with the regulatory oversight and reporting obligations imposed on public companies, will require substantial attention from the Senior Executives, which may divert their attention away from the day-to-day management of the Company. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on listed companies will expose the Company to regulatory sanctions and fines. The imposition of fines on the Company would have a material adverse effect on the Group's business, financial position, results of operations or prospects.

2.1.25 Risks Related to Inadequate Insurance Coverage

The Company maintains insurance policies including employee health insurance, motor vehicle insurance and latent defect insurance, (for more information about insurance policies maintained by the Company, see Section 12.11 ("**Insurance**"). There is no guarantee that these insurance policies will be adequate at all times and in all circumstances, or that the limit of insurance coverage will be adequate at all times and in all circumstances, or that the limit of insurance coverage will be sufficient in all events to pay for the claims relating to the insured risks. The Company might not be able to successfully substantiate its claims according to the insurance policies in effect because of the exclusions or conditions of insurance coverage. This will cause the Company to be liable for paying for accident related losses, which will also have a material adverse effect on the Company's business and operating and financial results.

Future events might occur for which the Company might not have adequate insurance coverage to cover all potential losses, or might not be insured against it at all, such as risks resulting from acts of aggression, political risks, war, sabotage, and potential natural disasters (such as earthquakes and floods). In addition, the Company's present insurance policies might also be unavailable in the future. Accordingly, the losses and liabilities resulting from entirely uninsured or insufficiently insured risks could significantly increase the Company's costs, which would adversely and materially affect the Company's business, results of operations, financial position and prospects.



2.1.26 Risks Related to Litigation Involving the Company and the Imposition of Fines Thereon

The Company, its Directors and/or its officers may become involved in lawsuits and regulatory actions with parties including suppliers, employees, competitors, clients or regulatory authorities. The Company may also be the claimant in such lawsuits or litigation.

As at the date of this Prospectus, the Company is a party to three non-material legal claims in which it is the defendant, with a total claim value of SAR 81,000. There are no material pending litigations. However, the Company may in the future become involved in litigation beyond its normal course of business. (For more details, refer to Section 12.13 (“**Litigation**”)). Any unfavorable outcome in such litigation and regulatory proceedings could have a material adverse effect on the Company’s business, financial position, results of operations or prospects. In addition, regardless of the outcome of any litigation or regulatory proceedings, these proceedings could result in substantial costs and may require that the Company devote substantial resources to defend against these claims, which would have a material adverse effect on the Company’s business, results of operations, financial position, and prospects.

2.1.27 Risks Related to the Potential Misconduct of the Company’s Employees and Third-Party Agents

The Company’s senior management or key personnel could behave in a manner which negatively impacts the Company’s business, including through misuse of information or systems, disclosure of confidential information, or disseminating misleading information. Additionally, the Company may not always be able to prevent its employees from committing any gross misconduct or ensure compliance with internal regulations and policies of the Company, which could result in losses, fines or financial liabilities for the Company, or cause harm to the Company’s reputation and would adversely and materially affect the Company’s business, results of operations, financial position, and prospects.

The Company relies on third-party distributors and other agents for the distribution of its products to retail and wholesale clients. Many of these third parties are small and do not have internal compliance resources. If the Company fails in its efforts to screen third-party agents and detect cases of potential misconduct, the Company could be held responsible for the non-compliance by these third parties with applicable laws and regulations, which would adversely affect the Company’s reputation and / or have a material adverse effect on the Company’s business, results of operations, financial position and prospects.

2.1.28 Risks Related to Construction Contract Revenues by Calculating the Percentages of Completion

The Company recognizes construction contract revenues by calculating the percentages of completion achieved in the projects it develops. Revenue recognized under the percentage-of-completion method amounted to approximately SAR 58,384,986; SAR 229,409,775; and SAR 423,447,170, representing 9.2%; 43.1%, and 44.5% of the Company’s total revenues for the Financial Years Ended 31 December 2022G, 2023G, and 2024G, respectively.

Construction contract revenues are recognized based on the percentages of completion method, and related costs are recognized in profit or loss when incurred. Payment terms consist of a long-term advance payment, interim payments, and reservation payments after issuing the occupancy certificate from six (6) months to one year. The duration of each project depends on the size and complexity of the project design and typically extends beyond one year, when, for typical multi-unit property contracts, the Company determines that its performance does not result in an asset that has an alternative use for the Company and concludes that, at all times, it has an enforceable right to payment for performance completed to that date. Control of these contracts therefore passes over time. For contracts that meet the criteria for overtime revenue recognition, the Group’s performance is measured using the input method and by reference to the costs incurred in satisfying the performance obligations (for example, resources consumed, labor hours expended, costs incurred, time elapsed or the number of hours used by the machine). For the total expected inputs to complete the properties, the Company excludes the effect of any costs incurred that do not contribute to the Company’s performance in transferring control of the goods or services to the client (such as unexpected amounts of wasted materials or other project personnel costs) and adjusts the input method for any costs incurred that are inconsistent with the Company’s progress in satisfying the performance obligations.

As part of the construction contract costs, the Company capitalizes project employee costs and then recognizes them as costs according to the percentage of completion. Capitalized project employee costs amounted to SAR 775,318; SAR 2,149,561 and SAR 3,580,447, which represent 2.0%, 1.1%, and 1.4% of the total cost of real estate development agreement for others for the Financial Years Ended 31 December 2022G, 2023G and 2024G, respectively.



The preparation of the Company's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the amounts of revenues, expenses, assets, liabilities, accompanying disclosures and disclosures of contingent liabilities. In the event of uncertainty about such assumptions and estimates, results may arise that require material adjustments to the carrying amount of the affected assets or liabilities in future periods. As a result, any material change in assumptions and estimates may have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.1.29 Risks Related to Outstanding Receivables

The Company's trade receivables balance increased at a compound annual growth rate of 491.3% from SAR 10.7 million as of FY2022G to SAR 375 million as of FY2024G, due to the following:

- A delay in the funds' payment of SAR 120.9 million. The delay was due to slower-than-planned execution of sales, in addition to portions of the amounts being tied to development works that could not be collected before completing regulatory procedures such as licensing and design, which were later finalized.
- A delay in completing the in-kind fund subscriptions amounting to SAR 175.9 million. This delay relates to the King Salman Project Fund, where the title deed transfer took longer due to the need to obtain necessary approvals from financiers and complete official procedures, which were finalized in March 2025G.
- A delay in transferring title deeds to customers, resulting in receivables amounting to SAR 34.2 million. After 31 December 2024G, the Company collected a total amount of SAR 33.1 million, representing part of the sold units that were transferred to customers. Customers were granted extended credit periods in 2024G to stimulate sales, following verification of creditworthiness and receipt of down payments. Title deeds were not transferred until full payments were received.
- The launch of the off-plan sales segment amounting to SAR 44.4 million.

As of 31 December 2024G, trade receivables overdue by more than 6 months amounted to SAR 132.2 million, of which SAR 81.5 million were overdue by more than one year. As of 31 December 2024G, the Company had receivables of SAR 34.2 million related to invoicing for real estate units in accordance with the Group's new policy. (For more information, please refer to Section 2.1.1 ("**Risks Related to Subcontractors**")).

Aging of Net Trade Receivables as of 31 December 2022G, 2023G, and 2024G

SAR '000	1-180 Days	181-365 Days	366-730 Days	Total
As of 31 December 2024G	351,191	21,796	2,059	375,046
As of 31 December 2023G	98,483	11,737	83	110,302
As of 31 December 2022G	10,727	-	-	10,727

Source: Audited consolidated financial statements for the years ended 31 December 2023G and 2024G, and management information.

For the first time, the Company implemented a formal policy for recognizing expected credit loss provisions in accordance with International Financial Reporting Standard No. 9 (IFRS 9), with the assistance of an external advisor during the year 2024G. A periodic provision for expected credit losses is established based on a comprehensive analysis of credit risk, and this provision is monitored and updated regularly based on developments in customers' credit status. Doubtful debts are addressed through this provision, and when they are confirmed to be uncollectible, they are written off as bad debts in accordance with the relevant approvals.

The implementation of this new policy may result in an increase in the expected credit loss provision for trade receivables, which could have a material adverse impact on the Company's business, results of operations, financial position, and prospects.

The credit loss provision amounted to SAR 0.3 million as of 31 December 2022G, SAR 0.3 million as of 31 December 2023G, and SAR 3.5 million as of 31 December 2024G.

2.1.30 Risks Related to Revenue from Unit Sales

The number of units sold decreased from 271 units in FY2022G to 212 units in FY2023G, and to 208 units in FY2024G, due to the Company's expansion in the project development segment with investment funds.

Nevertheless, revenue from unit sales amounted to SAR 273.6 million in FY2022G, SAR 250.4 million in FY2023G, and then increased to SAR 352.8 million in FY2024G, driven by an increase in the average revenue per square meter from SAR 7.6 thousand in FY2023G to SAR 9.6 thousand in FY2024G.



In line with the increase in revenue per square meter, the Company experienced a rise in the cost of unit development. During the same period, the cost of units sold also increased, with the average cost per square meter rising from SAR 4.6 thousand in FY2022G to SAR 6.8 thousand in FY2024G. This increase is mainly due to:

- Increase in land cost: The average land cost rose from SAR 2.0 thousand per square meter in FY2022G to SAR 3.4 thousand per square meter in FY2024G, due to increased demand for undeveloped land in prime locations.
- Increase in construction cost: The average construction cost increased from SAR 2.6 thousand per square meter in FY2022G to SAR 3.5 thousand per square meter in FY2024G, driven by rising raw material costs.
- The Company also incurred additional costs for completing delivered projects. These costs primarily relate to maintenance, finishing, and repairs conducted after project delivery. Completion costs for delivered projects amounted to SAR 1.9 million, SAR 4.7 million, and SAR 7.7 million in FY2022G, FY2023G, and FY2024G, respectively.

Additionally, the Company records a maintenance warranty provision for its completed projects, which amounted to SAR 0.9 million, SAR 0.6 million, and SAR 1.3 million in FY2022G, FY2023G, and FY2024G, respectively.

The gross profit margin from unit sales stood at 33.8% and 34.2% during FY2022G–FY2023G, but declined to 29.2% in FY2024G. Revenue per square meter rose by 25.7% to SAR 9,583 during FY2023 – FY2024G, while costs increased by 36.5% to SAR 6,845 per square meter during FY2023 – FY2024G due to market conditions in the real estate sector in the Kingdom.

As of 31 December 2024G, the Company's unit inventory consisted of 13 units related to five projects, broken down as follows: Ramz 27 Project (9 units), Ramz 49 – B Project (1 unit), Ramz 25 Project (1 unit), Stone Complex (1 unit), and Jadeel Floors (1 unit).

It is worth noting that any delay the Company may face in selling its inventory, or its inability to sell at favorable prices due to market fluctuations, could have a material adverse impact on the Company's business, results of operations, financial position, and prospects.

2.2 Risks Related to the Market, Industry and Regulatory Environment

2.2.1 Risks Related to Political and Economic Conditions

The entirety of the Company's assets are located in Saudi Arabia, and the Company's financial performance is therefore dependent on the prevailing economic and political conditions in Saudi Arabia and on global economic conditions that affect Saudi Arabia's economy.

The oil sector still constitutes a large share of the GDP of Saudi Arabia. Fluctuations in oil prices may occur, and adversely affect the economy of Saudi Arabia. Economic growth in the Kingdom has also slowed in recent years. Saudi Arabia is also facing the challenge of relatively high levels of population growth. All such conditions could have an adverse effect on the Saudi Arabian economy, which in turn would have a material adverse effect on the Company's business, financial position, results of operations or prospects.

In addition, many countries in the Middle East suffer from political or security instability at the present time. There can be no assurance that the negative diplomatic relations with, or economic and political conditions in, those countries or other countries will not have a negative impact on the economy, foreign direct investment or financial markets in Saudi Arabia in general, and on the Company's business, results of operation, financial position and prospects.

Any unexpected major changes in the political, economic or legal environment in Saudi Arabia or other countries in the Middle East, which include without limitation normal market fluctuations, recession, insolvency, weakness in employment levels, technological shifts and other such developments, will adversely and materially affect the Company's business, results of operations, financial position and prospects.

2.2.2 Risks Related to Real Estate Prices

It is challenging to evaluate the Company's real estate assets due to factors such as changes in regulatory requirements and applicable laws (including building, environmental, tax, and planning regulations), political conditions, the real estate market situation in the Kingdom, the financial situation of clients, potential adverse tax consequences, fluctuations in interest rates, and inflation. These factors affect the accuracy of real estate valuations, leading to discrepancies between the value of the Company's projects and actual sale prices, whether these projects are joint ventures with investment funds or investors, or projects undertaken by the company for its own account. There is no guarantee that the valuations of the Company's projects will reflect the actual sale prices of residential units, nor are valuations an indicator of available financing for a potential sale of any of the Company's projects or an indicator of continued demand for any of the Company's projects. Significant differences between valuations and actual sale prices may have



a material adverse effect on the company's business, financial position, and results of operations.

Moreover, one of the key elements in determining the value of a project relies on management's assessment of the conditions of the real estate market in the Kingdom. The Saudi real estate market is influenced by numerous factors beyond the Company's control, including general economic conditions, availability of financing, interest rates, and other factors such as supply and demand, which may negatively impact projects after the date of the most recent valuation. Consequently, any significant downturn in the real estate market in the Kingdom may have a material adverse effect on the Company's business, results of operations, financial position, and prospects.

2.2.3 Risks Related to the Impact of Demand for Residential and Commercial Properties in the Kingdom of Saudi Arabia on the Company's Business

The entirety of the Company's property portfolio is located in the Kingdom of Saudi Arabia. As an increasing number of real estate developments are launched and reach completion, the number of residential properties and commercial space available in the Kingdom may exceed the demand for such properties and space, leading to saturation. If the property market in the Kingdom were to become saturated, or demand for residential and commercial properties in the Kingdom were to decline or to be lower than expected, the Company could have to sell its residential units or lease its commercial units at reduced prices, or at a loss, or may not be able to sell them at all. Fluctuations in economic factors beyond the Company's control, such as the availability of credit for housing, prevailing interest rates, unemployment rates, salary levels and tax rates, cost of utilities, or partial or full removal of subsidies provided by the Saudi Arabian government, may also affect demand for residential and commercial units sold by the Company.

In addition, a number of the Company's clients purchase properties as investments, generally with a view to selling them for profit or leasing them for rental income. Any perceived or actual oversupply of residential properties in the Kingdom for sale may result in potential clients experiencing difficulty selling properties purchased from the Company, either for an expected profit or at all. This could result in a decrease in demand for the Company's properties from clients who expect to receive revenue from the part- or full-time rental of their properties.

There can be no assurance that the Company's sales backlog will be realized or that there is sufficient demand in the real estate market in Saudi Arabia to absorb all of the residential and commercial units that the Company will deliver at the prices anticipated by the Company or at all.

In addition, on 03/04/1447H (corresponding to 25/09/2025G), the Council of Ministers in the Kingdom of Saudi Arabia issued a resolution approving a new regulation stipulating the suspension of rent increases for a period of five years within the urban boundaries of Riyadh City. This applies to both existing and new residential and commercial contracts starting from 25/09/2025G and thereafter. The resolution also mandated the registration of all lease contracts on the "Ejar" platform, with the implementation of automatic renewal mechanisms for contracts and the specification of limited cases in which landlords may refuse renewal.

The resolution further stated that the rental price of vacant real estate shall not exceed the total value of the last valid lease contract for the vacant property, whereas the rental value of properties that have not been previously leased shall be determined by agreement between the two parties. The resolution allows landlords to increase the rental value of lease contracts subject to the regulation if the landlord makes structural modifications to the property or if the last lease contract for the property was executed before 2024G.

These regulations may materially affect the demand of the Company's customers for its real estate properties for leasing purposes to generate rental income, or the Company's ability to modify rental prices or renegotiate any real estate units it leases or rents, which may limit the Company's flexibility in managing its real estate portfolio and negatively affect its operating revenues, particularly if these regulations are extended to other regions in the Kingdom.

As the Company's revenue is derived almost entirely from the sale of residential units and the leasing of commercial space in the Kingdom, any adverse change in the demand for the reasons set out above or otherwise could have a material adverse effect on the Company's business, financial position, results of operations, and prospects.

2.2.4 Risks Related to the Illiquidity of Real Estate Investments

The Company's ability to quickly sell residential or commercial units in one or more of its projects in response to changes in political, economic, financial, and investment conditions is limited, as real estate investments are inherently low in liquidity and due to the cyclical fluctuations of real estate markets. The real estate market is influenced by numerous factors beyond the company's control. The Company may be required to mortgage some projects or parts thereof to secure its repayment obligations if financing is needed for project development. This could prevent the Company from selling the relevant projects or units in case of a default under the relevant financing arrangements. There is



no guarantee that the actual selling price of units in any of the Company's projects will reflect the valuation of the related project, especially if the Company is forced to sell under unfavorable economic conditions. Any of these factors, whether individually or collectively, could have a material adverse effect on the Company's business, results of operations, financial position and prospects.

2.2.5 Risks Related to Environmental, Occupational Health and Safety Matters, or Inadequate Reserves, Insurance or Insurance Proceeds

Under various Saudi laws, decrees, and regulations, the property owner may be liable for the costs of removing or treating certain hazardous or toxic materials present in or on the concerned property. The provisions of such laws may require the party to bear a share of the responsibility exceeding their share or to bear full responsibility, regardless of whether the owner was aware or responsible for the presence of the hazardous or toxic materials in question. Under these laws, there is no cap on the costs of the corrective actions required or the owner's liability for any property, and thus such costs and actions may exceed the value of the property itself or the total value of the owner's assets. The presence of such materials or the failure to take the necessary corrective actions to eliminate the resulting pollution may negatively impact the owner's ability to sell properties or borrow funds using them as collateral. The presence of such materials in any of the Company's projects could negatively impact its business. There is no guarantee that the Company's business will not be materially and adversely affected as a result of incurring costs to comply with environmental regulations or defending against personal injury claims and property damage claims based on the presence of hazardous or toxic materials.

Furthermore, many insurance companies exclude asbestos-related claims (also known as rock wool) and most mold-related claims from their standard insurance policies. In the event of a significant loss that is either uninsured or exceeds the insurance coverage limits, the Company may lose invested capital and expected future revenue while still being obligated to fulfill its outstanding debt liabilities, which could have an adverse impact on the Company's business, results of operations, financial position, and prospects.

2.2.6 Risks Related to the Application of the Real Estate Transaction Tax

The Real Estate Transaction Tax (RETT) was imposed by virtue of Royal Order No. A/84 dated 14/02/1442H (corresponding to 02/10/2020G). This tax, equal to 5% of the property transaction value, is collected upon documentation of the real estate transaction. The Real Estate Transaction Tax is a new tax added to other taxes and fees imposed on certain industries in the Kingdom and exempts some real estate transactions taking place after the entry into force of the Royal Order from value added tax.

The relatively recent implementation the Real Estate Transaction Tax lacks clarity in some cases, requiring the Company to interpret its application in specific scenarios. However, the Zakat, Tax, and Customs Authority may not agree with the Company's conclusions, which could arise from differing interpretations. Should this occur, the Company may incur additional tax liabilities and costs, which could adversely impact its business, financial position, results of operations and prospects.

Furthermore, any future increases or changes in the RETT or its application, whether through higher rates or adjustments to its calculation, could negatively affect the Company's business, financial position, results of operations, and prospects.

2.2.7 Risks Related to the Impact of the Highly Competitive Industry in which the Company Operates

The real estate sector in Saudi Arabia, and in particular the development of residential and commercial real estate projects in the Kingdom, is highly competitive, and the Company expects such competition to increase and intensify in the future. The Company faces competition from local real estate developers in the areas where it currently operates and in locations where it may develop new projects in the future. Competition may impact the Company's ability to sell its residential units at expected prices, if at all. The Company's competitors may lower their pricing for comparable developments, which could result in downward pricing pressure. In addition, the Saudi government could decide to support new entrants or other property development companies to implement its general development strategy, which would further increase competition. The Company also faces the risk that competitors may anticipate and capitalize on certain potential investment opportunities in advance of the Company doing so. Increased competition may also increase the Company's costs of financing, materials, and sub-contractors. Certain of the Company's competitors may have greater financial, technical, marketing or other resources, including with respect to the size and quality of their land, and, therefore, may be able to withstand increased costs, price competition and volatility more successfully. Any oversupply or competition in the Company's market could have a material adverse impact on its business, results of operations and financial position.



As the property development market in the Kingdom is currently fragmented, property developers may also consolidate to achieve economies of scale. If consolidation in the Saudi real estate market were to occur, there is a risk that the Company would have to operate in a more competitive market place and against larger competitors than it has had historically. The Company may not be able to effectively compete with present and future competitors. Changes in the competitive environment could cause a reduction in its margins and cause the Company to lose or reduce market share, and this, in turn, would adversely and materially affect the Company's business, results of operations, financial position and prospects.

2.2.8 Risks Related to White Land and Vacant Real Estate Fees

The White Land and Vacant Real Estate Fees Law, issued pursuant to Royal Decree No. (M/244) dated 07/11/1446H and amended by Council of Ministers Resolution No. (758) dated 01/11/1446H (corresponding to 29/04/2025G), imposes annual fees on undeveloped white lands and developed but unused real estate owned by one or more natural or non-governmental legal persons, at a rate of up to 10% of the value of the land or real estate. The fee is determined based on its location within the urban boundary and the development priority specified by the Ministry of Municipal, Rural Affairs and Housing.

"White lands" refer to undeveloped plots designated for residential or mixed residential-commercial use within the urban boundary, while "vacant real estate" includes developed buildings that are un-occupied or not actually used. The application of the fee requires that the area of the land, or the total area of the lands owned by a person within the city, not be less than 5,000 square meters, and that the land or real estate be capable of immediate development or use, with the availability of basic services.

The Implementing Regulations set the criteria for value appraisal, including the location of the land or real estate, its uses, building regulations, and the coefficient for availability of public services and access to public utilities. The Ministry of Municipal, Rural Affairs and Housing has also announced the geographic-zone maps subject to the application of White Land Fees in Riyadh City and the fees imposed thereon as follows:

- **First tier (highest priority):** an annual fee of 10% of the value of the land is imposed. It is noted that the Company has a parcel falling within the scope of the first tier located in the Al Malqa district in Riyadh City with an area of 1,500 square meters, and it is noted that this parcel is currently in the final stages of construction and in the process of issuing a building completion certificate.¹
- **Second tier (high priority):** an annual fee of 7.5% of the value of the land is imposed.
- **Third tier (medium priority):** an annual fee of 5% of the value of the land is imposed. It is noted that the Company has one parcel within the scope of the third tier with a total area of 900 square meters, and it is noted that this parcel is currently at the stage of issuing a building permit.
- **Fourth tier (low priority):** an annual fee of 2.5% of the value of the land is imposed. It is noted that the Company has a group of parcels within the scope of the fourth tier with a total area of 42,901.55 square meters. These parcels are still under construction/permit issuance.
- **Fifth tier (outside the priority scope):** no annual fee is imposed thereon, and they are counted within the total white lands owned by the taxpayer within the city.

The fee is not applied to land subject to the application if the development or construction of the land is completed within one year from the date of issuance of the decision. If the taxpayer completes the development or construction within the one-year period after having paid the fee, the amount paid for that year shall be refunded.

The Law stipulates that owners of lands and real estate announced as subject to the fee must submit to the Ministry of Municipal, Rural Affairs and Housing the relevant documents and data and register them through the approved platforms. The owner of the land or real estate is notified of the decision subjecting it to the fee and of the fee amount due, in accordance with the notification mechanisms set out in the Implementing Regulations, and is granted a period of 60 days to submit an objection. If the objection is not accepted, the owner is required to pay the fee, and failure to pay within the specified deadlines may result in the imposition of additional fines up to the amount of the fee itself.

The Company confirms its commitment to register all lands owned by it within the database of the Ministry of Municipalities and Housing.

Accordingly, in the event that the Company owns white lands within the urban boundaries specified by Law in the context of its activities, it will be subject to the imposition of fees if the Company is unable to develop them immediately. Additionally, the prices of undeveloped lands may be subject to decline due to this decision.

¹ The Company also entered into a contract to purchase a 7,800 square meters plot of land in the Al Nada district that falls within the scope of the first tier, the ownership of which has not yet been transferred to the Company. For more information about the contract, please refer to Table 12.55 ("Al Nada Project: Real Estate Sale and Purchase Agreement between the heirs of Suleiman bin Abdulaziz bin Rayes and the heirs of Sarah bint Abdullah Al-Nemer and the Company dated 12/08/2025G.").



In addition to the foregoing, on 08/06/2023G, MoMAH notified the Company of the imposition of SAR 283,565.46 in white land fees on an 8,686.5 square meters plot of land the Company owned at that time in Dammam, pursuant to title deed No. 399022004103 issued on 05/05/1444H. The Company objected thereto 07/05/2025G on the basis that the white land fees should not apply to the land, as it did not meet the required minimum total area under the Law. It is noted that objections to white land fees must be submitted within 60 days of notification, and that the Company's objection was not submitted within said deadline. If the objection is not accepted, the Company will be required to pay the fee. It is also noted that failure to pay white land fees by their due dates may result in additional penalties, in a total value not exceeding the original fee amount. If the Company is unable to develop the lands within the specified period, or if the Ministry does not classify the Company's lands located within the geographic zones subject to the application of White Land Fees as lands under development, this may result in fees being imposed on the Company. In the event any of the foregoing risks materialize, this would have a negative and material impact on the Company's business, results of operations, financial position, and prospects.

2.2.9 Risks Related to Expropriation

The government of the Kingdom of Saudi Arabia, along with certain governmental entities, have the right to expropriate property for public benefit (e.g., for building roads and public facilities). In the event of expropriation, the acquisition occurs after an unspecified notification period, as it is governed by a specific law. Although compensation may be paid, there is a risk that the compensation amount may not be sufficient compared to the level of investment, lost profits, or the increase in investment value. The compensation amount may be less than the market value of the property at the time of acquisition or less than the price paid during purchase. If any of the Company's properties are expropriated, this could have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.2.10 Risks Related to the Cost of Electricity, Water and Other Services

Regulatory authorities in the Kingdom, including the Council of Ministers, the Ministry of Energy, and the Ministry of Environment, Water, and Agriculture, periodically and unexpectedly increase the tariffs for essential resources such as electricity, water, and fuel. These increases generally raise operating costs for all companies but have a particular impact on companies operating in the real estate sector. The Company may not be able to pass any expenses increase to its clients, which could lead to an increase of the Company's overall costs and to additional operating costs, resulting in a material adverse effect on the Company's business, financial position, results of operations, and prospects.

2.2.11 Risks Related to Natural Disasters

The Company may incur substantial costs in the event of natural disasters beyond its ability to manage or control, such as floods, earthquakes, storms, and other catastrophes that could damage the Company's projects or facilities. Natural disasters may also affect the Company's ability to continue its operations, leading to a decrease in the revenues generated from these operations. Therefore, the occurrence of any natural disaster causing harm to the Company's projects or facilities could have a significant and material negative impact on its business, results of operations, financial position, and prospects.

2.2.12 Risks Related to Permits, Licenses and Approvals Necessary for the Company's Business Operations

The Company is required to obtain and maintain the necessary regulatory permits, licenses and approvals from various government authorities to conduct its business and activities. These permits, licenses and approvals include, but are not limited to, Ministry of Municipalities and Housing licenses, commercial registration certificates for the Company issued by MoC, trading licenses issued by various municipalities, Amana (building) Completion Certificate, civil defense permits, membership certificates with the relevant chambers of commerce, trademark registration certificates, Saudization and GOSI certificates in each case relating to the business operations of the Company. Each approval is dependent on the satisfaction of certain conditions. In particular, Amana (Building) Completion Certificates are required in respect of new projects to indicate whether an asset has been built in accordance with the requirements set out in the relevant building permit. Assets constructed in violation of the conditions or parameters in a building permit may be subject to a range of penalties including fines or, in more extreme cases, closure or demolition. See Section 12.6 (**"Government Consents, Licenses and Certificates"**) for further information.

The Company may encounter difficulties in obtaining these licenses, permits or other government approvals, or in fulfilling the conditions required for obtaining these licenses, permits or other approvals, or that it will be able to comply with new laws, regulations or policies that may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals.



Most of the Company's existing licenses are subject to conditions under which they might be suspended or terminated if the Company fails to fulfil and abide by the underlying conditions. Moreover, when seeking to renew or amend the scope of a license, there is no guarantee that the concerned authority will renew or amend the license or that, if it does renew the license, no conditions will be imposed which might adversely affect the Company's performance.

If the Company fails to obtain or renew a license necessary for its operations, or if any of its licenses expire or are suspended, renewed under unfavorable conditions to the Company, or if the Company is unable to obtain additional licenses required in the future, the Company will be required to cease carrying on its business totally or partially or will be subject to fines issued by the relevant governmental authorities. This would interrupt or delay the Company's operations and cause the Company to incur additional costs, and would adversely and materially affect the Company's business, results of operations, financial position and prospects.

2.2.13 Risks Related to Changes in Laws and Government Policies in Saudi Arabia

The Company is subject to a range of laws and regulations in Saudi Arabia, which in many cases are applied by governmental authorities in accordance with government policy or directives. Demand for residential units sold by the Company may be materially and adversely affected by changes in laws, regulations, government policy and administrative directives, or the interpretation thereof, in Saudi Arabia, including in particular those with application to the real estate industry in Saudi Arabia.

A number of the laws and regulations applicable to the Company and its operations are new, and the interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency, and their implementation, interpretation and enforcement may involve uncertainty. There can be no assurance of favorable or unfavorable future changes in laws and regulations and/or governmental policy in Saudi Arabia with respect to the retail industry, including the promulgation of new laws (which may, for example, provide restrictions on retail trading hours), changes in existing laws or their interpretation or enforcement. As a result, there is uncertainty as to the legal protection available to the Company and its shareholders.

In addition, the Building Code issued in 2018G by the National Committee for the Saudi Building Code introduced new technical requirements applicable to buildings for safety, strength and sustainability purposes. Pursuant to the Saudi Building Code Application Law issued by Royal Decree No. M/43 dated 26/04/1438H (corresponding to 24/01/2017G) and as amended by Royal Decree No. M/15 dated 19/01/1441H (corresponding to 18/09/2019G), and the Implementing Regulations of the Saudi Building Code, by end of August 2021G complex buildings (banquet halls, cinemas, theaters) health care centers, hotel furnished apartments, hostels, residential building and recreational facilities, and by end of July 2022G business buildings (among other building categories), must comply with the requirements under the newly issued Saudi Building Code National Committee. The Saudi Building Code Application Law and the Implementing Regulations of the Saudi Building Code provide that whoever violate the Saudi Building Code, any provisions of the law and its implementing regulations shall be subject to a fine up to SAR 1 million for each single violation in each building and/or the suspension of the practice license for a period not less than one month and not exceeding one year. Moreover, any revisions to the Building Code could impose material obligations on the Company, with which it may not be able to comply in a timely manner. This could lead to the imposition of fines or sanctions on the Company, which could adversely and materially affect the Company's business result of operations, financial position and prospects.

The Company is unable to anticipate changes in the regulatory environment and therefore could be subject to fines and sanctions, which could materially and adversely affect the Company's business, results of operations, financial position and prospects.



2.2.14 Risks Related to Saudization, Foreign Labor, and Other Labor Law Requirements

The Saudization Program (Nitaqat) was adopted pursuant to the Ministerial Resolution No. 4040 dated 12/10/1432H (corresponding to 10/09/2011G), under which the Ministry of Human Resources and Social Development requires institutions to employ Saudi nationals. Compliance with Saudization requirements is a local regulatory requirement necessitating that all companies active in Saudi Arabia, including the Company, employ and maintain a certain ratio of Saudi personnel among their staff. The percentage of Saudi workers varies on the basis of a company's activities. The Company has been classified within the Platinum range, which means that the Company complies with the current Saudization requirements.

As of December 2024G, the number of Saudi nationals employed by the Company reached 60%. The Company and has obtained the relevant certificates to this effect from the Ministry of Human Resources and Social Development.

Generally, under the Saudi Labor Law, foreign employees are only permitted to work for the entity which sponsors them in Saudi Arabia, lent by a licensed manpower company, or providing services under a valid services agreement (within their employer or sponsor's licensed activities), and in both, the latter cases shall be registered through Ajeer. The Company employs a number of non-Saudi employees who are sponsored by third-party recruiting companies. The fees for transferring employees from one company to another are between SAR 2,000 and SAR 6,000 (depending on the number of times an employee has transferred their sponsorship in the past). For further information on the employees, please refer to Section 4.10 ("**Employees**") of this Prospectus. The risks related to the requirements applicable to non-Saudi employees include facing fines or penalties, such as suspension of MHRSD recruitment systems or services in the event of violating laws pertaining to Iqama, transfer of sponsorship, Ajeer certificates, secondment, and residency professions, which would adversely affect the Company's business and results of operations. The penalties for entities seconding foreign employees under their own sponsorship to another entity without an Ajeer certificates include, for a first-time violating entity, a fine of up to SAR 25,000 for each employee working in violation of the law, and these fines increase in case of repeated violations.

In addition, under the Saudi Labor Law, each foreign employee must carry out the job function stated on his / her Iqama. It should be noted that some of the Company's foreign employees carry out job functions that are different from those defined on their Iqama; which the Company is correcting as at the date of this Prospectus. The penalties for entities hiring foreign national employees whose actual job function does not correspond with the job function appearing on their Iqama include, for a first-time violating entity, a fine of SAR 10,000 for each employee working in violation of the law, and these penalties increase in case of repeated violations.

The Company may not be able to fulfil current or enhanced Saudization or other Labor Law requirements in the future and/or that the minimum wage required to be paid by the Company will not increase. In case of non-compliance with the Saudization requirements, the Company could face sanctions by governmental authorities, such as suspension of work visa requests and of transfers of sponsorship for non-Saudi employees. In addition, there can be no assurance that the Company will be able to provide the required workforce or recruit the required number of Saudi nationals and/or foreign workers without incurring additional costs, if at all, which would adversely and materially affect the Company's business, results of operations, financial position and prospects. For further details, please refer to Section 4.11 ("**Saudization**").

2.2.15 Risks Related to the Competition Law

The Competition Law promulgated by Royal Decree No. M/75, dated 29/06/1440H (corresponding to 6 March 2019G) and its implementing regulations issued by the General Authority for Competition pursuant to Resolution No. 337, dated 25/01/1441H (corresponding to 24/09/2019G) prohibit practices (including agreements or contracts made between entities, irrespective of whether they are written or oral, express or implied) with anti-competitive objectives or effects, including practices such as fixing prices of goods, service fees, or terms of purchase and sale. Should the GAC decide to lead an investigation into the Company, or otherwise conclude that the Company is in breach of the applicable Competition Laws, it may impose on the Company a fine of up to 10% of the total annual sales value which is the subject of the violation or no more than ten million (10,000,000) Saudi Riyals where it proves impossible to estimate such value. Moreover, the GAC may, at its discretion, impose a fine of up to three times the revenues made as a result of the breach and order the (partial or full) suspension of the Company's activities temporarily or permanently in case of repeated breach.

The Company is not currently subject to any financial penalties or fines imposed by the General Authority for Competition.

The occurrence of any of the abovementioned risks would have a material and adverse effect on the Company's relationships with its suppliers, revenues, financial position, results of operations and prospects.



2.2.16 Risks Related to the Outbreak of an Infectious Disease or Other Serious Public Health Concerns

The outbreak of an infectious disease, such as Middle East Respiratory Syndrome (MERS), H1N1, SARS and, most recently, the Novel Coronavirus (COVID-19) in the Middle East or elsewhere would have a materially negative impact on the Kingdom's economy and business operations of the Company. Since late December 2019G, there has been an outbreak of COVID-19, first in China and then globally. COVID-19 is an infectious disease caused by a highly contagious virus causing respiratory infection and other symptoms such as fever, cough and shortness of breath.

Following the outbreak of COVID-19, governments in numerous countries have implemented travel restrictions or mandatory quarantine measures on international travelers and, in many cases, on residents within cities, regions or provinces of certain countries. The Saudi government has implemented a range of containment measures in response to the outbreak. These include, or have included at various times:

- The temporary suspension of visas to foreign religious tourists intending to visit Makkah and Madinah for Hajj and Umrah;
- The temporary restriction on all Saudi resident Hajj and Umrah pilgrims from visiting Makkah and Madinah;
- The temporary suspension of all flights (international and domestic) and inter-urban bus, taxi, and train service;
- The temporary suspension until further notice of travel between regions and cities within Saudi Arabia;
- The temporary suspension of attendance at workplaces in all government agencies, except for the health, security, and military sectors, as well as the National Cyber Security Center;
- The temporary suspension of attendance in the private sector, with the exception of vital sectors, such as health and food;
- Full curfew in all cities of Saudi Arabia (where there is a concentration of cases), including Makkah, Madinah, Riyadh and Jeddah;
- The imposition of restrictions on the times allowed to carry out economic and commercial activities;
- The closure of all public spaces except as otherwise formally directed (including entertainment venues and malls) in the Kingdom; and
- Full or partial curfews in a number of cities and regions of the Kingdom.

There can be no assurance that the containment measures outlined above will be effective in stopping or curtailing the current or future spread of epidemics in the Kingdom. Moreover, the containment measures outlined above would have a material and adverse effect on the Saudi economy and investor and business confidence for a period which is difficult to predict. This would, in turn, materially and adversely affect the Company's business, results of operation, financial position and prospects.

As a result of these epidemics, the Company may also face risks threatening the continuity of its operations. In addition, if any member of the Company's Board of Directors, Senior Executives, or other employees becomes infected, the Company may be forced to temporarily halt operations or place infected individuals under quarantine, which, in turn, will disrupt the normal operation of the Company's business. Prolonged epidemics, in severe cases, may force the Company to temporarily suspend its operations.

The aforementioned also applies if other infectious diseases emerge in the future or if serious health risks arise that threaten the public in the Kingdom of Saudi Arabia. Any of the aforementioned factors (including future outbreaks of infectious diseases) will have a material and negative impact on the Company's business, results of operations, financial position, and prospects.

2.2.17 Risks Related to the Companies Law

The Companies Law issued under Royal Decree No. M/132 dated 01/12/1443H (corresponding to 30/06/2022G), which entered into effect on 26/06/1444H (corresponding to 19 January 2023G) (the "**New Companies Law**") imposes certain regulatory requirements that the Company must abide by. To comply with such requirements, the Company must adopt specific procedures such as amending its Bylaws to comply with the Companies Law and adhere to the periods stipulated for holding General Assembly meetings.

Article 71 of the Companies Law provides that no member of the Board of Directors shall have any interest, directly or indirectly, in the transactions or contracts made for the Company, except with the authorization of the Ordinary General Assembly and according to the controls imposed by the competent authority. Board members shall inform the Board of Directors of any interest, direct or indirect, in the transactions or contracts made for the Company and such disclosure shall be recorded in the minutes of the Board meeting. Such board member may not participate in voting on the resolution to be issued in this regard by the Board of Directors and shareholders' assemblies.



The Companies Law imposes stricter penalties for violation of its mandatory provisions and articles. Fines for violating some of the provisions may reach SAR 5,000,000. Therefore, if the Company is subjected to a penalty due to non-compliance with these provisions, or if it does not comply with the provisions of its Bylaws, this will have a material adverse effect on the Company's business, financial position, results of operations, and prospects. It should be noted that the Company has not been subjected to any fines or penalties as a result of non-compliance with the Companies Law.

2.2.18 Risks Related to Zakat

The Company is subject to the requirements of the Zakat, Tax, and Customs Authority (ZATCA) in the Kingdom. The Company has submitted its Zakat declarations since its establishment, including for the years ended 31 December 2022G, 2023G and 2024G, and has paid all Zakat dues accordingly. The Company has received Zakat certificates for the Financial Years Ended 31 December 2022G, 2023G and 2024G. As of the date of this Prospectus, ZATCA has not issued any final Zakat assessments for the Company since 2017G.

It should be noted that the Company excluded "**Properties Under Construction**" from the Zakat base in the relevant declarations, despite their classification as "**current assets**" in the financial statements for FY2022G and FY2023G. Although the Company's calculations align with Zakat regulations, due to the disclosure nature in the audited financial statements (i.e., as current assets), ZATCA may object to treating such real estate assets as deductible from the Zakat base in accordance with the conditions stipulated for such deductions. Should ZATCA object to the adopted Zakat treatment, it may result in additional Zakat liabilities of SAR 5.9 million and approximately SAR 8 million for FY2022G and FY2023G, respectively.

Additionally, it should be noted that the Company has not settled Zakat on its share in investment funds for FY2023G, in accordance with Zakat regulations, which allow deductions for non-trading investments within the Kingdom from the Zakat base, provided the investor is registered with ZATCA and subject to Zakat in accordance with Zakat regulations. However, according to Ministerial Resolution No. 29791, the value of the investment in the fund may be deducted from the Zakat base if the investment in the fund is non-trading and the investor calculates and settles Zakat on its share in the fund. Should ZATCA object to the adopted Zakat treatment, it may result in additional Zakat liabilities of approximately SAR 8.2 million for FY2023G.

It should also be noted that the Zakat base did not include the opening balance of the "**additional capital**" amounting to SAR 236 million, nor the additions to the capital balance during the year amounting to approximately SAR 2.3 million. Should ZATCA object to the adopted Zakat treatment, it may result in additional Zakat liabilities of SAR 6.1 million for FY2021G.

Furthermore, the Company did not include certain liabilities that had been outstanding for one full year in its Zakat base for the fiscal year ended 31 December 2022G, which may result in an additional Zakat liability of approximately SAR 396 thousand imposed by ZATCA.

There is a risk that Zakat or tax liabilities and penalties may be imposed on the Company in the event of non-compliance with applicable rules and regulations, including incorrect tax assessments inconsistent with the applicable tax rules, regulations, or current practices at ZATCA and related guidelines. The Company may not have allocated sufficient tax provisions to cover these potential liabilities. This could materially and negatively impact the Company's business, results of operations, financial position, or prospects.

Current shareholders undertake to bear any additional claims (in the event they exceed the provision recorded in the Company's books) that may arise from zakat assessments by the Zakat, Tax and Customs Authority for previous fiscal years up to the date of the Company's listing on the Main Market of the Saudi Exchange.

Pursuant to the Tax / Zakat regulations currently in force in the Kingdom, if Tax / Zakat returns are filed within the statutory deadlines, the statutory time limit is five (5) years from the submission of returns. Such statutory time limit may be extended to ten (10) years in the following cases:

- Filing of Tax / Zakat returns after the statutory deadline;
- Filing of incomplete returns;
- Filing of returns with material errors contained therein; or
- Failure to pay the Tax / Zakat during the statutory time limit.

For the avoidance of doubt, while the typical statute of limitations for Tax/Zakat purposes is five (5) years in the Kingdom, ZATCA considers that such statute of limitations does not apply to non-resident taxes (such as withholding tax).



It should be noted that the statute of limitations for VAT is five (5) years from the end of the calendar year in which the VAT return is submitted. If ZATCA does not issue any inquiries or assessments five (5) years after the end of the calendar year in which the VAT return was submitted, the VAT returns shall be considered closed for the relevant period (i.e. it falls within the statutory time limit). It is worth noting that according to Article 64 of the implementing regulations of the VAT Law, ZATCA has the right, in some exceptional cases, such as transactions concluded with the intention of violating the provisions of the Value-Added Tax Law or the implementing regulations, to issue or amend assessments for a maximum period of twenty (20) years from the end of the calendar year in which the tax period falls.

2.2.19 Risks Related to the Imposition of Additional Fees or New Taxes

The Company is currently subject to Zakat, VAT, Real Estate Transaction Tax and Withholding Tax. However, the government may impose other fees or additional taxes on companies in the future. In the event that new taxes or fees are imposed on companies, other than the current ones, this may adversely and materially affect the Company's business, financial position, results of operations and prospects.

For example, any potential future VAT increase may reduce the level of demand for the Company's products or affect its profitability, which would have a material adverse impact on the Company's business, financial position, results of operations and prospects.

2.2.20 Risks Related to VAT

The Kingdom issued the Value Added Tax (VAT) Law, which came into effect on 14/04/1439H (corresponding to 01/01/2018G). This Law imposes a 5% VAT on a variety of goods and services, including the Company's products.

On 17/09/1441H (corresponding to 10/05/2020G), in response to the economic impact of the COVID-19 pandemic, the Kingdom announced an increase in the VAT rate to 15%, which came into effect on 10/11/1441H (corresponding to 01/07/2020G). The Company has filed all its VAT returns since its registration (since 01/01/2018G until 30/09/2024G), by the statutory deadlines. The Company also paid all liabilities to the Zakat, Tax and Customs Authority by the statutory deadlines.

Given that the VAT has been implemented relatively recently, the Company could make errors when implementing the regulatory requirements, which would lead to facing penalties imposed by the Zakat, Tax and Customs Authority in accordance with the Value-Added Tax Law. Should that occur, it would have an adverse and material impact on the Company's business, results of operations, financial position and prospects.

The average value of gifts provided by the Company to employees and clients exceeds SAR 500,000 annually. Accordingly, ZATCA may consider the value of these gifts non-trivial and reject the VAT claimed by the Company in its VAT returns for the period under review. Additionally, ZATCA may impose penalties equal to 50% of the due tax in case of a false report or a fine of no less than 5% of the due VAT per month in case of delayed payment.

In such a case, this could result in additional liabilities (for additional VAT and penalties) of approximately SAR 300,000 for FY2023G and FY2024G.

Moreover, the Company claimed a certain portion of VAT related to taxable activities under the VAT refund system for qualified persons instead of claiming it in the VAT return during the period from FY2021G to FY2023G. However, under VAT regulations, VAT related to taxable activities must be claimed within VAT returns, and only VAT related to exempt activities can be claimed under the VAT refund system for qualified persons for licensed and qualified real estate developers. Therefore, ZATCA may object to the Company's returns for the relevant periods. This could result in additional liabilities (for additional VAT and penalties) of approximately SAR 731,000.

Additionally, the Company claimed a certain portion of VAT related to exempt activities in the VAT return instead of claiming it under the VAT refund system for qualified persons during the period from Q4 2022G to July 2023G. Under VAT regulations, VAT related to exempt activities must be excluded from VAT returns, and only VAT related to taxable activities can be claimed in VAT returns.

As a result, ZATCA may object to the Company's returns and reject the claimed VAT on expenses directly and jointly attributed to exempt activities and may apply penalties. This could result in additional liabilities (for additional VAT and penalties) of approximately SAR 256,000.



2.3 Risks Related to the Offer Shares

2.3.1 Risks Related to the Effective Control by Current Shareholders

Following completion of the Offering, the current Shareholders will collectively hold 70.0% of the Company's Shares. The Substantial Shareholders will therefore be able to influence all matters and decisions requiring the approval of the Shareholders including the election of the Directors, approval of contracts, important Company activities, distribution of dividends and amendments which might be made to the Company's share capital and the Bylaws.

The interests of the Substantial Shareholders may differ from those of the Company's other shareholders, and the Substantial Shareholders may prevent the Company from making certain decisions or taking certain actions that would protect the interests of the Company's other shareholders. This may also have the effect of delaying, deferring or preventing a change in control or distribution of dividends and discourage bids for the Shares, which may adversely affect the value of the Shares.

Such powers might be used in a manner which would adversely and materially affect the Company's business, results of operations, financial position and prospects.

2.3.2 Risks Related to the Absence of a Prior Market for the Shares

The Company's Shares have not previously been offered or traded on a public stock exchange, and there can be no assurance that an active and liquid market for the Shares will develop or be sustained post- Offering. If an active and liquid market is not developed or maintained, the trading price of the Shares would be adversely affected or potentially lead to a partial or total loss of Subscribers' investments in the Company, which would adversely and materially affect their anticipated returns.

2.3.3 Risks Related to Future Sales and Offers

The sale of large numbers of the Shares on the market after the completion of the Offering, or the perception that those sales will occur, will adversely affect the market price of the Shares.

Upon the successful completion of the Offering, the Substantial Shareholders will be subject to a lock-up period of twelve months during which they may not dispose of any Shares that they own. The sale of a substantial number of Shares by any of the Substantial Shareholders following their twelve-month Lock-up Period will have an adverse effect on the market for the Shares, and may result in a lower market price.

The Company does not currently intend to issue additional Shares after the end of the Offering. If the Company decides to raise additional capital by issuing new Shares, the newly issued Shares may cause the value of the Shares to drop and could reduce Shareholders' ownership percentage in the Company if they do not subscribe for new shares at that time. The occurrence of any of the foregoing factors would have a material adverse effect on Subscribers' anticipated returns, or result in the loss of all or a portion of their investment in the Company.

2.3.4 Risks Related to Non-Publication of Research or the Publication of Negative Research About the Company

Post-listing, the Company's shares will be influenced by research and reports published by analysts regarding the Company or the sector in which it operates. If one or more analysts cease to cover the Company or fail to regularly publish reports about it, the Company may lose visibility and prominence on Tadawul, which could, in turn, lead to a decline in its share price or trading volume. Furthermore, if the Company's operating results fail to meet investors' expectations, one or more analysts covering the issuer may change their recommendations about the Company, and its Share price could decline.

2.3.5 Risks Related to Stock Price Volatility in the Market

The Offer Price was determined based on a variety of factors that have affected and may affect the Company and the value of Shares in the future. The Offer Price may not be an indication of the price at which the Shares will be traded in the Market once the Offering is completed, and Subscribers may not be able to resell the Offer Shares at or above the Offer Price, or may not be able to sell them at all.



The trading price of Shares may be volatile and may fluctuate significantly as a result of a variety of factors, many of which are outside the Company's control, including (but not limited to) the following:

- a- The Company's financial results and future business prospectus.
- b- Fluctuations in the Company's operational performance or in the performance of its competitors.
- c- Actual or expected fluctuations in the quarterly or annual results of the Company's operations.
- d- Reduction or change in research coverage by securities research analysts in relation to the Company, its competitors, or the sector in which the Company operates.
- e- The public's reaction to the Company's press releases and other public announcements.
- f- The results of the Company or its competitors not falling in line with the expectations of analysts.
- g- Appointment or resignation of key employees.
- h- Changes in the Company's business strategy.
- i- The general conditions of the sector in which the Company operates and the markets in which it competes.
- j- Changes in the regulatory environment.
- k- Changes in applicable accounting rules and policies.
- l- Political or military developments, or terrorist attacks in the Middle East or elsewhere.
- m- Political, economic or other developments that occur in or affect the Kingdom.
- n- Beginning or expiration of the lock-up period or other restrictions in the transfer of Shares.
- o- Natural and other disasters.
- p- Changes in the general market and economic conditions.

The occurrence of any of these factors may result in large and sudden changes in the trading volume and market price of the Shares, which in turn may lead to a negative impact on the Subscribers' expected returns and/or lead to the loss of all or part of their investment in the Company.

2.3.6 Risks Related to the Sale of a Large Number of the Company's Shares Post-Offering

The sale of large numbers of the Shares on the market after the completion of the Offering, or the perception that those sales will occur, will adversely affect the market price of the Shares.

Upon the successful completion of the Offering, the Substantial Shareholders will be subject to a lock-up period of twelve months during which they may not dispose of any Shares that they own. The sale of a substantial number of Shares by any of the Substantial Shareholders following their twelve-month Lock-up Period will have an adverse effect on the market for the Shares, and may result in a lower market price.

The Company does not currently intend to issue additional Shares after the end of the Offering. If the Company decides to raise additional capital by issuing new Shares, the newly issued Shares may adversely affect the value of the Shares in the market, and moreover there may be a decrease in the ownership portion of the actual Shareholders if they do not subscribe to the then newly issued Shares.

2.3.7 Risks Related to Foreign Currency Exchange When Investing in the Offer Shares

The Offer Shares, along with any distributed dividends, are denominated in Saudi Riyals . Accordingly, any investment in the Offer Shares by an investor whose primary currency differs from the Saudi Riyal will be exposed to foreign currency exchange rate risks, which may negatively impact the value of the investor's investments in the Offer Shares or any dividends associated therewith.

2.3.8 Risks Related to the Issuance of New Shares in the Market Post-Offering

If the Company decides to raise additional capital by issuing new shares, this will lead to a decrease in the equity of Company shareholders if they do not subscribe to the new shares issued at that time, which could have a negative and material impact on the expected returns of subscribers.



03

Market and
Sector Overview



3. MARKET AND SECTOR OVERVIEW

Introduction

The information presented in this section is sourced from a report prepared exclusively for the company by the market study advisor, Professional Realtors Company LLC, operating under the name Colliers, dated 16/05/1446H (corresponding to 18/11/2024G). Colliers is an independent firm specializing in strategic market research services, with a broad range of clients. Founded in 1976 and headquartered in Toronto, Canada, Colliers has no ownership stakes, interests, or shares in the company, nor do any of its subsidiaries, affiliates, partners, shareholders, board members, directors, or any of their relatives.

Research Methodology

The information presented in this section is based on comprehensive research conducted during the third quarter of 2024. The research methodology involved the collection of publicly available secondary data, including macroeconomic indicators and demographic statistics from reputable sources such as the General Authority for Statistics (GaStat), the Ministry of Finance (MOF), the Ministry of Justice (MOJ), Real Estate General Authority (REGA), the Vision 2030 website, and Euromonitor, among others. Additionally, the analysis incorporated the latest developments, trends, and insights specific to the Riyadh, Jeddah, Dammam Metropolitan Area, and Makkah markets, which were obtained through extensive research, field visits, and credible sources. All sources were meticulously examined and analyzed to provide a thorough market assessment and to identify historical trends across the residential and office sectors.

Residential demand is estimated based on the growing need for formal housing, driven by an increasing population and a decreasing average household size, in line with historical growth rates. Additionally, the estimation includes replacement demand, which accounts for approximately 1% of the existing housing stock. This represents the demand arising from the need to replace aging residential units.

The demand for offices is based on the employed population and the estimated proportion of white-collar employees requiring office space, assuming each employee requires an average of 12 sqm of office space. This demand is driven by projected growth in the employed population, based on the historical growth rate or the estimated growth rate based on the realization of vision targets concerning the expansion of non-oil economic sectors.

Market and Sector Overview

This section provides an in-depth analysis of the Saudi real estate market, focusing on key cities including Riyadh, Jeddah, Dammam Metropolitan Area (Dammam, Al Khobar, and Dhahran), and Makkah. The study delves into the Residential and Office sectors within Riyadh and Jeddah and extends to a detailed analysis of the Residential sector in Makkah, and the Dammam Metropolitan Area (DMA). It includes an overview of economic performance, population trends, household dynamics, and market performance. Additionally, Colliers conducted a company-specific assessment and benchmarking in Riyadh, focusing on competitors similar to The Company, particularly those developing freehold residential apartments and villas, and low-rise office parks.

3.1 Saudi Arabia Overview – Saudi Arabia's Economic and Demographic Trends

3.1.1 General Overview:

Saudi Arabia is the largest country within the Gulf Region based on land area and population. It has a land area of approximately 2.2 million square kilometers stretching from the Arabian Gulf towards its east to the Red Sea towards its west. It had a total population of 32.2 million in 2022 as per the recent Census. It has the largest economy in the Gulf Region in terms of Real GDP. It has the second-largest confirmed oil reserves in the world, and it is the birthplace of Islam and home to its most significant religious sites. Historically, majority of its revenues have been generated from oil exports and religious tourism. However, in recent years the Government has made significant efforts through its national transformation program known as the Saudi Vision 2030, with the major objective to diversify the economy through investment in non-oil economic sectors and promoting non-religious tourism in the country to achieve sustainable economic growth.



3.1.2 Macro-economic Indicators

3.1.2.1 National Account (GDP):

Saudi Arabia stands as the largest economy within the Gulf Cooperation Council, reaching a peak nominal GDP of SAR 4,157 billion for 2022 breaking through the ceiling of 1 trillion USD for the first time and becoming the 19th economy in the world to do so. However, the nominal GDP declined to SAR 4,003 billion in 2023, due to voluntary cuts in oil production. In 2023, KSA experienced a decline in Real GDP of (0.8%), due to a decline in GDP from oil activities of (9.0%), meanwhile, it had a growth of 4.4% in non-oil activities. Non-oil activities of KSA grew by an average of over 5.8% from 2021 to 2023, contributing SAR 1,732 billion to real GDP in 2023, indicating a share of 50% of total GDP. This highlights the growing success of the national strategic initiatives to diversify the economy away from oil exports.

The Ministry of Finance's Pre-Budget Statement for FY 2025 indicates that for FY2024, real GDP is expected to increase by 0.8%, on account of growth in non-oil activities which are expected to experience a growth of 3.7% based on positive performance observed in first half of FY2024 due to an increase in private consumption and investment, as well as strong growth observed in the last three years. Additionally, once expected interest rate cuts come into effect, they are expected to boost further economic growth. The Real GDP is projected to grow by 4.6% in 2025.

In terms of price stability, the average CPI rose by 1.6% in January to August 2024 as compared to the same period last year. Inflation is estimated to reach 1.7% for FY2024 and is projected to remain constant at 1.9% from 2025 to 2027. These rates are lower than the inflation projected in most global economies. The Kingdom has successfully maintained moderate inflation rates by introducing smart policies such as capping gasoline prices and increasing food stock availability.

The following table shows the Kingdom's actual, estimated, and projected GDP figures from FY 2023 to FY 2027:

Table (3.1): Economic Projections | GDP Figures from FY 2023 to FY 2027

Indicators	2023 (Actual)	2024 (Estimated)	2025 (Projected)	2026 (Projected)	2027 (Projected)
Nominal GDP (SAR Billion)	4,003	4,091	4,352	4,431	4,718
Inflation (% Change)	2.3%	1.7%	1.9%	1.9%	1.9%
GDP Deflator	115	117	119	117	119
Real GDP (SAR Billion)	3,469	3,496	3,657	3,785	3,963
YoY Change in Real GDP (%)	-0.8%	0.8%	4.6%	3.5%	4.7%

Source: Ministry of Finance, Pre-Budget Statement FY2025G and 2024G

Note: Figures may include rounding errors.

3.1.2.2 Revenue Streams & Government Expenditure

The Saudi Government has continued to focus on expanding non-oil revenues through various structural reforms, initiatives, and major investments in promising non-oil sectors with the aim to reduce reliance on oil exports and the economic impact of global oil price volatility. It can be observed that the share of non-oil revenues covering total expenditures in the budget had increased from 17% in FY2015 to around 35% in FY2023. This growth indicates the success of Government efforts in achieving the goal of stable and sustainable non-oil revenues which is expected to continue in the medium to long term. According to Ministry of Finance projections revenues for FY2025 are expected to amount to approximately SAR 1,184 bn, decreasing at a rate of 4.3% from the expected revenues at the end of FY2024, as the Government is using conservative estimates for revenue to account for any negative circumstances in the domestic and global economy in the short term. However, total revenues are projected to rise to SAR 1,289 bn in FY2027G due to a predicted upturn in the domestic and global economy.

As part of the National Transformation Plan, the Government has made substantial investments to achieve development goals, particularly in infrastructure development for large-scale Government projects, expanding non-oil sectors to diversify the economy and improving government services in sectors such as education, health, and social development to uplift the standard of living of its citizens and residents throughout the Kingdom. As per Ministry of Finance projections, the total expenditures are expected to grow from SAR 1,285 bn in FY2025G to SAR 1,429 bn in FY2027G.



The following table shows the actual, estimated, and projected figures for the National Budget of the Kingdom from FY 2023G to FY2027G:

Table (3.2): Fiscal Projections | Pre-Budget FY 2025

Indicators	2023 (Actual)	2024 (Estimated)	2025 (Projected)	2026 (Projected)	2027 (Projected)
Total Revenues (SAR Billion)	1,212	1,237	1,184	1,198	1,289
Total Expenditures (SAR Billion)	1,293	1,355	1,285	1,328	1,429
Budget Balance (SAR Billion)	(81)	(118)	(101)	(130)	(140)
As percent of GDP	-2.0%	-2.9%	-2.3%	-2.9%	-3.0%

Source: Ministry of Finance, Pre-Budget Statement FY 2025, 2024G

Note: Figures may include rounding errors.

3.1.3 Demographic Indicators

3.1.3.1 Population and composition by age

Based on the recent Census by GaStat conducted in 2022, the overall population of the Kingdom of Saudi Arabia has steadily increased from 24.0 million in 2010 to 32.2 million in 2022 at a compound annual growth rate (CAGR) of 2.5%. Based on historical growth, the overall population is projected to grow and potentially reach 39.1 million in 2030. This population growth is expected to be a key driver in supporting economic growth and increasing the Kingdom's attractiveness as a consumer market for local and global companies.

According to Census 2022 data, Saudi Arabia has a relatively young population with a median age of 29 years. Observing the population breakdown by age, it can be noted that 74% of the total population comprises people aged up to 39 years, which fall into the categories of Generation Z (aged up to 24) and Millennials (aged between 25-39). This can also be reflected in changing cultural trends from traditional to modern, which can be observed in declining household sizes and differing consumption patterns to name a few.

The following table shows the estimated population of the Kingdom from 2023G to 2030G:

Table (3.3): Population Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	19.3	19.7	20.2	20.7	21.2	21.7	22.3	22.8
Non-Saudis	Million	13.7	14.1	14.4	14.8	15.2	15.5	15.9	16.3
Total Pop.	Million	33.0	33.8	34.6	35.5	36.4	37.3	38.2	39.1

Source: GaStat, Saudi Census 2022G, Colliers Analysis.

Note: Figures may include rounding errors.

3.1.3.2 Households

The total number of households in Saudi Arabia is estimated to be 8.5 million in 2023. Based on historical growth CAGR of 3.6% from Census 1992 to Census 2022, the total number of households is projected to grow to 10.9 million in 2030. Additionally, the average household size is expected to decline from 3.9 in 2022 to 3.6 by 2030 reflecting a trend toward smaller household size moving away from traditional joint family structure. This increase in overall households presents a need for additional housing units which creates a potential opportunity for real estate developers.

The following table shows the estimated number of households in the Kingdom from 2023 to 2030:

Table (3.4): Number of Households Forecast 2023 to 2030

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	4.3	4.5	4.6	4.8	5.0	5.2	5.3	5.5
Non-Saudis	Million	4.2	4.3	4.5	4.6	4.8	5.0	5.2	5.4
Total HH.	Million	8.5	8.8	9.1	9.4	9.8	10.1	10.5	10.9

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024G

Note: Figures may include rounding errors.



The following table shows the estimated average household size in the Kingdom from 2023 to 2030:

Table (3.5): Average Household Size Forecast 2023 to 2030

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	HH Size	4.5	4.4	4.4	4.3	4.3	4.2	4.2	4.1
Non-Saudis	HH Size	3.3	3.3	3.2	3.2	3.1	3.1	3.1	3.0
Avg. HH. Size	HH Size	3.9	3.8	3.8	3.8	3.7	3.7	3.6	3.6

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024G

Note: Figures may include rounding errors.

3.1.3.3 Employed Population

As per GaStat labor statistics, the overall employed population of Saudi Arabia has increased by 11.5% from 10.5 million in Q2 2023 to 11.7 million in Q2 2024. Most of the increase came from non-Saudis as they increased by a percentage of 13.6%, while Saudi employed population increased by a lower percentage of 5.4% over the last year. The share of Saudis in the total employed population decreased slightly from 25% in Q2 2023 to 24% in Q2 2024. Additionally, the overall unemployment rate of Saudi Arabia improved from 4.1% in Q2 2023 to 3.3% in Q2 2024, the Saudi unemployment rate improved from 8.5 % in Q2 2023 to 7.1% in Q2 2024, while the non-Saudi unemployment rate improved from 1.4% to 1.1% over the same time period.

The Saudi Government has made substantial efforts to improve the unemployment rate specifically for Saudi nationals which include Saudization programs aimed towards increasing the proportion of Saudis in companies operating in the country and investing heavily in education and training programs to improve the skill level of Saudi citizens. Saudi Arabia has made good progress and has almost met the goal of Vision 2030 of decreasing the Saudi unemployment rate to 7%.

The following table shows the employed population figures of the Kingdom for Q2 2023 to Q2 2024:

Table (3.6): Employed Population KSA

Category	Unit	Q2'23			Q2'24		
Nationality		Male	Female	Total	Male	Female	Total
Saudi Employed persons	Million	1.6	1.0	2.6	1.7	1.1	2.8
Non-Saudi Employed Persons	Million	7.5	0.3	7.9	8.5	0.4	8.9
Total Employed Persons	Million	9.1	1.4	10.5	10.2	1.5	11.7

Source: GaStat, Labor Market Statistics Q2, 2024G

Note: Figures may include rounding errors.

The following table shows the unemployment rate of the Kingdom from Q2 2023 to Q2 2024:

Table (3.7): Unemployment Rate KSA

Component	Unit	Q2'23			Q2'24		
Nationality		Male	Female	Total	Male	Female	Total
Overall Unemployment rate	(%)	2.2	12.9	4.1	1.7	10.8	3.3
Saudi Unemployment rate	(%)	4.6	15.9	8.5	4.0	12.8	7.1
Non-Saudi Unemployment rate	(%)	1.1	5.5	1.4	0.8	5.0	1.1

Source: GaStat, Labor Market Statistics Q2, 2024G

Note: Figures may include rounding errors



3.1.4 Saudi Vision 2030 Key Highlights and Initiatives:

- The National Housing Program was launched as a part of Saudi Vision 2030 initiatives to enable Saudi families to own their homes by providing comprehensive housing and financing solutions. This initiative has achieved considerable success as the Saudi homeownership rate has increased to over 63% at the end of FY 2023 from a baseline of 47% in FY 2016, making good progress towards achieving the initial goal of 70% by the end of 2030. This has been achieved by the efforts of the Ministry of Municipalities and Housing which has launched several affordable housing projects in major cities through Government support. Several funds have been launched, such as the Real Estate Development Fund to support end users with reduced financing terms and other subsidies to reduce the burden of home ownership. Additionally, digital platforms such as Sakani have been launched that have contributed notably towards increasing home ownership by providing an easy solution for browsing relevant real estate projects and obtaining mortgage options.
- Saudi Arabia has introduced initiatives such as issuing the “**Special Privilege Iqama**”, a resident permit for highly skilled and wealthy expatriates. These are of two types which include permanent type with unlimited validity and a temporary type which will need to be renewed each year. The holders of such permits will be allowed to live in the Kingdom with their family, can apply for visit visa for relatives, recruit domestic workers and own properties among others. 73 premium residency visas were issued in November 2019 after approval of the program in May 2019. In 2024, Saudi Arabia expanded its Premium Residency program, simplifying applications and broadening eligibility to include five new categories aimed at attracting investors, entrepreneurs, talents, and professionals. As a part of this program, 2,645 health care workers from 56 countries were granted premium residency in October of 2024.
- Saudi Arabia has employed the National Tourism Strategy to establish the country as a global tourist destination. This involves the development of numerous mega projects specifically in Riyadh that are expected to serve as tourist attractions due to their massive scale and exceptional design. Some of the major projects include New Murabba, Diriyah Gate, Qiddiya, and King Salman Park situated in Riyadh. Some other key initiatives include the Saudi eVisa portal to facilitate faster visa processing. Additionally, the country has been striving to host multiple major global events such as Expo 2030 and FIFA World Cup 2034 that are expected to generate a lot of traffic and introduce global audiences to the modern Saudi Arabia. According to the Ministry of Tourism, the total number of domestic and inbound tourists reached 109.3 million, with approximately 25% being inbound tourists and the remainder domestic, which generated a combined tourism spending of SAR 255.6 billion in FY 2023. The initial target for Saudi Vision 2030 was 100 million tourists which has now been revised to 150 million by 2030. Additionally, according to the Ministry of Tourism data, in first half of FY 2024, the total number of tourists was recorded to be approximately 60 million, with total tourism spending reaching SAR 150 bn. This indicates a growing trend in the tourism sector.
- A crucial factor for Saudi Vision 2030 is the diversification of the economy through the expansion of important non-oil economic sectors. A key initiative to realize this is the National Industrial Development and Logistics Program which aims to transform the country into a key global participant in energy, mining, industry, and logistics sectors. This focuses on making substantial investments aimed towards developing infrastructure, promoting innovation in industry and logistics, and providing financing to new industrial ventures. As a result of these activities, in first half of 2024, the number of logistics centers with re-export links reached 22 and the cumulative government financing for high potential new industrial ventures increased from SAR 1.2 billion in FY 2019 to 20.4 billion in first half of FY 2024. Additionally, the number of active licenses for these industrial ventures reached 2,647. The King Abdulaziz Port in Dammam was upgraded by an investment of SAR 7 billion that has increased the container handling capacity to a total of 7.5 million containers. Additionally, 308 new factories started production from the beginning of FY 2024 till April and 410 new factory licenses were issued during the same period. The increase in domestic manufacturing industry led to an increase of 7.5% in non-oil merchandise in first half of 2024 compared to the quantum of exports over the same period last year.

3.1.5 Regulatory Initiatives for the Residential Sector:²

Regulatory initiatives, either already in place or soon to be introduced by the Government, aim to support the residential property market by opening the sector to foreign investors, incentivizing residential developers to increase housing supply, facilitating access to home financing, and adjusting taxes on real estate transactions.

- **Updated Investment Law (Upcoming):** The Ministry of Investment is drafting an “**Updated Investment Law**,” expected to come into effect in 2025. This law aims to ease restrictions on foreign investors and expatriates owning properties in KSA to attract foreign investment and stimulate the residential real estate sector.
- **Wafi Program (In Place):** The Wafi Program allows real estate developers to sell off-plan, providing developers with liquidity to ensure timely project delivery. In Q1 2024, REGA issued 33 off-plan sales licenses for projects comprising a total of 13,907 units.

2 Source: MOI; MoMaH; Argam; ZATCA, 2024



- **Digital Platforms (In Place):** Digital platforms such as Sakani and Ejar have been introduced, making it easier for residents to browse available housing units and access home financing solutions and government subsidies. These platforms have played a significant role in increasing homeownership among Saudi citizens.
- **Sharakat Program (In Place):** The Ministry of Municipalities and Housing is leveraging public-private partnerships (PPPs) through the Sharakat Program to offer more affordable housing solutions. This includes providing utility connections, fast-tracking approvals, supporting off-plan sales, and in some cases, approving higher built-up areas (BUA).
- **White Land Tax System (In Place):** A 2.5% tax on “White Lands” (undeveloped land exceeding 10,000 sqm) has been introduced to reduce speculative trading, limit price increases, and encourage the development of land.
- **Real Estate Transaction Tax (RETT) (In Place):** The previous VAT exemption on real estate transactions has been replaced with a 5% Real Estate Transaction Tax. A royal decree exempts first-time homebuyers from RETT for properties valued at SAR 1 million or less. Additionally, the Council of Ministers has approved a law that grants RETT exemptions in 21 specific cases, including property gifts between relatives and forced sales.

3.1.6 Regulatory Initiatives for the Offices Sector:

Regulatory initiatives have been introduced or are expected to be implemented by the Government to expand non-oil economic sectors, which are intended to increase employment levels and support the office real estate market. These initiatives include incentives to attract global companies and foreign investment to KSA, as well as supporting small to medium-sized local companies by providing financing solutions and simplifying incorporation procedures and requirements.

- **Regional Headquarters Program (In Place):** This program requires companies seeking to do business in KSA to establish regional headquarters in the Kingdom starting in 2024. Additional incentives include a 30-year income tax exemption. In the first two quarters of 2024, 184 companies obtained investment licenses to move their headquarters to KSA.
- **Foreign Ownership (In Place):** Companies are permitted 100% foreign ownership in most business sectors, provided they meet minimum capital requirements of USD 30 million, commit to investing USD 200 to 300 million over five years and have a presence in at least three regional or global markets.
- **Kafalah Program (In Place):** The Kafalah Program offers loan guarantees for micro, small, and medium-sized enterprises. In 2023, guarantees worth SAR 12.1 billion were provided, benefiting 5,476 organizations.
- **Special Economic Zones (In Place):** Five Special Economic Zones have been announced in KSA, covering various sectors. These include King Abdullah Economic City and the Riyadh Integrated Special Logistics Zone. Companies operating in these zones benefit from competitive tax rates and regulatory incentives.
- **New Investment Law (Upcoming):** The Ministry of Investment is drafting an “Updated Investment Law,” expected to take effect in 2025. The law is intended to reduce differences between local and foreign investors and simplify the investment process in the local market.
- **New Companies Law (In Place):** The Ministry of Commerce introduced the “New Companies Law” in early 2023. Key changes have been made to simplify legal requirements and procedures for small and micro companies, with a focus on promoting entrepreneurship.

3.2 Riyadh

3.2.1 Overview

Riyadh has experienced rapid growth in recent decades, in terms of population and urban development. Riyadh has immense economic significance and is considered the focal point for various economic sectors in the country which include real estate, finance, logistics, tourism and entertainment. Saudi Vision 2030 strategic initiatives involve a major focus on Riyadh with the aim of transforming it into a major business hub in the region and a global tourist destination. These initiatives include the Regional Headquarters Program with the aim of attracting major multinational companies to shift their regional headquarters to Riyadh, and development of several giga and megaprojects such as New Murabba, Diriyah Gate and Qiddiyah which are expected to attract tourists from all over the world due to their massive scale and exceptional design.

3.2.2 Population, Household, and Income

Based on the 2022 Saudi Census and historical trends, a base case scenario estimates that the population will reach approximately 8.7 million by 2030 from an estimated 7.2 million in 2023 assuming Riyadh's population is expected to grow at the historical CAGR of 2.8%. Concurrently, the number of households is anticipated to increase from approximately 2.0 million in 2023 to 2.7 million in 2030, reflecting a higher CAGR of 4.4%. However, another scenario has been tested that assumes a population growth rate which is higher than the historical growth rate, which is expected in line with strategic initiatives for Riyadh, which targets a population of approximately 10 million by 2030.



All projected figures following 2022 are based on the analysis and assumptions of Colliers, derived from the 2022 KSA Census and historical data trends.

The following table shows the estimated population of Riyadh between 2023G to 2030G:

Table (3.8): Population Forecast 2023 to 2030

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1
Non-Saudis	Million	3.8	3.9	4.0	4.1	4.2	4.4	4.5	4.6
Total Pop.	Million	7.2	7.4	7.6	7.8	8.0	8.3	8.5	8.7

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

The following table shows the estimated number of households in Riyadh between 2023G to 2030G:

Table (3.9): Household Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	0.8	0.8	0.9	0.9	1.0	1.0	1.1	1.1
Non-Saudis	Million	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.6
Total HHs.	Million	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

According to Euromonitor data, the estimated income segmentation within Riyadh shows that approximately 33% of households in 2023 earn a monthly income of more than SAR 16,000, while the rest 67% earn a monthly income of below SAR 16,000. Furthermore, 5% of households are estimated to be earning above SAR 40,000 per month. This distribution is expected to improve in 2030 with approximately 40% of households expected to earn above SAR 16,000 per month, while the rest 60% are expected to earn below this amount and 7% are expected to earn above SAR 40,000 per month.

This suggests an anticipated improvement in average income levels and, consequently, the standard of living for residents in Riyadh, driven by economic expansion initiatives. However, a major portion of the population would require affordable housing units due to relatively lower average income levels.

3.2.3 Supply

The total supply of residential units in Riyadh was estimated at approximately 2.2 million units in 2023 and is projected to reach nearly 3.0 million by 2030. Data from GaStat 2022 reveals that apartments are the predominant housing type, constituting 57% of all occupied units within Riyadh Province, reflecting a growth of 10 percentage points since 2017. In terms of tenure, the rental market dominates, accounting for about 62% of the housing stock in Riyadh city, the majority of which is occupied by non-Saudi households. Conversely, owned units represent only 23% with 91% of it owned by Saudi households. Upcoming government initiatives to introduce relaxed property ownership regulations for expatriates is expected to increase the home ownership rate particularly among non-Saudis that have majorly opted to rent due to current restricted regulations.

The following table shows the typology distribution of occupied housing units in Riyadh in 2017 and 2022:

Table (3.10): Housing Typology shares (2017 – 2022)

Category	2017	2022
Traditional House	6%	4%
Villa	25%	23%
A Floor in a Villa	18%	11%
Apartment	47%	57%
Other	4%	5%

Source: GaStat, Housing Energy Survey 2017, Saudi Census 2022

Note: Rounding errors may exist

Note: Categories are as per the source document, similar categories have been clubbed together.



During the forecast period, Riyadh is expected to witness several confirmed forthcoming residential developments with total units estimated at c. 305k units between 2024 and 2030. As of the current period, there are estimated to be c. 234k units that have not yet been sold, representing the unsold forthcoming supply. Most of these unsold units are expected to be introduced to the market around 2030, in the form of large mixed-use megaprojects. Notably, giga and mega projects comprise the largest share representing approximately 70% of the forthcoming residential supply. This is followed by Ministry of Municipalities & Housing projects which comprise c. 25% of the confirmed forthcoming supply mainly concentrated in two major residential suburbs namely Al Khuzam Suburb and Al Fursan Suburb both of which are located in the outskirts of the main city. Additionally, a major proportion of the upcoming supply is expected to be met through self-built units or small developers that offer stand-alone villas or apartment buildings with no community facilities. These are projected to make up c. 546k units, accounting for c. 70% of the total upcoming residential units supply between 2024 and 2030 of c. 780k units, which presents an opportunity for real estate developers to target this segment through offering better build quality and a range of community facilities that enable enhanced convenience.

As the central regions of Riyadh have become majorly developed, most of the forthcoming developments have been focused on North, Upper North, Lower South and Far North East regions of the city which have a large supply of land parcels and relatively cheaper land prices that enable affordable and larger housing units.

3.2.4 Demand, Affordability, and Market Gap

In 2023, Riyadh's demand for residential units was estimated at 2.0 million, with projections to increase to 2.7 million by 2030, according to the base case scenario which considers forecasted population of c. 8.7 million based on historical growth rates obtained by GaStat data. The primary driver of this demand, constituting approximately 81% of the market, is attributed to the expected formation of new households due to the growing population and declining household sizes.

By 2030, it is projected that households with an income of SAR 16,000 and above are estimated to represent about 40% of all households, up from 33% in 2023, reflecting a shift towards higher income brackets. These households are expected to be able to afford properties valued at SAR 760,000 and above. The remaining 60% of households, with incomes below SAR 16,000, are expected to be able to afford properties valued at less than SAR 760,000, indicating a strong need for affordable housing. Additionally, 7% of the households in 2030 that are expected to earn more than SAR 40,000 are expected to afford a unit priced above SAR 2 million, indicating demand for good quality residential units with decent locations. Unit affordability is based on Colliers analysis using common mortgage payment assumptions which may be subject to change and may vary for different banks.

Under the base case scenario, the expected incremental number of housing units demanded based on historical household growth rate and estimated existing units that need to be replaced, amounts to a total of c. 871k units between 2024 and 2030. Additionally, the expected incremental supply of housing units consisting of supply from established developers, from small developers and self-built units amounts to c. 780k units. Based on these estimated demand and supply figures, the incremental market gap for residential units is expected to be around c. 91k units for the period between 2024 and 2030.

However, under the higher population growth scenario, which forecasts the population to reach 10 million by 2030, the anticipated surge in demand due to new household formations could expand the market gap substantially. This scenario estimates an increase in total addressable demand over the base case amounting to c. 1,251k units, while the incremental supply is estimated to increase to c. 895k units, potentially creating an incremental market gap of about c. 356k units over the same period.

3.2.5 Performance-based on REGA transactions – LTM Q2 2024

The residential unit market in Riyadh is characterized by its diverse dynamics, with different city zones exhibiting their unique characteristics in terms of income levels, development status, density, and quality of offering. According to REGA data, Riyadh's number of residential transactions has remained relatively stable other than a peak observed in 2021 with 69,807 transactions. The number of transactions declined to 55,260 transactions in 2023 which is similar to the transactions recorded in 2020 of 56,941. Over the period from 2020 to 2023, the market was predominantly driven by residential land transactions, followed closely by villa and apartment sales indicating a high propensity to self-develop units. Notably, in 2023, apartment transactions exceeded those of villas for the first time increasing from a share of 11% in 2020 to 26% in 2023 of all residential transactions, highlighting a shift in housing preferences and indicating declining household sizes. This change is evidenced by the substantial compound annual growth rate (CAGR) of 33.9% for the years 2020-2023 in apartment transactions, which is gradually closing the gap with villa transactions. This trend underscores a growing demand for apartments among end users, due to their economic viability. Additionally, there was a slight decline in overall transaction volumes in 2023 from 2022. This can be attributed to the decrease in transactions for villas and residential lands, due to rising prices SAR per sqm and high interest rates. However, total transactions in first half of 2024 reached 42,473 which is 77% of all transactions in 2023, indicating an upturn from the low transactions observed in 2023 and possibly reaching the number of transactions observed in 2021.



3.2.5.1 Apartments

In Riyadh, transaction activity was particularly high in the North and North East zones, which together accounted for approximately 29% of the city's total transacted area. This increased activity is expected to be driven by the presence of supply from MoMaH projects, offering cost-effective housing units, complemented by a surge in high-rise apartment developments in the North. Conversely, the Far North East zone experienced one of the lowest levels of transaction activity, largely due to the limited current availability of apartment unit projects as most residential projects in this zone are still under construction.

In Riyadh's residential apartment market, 46% of the zones experienced average transaction prices below the 1 million SAR mark, while the remaining 54% of the zones exceeded this figure, with the highest averages noted in the Central West of SAR 1.3 million. Zones like Central, Central West, North, North West, Upper North, and West, which transact above SAR 1 million, benefit from their superior location which is in proximity to major Central Business Districts (CBD) and ongoing infrastructure developments such as the Riyadh Bus Network, Riyadh Metro, and Green Riyadh.

In the period between Q3 2023G and Q2 2024G, the average transacted price per sqm for apartment units across all zones was SAR 6,096. The highest average prices per square meter were seen in the Central West zone of SAR 9,706/sqm, influenced by the anticipated high demand due to the quality of infrastructure and the high standard of apartment developments in the area. The Central zone also featured high average prices, reflecting its prime location near major CBDs and numerous high-rise developments. Conversely, the Lower South zone offered the most affordable options due to its distant location from the city center. Notably, there is a notable presence of high-rise apartment towers in the northern part of Riyadh, particularly along King Fahd Road within the Al Sahafah district. Additionally, there are multiple similar developments currently under construction on King Salman Road. This concentration is attributed to the higher Floor Area Ratio (FAR) reaching up to 6 and height allowances on these major commercial roads, which facilitate the development of high-rise buildings and contribute to the upward trend in property values.

Riyadh's average residential apartment prices/sqm increased from SAR 5,937 in Q2 2023 to SAR 6,332 in Q2 2024 which is an annual increase of 7%. This is lower than the CAGR observed from 2020 to 2023 of approximately 17.4%, which indicates that the initial rapid growth of prices for apartment units has normalized this year. This decline in the growth rate of average prices per sqm may have resulted in a higher number of transactions over the same quarter last year.

3.2.5.2 Villas

Transaction activity in the villa market was notably high in the Lower South and Far West zones, together accounting for about 42% of the city's total transacted area in sqm. This increased activity is expected to be due to the availability of relatively more affordable housing units in these areas due to lower land prices reflecting their distant location from the city center and the introduction of new projects due to a large land bank in these zones. In contrast, the West zone exhibited one of the lowest levels of transaction activity, expected to be due to the scarcity of undeveloped land parcels for residential projects in that area.

In Riyadh's residential villa market, the average price/sqm across all zones was SAR 5,982 for the period between Q3 2023 and Q2 2024, the Central West zone had the highest average transaction prices/sqm of SAR 12,808 sqm, closely followed by the North West zone with an average price/sqm of 12,250 SAR expected to be due to their prime location status. Conversely, the most affordable villas are typically found in the Lower South and Far North East zones with average prices per sqm of SAR 3,135 and 3,122 respectively due to their lower land prices. Notably, the Malqa district within the North West zone stood out with the highest average transaction prices across the villa market with an average price of 12,975 SAR /sqm.

Riyadh's residential villa prices/sqm increased from SAR 5,697 in Q2 2023 to SAR 6,019 in Q2 2024 which is an annual increase of 6%. This is lower than the CAGR observed from 2020 to 2023 of approximately 14.4%, which indicates a similar trend as apartment units where the annual price increase has come back to normal levels and may have led to an increase in the number of transactions for villas in this quarter over the same quarter last year.

3.2.5.3 Residential Lands

Transaction activity was most notable in the Lower South zone, accounting for about 35% of the city's total transacted area in sqm. This area attracts heightened activity expected to be due to the relatively lower cost of land plots compared to other city zones and the high number of masterplans that were recently completed. In contrast, the Central West zone experienced one of the lowest levels of transaction activity, potentially hindered by the scarce availability of undeveloped residential plots and higher-than-average price points, which limit the target market to high-income groups.



In Riyadh's residential land market, the average transacted price per sqm across all zones stood at 2,954 SAR for the period between Q3 2023 and Q2 2024, with the highest average price observed in the Central West zone of SAR 6,241 followed by the North West zone of SAR 5,971, potentially due to their prime location and relatively low number of undeveloped residential plots which leads to high demand. The lowest average transacted price per sqm is observed in the Far North East zone of SAR 889 as this area is on the outskirts of the city and is relatively undeveloped with limited public services. However, this is expected to change as more masterplans with modern infrastructure are completed in this zone.

Riyadh's residential land prices/sqm increased from SAR 2,538 in Q2 2023 to SAR 3,003 in Q2 2024 which is an annual increase of 18.3%. This is on the same level as the CAGR observed from 2020 to 2023 of approximately 17.3%, which indicates a similar price increase trend from 2020 up till now, reflecting better performance as compared to villas and apartments for which the growth rate in price per sqm has declined this year.

3.2.6 Competitive Residential Landscape in Riyadh

Riyadh's residential real estate market is highly competitive, influenced by established developers that offer high quality residential communities along with numerous new entrants offering stand-alone apartment buildings or villas at a small to medium scale. Additionally, there is a large quantum of units from forthcoming Government Giga projects such as King Salman Park, Diriyah Gate, and New Murabba that are mixed-use projects planning to redefine the residential market aiming to target high-income groups or foreign investors. Furthermore, there are several existing and upcoming MoMaH projects featuring affordable residential communities targeting lower-income groups and located on the outskirts of the city.

Government led projects are expected to offer a substantial number of residential units, however, there are still gaps in the market that mid to large-scale developers can fill particularly for mid-income groups that cannot afford high-priced extravagant units in mixed-use giga projects and do not need to opt for affordable units provided by MoMaH projects.

This section will provide an overview of the developers that compete with the Company Al Ramz, indicating their performance for apartment and villa units in terms of unit sizes, sales rates, absorption of currently available projects, market presence, and distribution across Riyadh.

3.2.6.1 Dar Al Majed Real Estate Co.

Dar Al Majed Real Estate Co. is a developer focused on residential, commercial, and mixed-use projects in Riyadh. They have an estimated total of 11,140 apartment units in Riyadh out of which 401 units are currently under construction, which are spread throughout the city with most units situated north of Makkah Al Mukarramah Road. Their currently available apartment units have an average sales price per sqm of SAR 7,324, ranging between SAR 4,567 to SAR 12,137. The size of these units ranges between 105 to 317 sqm with an average size of 166 sqm. The average absorption rate of apartment units in these developments is estimated at c. 89%.

3.2.6.2 Safa Investments:

Safa Investments provides residential communities with amenities such as green spaces, parks, libraries, fitness centers, and cafes. They have an estimated total of 3,132 apartment units in Riyadh out of which 934 units are currently under construction, these are concentrated in the northern zones of the city with a smaller presence in central and eastern zones. Their currently available apartment units have an average sales price per sqm of SAR 7,028, ranging between SAR 5,300 to SAR 8,323. The size of these units ranges between 104 to 476 sqm with an average size of 195 sqm. The average absorption rate of apartment units in these developments is estimated at c. 68%.

3.2.6.3 Al Ajlan Riviera Investment:

Al Ajlan Riviera Investment, active in Riyadh's real estate market since 2008, offers residential units with a focus on competitive pricing and modern design. They have an estimated total of 3,174 apartment units in Riyadh out of which only 48 units are currently under construction, these are concentrated throughout the city with the highest units offered in the Upper North and North zone of the city. Their currently available apartment units have an average sales price per sqm of SAR 7,917, ranging between SAR 2,374 to SAR 15,151. The size of these units ranges between 89 to 505 sqm with an average size of 194 sqm. The average absorption rate for apartment units of these developments is estimated at c. 65%.



Additionally, they have a total of 22 villa units in Riyadh out of which 10 are currently under construction. They have only one currently available villa development that has an average sales price per sqm of SAR 6,754, ranging between SAR 6,683 to 6,824. The size of these units ranges between 142 to 236 sqm with an average size of 171 sqm. The estimated absorption for villa units in this development is 67%.

3.2.6.4 Asas Makeen Real Estate:

Asas Makeen Real Estate has been active since 2010, developing residential units across Riyadh. They have an estimated total of 1,530 apartment units in Riyadh, the majority of these units are concentrated in the northern regions of the city. Their currently available apartment units have an average sales price per sqm of SAR 7,000, ranging between SAR 2,973 to SAR 13,082. The size of these units ranges between 85 to 355 sqm with an average size of 156 sqm. The average absorption rate for apartment units in these developments is estimated at c. 71%.

Additionally, they have a total of 94 villa units in Riyadh. Their currently available villa development has an average sales price per sqm of SAR 6,506, ranging between SAR 5,897 to 8,421. The size of these units ranges between 254 to 517 sqm with an average size of 395 sqm. The current estimated absorption rate for villa units in these developments is 66%.

3.2.6.5 Retal Real Estate:

Retal Urban Development Company, established in 2012, focuses on residential villa communities. They have an estimated total of 2,385 villa units in Riyadh, majority of these units are concentrated in the Upper-North and North zones of the city. Their currently available villa units have an average sales price per sqm of SAR c. 6,992, ranging between SAR 3,775 to SAR 10,924. The size of these units ranges between 160 to 609 sqm with an average size of 338 sqm. The average absorption rate for villa units in these developments is estimated at c. 71%.

Additionally, they have no completed apartment developments in Riyadh. However, they have one apartment development currently under construction with a total number of units of 336 and will be situated within the SEDRA community by ROSHN. The unit sizes for these units will range between 128 to 183 sqm, with an average size of 159 sqm.

3.2.6.6 Osus Real Estate

Osus Real Estate operates in Riyadh, Jeddah, and Dammam, with a portfolio that includes residential, retail, and hospitality projects. They have an estimated total of 1,244 apartment units in Riyadh out of which around 772 units are currently under construction, these are concentrated in the Upper North and Eastern zones of the city. Their currently available apartment units have an average sales price per sqm of SAR 3,434, ranging between SAR 1,607 to SAR 4,321. The size of these units range between 117 to 528 sqm with an average size of 221 sqm. The average absorption rate for apartment units in these developments is estimated at c. 77%.

3.2.6.7 Al Ramz Real Estate:

The company, established in 2016 and headquartered in Riyadh, offers a range of residential and commercial projects across Saudi Arabia. They have an estimated total of 2,225 apartment units in Riyadh out of which around 1,134 units are currently under construction, these are concentrated in the northern zones and South zone of the city. Their currently available apartment units have an average sales price per sqm of SAR 4,091, ranging between SAR 1,697 to SAR 10,027. The size of these units range between 88 to 165 sqm with an average size of 127 sqm. The average absorption rate for apartment units in these developments is estimated at c. 96%.

Additionally, they have a total of 783 villa units in Riyadh out of which 589 are currently under construction. They have four forthcoming villa developments located in the North East, South East and South zone of the city. Their currently available villa units have an average sales price per sqm of SAR 4,642, ranging between SAR 2,659 to 6,600. The size of these units ranges between 200 to 406 sqm with an average size of 297 sqm. The average absorption for villa units in these developments is 44%.

3.2.7 Market Share of Residential Apartment Units

The total number of apartment transactions in Riyadh from 2018 through the first half of 2024 is estimated to be approximately 59,009, based on REGA data. The number of apartment units sold by the selected developers has been calculated and compared with the total apartment transactions in Riyadh to estimate each developer's share of the market. Retal has not sold any apartment units therefore has been excluded from this table.



The following table shows the estimated apartment unit market shares for the Company and other selected developers:

Table (3.11): Estimated Market Share Freehold Apartments in Riyadh:

Developer	Al Ramz Real Estate	Dar Al Majed	Safa	Al Ajlan	Asas Makeen	Osus	Total
No of Apartment units Sold	1,602	10,581	2,013	2,743	1,427	417	18,783
Market Share (%) Overall (18 – first half of 24)	2.7%	17.9%	3.4%	4.6%	2.4%	0.7%	31.8%
Relative Market Share (%)	8.5%	56.3%	10.7%	14.6%	7.6%	2.2%	100.0%

Source: REGA, REGA Data Portal, 2024, Al Ramz Real Estate, 2024, Colliers Research, 2024

Dar Al Majed holds the largest market share among the selected developers, largely attributed to its early market entry and the continued development of apartment complexes in Riyadh, allowing it to establish a significant supply of apartment units. Other developers entered the market later, impacting their current share. However, both The Company and Safa have notable pipelines of upcoming apartment projects, indicating potential growth in their market presence and capacity within Riyadh's apartment market.

3.2.8 Demand, Supply, and Market Performance – Offices Sector

Riyadh's office market is undergoing significant growth and transformation, driven by the city's economic expansion and strategic urban development initiatives. King Fahd Road and Olaya Street are categorized as the city's major central business districts (CBDs), hosting a large proportion of Riyadh's office supply, with 60% of identified office supply concentrated in these prime locations. These districts are home to many of the city's iconic office towers and commercial hubs serving major local and global companies from various business sectors.

Due to projects like the King Abdullah Financial District (KAFD) and business centers along Anas bin Malek Road, North Riyadh has emerged as a focal point for new office developments. The region is set to benefit further from high-profile developments such as New Murabba and The Avenues, which aim to integrate business, retail, and residential spaces into one development to enable work, live, and play concepts. Additionally, significant activity is taking place along King Khalid Road, where large-scale initiatives like Diriyah Gate and adjacent business parks are redefining the commercial landscape. King Salman Road is another upcoming CBD that is expected to have the same regulations as King Fahd Road in terms of maximum allowable area and building height allowances. It has multiple commercial projects under construction or under planning, indicating its potential as a future commercial hub.

3.2.8.1 Office Supply and Performance

Identified office developments in Riyadh are categorized into three grades which consist of Premium, Grade A, and Grade B. Premium office buildings feature top-tier architectural design, modern amenities, spacious lobbies/reception and other common areas, and advanced heating ventilation and air conditioning systems, catering to high-profile regional and international companies. These offices are located in prime areas with excellent accessibility and parking provisions. These features enable these developments to charge the highest lease rates for office spaces. Grade A offices also provide good accessibility and visibility, are maintained by professional operators, and often house local, multinational corporations, and government entities. While they may not match the aesthetic or architectural details of premium offices, they still offer high functionality at more affordable lease rates. Grade B offices typically comprise older or lower-quality buildings in less desirable areas, often requiring renovation. They provide average amenities and attract small to medium-sized companies and government offices with lower demands for build quality and amenities, and lower budgets dedicated to their office spaces. This segmentation reflects the varying demands of tenants across Riyadh's expanding office market, catering to diverse corporate needs and supporting the city's role as a growing business hub.

The total identified supply of offices is estimated to be c. 3.0 million sqm, with 2.0 million (c. 67%) categorized as Premium, 534k (18%) categorized as Grade A, and 458k (15%) categorized as Grade B. Additionally, Riyadh has a substantial office unidentified office supply of c. 1.9 million sqm, which consists of privately owned office buildings and informal office supply which includes office spaces on secondary commercial roads placed on top of retail shops without any branding and residential villas being used as office spaces. Currently, the total office space in Riyadh is estimated to be c. 4.9 million sqm.

By 2030, Riyadh's office market anticipates an influx of approximately c. 5.6 million sqm of new supply, driven primarily by government-led mega-projects. A key contributor will be Diriyah Gate II, part of the Vision 2030 mega projects, expected to deliver around 1.2 million sqm of office space and establish itself as a major commercial hub in western Riyadh. The New Murabba Project will complement this with an additional c. 0.9 million sqm of office space.



King Salman Park, a mixed-use megaproject located centrally, is also set to provide c. 600k sqm of premium office space, further enhancing the city's high-end office market. This wave of office development is expected to present challenges for private-sector developers to compete with the scale and quality of government-backed projects.

As of Q3, 2024, the highest average occupancy rates of 95% were exhibited by developments in the Grade A category, followed by Premium and Grade B categories with 92% and 89% respectively. Additionally, the Premium offices category exhibited the highest average lease rate of SAR 2,858/sqm, while Grades A and B had average lease rates of 1,546 SAR /sqm and 937 SAR /sqm respectively.

3.2.8.2 Office Demand and Gap

Riyadh's office market is driven by two primary factors: economic growth and government initiatives. Saudi Arabia's strategy focuses on diversifying the economy beyond oil through investments in sectors like technology, real estate, finance, and tourism. These efforts are supported by significant infrastructure projects, with an estimated combined budget of one trillion dollars allocated to drive development across these sectors. As a result, according to recent Ministry of Finance macroeconomic projections, the country's real GDP is forecast to grow by 4.6% in 2025, with inflation projected to be 1.9%. Initial projections for 2024 suggest GDP growth of 0.8%, driven mainly by non-oil sectors.

Initiatives to boost the employment levels and office demand in Riyadh include the government's Regional Headquarters Program (RHQ) which mandates that multinational companies establish their regional headquarters in Saudi Arabia, effective from 2024. Companies participating in this program benefit from incentives, including a 30-year tax exemption, which is expected to attract more firms and increase demand for high-quality office spaces. Additionally, the government is fostering entrepreneurship by easing legal and regulatory requirements for small and medium-sized enterprises (SMEs) and supporting incubation centers. These initiatives aim to stimulate new ventures, further fueling demand for office spaces to accommodate future business growth.

Historically the employed population in Riyadh grew at a compound annual growth rate (CAGR) of 6.5% between 2009G to 2023G. Based on Colliers analysis it is estimated that Riyadh has 377k current white-collar employees which are projected to reach 586k by 2030 based on historical growth rates. This growth translates into a cumulative increase of c. 209k employees requiring an office space of c. 2.5 million sqm between 2024G and 2030G, assuming each employee requires 12 sqm, driving substantial demand for new office developments. However, a higher population growth scenario has been analyzed which assumes the population to grow to 10 million by 2030G, as a result of the numerous strategy initiatives undertaken by the Government. Under this scenario an additional office space of c. 3.5 million sqm is estimated to be required between 2024G and 2030G. This expanding demand presents significant opportunities for real estate developers, particularly given the tight supply in the existing office market, where most spaces are already fully occupied. Developers will need to respond with new, well-designed office projects to meet the growing needs of the business sector.

Under the base case scenario, which relies on historic employed population growth rates, there is an anticipated negative gap of about (c. 581k) sqm GLA in 2030G, suggesting a potential oversupply in the market. However, given the competitive nature of the real estate sector, it is crucial to continuously assess incremental demand to strategically capture market share and optimize development efforts in Riyadh's evolving office market landscape. Additionally, under the higher population growth scenario, a higher increase in demand for office space is projected, driven by the city's transformative growth aspirations. In this context, the office market would confront a substantial positive gap of c. 465k sqm GLA by 2030G.

3.2.9 Competitive Office Landscape

Riyadh's office real estate market has performed very well in recent years due to a substantial increase in demand for quality office spaces driven by Vision 2030 initiatives, which the current office stock cannot fully satisfy. This has led to a shortage of quality office supplies and a notable increase in office lease rates from previous years. However, this shortage has led to the launch of multiple Government mega projects such as Diriyah Gate Development and New Murabba, as well as private sector developments such as The Avenues and Laysen Valley Phase 2, along with numerous smaller-scale projects under construction across the city. These developments once completed are expected to result in a potential oversupply of office spaces leading to an anticipated downward pressure on lease rates and occupancy levels, specifically under the scenario that the employed population increases at the historical growth rate.

It is important to note that the major proportion of forthcoming supply comprises premium office spaces primarily from Government megaprojects. This allows for an opportunity for affordable office spaces to be offered to local and international companies that are newly incorporated or still growing, that have limited budgets for office spaces, and thus are not able to opt for the premium supply coming into the market.



This section will provide an overview of some reputable developers that compete in the Riyadh office market, indicating their performance for office spaces in terms of sales/lease rates, absorption/occupancy of currently operating projects, market presence, and distribution across Riyadh.

3.2.9.1 First Projects:

First Projects Company is a real estate developer based in Riyadh, focusing on urban residential, commercial, and office complexes. Currently, they have two office developments operating in Riyadh which include Offices Zone which is a co-working space development located in Olaya district, and Durar Al Layali which is a Grade A office park located on King Abdullah Road comprising 60 office space units with a total GLA of 10,590 sqm and is available for sale. Durar Al Layali has an average selling price of c. 20,828 SAR /sqm, ranging from 19,284 to 27,329 SAR /sqm, and has achieved an absorption rate of c. 42%.

3.2.9.2 Al Rajhi Seventh:

Al Rajhi Seventh (RJ7) is a real estate developer based in Riyadh, focused on residential, commercial, and office projects. Established in 2013, RJ7 has expanded its operations beyond Saudi Arabia to regions including Europe and Asia. Currently, they operate two Grade A office park developments in Riyadh: Backyard, located on King Abdulaziz Road with a leasable area of 9,762 sqm, and RITM, located on Prince Turki Al Awwal Road with a leasable area of 6,873 sqm. Additionally, they have two forthcoming office park developments which consist of Azal located on Anas bin Malik Road with a leasable area of 17,181 sqm and Asha Business Oasis located on Imam Saud bin Faisal Road with a leasable area of 29,885 sqm. The average lease rates of their developments range from 1,500 SAR /sqm to 2,050 SAR /sqm with an average lease rate of c. 1,800 SAR /sqm. Their currently operating projects are fully occupied.

3.2.9.3 Masharee Group:

Masharee Group is a real estate developer in Saudi Arabia known for commercial and mixed-use projects emphasizing smart building and sustainable design. Currently, they have three premium-grade office park developments operating in Riyadh which include Riyadh Business Gate located on Eastern Ring Road with a leasable area of 87,000 sqm, Home offices located on Prince Turki Al Awwal Road with a leasable area of 22,000 sqm, and Laysen Valley with a leasable area of 100,000 sqm located on King Khalid Road. Additionally, they have one forthcoming office park which is the second phase of their Laysen Valley project with an estimated leasable area of 200,000 sqm. The average lease rates of their developments range from 2,400 SAR /sqm to 2,500 SAR /sqm with an average lease rate of 2,489 SAR /sqm. Their currently operating projects are almost fully occupied with an average occupancy rate of 99%.

3.2.9.4 Al Ramz Real Estate:

The Company, founded in 2016 and headquartered in Riyadh, focuses on residential and commercial projects. Currently, they have only one completed Grade A office park development in Riyadh which is known as Faseelah Square, located in the Al Malqa district and is in proximity to Anas bin Malik Road, with 12 office units and a total leasable area of c. 2,200 sqm. Additionally, they have three upcoming commercial projects: RAFD and the King Khaled Project, both located in the Hittin district, and Ramz Tower on King Salman road. Office spaces in King Salman Tower are expected to be rented out at a rate ranging from SAR 2,200 per sqm to SAR 2,300 per sqm. These forthcoming developments have a combined office space of c. 110,000 sqm. It is worth noting that Faseelah Square was fully leased out in 2023.

Of the selected developers, Masharee group has the highest office space offering in Riyadh. This is due to their earlier entry into the office spaces market which has allowed them to develop a good market reputation and develop large-scale office projects, while other developers have only recently started developing office projects. The Company has a notable quantum of office space under construction in Riyadh, which once completed is expected to increase their presence in the offices market.

3.3 Jeddah

3.3.1 Overview

Jeddah is the second-largest city in Saudi Arabia after Riyadh, with an estimated population of 3.8 million as of 2023. The city plays a critical role in the Kingdom's economy, hosting one of the busiest seaports in the region and serving as a vital gateway to Makkah. Jeddah's economy is notably diversified, with key sectors including tourism, logistics, and trade, distinguishing it from other cities in Saudi Arabia that are more dependent on the oil and gas industry.



Urban expansion in Jeddah is concentrated towards the Far North, North East, and East zones, driven by rising demand for housing and infrastructure. These efforts are supported by the Ministry of Municipalities and Housing (MoMaH), which is actively addressing housing shortages for middle to lower-income groups and leading redevelopment in densely populated areas. These initiatives reflect the city's focus on sustainable urban growth and economic diversification, positioning Jeddah as a dynamic hub for business and development.

3.3.2 Population, Household, and Income

Jeddah is projected to experience significant population growth from the end of 2023 to 2030, with the population expected to increase from 3.8 million to 4.4 million and the number of households rising from 1.1 million to 1.4 million. According to recent Euromonitor estimates for the income distribution in the city, it can be observed that about 70% of Jeddah's households are estimated to have a monthly income less than SAR 16,000, while a smaller segment, only 4%, is estimated to earn more than SAR 40,000. Additionally, 81% of the residential demand is estimated to come from households earning SAR 20,000 or less per month, indicating a strong need for affordable housing.

The following table shows the estimated population of Jeddah from 2023 to 2030:

Table (3.12): Population Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1
Non-Saudis	Million	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3
Total Pop.	Million	3.8	3.9	4.0	4.1	4.1	4.2	4.3	4.4

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

The following table shows the estimated number of households in Jeddah from 2023 to 2030:

Table (3.13): Household Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Thousand	449	464	479	494	510	527	544	562
Non-Saudis	Thousand	668	690	712	735	759	784	810	836
Total HHs.	Thousand	1,117	1,154	1,191	1,229	1,269	1,311	1,354	1,398

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

3.3.3 Supply

The estimated supply of residential units in 2023 stood at 1.3 million, projected to expand at a CAGR of 3.2%. By 2030, this supply is anticipated to increase to approximately 1.6 million units.

According to GaStat's 2022 data, apartments are the predominant form of occupied housing, representing 71% of the total occupied residential units in Makkah province, which Jeddah city is a part of. The growth in housing supply has been largely driven by an increased demand for apartments. From 2017 to 2022, the proportion of apartments within the occupied households in Makkah province increased from 65% to 71%, underscoring a growing demand for apartment living over the years. This trend highlights the evolving dynamics in the residential sector trends and the market's response to these changes in Makkah province. Moreover, most of the residential units in Jeddah are rented, making up about 68% of the housing stock, due to the number of expats occupying rented units. While 20% of the housing stock is owned, the majority of which is owned by Saudi households. However, with government initiatives aimed at stimulating the mortgage market, the demand for home ownership is anticipated to rise.



The following table shows the typology distribution of occupied housing units for Jeddah in 2017 and 2022:

Table (3.14): Housing Typology shares (2017 – 2022)

Category	2017	2022
Traditional House	21%	12%
Villa	5%	9%
A Floor in a Villa	5%	5%
Apartment	65%	71%
Other	6%	4%

Source: GaStat, Housing Energy Survey 2017, Saudi Census 2022

Note: Rounding errors may exist

Note: Categories are as per the source document, similar categories have been clubbed together.

Jeddah is expected to witness several confirmed forthcoming residential developments with estimated number of units of 167k between 2024 and 2030. Most of the forthcoming developments are Mega/Giga projects, which represent the majority of the confirmed supply, totaling approximately 104k units. Notable projects in this category include Marafy, Al Arous, and Jeddah Economic City. The Ministry of Municipalities and Housing Projects (MoMaH) represents the second largest segment, accounting for 36% of the forecasted supply with c. 59k units. To date, about 24k of total confirmed units have been estimated to be sold, leaving around 142k units still available, which constitutes the total unsold confirmed forthcoming supply.

Confirmed forthcoming supply expected to enter the market within the forecasted period constitutes 44% of the total supply by 2030 while organic supply which includes unannounced housing from small developers and independent single-home constructions constitutes 56%.

Efforts to relocate residents from demolished high-density urban areas to other parts of Jeddah, coupled with initiatives aiming to boost home-ownership rates to 70% by 2030, are expected to drive demand across all housing segments. The evolving demographics in Jeddah are shaping the supply landscape, leading to the development of upgraded affordable housing, master-planned communities, and apartment complexes. These developments are tailored to meet diverse residential needs, reflecting Jeddah's dynamic growth and strategic urban planning initiatives.

3.3.4 Demand, Affordability, and Market Gap

In 2023, the total demand for residential units in Jeddah was estimated at c. 1.1 million units, with projections indicating an increase to c. 1.4 million units by 2030. This growth in demand is primarily driven by the expected formation of new households, which accounts for approximately 76% of the total addressable demand. The demographic trend towards smaller household sizes coupled with population growth suggests a rising need for additional housing. The remaining 24% is expected replacement demand generated from existing households seeking to replace their current properties.

By 2030, it is projected that households with an income of SAR 16,000 and above are estimated to represent about 36% of all households, up from 30% in 2023, reflecting a shift towards higher income brackets. These households are anticipated to be able to afford properties valued at SAR 760,000 and above. The remaining 64% of households, with incomes below SAR 16,000, are anticipated to afford properties valued at less than SAR 760,000, indicating a strong need for affordable housing. Additionally, 6% of the households in 2030 that are expected to earn more than SAR 40,000 are anticipated to afford a unit priced at above SAR 2 million, indicating demand for good quality residential units with decent locations. Unit affordability is based on Colliers analysis using common mortgage payment assumptions which may be subject to change and may vary for different banks.

The expected incremental number of housing units demanded based on historical household growth rate and estimated existing units that need to be replaced, amounts to a total of c. 370k units between 2024 and 2030. Additionally, the expected incremental supply of housing units consisting of supply from established developers, from small developers, and self-built units amounts to c. 320k units. Based on these estimated demand and supply figures, the incremental market gap for residential units is expected to be around 50k units for the period between 2024 and 2030.



3.3.5 Performance-based on MOJ transactions – LTM June 2024

The real estate market in Jeddah demonstrates varied dynamics across its different zones, each reflecting unique levels of development, demographic characteristics, and market requirements. From 2020 to 2023, land transactions dominated the market; however, 2023G witnessed a significant rise in apartment transactions, exceeding the annual totals of previous years. This surge is largely attributed to increased activity and promotional campaigns for government-led residential projects, of which most are focused on apartment developments. Additionally, the time period between 2020G to 2023G saw a stable trend in the overall number of residential transactions from 23,301 in 2020G to 19,896 in 2023G, which can be attributed to the decreased transaction activities in other typologies and the reduced Real Estate Development Fund (REDF) support.

3.3.5.1 Apartments

Based on the Ministry of Justice (MOJ) data from the last twelve months ending June 2024, the central and East zones of Jeddah have seen a higher volume of apartment transactions, accounting for 55% of all transactions (excluding the **“others”** category which refers to transactions lacking a masterplan number or district name from MOJ). This indicates a robust demand in these areas, driven by central zones' proximity to the central business districts and relative apartment affordability within the city's expanding eastern boundaries.

The overall average apartment transaction price per sqm experienced a slight decrease of (1.8%) from SAR 3,848 in Q2 2023 to SAR 3,777 in Q2 2024. The highest average sale rates per sqm for apartments were recorded in the North and West zones of Jeddah with sales rates of 10,306 SAR /sqm and 4,602 SAR /sqm respectively, potentially attributed to the high-quality offerings along the corniche waterfront, being in a high-income zone, and the presence of high-rise developments. The premium rate observed in the North is expected to be due to numerous high-value transactions in South Obhur, a waterfront area in proximity to beach resorts and a key focal point for Jeddah's northern expansion plans in proximity to forthcoming mega projects like Jeddah Economic City. In contrast, the Far South and South East zones, potentially due to their limited supporting infrastructure and the availability of affordable housing options from MoMAH, recorded the lowest transaction rates per sqm with 2,954 SAR /sqm and 3,092 SAR /sqm respectively.

3.3.5.2 Villas

Villas in the Central zone of Jeddah constitute approximately 53% of all transactions (excluding **“others”** category), potentially due to their proximity to the city's central business districts and key demand generators. However, a shift is underway, with most new villa developments now occurring in the northern zones. This shift aligns with Jeddah's strategic urban expansion and the increased availability of land in these areas.

The overall average villa transaction price per sqm experienced an increase of 2.7% from SAR 3,114 in Q2 2023 to SAR 3,199 in Q2 2024. The Far North and Central South Zones have seen the highest average villa transaction sale rates per sqm with 3,750 SAR /sqm and 3,484 SAR /sqm respectively, supported by the presence of large-scale mixed-use developments, including mega and giga projects, and master plans. Government-led initiatives and residential projects in these zones also play a crucial role in driving demand.

3.3.5.3 Residential Lands

Lands in the North East and Far North zones represent approximately 64% of all transactions (excluding the **“others”** category), aligning with Jeddah's strategic expansion to the north, which is earmarked for future large-scale developments and Ministry of Municipalities & Housing projects. Additionally, the higher availability of land and the lower prices increase the overall appeal for these areas.

The overall average land transaction price per sqm experienced an increase of 16.2% from SAR 1,752 in Q2 2023 to SAR 2,036 in Q2 2024. The West and North zones of Jeddah recorded the highest average transacted sale rates of 4,902 SAR /sqm and 4,624 SAR /sqm, respectively, due to the expected heightened appeal of those affluent areas among the high-income residents of the city. The elevated sale rates in the West zone can be largely attributed to districts like Al Zahra, Al Mohammadiyah, and Al Nahdah Districts while the North zone's pricing was mostly influenced by transactions in the South Obhur and Al Basateen Districts.

Additionally, the peripheral zones, including the Southeast, Far North, and North East, are characterized by lower average prices, which enhances their potential attractiveness as investment opportunities in light of anticipated future growth. This trend reflects a strategic shift toward these emerging zones, driven by government initiatives and the potential for new residential and mixed-use developments.



3.3.6 Demand, Supply, and Market Performance – Offices

Jeddah's office real estate market is experiencing steady growth, driven by economic diversification and rising demand from both local and international businesses, as well as from Government entities. This expansion reflects the increasing business activity in Jeddah, fueled by its strategic position as a commercial hub and port city. Developers are focusing on catering to a diverse range of businesses by offering high-quality, modern office spaces designed to meet the needs of both corporate tenants and SMEs. However, there has been a trend for local companies towards shifting main office functions to Riyadh, due to its growing importance as a regional megacity.

3.3.6.1 Office Supply and Performance

The total identified supply of offices is estimated to be c. 1.3 million sqm, with c. 213k sqm (c. 16%) categorized as Premium, 224k sqm (17%) categorized as Grade A and 888k sqm (67%) categorized as Grade B. This distribution suggests a limited supply of Grade A and Premium office developments, as the existing supply is dominated by more affordable options, with limited high-quality spaces available for established companies. Additionally, Jeddah has a substantial unidentified office supply of c. 532k sqm, which consists of privately owned office buildings and informal office supply, which includes office spaces on secondary commercial roads placed on top of retail shops without any branding and residential villas being used as office spaces. Currently, the total office space in Jeddah is estimated to be c. 1.9 million sqm.

By 2030, Jeddah's office market anticipates an influx of approximately 303k sqm of new supply, a major portion of this forthcoming supply consists of KAIA City, which is a large-scale mixed-use project located near the King Abdulaziz International Airport, estimated to offer a total of 200k sqm of additional premium office spaces and is expected to be completed by 2030. Around 93% of the forthcoming supply is expected to offer premium office spaces, indicating that the developers are addressing the current limited availability of high-quality options while the current affordable office spaces market in Jeddah is expected to not be impacted.

As of Q3, 2024G, the highest average occupancy rates of 90% were exhibited by developments in Grade B category, followed by Premium and Grade A categories with 89% and 85% respectively. Additionally, the Premium offices category exhibited the highest average lease rate of SAR 1,580/sqm, while Grade A and B had average lease rates of 1,050 SAR / sqm and 767 SAR /sqm respectively.

3.3.6.2 Office Demand and Gap

The future demand for office spaces in Jeddah is expected to grow steadily, driven by the city's ongoing economic diversification efforts and infrastructure developments. As the city continues to attract international businesses and regional headquarters, particularly in logistics, trade, and tourism sectors, the need for high-quality office environments is expected to increase.

Historically the employed population in Jeddah has remained stable between 2009G to 2023G, however based on expected expansion in the overall economy of the Kingdom, according to Euromonitor estimates the employed population of Jeddah is expected to grow at a compound annual growth rate (CAGR) of c. 1.7% between 2023G and 2030G. Based on Colliers analysis, it is estimated that Jeddah has c. 137k current white-collar employees in 2023G which are projected to reach c. 154k by 2030 based on estimated growth rates. This growth translates into a cumulative increase of c. 17k employees requiring an additional office space of c. 204k sqm between 2024G and 2030G, assuming each employee requires 12 sqm.

Based on projections of estimated demand and the currently announced office supply expected to enter the market till 2030G, there is anticipated to be a negative gap of (c. 311k) sqm in 2030G, suggesting a potential over supply in the market. However, given the competitive nature of the real estate sector, it is crucial to continuously assess incremental demand to strategically capture market share and optimize development efforts in Jeddah's evolving office market landscape. While a potential oversupply in the office segment is anticipated, developers may still find opportunities in the market if the forthcoming supply is carefully planned and differentiated.

3.4 Makkah

3.4.1 Overview

Makkah's real estate market is shaped by its unique position as a religious and tourism hub, attracting millions of pilgrims annually. The city's economy is focused on accommodating pilgrims, with significant developments aimed at expanding hospitality, retail, and residential offerings. Mega-projects like Rou'a Al Haram, part of Vision 2030, are enhancing Makkah's infrastructure and increasing its capacity to host more visitors. The demand for residential properties is largely driven by the influx of religious tourism and redevelopment efforts targeting densely populated areas.



3.4.2 Population, Household, and Income

From 2023 to 2030, Makkah's population is projected to increase from 2.5 million to 2.8 million, with the number of households rising from 616k to 771k. According to recent Euromonitor estimates for the income distribution in the city in 2023, it can be observed that about 75% of Makkah's households are estimated to have a monthly income less than SAR 16,000, while a smaller segment, only 4%, is estimated to earn more than SAR 40,000. Additionally, 84% of residential demand comes from households estimated to earn SAR 20,000 or less per month, indicating a strong need for affordable housing.

The following table shows the estimated population of Makkah from 2023 to 2030:

Table (3.15): Population Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Non-Saudis	Million	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5
Total Pop.	Million	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.8

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

The following table shows the estimated number of households in Makkah from 2023 to 2030:

Table (3.16): Household Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Thousand	261.1	269.6	278.4	287.5	296.8	306.5	316.5	326.8
Non-Saudis	Thousand	355.3	366.8	378.8	391.1	403.8	417.0	430.6	444.6
Total HHs.	Thousand	616.4	636.5	657.2	678.6	700.7	723.5	747.0	771.3

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

3.4.3 Supply

In 2023, the estimated total supply of residential units in Makkah stood at c. 689k, with projections to grow at a CAGR of 3.2% to reach c. 859k by 2030. According to the 2022 GaStat data, apartments constitute the majority of the occupied housing landscape in Makkah province, making up 71% of all occupied units. The tenure distribution for Makkah city reveals that 65% of these residential units are rented, while only 22% are owned. Recent government initiatives aimed at stimulating the mortgage market are expected to increase homeownership rates. Additionally, there has been a noticeable shift in housing over the years, moving from larger unit types such as villas and traditional houses to smaller types like apartments. This trend is highlighted by a c. 6% increase in the share of apartment units from 2017 to 2022, reflecting changing lifestyle needs and economic factors influencing residential patterns in the region.

The following table shows the typology distribution of occupied housing units for Makkah in 2017 and 2022:

Table (3.17): Housing Typology shares (2017 – 2022)

Category	2017	2022
Traditional House	21%	12%
Villa	5%	9%
A Floor in a Villa	5%	5%
Apartment	65%	71%
Other	6%	4%

Source: GaStat, Housing Energy Survey 2017, Saudi Census 2022

Note: Rounding errors may exist

Note: Categories are as per the source document, similar categories have been clubbed together.



Between 2024 and 2030, Makkah is anticipated to see approximately c. 84k units of confirmed forthcoming residential developments. Of these, c. 82k units are estimated to remain unsold, representing the total unsold forthcoming supply. Majority of the forthcoming supply consists of mega projects comprising c. 86% of total supply, which are expected to mainly target second home buyers. Ministry of Municipalities and Housing (MoMaH) accounts for about 6% of this upcoming supply, which aims to provide affordable housing for low-income groups.

3.4.4 Demand, Affordability, and Market Gap

In 2023, the estimated demand for residential units in Makkah was c. 616k, with projections to increase to c. 771k by 2030. This growth is primarily driven by the formation of new households, which constitute approximately 76% of the market demand. The rising population and a shift towards smaller household sizes suggest a growing need for more housing units. The projection for 2030 suggests that the proportion of households earning SAR 16,000 or more is expected to rise from 25% in 2023 to approximately 32%. This indicates a shift in income brackets, with the ability to afford homes valued at SAR 760,000 or more, reflecting a likely impact on the demand for various types of residential properties.

The expected incremental number of housing units demanded based on historical household growth rate and estimated existing units that need to be replaced, amounts to a total of c. 204k units between 2024 and 2030. Additionally, the expected incremental supply of housing units consisting of supply from established developers, from small developers, and self-built units amounts to c. 171k units. Based on these estimated demand and supply figures, the incremental market gap for residential units is expected to be around 33k units for the period between 2024 and 2030.

3.4.5 Performance-based on MOJ transactions – LTM end of June 2024

The real estate market in Makkah exhibits varied characteristics across different zones, each reflecting distinct levels of development, demographics, and market needs. Historical data from 2020 to 2023 indicates that land transactions were the primary category until 2022. However, in 2023, apartment transactions made up nearly half of all transactions. Residential transactions overall declined from 8,596 in 2020 to 5,680 in 2023, with 2,228 transactions recorded in the first half of 2024, suggesting transaction volumes may remain consistent with the previous year. This reduction in residential transactions may be related to rising prices per sqm across residential property types and higher interest rates.

3.4.5.1 Apartments

Based on the twelve months of transactions ending June 2024, as recorded by MOJ data, the South East zone of Makkah saw the highest volume of apartment transactions, comprising 31% of total transactions (excluding the “others” category, which includes transactions without a specified masterplan number or district name from MOJ). Activity in the South East zone is potentially due to its status as a mid to high-income area with significant commercial activity and quality developments.

The Central zone commands the highest average sale price per sqm for apartments at SAR 79,413, expected to be driven by its proximity to the Haram area and the Grand Mosque. This location features some of Makkah’s most high-end real estate developments, including luxury residences intended for affluent buyers and investors. Land values in this area rank among the highest in Saudi Arabia, reflecting the zone’s religious, cultural, and commercial importance.

3.4.5.2 Lands

The Southeast and Far East zones collectively account for approximately 44% of all land transactions (excluding the “others” category). The Southeast zone is valued for its desirable attributes, while the Far East zone offers comparatively lower prices per sqm.

The overall average land transaction price per sqm rose by 9.0%, from SAR 2,842 in Q2 2023 to SAR 3,098 in Q2 2024. In the Central zone near the Haram area and the Grand Mosque, the highest average land price per sqm was recorded at SAR 54,392. This zone’s high demand is influenced by its religious and cultural significance, as well as limited land availability. Additionally, zoning regulations in this area permit high-rise developments, supporting optimal land utilization.



3.5 Dammam, Al Khobar, and Dhahran (DMA – Dammam Metropolitan Area)

3.5.1 Overview

DMA is strategically important in the global oil economy, as it hosts the headquarters of Aramco, one of the world's largest corporations. To diversify its economic reliance on oil, the Eastern Province has developed its industrial sector, establishing numerous public industrial cities. This development has positioned it as an industrial hub with the second-highest number of factories in Saudi Arabia, contributing notably to the country's industrial GDP and reducing the region's susceptibility to oil price fluctuations. Additionally, the Ministry of Tourism is actively promoting tourism by enhancing awareness of the region's historical sites, which has contributed to the growth of the retail and hospitality sectors.

The province is experiencing expansive growth across all directions, with the Khobar region seeing particularly high development activity in recent years. This heightened development is expected to be driven by its status as a coastal region which increases its attractiveness for both residential and commercial projects.

3.5.2 Population, Household, and Income

From the end of 2023 to 2030, DMA's population is projected to increase from 2.3 million to 2.8 million, and the number of households is expected to rise from 662k to 895k. The income distribution within DMA is relatively evenly distributed, with approximately 62% of households estimated to earn an average monthly income below SAR 16,000, while the remaining 38% surpass this threshold, indicating a high portion of the workforce with a relatively high disposable income.

By 2030, the demand dynamics in DMA are expected to shift, with 45% of residential demand projected to come from households earning at least SAR 16,000 per month. This trend underscores the growing influence of the mid-to-high income segment on the market, signaling opportunities for residential development tailored to this demographic's evolving preferences and financial capabilities.

The following table shows the estimated population of DMA from 2023 to 2030:

Table (3.18): Population Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Million	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2
Non-Saudis	Million	1.3	1.3	1.4	1.4	1.4	1.5	1.6	1.6
Total Pop.	Million	2.3	2.3	2.4	2.5	2.5	2.6	2.7	2.8

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

The following table shows the estimated number of households in DMA from 2023 to 2030:

Table (3.19): Household Forecast

Category	Unit	2023	2024	2025	2026	2027	2028	2029	2030
Saudis	Thousand	241	252	263	274	286	299	312	326
Non-Saudis	Thousand	421	440	459	479	500	522	545	569
Total HHs.	Thousand	662	691	722	753	786	821	857	895

Source: GaStat, Saudi Census 2022, Colliers Analysis, 2024

Note: Rounding errors may exist.

3.5.3 Supply

The total residential unit supply in 2023 was estimated at 760k units and is anticipated to grow at a CAGR of 4.4% to reach 1.0 million by 2030. Data from GaStat 2022 on the existing residential units within the province shows that currently residents predominantly occupy apartments, representing 62% of this demographic. In DMA, approximately 64% of all occupied households rent their units, while only 20% are owned, reflecting the prevalent tenure type within the city. These trends also reflect the higher proportion of expatriate population living in DMA, that prefer apartment units due to smaller household sizes and due to current restrictions on property ownership. To stimulate homeownership, particularly among Saudi households, the government has introduced initiatives aimed at expanding the mortgage market, which is anticipated to increase demand for owned properties. Additionally, the housing typology distribution of DMA has remained relatively stable from 2017 to 2022.



The following table shows the typology distribution of occupied housing units for Makkah in 2017 and 2022:

Table (3.20): Housing Typology shares (2017 – 2022)

Category	2017	2022
Traditional House	8%	6%
Villa	21%	20%
A Floor in a Villa	9%	7%
Apartment	60%	62%
Other	3%	5%

Source: GaStat, Housing Energy Survey 2017, Saudi Census 2022

Note: Rounding errors may exist

Note: Categories are as per the source document, similar categories have been clubbed together.

Looking ahead, DMA is poised to see residential units supply growth with an estimated 38k units expected to be developed from 2024 to 2030, sourced from mid-level and experienced developers as well as the Ministry of Municipalities and Housing (MoMaH), which contributes the largest share of new supply. Currently, there are estimated to be 19k units in the market that have not yet been sold, constituting the total available forthcoming supply. The highest quality projects are typically located in emerging areas within North Khobar, near the corniche, catering to the evolving market dynamics.

The shifting demographics are expected to diversify the future housing supply, incorporating high-quality affordable housing, master-planned communities, and apartment complexes to meet the diverse needs and preferences of the growing population.

3.5.4 Demand, Affordability, and Market Gap

In 2023, the total demand for residential units in DMA was estimated at c. 662k units, with projections to increase to c. 895k by 2030. The primary driver of this rising demand is the expected formation of new households, accounting for about 81% of the total housing need. This trend is supported by an expanding population and a shift towards smaller household sizes, which naturally leads to an increased need for residential units. The remaining 19% is attributed to estimated replacement demand, which is driven by existing households seeking to replace their current residence. By 2030, it is anticipated that nearly 34% of the residential demand comprises households earning SAR 20,000 per month or more. This demographic shift offers critical insights into the types of residential properties that are expected to be in demand, helping to tailor future developments to the evolving needs of the market.

The expected incremental number of housing units demanded based on historical household growth rate and estimated existing units that need to be replaced, amounts to a total of c. 288k units between 2024 and 2030. Additionally, the expected incremental supply of housing units consisting of supply from established developers, from small developers, and self-built units amounts to c. 267k units. Based on these estimated demand and supply figures, the incremental market gap for residential units is expected to be around 21k units for the period between 2024 and 2030.

3.5.5 Performance-based on MOJ transactions – LTM end of June 2024

An analysis of historical market trends from 2020 to 2023 shows that transaction activity peaked in 2020, with a total of 10,912 transactions. Since then, the number of residential transactions gradually declined, reaching 6,670 in 2023. Contributing factors may include a significant rise in residential land prices over this period and elevated interest rates. However, transaction activity showed an increase in the first half of 2024, with 5,426 transactions, representing 81% of the total transactions recorded in all of 2023. This suggests a potential improvement in market activity, coinciding with a stabilization in residential land prices over the past year.

Among the property types analyzed, land transactions consistently dominated the market, while apartment transactions demonstrated a noticeable upward trend. This shift toward smaller residential units may reflect demographic and economic changes in the Kingdom, indicating a potential market adjustment to evolving consumer preferences.



3.5.5.1 Apartments

Data from the Ministry of Justice (MOJ) for the twelve months ending in June 2024 indicates that South Dammam and West Dammam zones recorded the highest number of apartment transactions within the Dammam Metropolitan Area (DMA), collectively accounting for 61% of the total transactions (excluding the **"others"** category, which includes transactions without a specified masterplan number or district name from MOJ). This higher transaction volume may be associated with the introduction of multiple projects in these zones and their relative affordability compared to other areas. Lower South Khobar followed with 12.4% of total transactions, while zones such as Far West Dammam, Central Dammam, and Central Khobar recorded fewer transactions, possibly due to lower development activity.

The average apartment transaction price per sqm rose by 33%, from SAR 2,456 in Q2 2023 to SAR 3,266 in Q2 2024. North Khobar reported the highest average sales price per sqm for apartments at SAR 5,180, which may be attributed to its prime location near the corniche, an area that has seen the development of several premium apartment residences. East Dammam and North Dhahran also recorded above-average prices per sqm, at SAR 3,820 and SAR 4,393 respectively, indicating their significance as locations of interest for apartment buyers.

3.5.5.2 Residential land

The overall average land transaction price per sqm experienced a slight decrease of (1.8%) from SAR 2,227 in Q2 2023 to SAR 2,187 in Q2 2024. West Dammam zone led the transaction volume, representing 29% of total activity (excluding **"others"** category which refers to transactions lacking a masterplan number or district name from MOJ), closely followed by Far West Dammam zone at 19%, and Lower South Khobar zone contributing 15%. This distribution reflects regional growth dynamics, enhanced land availability, and more affordable land prices in these zones as compared to more developed central zones.

3.5.6 The Company's Residential Offering in DMA:

The Company has a total of 688 apartment units in the Dammam Metropolitan Area (DMA), with approximately 374 units currently under construction. These units are primarily located in the North and South Khobar zones and the East Dammam zone. Available apartment units have an average sales price per sqm of SAR 2,635, with prices ranging from SAR 2,529 to SAR 2,825. Unit sizes vary from 107 to 159 sqm, with an average size of 139 sqm. The estimated absorption rate for apartment units in these developments is around 23%.

In addition, the Company has a total of 188 villa units in DMA, of which 125 units are currently under construction. These are situated in North Khobar and East Dammam zones. Available villa units have an average sales price per sqm of SAR 5,319, with prices ranging from SAR 3,656 to SAR 8,101. Villa sizes range from 220 to 381 sqm, with an average size of 302 sqm. The estimated absorption rate for units in the only available villa development is 73%.

The following table shows the average price range SAR /sqm for the Company's currently available apartment and villa units across zones in DMA:

Table (3.21): The Company's average price range SAR /sqm for apartment and villa units across zones in DMA

Average Price SAR /sqm	East Dammam	North Khobar	South Khobar
Apartment Units	2,825	2,550	2,529
Villa Units	4,200	3,656 - 8,101	-

Source: Al Ramz Real Estate Company.

3.5.7 Market Share of Residential Apartment Units

According to MOJ data, the total number of apartment transactions in the Dammam Metropolitan Area (DMA) from 2018 to the first half of 2024 is estimated to be approximately 11,627. The Company's apartment sales in this period totaled 248 units, representing a market share of 2.1% of overall apartment transactions in DMA. The Company has two upcoming apartment developments in DMA with an additional 374 units, which is anticipated to enhance its market presence in the area.



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The Company



4. THE COMPANY

4.1 Overview of the Company and its Business Activities

Al Ramz Real Estate Company is a closed joint stock company established under commercial registration No. 1010488618, dated 29/11/1437H (corresponding to 01/09/2016G) pursuant to Ministerial Resolution No. Q/5369 dated 29/05/1442H (corresponding to 13/01/2021G) approving the announcement of the Company's conversion into a closed joint stock company. The head office of the Company is located in Wadi Hajar, Al-Malqa District, P.O. 2608, Riyadh 13524, Kingdom of Saudi Arabia. The Company's current capital is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a nominal value of ten (10) Saudi Riyals per share. Post-capital increase, the Company's share capital will amount to four hundred and twenty-eight million five hundred and seventy-one thousand four hundred and thirty Saudi Riyals (SAR 428,571,430), divided into forty-two million, eight hundred and fifty-seven thousand, one hundred and forty-three (42,857,143) Ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share.

The Company is one of the leading real estate developers in Saudi Arabia, known for its commitment to quality, innovation, and excellence in real estate development. Initially founded by a single shareholder with the Current Shareholders of the Company having a combined legacy spanning over fifty years in the industry, the Company has grown from its origins in Riyadh into a prominent player in the Saudi market, establishing a solid reputation for delivering high-quality residential and commercial projects that cater to the demands of modern Saudi society.

With a keen understanding of Saudi Arabia's evolving urban landscape, the Company has leveraged its extensive expertise and has a real estate portfolio comprising more than 40 projects completed and under development, encompassing more than 8,000 units as of the date of this Prospectus, focusing on high-demand neighborhoods in Riyadh and Al-Khobar. This strategic concentration has allowed the Company to build a strong reputation for excellence, marked by comfort, modern and elegant architectural design, contemporary living spaces, and well-planned residential amenities that create vibrant communities. The Company combines cutting-edge engineering and construction with sustainable practices to produce spaces that meet the highest standards of quality and durability.

The Company undertakes real estate projects under various development models:

- i- as a sole owner, investing its resources entirely;
- ii- in partnership with real estate investment funds, where the Company acts primarily as a developer and co-owner, typically holding a 17%-52% stake; or
- iii- as a developer only, where the Company has no ownership in the project(s).

The Company is also currently exploring the use of a **"joint venture development model"** in the future, which would enable it to earn fees related to project development, management, construction oversight, and sales and marketing efforts while also benefitting from a project's profit through equity exposure.

The different approaches have enabled the Company to diversify its funding strategies, opening opportunities for development of projects that might require more significant funding than the Company can provide alone. As a result, the Company has had the ability to broaden its project portfolio, which initially focused on urban apartments for Riyadh's growing population. Over time, the Company has expanded its offerings to include residential villas, apartments, floors, commercial units, as well as mixed-use developments, addressing the market's diverse and increasing real estate needs.

The Company's success is driven by a team of highly qualified professionals from various fields, including engineering, sales, and finance, supported by an advanced enterprise resource planning (ERP) system. This comprehensive operational framework has empowered the Company to consistently deliver projects on time, within budget, and to the highest standards, aligning with its goal of becoming a world-class real estate organization.

Financially, the Company has demonstrated strong growth and a commitment to delivering substantial returns to its Shareholders while prudently managing its balance sheet. The Company generated total revenue amounted to SAR 633 million, SAR 532 million and SAR 952 million in FY2022G, FY2023G, and FY2024G respectively. The Company's net income amounted to SAR 83 million, SAR 127 million and SAR 158 million, respectively, in the same periods.

With its commitment to quality, strategic expansion, and responsible development, the Company continues to contribute to the transformation of key real estate hubs in Saudi Arabia while setting benchmarks for excellence in the industry.



Table (4.1): The Company's Annual Unit Sales

	FY2022G	FY2023G	FY2024G
Al Ramz units sold*	271	212	208
Al Ramz units sold (sqm)	39,415	32,859	36,816
Total units sold**	271	270	609
Total units sold (sqm)	39,415	44,758	109,033
Al Ramz unit sales (SAR million)	273.6	250.4	352.8
Total Sales (SAR million)	633.3	531.9	951.8

*Any units developed and held by the Company as a sole owner

**Units developed by the Company as a sole owner, developer and co-owner with real estate investment funds

Source: the Company

4.2 Vision and Mission of the Company

4.2.1 Vision

To be the fastest-growing urban developer in the Kingdom by creating communities filled with comfort.

4.2.2 Mission

To be an added value that contributes to the development of the architectural environment of the real estate sector, and a reliable symbol for customers in the Kingdom.

4.3 Competitive Advantages, Strengths and Strategies of the Company

4.3.1 Competitive Advantages and Strengths of the Company

The Company possesses many strengths and competitive advantages that it believes significantly distinguish it from its peers and contribute to its success. Management believes that the competitive advantages and strengths available to the Company are as follows:

4.3.1.1 Agile Project Execution Methodology

The Company believes that it stands out for its agile and efficient approach to managing real estate projects at the forefront of developers executing projects at top efficiency without compromising quality. From land acquisition to final project delivery to the customer, the Company relies on precise strategies aimed at accelerating completion and quickly rotating capital in order to enhance returns and speed up investment gains.

- **Speed of Execution:** The Company has demonstrated its ability to execute projects more quickly than most of its competitors, completing residential projects within a period of 14 to 16 months from the issuance of building permits. These short timeframes enable rapid capital execution to be completed within 18 to 20 months from permit issuance turnover and enhance operational efficiency. For commercial projects, despite their added complexity, these capacities give the Company a competitive edge and increase its appeal to customers.
- **Streamlined and simplified execution procedures:** Emphasizing simplicity and efficiency in its project execution procedures, the Company continuously develops and streamlines its processes to be flexible and accessible, making project execution easier for employees and enhancing collaboration with its partners, including contractors, suppliers, engineering offices, and government service entities like the Saudi Electricity Company, National Water Company, and municipalities. This approach facilitates obtaining permits and connecting services much quicker than usual, ensuring smooth project progress and minimizing time-related obstacles.
- **Quality and customer Comfort:** The Company's focus goes beyond speed of execution to include high quality and customer comfort. The Company has a dedicated quality team that reviews and approves all phases of construction, culminating in the final handover from contractors. The handover process to customers then begins smoothly, with the Company taking customer feedback into account and addressing it quickly and effectively to ensure a comfortable handover experience that meets their expectations.



Through this agile and integrated approach, the Company aims to guarantee the delivery of projects with exceptional quality and in record time, benefitting both customers and investors. This commitment helps build a strong reputation as a company that passionately and creatively shapes the future of real estate communities.

4.3.1.2 Well Established Brand and Proven Track Record

The Company has sought to solidify its position as a trusted brand in Saudi Arabia's real estate market by building on a legacy of quality, innovation, and integrity. With over 2,100 units delivered across 30+ projects in high-demand urban areas, the Company consistently delivers high-quality, architecturally modern developments. Each project exemplifies a commitment to superior construction quality, meticulous attention to detail, and contemporary design, establishing the Company as a preferred choice for both residential and commercial real estate solutions.

The Company has a comprehensive strategic marketing approach aimed at enhancing brand awareness and increasing its reputation and credibility in Saudi Arabia's real estate development market. Through innovative and diverse marketing campaigns, the Company has established a strong and lasting presence in order to position its brand as one of the most prominent names in the sector.

- **Referral-based marketing:** A significant portion of the Company's new clients come through referrals, underscoring customer satisfaction and trust in the Company's services and projects.
- **Strategic advertising:** The Company places advertisements in strategic locations to maximize brand visibility, including airports, main thoroughfares and popular destinations.
- **Digital and social media engagement:** The Company actively engages audiences on X, Instagram, and LinkedIn with content tailored to various customer segments, which reflects its commitment to effective and continuous communication. Through social media, the Company shares project updates, customer success stories and informational content, fostering interaction and building strong customer relationships. In addition, utilizing digital analytics, the Company refines its digital marketing strategy, achieving more targeted and effective results by understanding customer preferences.
- **Educational campaigns:** The Company prioritizes educational outreach, offering insights on real estate ownership and investment. Topics include selecting the right property, evaluating location and amenities, and other practical guidance. This approach not only builds trust but also positions the Company as an expert resource, enhancing its reputation as a reliable authority in the industry.
- **Influencers:** By partnering with influential personalities, the Company expands its reach, gaining visibility among new audiences who follow these figures. This strategy amplifies brand exposure and drives engagement with potential customers.
- **Participation in real estate exhibitions and events:** The Company actively participates in key real estate exhibitions and events both locally and internationally, showcasing its projects and strengthening relationships with prospective customers and investors. These events provide the Company with opportunities to connect directly with its audience, reinforcing its position as a prominent player in the real estate market.

Through these comprehensive marketing efforts, the Company has successfully strengthened its brand and built a solid customer base that trusts it as their first choice when seeking real estate. The Company's track record of excellence, supported by a strong, customer-centric marketing approach, enhances its brand equity and fosters enduring relationships with stakeholders. This foundation of trust and brand recognition positions the Company for continued growth, supporting its strategic vision and strengthening its market position in the vibrant real estate market.

4.3.1.3 The Company's Development Expertise and the Unitarization of its Wholly-Owned Subsidiary Responsible for Construction Management

The Company brings significant development expertise to the Saudi real estate market, and believes that its comprehensive, end-to-end approach to project execution sets it apart from competitors. The Company manages all stages of the development lifecycle—from land acquisition and architectural design to construction, sales, and ongoing property management. This integrated approach ensures that each project meets the highest standards of quality, efficiency, and cost control, allowing the Company to consistently deliver on time and within budget. The Company has a remarkable track record in this respect, generally completing residential developments within 16 – 20 months and commercial projects within 24 – 30 months from the issuance of building permits.

The Company's development expertise is reinforced by its strategic partnerships with top architectural and design firms, enabling the Company to stay at the forefront of design innovation and modern urban solutions. This deep technical know-how and collaborative project management approach allows the Company to create properties that fulfil market demand while demonstrating excellence in quality and design, supporting Saudi Arabia's Vision 2030 goals for urban growth.



The Company also benefits from its fully owned construction management subsidiary, ZAT Construction (formerly known as Osus Al-Ramz Contracting Company). ZAT Construction excels in managing and constructing real estate projects with a focus on operational efficiency, engineering expertise, and strategic partnerships and agreements with sub-contractors and major suppliers, that avoid high labor costs. By employing a collaborative business model that leverages qualified subcontractors and suppliers, ZAT Construction ensures top-quality execution while mitigating financial risks as follows:

- **Management excellence:** ZAT Construction operates with a streamlined management structure overseeing all project phases, from planning through final delivery. With a highly experienced management team, ZAT Construction consistently delivers high-quality projects on time, optimizing efficiency and oversight.
- **Skilled engineering and supervisory team:** Boasting a team of over 70 specialized engineers across civil, architectural, mechanical, and electrical disciplines, ZAT Construction is equipped to address complex engineering demands. Skilled supervisors serve as vital connections between the worksite and management, facilitating smooth operations. Engineers provide tailored engineering solutions and technical consultancy, ensuring project quality at minimal cost.
- **Rigorous contractor and supplier qualification:** ZAT Construction enforces a stringent qualification process for contractors and suppliers, assessing their professional, financial, and technical backgrounds to guarantee they meet quality standards. This process includes thorough reviews of safety and quality compliance. Post-qualification, strict monitoring protocols ensure that contractors and suppliers maintain standards throughout each project phase.
- **Efficient partnership model with no direct labor force:** Rather than maintaining a large direct workforce, ZAT Construction collaborates closely with contractors and suppliers, managing projects efficiently without the high costs associated with a permanent labor force. This flexible model allows ZAT Construction to handle diverse project sizes with reduced risk and a focus on specialized management.
- **Dedicated quality and monitoring team:** An independent quality control team performs meticulous inspections at every project stage to ensure adherence to specifications and standards. By working alongside the engineering and contracting teams, the quality control unit promptly addresses any issues, applying rigorous control measures like material testing, performance assessments, and compliance checks.

4.3.1.4 Deep Expertise in Developing Diverse Residential and Commercial Real Estate Products Across Multiple Cities

The Company has positioned itself as a leader in the real estate market through its extensive expertise in developing diverse residential and commercial projects. Guided by market research and customer preference analysis, the Company is dedicated to ensuring that its products meet evolving demands while delivering comfort and integration. Since its inception in 2016G, the Company has prioritized high-quality residential developments, including 4,126 apartments in integrated complexes, 736 modern villas, 464 secure residential floor units, and 540 units in high-rise towers. These offerings cater to various societal segments, providing options that reflect the aspirations of Saudi families and individuals.

In the commercial sector, the Company began its expansion in 2021G with projects that address the rising demand for rental spaces. Key developments include the Faseelah Square, the Company's first commercial project in Al-Malqa, Riyadh; the Ramz Tower with 27 floors of office and retail spaces on King Salman Road; and Durrat King Khaled, offering over 60,000 square meters of premium office and commercial areas near Diriyah Gate. The Rafid Project in Hittin further strengthens the portfolio, providing 30,000 square meters of space strategically located near prominent landmarks such as New Murabba and the King Abdullah Financial District (KAFD). These projects highlight the Company's commitment to meeting residential and business needs while driving sustainable growth.

Table (4.2): Project Pipeline by Type of Project, as at the Date of this Prospectus

Type of Project	Percentage of Project Pipeline Revenues
Town Houses	0.3%
Villa	6.5%
Floors	5.2%
Apartment	40.1%
Mixed use	47.9%

Source: the Company



The Company is one of the few developers which are present in multiple cities across the Kingdom. Geographic diversification strengthens the Company's position by broadening its footprint across multiple regions, ensuring a balanced presence in both established and growth markets. This strategy not only mitigates regional economic risks but also enhances its ability to leverage location-specific opportunities, such as urban growth, infrastructure development, or emerging industries. By combining varied project types with a wide geographic reach, the Company builds resilience, fosters innovation, and strengthens its reputation as a versatile and forward-thinking developer, setting itself apart from competitors who may rely on narrower portfolios.

Table (4.3): Project Pipeline by Project Location

Percentage of Project Pipeline Revenues	Project Location
69.6%	Riyadh
0.7%	Buraydah
1.0%	Al-Khobar
13.6%	Jeddah
14.9%	Makkah

Source: the Company

4.3.1.5 Focus on Research and Market Analysis

The Company invests significantly in a dedicated team for product development and in-depth market studies, designing products based on actual customer needs and aspirations. The research and analysis team studies consumer behavior and requirements, enabling the Company to design projects that meet market demands while maintaining quality and long-term value. This analysis includes several factors, such as identifying strategic locations, selecting desirable architectural designs, and offering payment options suitable for different segments.

Thanks to this strategy, which is based on market understanding and customer needs, Al Ramz has achieved notable success in diversifying its products across residential and commercial sectors, providing a comprehensive environment that meets the demands of the real estate market in the Kingdom, and solidifying its position as an innovative and leading developer.

4.3.1.6 Technology-Driven Efficiency and Customer Engagement

The Company's commitment to digitalization provides a significant competitive edge by enhancing operational efficiency and deepening customer engagement. Through dedicated platforms and advanced infrastructure, the Company streamlines processes and maximizes client satisfaction across key digital touchpoints through dedicated platforms and advanced infrastructure, as follows:

4.3.1.6.1 Mobile application

Al Ramz relies on advanced technical solutions to support its strategy and improve customer experience. One of the most important solutions is the customer application, which provides integrated services to customers, such as maintenance, monitoring of the property's condition, and provision of any necessary support. The application contributes to enhancing communication between the Company and its customers and provides them with a smooth and effective experience, reflecting the Company's interest in meeting customer needs in the best possible way.

4.3.1.6.2 Web portal

The Company's web portal simplifies the client journey, offering a streamlined, easy-to-navigate platform for viewing listings, submitting inquiries and managing transactions. This efficient digital pathway enhances the sales experience and broadens the reach of the Company's property portfolio. Additionally, the portal provides downloadable brochures for all projects, giving clients access to detailed information such as layout structures, available facilities and other specifications. This ensures potential buyers have all the necessary details at hand to make well-informed decisions.

By centralizing property information and offering a comprehensive view of available listings, the web portal increases the accessibility of the Company's properties. It enables clients to make more informed decisions with minimal friction, reinforcing trust and convenience in the process.



4.3.1.6.3 Utilizing technology in operations

The Company has invested in advanced IT infrastructure, including the implementation of “**Microsoft Dynamics 365**” ERP. This powerful system optimizes essential functions across project management, financial operations, and procurement, promoting accuracy and accelerating decision-making. Leveraging ERP and other integrated technologies enables the Company to achieve high levels of operational efficiency and data-driven insights, allowing it to proactively manage resources and forecast needs and position itself as a technology-forward leader in the real estate sector. By integrating these digital solutions, the Company positions itself as an innovative leader, leveraging technology to drive operational excellence and deliver superior customer value.

4.3.1.7 Large secured project pipeline

As at 31 December 2024G, the Company had a portfolio of 17 projects either in the Design Stage, or in the Construction Stage (for further information, please see Section 4.9.3.2 (“**Projects Under Development**”) of this Prospectus). These projects are slated for delivery between end of FY2025G and FY2028G and encompass over 3,700 units, including apartments, townhouses, villas, and offices.

Table (4.4): Project Portfolio as at 31 December 2024G

Project Name	Project Status	Type	Al Ramz Ownership	Target Completion	Type Of Project	City	Number of Units	Project Completion Rate as at 31 December 2024G	Project Completion Rate as at 30 September 2025G
Aykah Town	Construction	Owned	100%	July 2025G	Town house	Buraydah	24	75.11%*	100%
Aykah Apartments	Construction	Owned	100%	August 2025G	Apartment	Buraydah	17	53.66%*	100%
Yousor Village	Construction	Owned	100%	August 2025G	Apartment	Jeddah	144	78.75%*	100%
Lolia Villa	Construction	Owned	100%	July 2025G	Villa	Al-Khobar	30	53.29%*	100%
Al Ramz Villas Project-Obhur Al-Janoubiyah	Construction	Owned	100%	July 2026G	Villa	Jeddah	75	0%	7.80%
Jadeel Alrimal Project	Construction	Owned	100%	March 2026G	Floor	Riyadh	219	0%	55.92%
Al Ramz Residential Project – Obhur Al-Shamaliya	Design	Owned	100%	September 2026G	Apartment	Jeddah	900	0%	0%
Ramz Masar Project**	Design	Fund	100%	December 2028G	Apartment	Makkah	540	0%	2%
Sadeem apartments - Phase I	Construction	Fund	52%	March 2026G	Apartment	Riyadh	120	8.72%	75.13%
Sadeem apartments - Phase II	Design	Fund	52%	July 2026G	Apartment	Riyadh	420	0%	3.00%
RAFD – Hittin	Construction	Fund	17%	December 2025G	Mixed use	Riyadh	98	51.42%	80.07%
King Khaled Project	Design	Fund	30%	December 2026G	Mixed use	Riyadh	315	4.72%	9.00%
Ramz Tower Project- King Salman Road**	Construction	Fund	100%	October 2026G	Mixed use	Riyadh	112	0%	35.58%



Project Name	Project Status	Type	AI Ramz Ownership	Target Completion	Type Of Project	City	Number of Units	Project Completion Rate as at 31 December 2024G	Project Completion Rate as at 30 September 2025G
Sadeem villas - Phase I	Construction	Fund	52%	March 2026G	Villa	Riyadh	90	44.01%	91.66%
Sadeem villas - Phase II	Design	Fund	52%	January 2027G	Villa	Riyadh	90	0%	3.00%
Jawharat Al-Ramz	Construction	Third Party (the Company acts as Developer only regarding the Project)	0%	August 2026G	Apartment	Riyadh	521	64%	81.03%
Rayya Al Nakeel	Construction	Third Party (the Company acts as Developer only regarding the Project)	0%	February 2026G	Apartment	Riyadh	72	23%	85.65%
Total	-	-	-	-	-	-	3,787	-	

Source: The Company

*Development works for these projects have been completed, and occupancy certificates have been issued for them, except for the Yousor Village Project, for which the Company is currently working on obtaining an occupancy certificate from the municipal authorities. The timing of its issuance depends on the speed of processing by the municipality.

** These projects were owned by the Company before 31 December 2024G, and after 31 December 2024G, the Company transferred ownership of the projects to a fund wholly owned by the Company.

In addition to the projects mentioned above, the Company has also added the following new projects after 31 December 2024G:

Project Name	Project Status	Type	AI Ramz Ownership	Target Completion	Type Of Project	City	Number of Units	Project Completion Rate
Al Nada 2	Design	Owned	100%	January 2027G	Apartments	Riyadh	127	0%
Qurtuba*	Design	Fund	50%	May 2029G	Mixed-use	Riyadh	2,750	0%
Olia Tower*	Design	Fund	50%	August 2027G	Mixed-use	Riyadh	20	0%
Bonsai*	Design	Fund	30%	February 2027G	Apartments	Riyadh	249	0%
Total	-	-	-	-	-	-	3,146	-

Source: The Company

*The Company has signed the terms and conditions of the investment fund relating to these projects and intends to enter into development agreements in due course in its capacity as the Developer.



4.3.2 Company Strategy

The Company's strategy is to grow in a sustainable manner through the following strategic pillars:

4.3.2.1 Achieve Sustainable Expansion and Drive Shareholder Returns

The Company's strategy emphasizes sustainable growth, financial resilience, and a balanced approach to investments that prioritizes both revenue growth and financial stability. By focusing on diversified investments, prudent financial metrics, and strategic partnerships, the Company aims to position itself as a leader in the real estate market.

4.3.2.1.1 Growth

- **Acquisition of strategic residential and commercial land:** The Company prioritizes the acquisition of strategically located land parcels for both residential and commercial developments, which plays a pivotal role in building a robust and scalable real estate portfolio. By prioritizing land acquisitions in high-potential areas, the Company maintains a steady pipeline of projects that align with market demand and future urban expansion trends. This approach enables the Company to deliver value-driven developments while maintaining a competitive edge in the real estate market.

Each site is selected based on a rigorous evaluation of key criteria, including proximity to urban centers, access to essential infrastructure, and anticipated future demand. This careful selection process not only enhances the intrinsic value of the acquired assets but also supports the Company's long-term development goals. Land acquisitions serve as a foundation for sustainable growth, allowing Al Ramz to expand its portfolio with diversified projects that cater to evolving market needs, ensuring continued success and demand fulfilment across residential and commercial sectors.

- **Expansion of the real estate funds portfolio:** By establishing new real estate funds and increasing investments in existing funds, the Company aims to strengthen cash flow and diversify income sources. With established partnerships with leading financial institutions like Riyadh Capital and SNB Capital, the Company leverages its strategic relationships to establish bespoke project funds and secure funding, optimize project financing, diversify income sources and reinforce financial stability.
- **Development Contracts with Government Partners:** The Company collaborates with key government entities, such as the National Housing Company and Roshn, to support major projects and contribute to the growth of the real estate sector. Notably, the Company's first partnership with the National Housing Company involves the development of the "**Jawharat Al-Ramz**" project, which includes 521 housing units in Khuzam suburb, north of Riyadh. By fostering strong relationships with government partners and aligning with national development goals, the Company aims to increase the value of these contracts. The Company focuses on delivering projects of strategic and social importance to bolster its reputation and create sustainable growth opportunities.
- **Expansion into Income-Generating Investment Projects:** The Company focuses on investing in stable, income-generating real estate assets, such as commercial complexes and residential buildings. This strategy ensures a steady and sustainable cash flow to cover administrative and general expenses while supporting consistent dividend payouts, enhancing financial stability and long-term growth.

4.3.2.1.2 Returns

- **Off-plan sales:** Off-plan sales are a key financing and sales strategy that allows the Company to generate early cash flow before project completion. The Company began using off-plan sales in 2023G for several projects, including Jawharat Al-Ramz and Yousor Village in Jeddah, and intends to use off-plan sales for the Sadeem Town and other projects. This strategy helps reduce the need for external financing, providing rapid returns to fund subsequent project phases and lessening reliance on loans. It also attracts customers looking to benefit from favorable pricing before project completion, accelerating sales and boosting revenue.
- **Maximizing return on equity (ROE):** ROE is a key performance metric for the Company, with ROE of 23% in 2021G, 31% in 2022G and 23% in 2023G. The Company aims to further enhance this by growing profitability, controlling project costs and balancing borrowing to maximize shareholder value.
- **Sustaining a high gross profit margin:** The Company targets a high gross profit margin by enhancing operational efficiency and effectively managing direct project costs. With a gross profit margin of 27% in FY2021G, 26% in FY2022G and 24% in FY2023G, the Company focuses on refining planning and execution, which directly contributes to greater project efficiency and sustained profitability.
- **Low debt-to-equity ratio:** The Company maintains a favorable debt-to-equity ratio of around 58% as at 31 December 2024G, strategically managing this ratio by increasing equity and achieving strong profitability. This approach enables the Company to access additional financing on favorable terms, supporting further investments in land acquisition and enhancing financial stability.



4.3.2.2 Enhancing the value of comfort for customers

The Company is committed to providing a smooth, supportive, transparent, and comfortable experience for its customers from initial engagement to long-term property ownership.

- **Integrated and simplified customer experience:** The Company ensures that every stage of the purchasing process is simple and easy. This includes clear and accessible information and user-friendly digital tools that allow clients to track project progress and engage with property development stages.
- **Commitment to transparency and credibility:** Placing customers' interests at the forefront, the Company fosters trust by providing complete, accurate information on properties, including pricing, specifications, and nearby facilities. This transparency enhances the customer experience, encouraging informed decision-making and reinforcing credibility.
- **Responsive communication and dedicated customer service:** The Company prioritizes effective communication with clients by offering multiple convenient channels to address inquiries swiftly. A professional customer service team is trained to provide comprehensive support, addressing a wide range of customer needs and offering expert guidance as necessary;
- **Robust post-sale services:** The Company emphasizes post-sale support, offering dedicated programs to track and evaluate customer satisfaction long after the sale. Independent third parties measure satisfaction and referral rates, ensuring the property and service quality consistently meet high standards. Additional services include support for maintenance, technical assistance, and advisory services for resale or leasing.
- **Adapting to changing customer needs:** Through continuous market research, the Company tailors its offerings to meet evolving customer preferences. This includes flexible design choices and payment options, ensuring the customer experience aligns with expectations and strengthens customer satisfaction and loyalty.

4.3.2.3 Build Community and Support Social Impact

The Company is dedicated to making a meaningful social impact, aligning with Vision 2030G to support national housing goals and enhance social well-being.

- **Delivering affordable housing units to increase homeownership:** In alignment with Vision 2030G, the Company actively supports the national goal to increase homeownership rates by developing accessible, high-quality housing with flexible payment options. By helping families achieve homeownership, the Company contributes to greater family stability and economic development.
- **Charitable initiatives and community support:** The Company is committed to improving the lives of those in need through various charitable activities. During Ramadan, the Company provides food to vulnerable communities, distributes clothing during winter to those who need it most, and makes donations to support humanitarian efforts in regions like Syria and Morocco, particularly during natural disasters. These initiatives reflect the Company's dedication to social responsibility and its role in contributing to the well-being of society.

4.3.2.4 Empower and Grow the Organization

The Company understands that its ambitious growth targets and dedication to delivering high-quality projects on schedule and within budget are directly tied to its ability to attract, retain, and develop top-tier talent. To achieve this, the Company has built a diverse team with expertise across various disciplines, including design, engineering, project management, contract negotiation, and customer service. Led by a seasoned management team with extensive experience in real estate, the organization ensures that all projects meet the highest standards of quality, efficiency, and innovation.

As the Company continues to diversify and expand its project portfolio, spanning residential towers, townhouses, villas and commercial properties, the demand for a skilled and adaptable workforce grows. In response, the Company is committed to investing in its organizational structure through a series of strategic initiatives. These include increasing headcount to infuse the Company with fresh talent, providing continuous training and professional development for existing employees, and enhancing the leadership capabilities within the management team to drive success in an increasingly competitive market.

Supporting these efforts, the Company's strong corporate governance framework ensures effective oversight and strategic direction. The Board of Directors, together with its key sub-committees, including the Executive Committee, Audit Committee, and Nomination and Remuneration Committee ensures robust governance practices. Comprising both shareholder representatives and independent members, these committees offer diverse perspectives, enriching the depth of expertise available to the board. This structure not only strengthens the management team's ability to meet business objectives but also upholds the principles of transparency and accountability, ensuring that the Company operates in accordance with the highest standards of corporate governance.



4.4 Key Suppliers

The Company's top five (5) suppliers (in terms of purchase value) represented 3.72%, 4.23%, and 3.83%, respectively, of the Company's total purchases for the Financial Years 2022G, 2023G, and 2024G. The table below shows details of transactions with the Company's top five (5) suppliers as at the Financial Years 2022G, 2023G, and 2024G:

Table (4.5): The Company's Top Five (5) Suppliers as at the Financial Years 2022G, 2023G, and 2024G

No.	Supplier Name	Products Supplied	Value of Supply	Percentage of Supply to Total Purchases	Type of Relationship
During FY2022G					
1.	Supplier No. 1	Building Materials - Reinforcing Steel	6,128,806.33	1.13%	Non-contractual
2.	Supplier No. 2	Building Materials - Electrical and Plumbing Materials	4,034,394.41	0.86%	Non-contractual
3.	Supplier No. 3	Building Materials - Electrical and Plumbing Materials	3,751,030.56	0.80%	Non-contractual
4.	Supplier No. 4	Building Materials - Stone and Marble	2,922,089.84	0.63%	Non-contractual
5.	Supplier No. 5	Building Materials - Reinforcing Steel	1,344,538.71	0.30%	Non-contractual
During FY2023G					
1.	Supplier No. 6	Advertising and Marketing	5,501,200.00	1.38%	Non-contractual
2.	Supplier No. 7	Engineering Consulting	4,000,000.00	1.01%	Non-contractual
3.	Supplier No. 8	Electrical Inputs for Projects	3,868,516.00	0.97%	Non-contractual
4.	Supplier No. 9	Real Estate Marketing	1,891,909.00	0.48%	Non-contractual
5.	Supplier No. 10	Engineering Consulting	1,538,000.00	0.39%	Contractual
During FY2024G					
1.	Supplier No. 11	Land Acquisition	28,762,597.00	3.68%	Contractual
2.	Supplier No. 6	Advertising and Marketing	4,224,013.00	0.054%	Contractual
3.	Supplier No. 10	Engineering Consulting	2,984,262.00	0.038%	Contractual
4.	Supplier No. 12	Real Estate Marketing	2,634,218.00	0.034%	Non-contractual
5.	Supplier No. 8	Electrical Inputs for Projects	1,882,977.00	0.024%	Non-contractual



4.5 Overview of the Structure of the Company and Evolution of Capital

Al Ramz Real Estate Company was established as a limited liability company (one person Company) fully owned by Mr. Rasheed Abdulrahman Nasser Al-Rasheed under the trade name “**Al Ramz Real Estate (Single Person) Limited Liability Company**” in Riyadh, under Commercial Registration No. 1010488618 dated 29/11/1437H (corresponding to 01/09/2016G).

Table (4.6): The Company’s Ownership Structure Upon Establishment

Name	No. of Shares	Par Value	Total Value of Shares (SAR)	Ownership Percentage
Rasheed Abdulrahman Nasser Al-Rasheed	50,000	10	500,000	100%
Total	50,000	-	500,000	100%

Source: the Company

On 07/04/1442H (corresponding to 22/11/2020G), the Capital Owner, Mr. Rasheed Abdulrahman Nasser Al-Rasheed, decided to assign, without compensation, a part of his Shares in favor of: (1) Fatima Abdullah Nasser Al-Majed (1,250 Shares at a value of SAR 12,500); (2) Haya Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); (3) Harun Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (4) Abdulmalik Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (5) Rakan Rasheed Abdulrahman Al-Rasheed (1,945 Shares at a value of SAR 19,450); (6) Moudhi Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720); and (7) Sara Rasheed Abdulrahman Al-Rasheed (972 Shares at a value of SAR 9,720), as new shareholders in the Company.

During the same meeting, the shareholders agreed as well to convert the Company from a limited liability company to a closed joint stock company, and to increase the Company’s capital from five hundred thousand (500,000) Saudi Riyals to fifty million (50,000,000) Saudi Riyals , by transferring the additional capital amount from the shareholder’s current account. Upon conversion into a closed joint stock company, the Company’s capital amounted to fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share. These changes were reflected in the Bylaws issued on 15/01/1443H (corresponding to 23/08/2021G).

Table (4.7): The Company’s Ownership Structure on 07/04/1442H (corresponding to 22/11/2020G)

Name	No. of Owned Shares	Par Value For Owned Shares	Ownership Percentage
Rasheed Abdulrahman Nasser Al-Rasheed	4,000,002	40,000,020	80.00%
Harun Rasheed Abdulrahman Al-Rasheed	194,450	1,944,500	3.89%
Abdulmalik Rasheed Abdulrahman Al-Rasheed	194,450	1,944,500	3.89%
Rakan Rasheed Abdulrahman Al-Rasheed	194,450	1,944,500	3.89%
Fatima Abdullah Nasser Al-Majed	125,000	1,250,000	2.50%
Haya Rasheed Abdulrahman Al-Rasheed	97,216	972,160	1.94%
Moudhi Rasheed Abdulrahman Al-Rasheed	97,216	972,160	1.94%
Sara Rasheed Abdulrahman Al-Rasheed	97,216	972,160	1.94%
Total	5,000,000	50,000,000	100%

Source: the Company

On 15/05/1443H (corresponding to 19/12/2021G), the Extraordinary General Assembly agreed to increase the Company’s capital from fifty million (50,000,000) Saudi Riyals divided into five million (5,000,000) Shares of an equal value of ten (10) Saudi Riyals per Share to three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares of an equal value of ten (10) Saudi Riyals per Share by (1) capitalizing an amount of SAR 238,358,653 from the additional paid-up capital account and (2) capitalizing an amount of SAR 11,641,347 from the retained earnings account.



Table (4.8): The Company's Ownership Structure on 15/05/1443H (corresponding to 19/12/2021G) and as at the Date of this Prospectus

Name	No. of Owned Shares	Par Value For Owned Shares	Ownership Percentage
Rasheed Abdulrahman Nasser Al-Rasheed	24,000,012	240,000,120	80.00%
Harun Rasheed Abdulrahman Al-Rasheed	1,166,700	11,667,000	3.89%
Abdulmalik Rasheed Abdulrahman Al-Rasheed	1,166,700	11,667,000	3.89%
Rakan Rasheed Abdulrahman Al-Rasheed	1,166,700	11,667,000	3.89%
Fatima Abdullah Nasser Al-Majed	750,000	7,500,000	2.50%
Haya Rasheed Abdulrahman Al-Rasheed	583,296	5,832,960	1.94%
Moudhi Rasheed Abdulrahman Al-Rasheed	583,296	5,832,960	1.94%
Sara Rasheed Abdulrahman Al-Rasheed	583,296	5,832,960	1.94%
Total	30,000,000	300,000,000	100%

Source: the Company

4.6 Key Developments of the Company since Establishment

Year	Event / Development
2016G	Al Ramz Real Estate Company established with a capital of SAR 500,000
2016G	Commenced operations in Riyadh, leasing 194 residential apartments in Riyadh
2017G	Commenced leasing and operation activities of 98 residential apartments in the Eastern Province
2017G	Acquired a 1,710 sqm land in Al-Taawun District, Riyadh
2018G	Acquired a 910 sqm land in Irqa District, Riyadh
2019G	Acquired four residential and commercial blocks with an area of more than 21,000 sqm in the following distinctive districts of Riyadh: Al-Nada, Al-Malqa, Irqa and Al-Wadi.
2020G	Company converted into a Saudi closed joint-stock company
2020G	Capital increased from SAR 500,000 to SAR 50,000,000
2020G	Sold and delivered more than 148 residential units in Riyadh
2020G	Acquired residential lands of more than 36,000 sqm in Riyadh for development
2020G	Initiated the first residential development project in Al-Khobar
2021G	Acquired residential and commercial lands of more than 70,000 sqm in Riyadh and Al-Khobar for development purposes
2021G	Started the first mixed office and commercial projects, Faseelah Square
2021G	Sold and delivered more than 395 residential units in Riyadh
2022G	Initiated its first residential project (Jawharat Al-Ramz) in cooperation with the National Housing Company for the development of 521 apartments in Khuzam suburb, north of Riyadh
2022G	Established a real estate investment fund affiliated with Riyadh Capital for the development of 393 residential units in Riyadh and Al-Khobar, with a value exceeding SAR 400 million
2022G	Established a real estate investment fund affiliated with Blominvest for the development of 176 residential units in Al-Khobar, with a value exceeding SAR 270 million
2022G	Established ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) as a subsidiary engaging in constructions works and management thereof
2022G	Launched the ERP first phase



Year	Event / Development
2023G	Acquired three lands in distinctive locations in Riyadh for the purpose of establishing mixed-use projects, with a total leasable area of 130,000 sqm
2023G	Sold and delivered more than 700 residential units in Riyadh and Al-Khobar
2023G	Initiated its first residential development project in Al-Salama District, Jeddah, for the development of more than 144 residential apartments
2023G	Acquired residential and commercial lands in Riyadh, Al-Khobar and Jeddah with an area of more than 146,000 sqm for their development
2023G	Earned the Great Place to Work certificate
2023G	Subsidiary ZAT Constructions won KSA Contracting Excellence Award by the Saudi Contractors Authority
2023G	Launched three real estate funds with a value exceeding SAR 1.8 billion for the development of mixed-use projects in Riyadh and Al-Khobar.
2024G	Established a real estate fund affiliated with SNB Capital with a value of more than SAR 650 million for the development of more than 780 residential units in Riyadh downtown
2024G	Launched a mobile application to serve its customers and optimize their experience
2024G	Sold all 521 residential units in Jawharat Al-Ramz off-plan project
2024G	Acquired residential lands of more than 90,000 sqm for the development of more than 900 residential units.
2024G	Awarded 4 International Property Awards for its Ramz Al-Nakheel Project

Source: the Company

4.7 Overview of the Structure of the Company and its Subsidiaries

The Company has three Subsidiaries, as follows:

4.7.1 ZAT Construction Company

The Company is a founding shareholder in ZAT Construction Company (formerly known as Osus Al-Ramz Contracting Company), which is a limited liability company registered on 06/08/1443H (corresponding to 09/03/2022G) in the Commercial Register under No. 1010787199, with its head office located in Riyadh, Kingdom of Saudi Arabia. The share capital of ZAT Construction Company amounts to SAR 50,000 divided into 5,000 Shares of an equal nominal value of SAR 10 per Share. ZAT Construction Company achieved revenues of SAR 152.7 million in 2022G, SAR 284.1 million in 2023G, and SAR 417.4 million in 2024G.

The main activity of ZAT Construction include contracting works and real estate project management.

Table (4.9): The Ownership Structure of ZAT Construction as at the Date of this Prospectus

Shareholder Name	Ownership Percentage	No. of Shares
Al Ramz Real Estate Company (Saudi CJSC)	100%	5,000
Total	100%	5,000

Source: the Company

4.7.2 Mabna Al Majd Real Estate Development and Investment Company

Mabna Al Majd Real Estate Development and Investment Company is a limited liability company established on 18/01/1446H (corresponding to 24/07/2024G) under Commercial Registration No. 1009076582. Its head office is located in Riyadh, Kingdom of Saudi Arabia. Mabna Al Majd Real Estate Development and Investment Company's capital is SAR 100,000, divided into 100 cash shares of an equal value of SAR 1,000 per share. The Company became a shareholder in Mabna Al Majd Real Estate Development and Investment Company on 14/11/2024G. Since Mabna Al Majd Real Estate Development and Investment Company was established on 24/07/2024G, its financial statements have not yet been issued; therefore, its revenues have not been included.



The main activity of Mabna Al Majd Real Estate Development and Investment Company is real estate development.

Table (4.10): The Ownership Structure of Mabna Al Majd Real Estate Development and Investment Company as at the Date of this Prospectus

Shareholder Name	Ownership Percentage	No. of Shares	Par Value
Al Ramz Real Estate Company (Saudi CJSC)	50%	50	1,000
Al-Maskan Al-Mushaid Development and Investment Company	50%	50	1,000
Total	100%	100	-

4.7.3 Al Ramz and Assayel Real Estate Development Company

The Company is a founding partner in Al Ramz and Assayel Real Estate Development Company, which is a limited liability company established on 03/06/1446H (corresponding to 04/12/2024G) under Commercial Registration No. 2051261320. Its head office is located in Riyadh, Kingdom of Saudi Arabia. Al Ramz and Assayel Real Estate Development Company's capital is SAR 500,000, divided into 500 cash shares of an equal value of SAR 1,000 per share. Since Al Ramz and Assayel Real Estate Development Company was established on 04/12/2024G, its financial statements have not yet been issued; therefore, its revenues are not included.

The main activity of Al Ramz and Assayel Real Estate Development Company is real estate development.

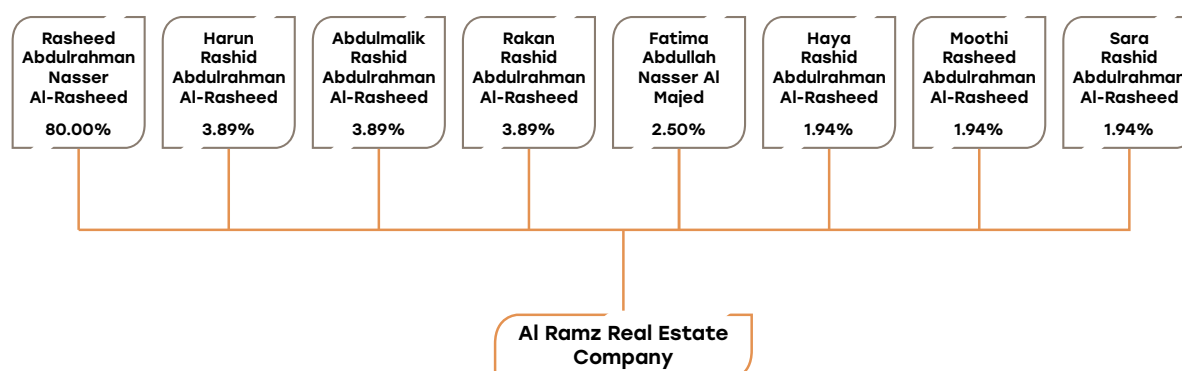
Table (4.11): The Ownership Structure of Al Ramz and Assayel Real Estate Development Company as at the Date of this Prospectus

Shareholder Name	Ownership Percentage	No. of Shares	Par Value
Assayel Arabia Real Estate Company	50%	250	1,000
Al Ramz Real Estate Company (Saudi CJSC)	50%	250	1,000
Total	100%	500	-

4.7.4 Oud Capital

The Company is a founding shareholder in Oud Capital, a closed joint stock company established on 27/01/1447H corresponding to 22/07/2025G under the Unified National Number 7050855829. Oud Capital is a Capital Market Institution and has applied for a CMA license to conduct asset management activities. It will focus specifically on establishing real estate funds. The Company's investment in Oud Capital is expected to enhance the Company's strategic capabilities in the real estate sector in the Kingdom. The share capital of Oud Capital will amount to SAR 20,000,000 divided into 20,000 shares with a value of SAR 10 per share, of which the Company owns 25%.

4.8 Overview of the Shareholders





4.9 Overview of the Company's Principal Activities

The Company engages in comprehensive real estate development, managing each phase from land acquisition and concept development to design, construction, and marketing. From its initial focus on urban apartments for Riyadh's growing population, the Company has expanded its offerings to include residential villas, commercial units, and mixed-use developments, addressing the market's diverse and increasing real estate needs.

The Company also deals with reputable design firms and contractors, in order to ensure timely project completion within budget while upholding high-quality standards. Its projects are characterized by modern designs that often incorporate green spaces, water features, and thoughtfully planned outdoor areas, enhancing the overall appeal and lifestyle offerings.

4.9.1 Key Performance Indicators

The following table sets forth the operating metrics of the Company which the Company considers to be the key performance indicators for the periods set out below:

Table (4.12): Key Performance Indicators

Key Performance Indicators	Year Ending 31 December 2022G (Management Information)	Year Ending 31 December 2023G (Management Information)	Year Ending 31 December 2024G (Management Information)
Revenue from Units Sold			
Number of Al-Ramz Units Sold	271	212	208
Average Revenue per Square Meter (SAR per Square Meter)	6,941	7,621	9,583
Revenue from Real Estate Development for Others			
Number of Active Projects	2	8	10
Average Revenue per Project (SAR '000 per Project)	28,522	27,282	20,846
Key Financial Indicators			
Profit Margin	26.1%	24.0%	17.5%
Operating Profit Margin	23.5%	25.2%	19.6%
Net Profit Margin	22.1%	23.8%	16.6%
Days Inventory Outstanding (Real Estate Inventory) -	90	213	82
Return on Assets*	22.1%	13.2%	11.6%
Return on Equity*	27.3%	20.8%	21.4%
Debt to Equity Ratio	0.1	0.4	0.6

Source: Management Information

Table (4.13): Company Revenues by Business Line

Revenues (in SAR)	Year Ending 31 December 2022G (Management Information)	Year Ending 31 December 2023G (Management Information)	Year Ending 31 December 2024G (Management Information)
Revenue from sale of units	273,596,983	250,427,415	352,788,163
Third-Party Development Revenue	58,384,985	229,409,774	423,447,171
Rental Income	2,824,890	1,892,469	2,956,990
Investment Property Sales Revenues	74,250,000	-	-
Project Sales Revenues for Funds	224,195,745	50,179,466	172,562,320
Land Sales Revenues	-	-	-
Total Revenues	633,252,603	531,909,124	951,754,644

Source: Management Information

This includes third-party real estate development revenue, off-plan sales revenue, construction and contracting revenue, and third-party development commission revenue.



4.9.2 Business Model

4.9.2.1 Overview

The Company employs a versatile and growth-oriented business model designed to meet the demands of the real estate market with a strong focus on sustainable expansion and high customer satisfaction. This model combines project development, strategic sales and marketing, and dedicated post-handover facility management, creating a resilient framework.

The Company adopts a flexible approach to project financing, as different approaches have enabled the Company to diversify its funding strategies, opening opportunities for development of projects that might require more significant funding than the Company can provide alone. The Company evaluates its financial capacity to acquire land. If internal cash flows are sufficient, it proceeds with independent development; otherwise, it collaborates with investment funds managed by CMA-licensed financial institutions. The Company categorizes its projects as follows:

- **Category 1: Directly Owned Projects:** These are projects in which the Company holds 100% ownership.

In this structure, the Company acquires land and finances construction using its own resources, with the majority of revenue generated at the sale of the completed properties. This ownership model has the potential for higher profit margins since the Company retains full capital appreciation from each unit upon sale. However, the Company assumes responsibility for securing and managing all financing costs.

Table (4.14): Projects Directly Owned by the Issuer

	Project Name	Location	Classification	Type	No. of Units	Completion Year	Exit Year	Built-up Area (square meters)
1-	Ramz 25	Riyadh	Residential	Apartment	112	2022G	N/A	26,884
2-	Ramz 27	Al-Khobar	Residential	Apartment	77	2022G	N/A	17,226
3-	Ramz 31	Riyadh	Residential	Apartment	57	2022G	2023G	18,912
4-	Ramz 33	Riyadh	Residential	Apartment	53	2022G	2024G	11,555
5-	Ramz 35/36	Riyadh	Residential	Floors / Villa	29	2022G	2024G	12,178
6-	Ramz 37	Riyadh	Residential	Apartment / Townhouse	48	2022G	2023G	11,935
7-	Ramz 39	Riyadh	Commercial	Offices	12	2023G	2023G	7,393
8-	Ramz 49 - B	Riyadh	Residential	Apartment	64	2023G	2024G	22,000
9-	Ramz 49 - A	Riyadh	Residential	Apartment	89	2023G	N/A	16,000
10-	Naqsh Villa	Riyadh	Residential	Villa	28	2024G	2024G	16,598
11-	Stone Complex	Riyadh	Residential	Apartment	71	2024G	N/A	15,360
12-	Jadeel Floors	Riyadh	Residential	Floors	32	2024G	N/A	9,828
13-	Aykah Villa	Al-Qassim	Residential	Villa	14	2024G	N/A	6,298
14-	Ramz Al Rayyan 2	Riyadh	Residential	Villa	9	2024G	2024G	5,500

- **Category 2: Projects Developed Through Funds:** These projects are developed through real estate funds established by CMA-licensed Capital Market Institutions such as SNB Capital and Riyadh Capital. In this model, which the Company began implementing in 2022G, the Company (i) is one of the unit holders of the real estate funds, and (ii) separately assumes the role of developer in projects developed on behalf of the real estate funds, pursuant to development agreements concluded between the Company and the fund managers.

Regarding the Company's ownership of units in the funds, the Company typically acquires a stake ranging between 17% and 52%. This may occur through either (i) purchasing units in the real estate funds in exchange for cash or in return for the financial value of the development services provided by the Company under relevant development agreements; (ii) contributing the land of specific projects to the real estate fund in exchange for units in the fund; or (iii) a combination of both methods.



As for the Company's role as a developer in these projects, the Company assumes responsibility for design and construction, and often also takes on the marketing of the projects. The Company does not own the project land or the developed property under this model; instead, it retains units in the real estate funds that are developing the respective projects, as mentioned above. This allows the Company to generate revenue through development fees, sales commissions, and marketing fees, without incurring the financial expenses associated with developing the project. Additionally, as mentioned above, it may be agreed that the compensation the Company receives for its development services comes in the form of fund units instead of cash fees.

Table (4.15): Projects Developed Through Funds

	Project Name	Project Status	Fund Name	Fund Manager	AI Ramz's Ownership Percentage in the Fund	AI Ramz's Ownership Value in the Fund as at December 2024G
1-	Ramz Al-Nakheel	Completed	AI Ramz Residential Fund	BLOMINVEST	50.00%	31,003,864*
2-	Ramz Al-Maali	Completed	AI Ramz Residential Fund	BLOMINVEST	50.00%	31,003,864*
3-	Ramz 45	Completed	Riyad Real Estate Development Fund – AI Ramz	Riyad Capital	34.00%	55,743,000.00
4-	Ramz 41	Completed	Riyad Real Estate Development Fund – AI Ramz	Riyad Capital	34.00%	55,743,000.00
5-	Ramz 48	Completed	Riyad Real Estate Development Fund – AI Ramz	Riyad Capital	34.00%	55,743,000.00
6-	Ramz 51	Completed	Riyad Real Estate Development Fund – AI Ramz	Riyad Capital	34.00%	55,743,000.00
7-	Ramz Tharwah	Completed	Ramz Tharwah Real Estate Fund	Musharaka Capital	25.00%	10,187,800
8-	RAFD	Ongoing	Riyad Real Estate Development Fund - Durrat Hittin	Riyad Capital	17.53%	57,440,000.61
9-	Sadeem Villas	Ongoing	AlAhli Alrabwa AI Ramz Real Estate Fund	SNB Capital	52.00%	46,454,604
10-	Sadeem Apartments	Ongoing	AlAhli Alrabwa AI Ramz Real Estate Fund	SNB Capital	52.00%	46,454,604
11-	Durrat King Khaled	Ongoing	Riyad Real Estate Development Fund - Durrat King Khaled	Riyad Capital	31.81%	115,500,000.00
12-	Total - Final Balance	-	-	-	-	316,329,269

*This value represents the value of the Company's ownership until the termination of the investment fund.

- **Category 3: Developer Only Projects:** These are projects in which the Company does not have any direct or indirect ownership interest, but enters into a development agreement with a landowner pursuant to which the Company develops a project on land owned by the landowner. This method is currently being used on the Jawharat Al-Ramz and Rayya Al-Nakheel projects. The Company receives a margin as a developer in addition to a fee for managing the construction and execution.



Table (4.16): Sources of Revenue from Projects Developed Through Funds and Developer Only Projects

Company's Role	Investor in the Fund	Developer	Marketer	Contractor on a Turnkey Basis
Source of Revenues	Return on investment in the fund*	Development Fee	Sales and Marketing Fee	Development margin
Revenue Details	Subject to project profitability upon its termination	Fixed 10% - 15% of the turnkey development cost as per the development agreement. This percentage covers all services provided by the Company, including design, licensing, and construction supervision, with the exception of sales and marketing, which are covered separately	2.5% of the sales price of project	Varies for each project. The Company typically receives a turnkey development contract and then sub-contracts ZAT Construction (formerly known as Osus Al-Ramz Contracting Company) to deliver the project. If the cost of development is less than the value of the turnkey development agreement, then this margin is retained by ZAT Construction. At the same time, ZAT Construction bears the risk of cost overruns
Agreements / Clauses	As agreed upon in the terms of the fund contract	As agreed upon in the terms of the development contract	As agreed upon in the terms of the development contract	As agreed in the development contract on a turnkey basis

* Applicable only to projects developed through funds

Source: the Company

The Company is also currently exploring the use of a “**joint venture development model**” in the future, which would enable it to earn fees related to project development, management, construction oversight, and sales and marketing efforts while also benefitting from a project’s profit through equity exposure.

4.9.2.2 Project Development Milestones

4.9.2.2.1 Overview

All new design and construction projects undertaken by the Company follow a rigorous standard development process. The process is designed to ensure consistent oversight so that all development projects are executed in line with the Company’s overall strategy and represent economically sound investments. The Company’s project development process is comprised of seven stages, which are followed for the development of all new projects. The average total delivery time for this process is between 16 – 20 months for residential projects and 24 – 30 months for commercial projects.

4.9.2.2.2 Land sourcing

The Company maintains an extensive network of relationships with land bank owners, real estate brokers, and investors, leveraging these connections to identify and source land for upcoming development projects. This strategic network enables the Company to access prime locations effectively, supporting the Company’s growth and project pipeline expansion.

4.9.2.2.3 Design

This stage centers on the initial planning of new developments, beginning with the conceptualization of the project’s layout, structures, amenities, and design. The Company’s internal project execution team is responsible for transforming these ideas into detailed plans, ensuring alignment with high quality standards. Local and international engineering offices are also appointed to create the designs, after which a comprehensive Bill of Quantities (BOQ) is prepared, defining the project scope, specifying materials, required activities, and establishing cost estimates.

The skilled in-house team, which includes experts in design, engineering, and project management, collaborates to develop projects that cater to both aesthetic and functional needs, emphasizing eco-responsible and efficient spaces. This integrated approach allows the company to maintain oversight at each stage, from design to construction and final inspection, ensuring high standards, budget adherence, and timely project delivery.



4.9.2.2.4 Feasibility

After completing land acquisition and project design, an initial feasibility study is conducted to evaluate the project's viability and profitability. The Company rigorously examines each real estate project through detailed feasibility studies, which incorporate analysis of market trends, demographic insights, and economic indicators to estimate demand for the proposed development. This study also includes an in-depth financial analysis, forecasting project costs, revenues, and profitability.

Key elements such as land purchase costs, construction expenses, legal and regulatory considerations, financing options, and revenue projections from sales or leasing are assessed in detail. This methodical evaluation ensures that projects are both market-aligned and supportive of the Company's broader strategic and financial goals. Through this comprehensive process, each project is positioned to contribute to sustainable growth and profitability.

4.9.2.2.5 Financing and ownership structure

In addition to the feasibility analysis, the Company assesses potential financing sources for the project, which may include:

- **Directly owned projects using internal resources:** Utilizing available banking facilities and other internal funds.
- **Projects developed through real estate funds:** The Company has the option to contribute equity to various funds, holding different levels of ownership in each project. This generally ranges from 17% to 52% ownership of units within the fund.

Whether the Company undertakes a directly owned project using internal funds or a project developed through real estate funds is based on factors such as the project's size, available cash flow and risk appetite. If the project requires significant capital or involves high risk, real estate funds may be preferred to diversify financial exposure. Alternatively, for smaller projects or when retaining full control is important, the Company may opt to use internal funds to minimize external dependencies and financing costs.

Once financing and ownership structures are determined, a feasibility report is compiled and presented to senior management for approval. The criteria for project approval include (i) suitable location and anticipated customer demand; (ii) obtaining clear legal title and ability to secure all necessary building permits; and (iii) projected financial returns at acceptable levels.

4.9.2.2.6 Construction

The Company leverages the expertise of its dedicated subsidiary, ZAT Construction (formerly known as Osus Al-Ramz Contracting Company), which manages all aspects of construction from project planning and site preparation to material procurement, quality control, and workforce coordination. ZAT Construction performs these functions through sub-contractors but utilizes its own specialized team to supervise and manage the project to ensure strict adherence to timelines, budget, and quality standards, while maintaining full control over the construction process. ZAT Construction has access to a wide range of sub-contractors which it chooses based on availability, pricing and capability. This integrated approach allows the Company to deliver projects efficiently and consistently meet the high expectations of its clients and stakeholders. See Section 4.3.1.3 ("**Development Expertise and Fully-Owned Construction Management Subsidiary**"). The Company also has received a second class contractor classification from MoMAH, enables the Company to undertake government projects, including for the National Housing Company.

If the Company plans to sell the project on an "**off-plan**" basis, it also applies for an off-plan sales license at this stage. Off-plan sales enable the Company to mitigate project risks by securing early sales commitments and milestone-based payments, which enhance project cash flow and improve the working capital cycle.

Each project has designated structural engineers, project engineers, and site monitors responsible for different aspects of the construction process. The cost and time associated with the project are closely tracked through the Company's cost performance index (CPI) and schedule performance index (SPI) reports to ensure that the project stays within scope, on schedule, and within budget.

Throughout the construction period, the Company provides progress updates to the relevant municipality. Upon project completion, the municipality inspects the work to ensure compliance with the detailed designs that were previously approved.

After completing the project, the Company coordinates with the municipality to obtain title deeds for each unit. Once the segregated title deeds are secured, the Company applies for the connection of water and electricity meters, providing the necessary documentation. With the legal department's authorization from the municipality, legal title to the unit is then transferred to the owner.



4.9.2.2.7 Marketing and sales

The Company adopts a strategic and sophisticated approach to the marketing and sales of its projects, ensuring that all strategies are well-informed and tailored to meet specific market demands. Each project's marketing and sales plan begins with a comprehensive analysis conducted by the sales team, which gathers essential insights crucial for crafting an effective strategy.

- **Marketing strategy development and launch plan:** A detailed launch plan is devised for every project, outlining the timeline and key milestones for marketing activities. This plan is designed to maximize market exposure and generate early interest among potential buyers. The marketing strategy is aligned with the launch plan, informed by a thorough understanding of the project's unique selling propositions and the preferences of the target market. The multi-channel approach encompasses a blend of digital marketing, traditional advertising, public relations campaigns, and engagement activities, such as virtual tours or open houses, tailored to effectively communicate the distinct benefits and features of the development (see Section 4.3.1.2 ("**Well Established Brand and Proven Track Record**")).
- **Pricing proposal based on insights:** The pricing strategy, a critical component of the sales plan, is developed based on insights from the sales team. This analysis includes various factors such as the features of different residential units, including size, layout, amenities, and luxury offerings. Pricing is strategically set to reflect the value of each unit type, ensuring competitiveness in the market while targeting desired profitability.
- **Affordability assessment of units:** A thorough affordability analysis is integral to the strategy. This evaluation examines several factors influencing purchasing decisions, including target market research that identifies the financial demographics of prospective buyers, current rental yields indicating investment potential, prevailing mortgage rates affecting buyer affordability, and target profit margins essential for the project's financial success. This comprehensive approach ensures that the pricing strategy aligns with market conditions while meeting the financial expectations of both the Company and its potential customers.
- **Pricing Strategy:** The pricing strategy is based on offering a competitive value that reflects the quality of the real estate product while meeting the needs of the target market. Prices are determined based on a detailed study that includes development costs, location, target group, and market price analysis. Prices are reviewed regularly to ensure they remain consistent with market fluctuations and demand, with incentives such as easy payment plans and promotional offers being applied to boost sales. The Company integrates these detailed strategies - each backed by data and targeted market research- while enhancing its marketing and sales efforts to effectively meet the market needs and supporting its broader growth and profitability objectives. This systematic approach enables the Company to successfully navigate the complexity of real estate sales, and achieve excellent results across its diverse development portfolio.

Once a sale is completed, customers sign a standardized sales contract approved by the Company's legal department. This contract includes details of the property purchased, payment terms, and the warranties and guarantees offered by the Company. After the sale is finalized and payment is received, the title to the property is transferred to the purchaser. For off-plan sales, agreements are designed to ensure transparency, fairness, and mutual trust between the Company and its buyers. These agreements include detailed property descriptions, clear payment schedules linked to construction milestones, and robust buyer protections such as escrow mechanisms and refund conditions. The Company commits to delivering projects on time and as per the agreed specifications, with clauses addressing potential delays and offering warranties on quality and compliance. By incorporating well-defined terms for ownership transfer, design variations, and dispute resolution, the Company aims to ensure a smooth and secure transaction process, reflecting its dedication to customer satisfaction and market-leading standards.

4.9.2.2.8 Post hand-over facility management

The Company places a strong emphasis on maintaining its properties by offering a comprehensive maintenance service for an agreed-upon period after handover (typically one year), as outlined in the sales contracts with buyers. During this time, the Company typically collaborates with operations and maintenance providers to supply the necessary manpower for daily cleaning, upkeep, and repairs, ensuring that all projects remain in excellent condition. Once the post-handover maintenance period concludes, the responsibility for ongoing maintenance is transitioned to the residents through the establishment of a residents' association, which encourages community involvement in caring for their living environment.



4.9.3 Company's Significant Completed and Ongoing Projects

4.9.3.1 Completed Projects

The table below sets out the key metrics for all projects which have been developed and completed during the periods set out below. It should be noted that all units were sold except for three (3) units related to three (3) projects:

Table (4.17): All Projects Completed During FY2022G, FY2023G, and FY2024G

	FY2022G	FY2023G	FY2024G
Number of projects*	6	5	11
Number of units*	376	292	758
Built up area (sqm)	98,691	84,900	227,064

The Company has successfully sold all of the units it owned in the above-mentioned projects, with the exception of a small number of units that remain, as at the date of this Prospectus, in the Company's inventory and are shown below:

- **Ramz 25:** 1 unit.
- Stone Complex: 1 unit.
- Jadeel Floors: 1 unit.

4.9.3.1.1 Directly Owned Projects

The table below sets out the key metrics for all projects which have been developed as directly owned projects and completed during the periods set out below.

Table (4.18): Directly Owned Projects Completed During FY2022G, FY2023G, and FY2024G

	FY2022G	FY2023G	FY2024G
Number of projects	6	2	5
Number of units	376	153	154
Built up area (sqm)	98,691	38,000	53,584

Source: the Company

Below is a summary of directly owned projects which have been completed during these periods:

- **Ramz 25:** This residential project is located in Al Yasmin District in Riyadh and consists of eight buildings comprising 112 apartments. The project is situated near key landmarks such as Princess Nourah bint Abdulrahman University and King Khalid International Airport. Construction of the project was completed in FY2022G, and the majority of its units were sold by FY2023G. The project generated revenues of SAR 106 million.
- **Ramz 27:** This residential project is located in Al Hamra District in Al-Khobar and consists of two buildings with a total of 68 apartments. The project is situated near key landmarks such as the King Fahd Causeway, King Fahd University of Petroleum and Minerals (KFUPM), Al-Khobar Corniche, and Dhahran Mall. Construction of the project was completed in FY2022G, and 68 residential units were sold by FY2024G. The project is expected to generate revenues of SAR 50 million.
- **Ramz 31:** This residential project is located in Al Yasmin District in Riyadh and spans a land area of 4,412 sqm. It consists of five buildings comprising 57 residential units. The project is situated near key landmarks such as Princess Nourah bint Abdulrahman University and King Khalid International Airport. Construction of the project was completed in FY2022G, and all units were sold by FY2023G. The project generated revenues of SAR 64 million.
- **Ramz 33:** This residential project is located in Al Munsiyah District in Riyadh and spans a land area of 3,375 sqm. It includes 53 residential units across four buildings, each with a height of 20 floors. The project boasts a strategic location near key landmarks including Princess Nourah bint Abdulrahman University. Construction of the project was completed in FY2022G, and all units were sold by FY2024G. The project generated revenues of SAR 42 million.
- **Ramz 35/36:** A residential project located in the Hittin district of Riyadh, the project is spread over land measuring 5,724 sqm and comprises 29 units consisting of nine villas and 20 floors. The project is located off Prince Turki bin Abdulaziz Al Awal Road. The project was completed in FY2022G and all units were sold by FY2024G. The project generated revenue of SAR 80 million.



- **Ramz 37:** A residential project town house located adjacent to Ramz 35/36 in the Hittin district of Riyadh, the project is spread over land measuring 5,617 sqm and comprises 48 units across six buildings. The project was completed in FY2022G, and all units were sold by FY2023G. The project generated revenue of SAR 68 million in FY2022G and 2023G.
- **Faseelah Square:** A commercial project located in the Al-Malqa district of Riyadh, the project is spread over land measuring 1,988 sqm and comprises one three-story building (with two floors underground) and 12 units. The project is located off Wadi Weg Street derived from Anas bin Malik Road. The project was completed and all units sold in FY2023G. The project generated revenue of SAR 44 million in FY2023G.
- **Naqsh Villa:** A residential project located off Al Thumama Road in the Moanesiah district of Riyadh, the project is spread over land measuring 7,904 sqm and comprises 28 buildings, each an individual villa unit. The project was completed in FY2023G and all units were sold by FY2024G. The project generated revenue of SAR 86 million in FY2023G and FY2024G.
- **Tal Alrimal 1:** A residential project located off Sheikh Subah Al Ahmed Al Subah Road in the Alrimal district of Riyadh, the project is spread over land measuring 13,155 sqm and comprises 153 units across 18 buildings. The project was completed in FY2023G, and all units were sold by FY2024G. The project generated revenue of SAR 122 million in FY2023G and 2024G.
- **Jadeel Floors:** A residential project located in the Al-Narjes district of Riyadh, the project is spread over land measuring 4,701 sqm and comprises 32 units across 16 two-story buildings. The project is located off King Salman Road. The project was completed and the majority of its units sold in FY2024G. The project generated revenue of SAR 63 million in FY2024G.
- **Stone Complex:** A residential project located in the Al-Aqeeq district of Riyadh, the project is spread over land measuring 4,800 sqm and comprises 71 units across two buildings. The project is located off near King Fahd bin Abdul Aziz Al Saud Road. The project was completed in FY2024G, and the majority of its units sold by FY2024G. The total revenue of the project was SAR 91.8 million in FY2024G.
- **Aykah Villa:** This is the first residential project in Al Nahdah District in Al-Qassim. It spans a land area of 4,200 sqm and includes 14 villas. The project is located on King Abdullah Road and is distinguished by its unique design. The project was completed in FY2024G, and all units are expected to be sold by FY2025G. The total expected revenue from the project is SAR 15 million.
- **Ramz Al Rayyan 2:** This residential project is located in Al Rayyan District in Riyadh and consists of 9 fully smart villas, each ranging in size between 273 and 319 sqm. Construction of the project was completed in FY2024G, and all units were sold by that date. The project generated revenues of SAR 34 million.

4.9.3.1.2 Projects Developed Through Funds

The table below sets out the key metrics for all projects which have been developed through funds and completed during the periods set out below (for more information, please refer to Section 4.9.2.1 ("Overview") of this Prospectus).

Table (4.19): Projects developed through funds completed during FY2022G, FY2023G, and FY2024G

	FY2022G	FY2023G	FY2024G
Number of projects	-	3	6
Number of units	-	139	604
Built up area (sqm)	-	46,900	173,480

Source: the Company

Below is a summary of high profile projects developed through funds which have been completed during these periods:

- **Tal Alrimal 2:** A residential project located in Alrimal neighborhood of Riyadh, the project is spread over land measuring 13,869 sqm and comprises 145 units. The project was completed in FY2024G and is expected to be fully sold in FY2024G with expected revenue of SAR 132 million. The project was executed through a fund established with Riyadh Capital in which the Company has an ownership of 34%.
- **Ramz Al-Maaly:** A residential project located in the Al Sadafah district of Al-Khobar, the project is spread over land measuring 18,239 sqm and comprises 48 villas. The project has been completed in FY2024G and is expected to be fully sold in FY2024G with expected revenue of SAR 135 million. The project was executed through a fund established by Blominvest in which the Company has an ownership interest of 50%.



- **Ramz Tharwah:** This residential project is located in Al Tharwah District in Dammam and consists of 8 buildings containing 174 smart residential units. The project is strategically located near key landmarks such as Imam Abdulrahman Bin Faisal University and Dhahran Mall. Construction of the project was completed in FY2024G, and all units were sold by that date. The project generated revenues of SAR 72 million. It was implemented through a fund established by Musharaka Capital, in which the Company has an ownership percentage of 25%.
- **Ramz Al-Nakheel:** This residential project is located in Al Sadafah District in Al-Khobar and consists of 7 buildings comprising 113 smart apartments and 15 villas. The project is situated near key landmarks such as Dhahran Expo, Imam Abdulrahman Bin Faisal University, and Dhahran Mall. The villas of Ramz Al-Nakheel Project were completed in FY2023G, while the apartments were completed in FY2024G. All units were sold by FY2024G. The project generated total revenues of SAR 66 million. It was implemented through a fund established by BLOMINVEST, in which the Company has an ownership percentage of 50%.
- **Ramz 45:** This residential project is located in Al Shubaily District in Al-Khobar and consists of 8 buildings containing 124 apartments. Construction of the project was completed in FY2024G, and all units are expected to be sold by FY2025G. The project was implemented through a joint investment fund with Riyadh Capital, in which the Company has an ownership percentage of 34%.
- **Ramz 41:** This residential project is located in Al Narjes District in Riyadh and consists of 12 buildings containing 106 apartments. Construction of the project was completed in FY2023G, and all units were sold by FY2024G. The project was implemented through a joint investment fund with Riyadh Capital, in which the Company has an ownership percentage of 34%.
- **Ramz 48:** This residential project is located in Al Rayyan District in Riyadh and consists of 18 villas. Construction of the project was completed in FY2023G, and all units were sold by FY2024G. The project was implemented through a joint investment fund with Riyadh Capital, in which the Company has an ownership percentage of 34%.

4.9.3.2 Projects Under Development

The Company classifies a project as 'under development' when (i) the land has been secured for a project but development agreements have not yet been signed (the "**Design Stage**"); (ii) development agreements and/or construction contracts have been executed and development/construction has commenced (the "**Construction Stage**"); and (iii) once construction has been completed pending the final sale to a buyer. A project ceases to be 'under development' and is classified as a 'completed' project when the project is handed over to the buyer.

The table below sets out the key metrics for all projects which are currently under development by the Company:

Table (4.20): Projects Under Development as at 31 December 2024G

	Residential (apartments, townhouses, floors and villas)	Commercial (offices and stores)
Number of projects	14	3
Number of units	3,262	525

Source: the Company



4.9.3.2.1 Directly Owned Projects

The table below sets out the expected number of units and total sellable/leasable area for the Company's directly owned projects which are currently under development that are targeted for completion by the end of 2028G:

Table (4.21): Directly Owned Projects Under Development Targeted for Completion by 2028G

Project Type	Number of units				Sellable/leasable area (sqm)			
	Completion (targeted)				Completion (targeted)			
	2025G	2026G	2027G	2028G	2025G	2026G	2027G	2028G
Apartments	161	900	-	540	23,295	124,410	-	59,006
Townhouses	24	-	-	-	10,582	-	-	-
Villas	30	75	-	-	9,203	15,906	-	-
Floors	-	219	-	-	-	47,545	-	-
Offices	-	-	-	-	-	18,500	-	-
Total	215	306	0	540	43,080	206,361	0	59,006

Source: the Company

The Company is currently developing a total of 8 directly owned projects. Further information about these 8 projects is provided in Table 4.4, Section 4.3.1.7 of this Prospectus. Below is a summary of three out of these eight projects, which are considered high-profile projects for the Company based on various factors, including their prime location and/or impact on the Company's revenue. As at 31 December 2024G, all these projects were in the Construction Stage of development:

- **Aykah Town:** The first residential project located in the Al Nahda district of Al Qassim, the project is spread over land measuring 7,290 sqm and comprises 43 units. The project is located off King Abdullah Road and is distinguished by the design of modern town houses, apartments and villas. Construction commenced in FY2023G and is expected to be completed by the end of 2025G.
- **Yousur Village:** A residential project with modern design located in the Al Salamah district of Jeddah, the project is spread over land measuring 8,199 sqm and comprises eight buildings with 144 apartments. The project is expected to be completed in the second quarter of 2025G.
- **Lolia Villa:** A residential project located in Al Sadafa district of Al-Khobar, the project is spread over land measuring 9,204 sqm and comprises 30 villas. The project is located off Al Corniche Road and is distinguished by the design of modern villas that harmonize with the luxurious coastal environment. The project is expected to be completed in the second quarter of 2025G.

4.9.3.2.2 Projects Developed Through Funds

The table below sets out the expected number of units and total sellable area for projects developed through funds that are currently under development that are targeted for completion by the end of 2028G:

Table (4.22): Projects Developed Through Funds Under Development Targeted for Completion by 2028G

Project Type	Number of units				Sellable/leasable area (sqm)			
	Completion (targeted)				Completion (targeted)			
	2025G	2026G	2027G	2028G	2025G	2026G	2027G	2028G
Apartments	-	540	-	-	-	95,323	-	-
Villas	-	90	90	-	-	22,301	21,060	-
Offices	98	315	-	-	28,004	52,661	-	-
Total	98	945	90	0	28,004	170,285	21,060	0

Source: the Company



The Company is currently developing a total of 9 projects developed through funds. Further information about these 9 projects is provided in Table 4.4, Section 4.3.1.7 of this Prospectus. Below is a summary of four out of these nine projects, which are considered high-profile projects for the Company based on various factors, including their prime location and/or impact on the Company's revenue.

- **RAFD:** A commercial project located in the Hittin district of Riyadh off King Khalid Road. The project is a luxury office development project having land of 27,000 sqm comprising 10 adjacent buildings with 98 units available in various sizes. The development also has various amenities, facilities and services which offer luxurious business lifestyle targeting to major local and international companies. The project is owned by a fund established by Riyadh Capital in which the Company has an ownership interest of 17%. The project is targeted for completion in the second quarter of FY2025G.
- **Sadeem Villas Phase I:** A residential villas project located in the Al Safa district of Riyadh, the project is spread over land measuring 22,301 sqm and comprises 90 villas and is located off Al Nahda Road. Construction has commenced and the project is targeted for completion in FY2025G. The project is being executed through a fund established by SNB Capital in which the Company has an ownership interest of 52%.
- **Sadeem Apartments Phase I:** A residential project located off Al Nahda Road in the Al Safa district of Riyadh, the project is spread over land measuring 8,562 sqm and comprises 120 units across 10 buildings. Construction has commenced and the project is targeted for completion in FY2025G. The project is being executed through a fund established by SNB Capital in which the Company has an ownership interest of 52%.
- **King Salman Tower:** A high-rise office tower in the Al-Malqa district of Riyadh, the project is located in King Salman Road. The project is being constructed on a land area of 6,162 sqm and comprises one tower with 26 floors and five basements with 112 office units. The construction has commenced in August 2024G and is expected to be completed in 2026G.

4.9.3.2.3 Developer only projects

The table below sets out the expected number of units and total sellable area for projects being developed under the Company's 'developer only' projects model and targeted for completion by the end of 2027G:

Table (4.23): Developer Only Projects Under Development Targeted for Completion by 2027G

Project Type	Number of units			Sellable/leasable area (sqm)		
	Completion (targeted)			Completion (targeted)		
	2025G	2026G	2027G	2025G	2026G	2027G
Apartments	-	593	-	-	90,799	-
Total	-	593	-	-	90,799	-

Source: the Company

The Company is currently developing only 2 projects owned by third parties. Further information about these 2 projects is provided in Table 4.4, Section 4.3.1.7 of this Prospectus. Below is a summary of these 2 projects, which are scheduled for completion by the end of 2026G and were in the Construction and Development Stage as at 31 December 2024G.

- **Rayya Al-Nakheel:** A residential project located in Riyadh. The project is spread over 4,500 sqm of land and comprises 72 apartments. Construction has commenced and is targeted for completion by the first quarter of 2026G.
- **Jawharat Al-Ramz:** A residential project owned by the National Housing Company and developed by the Company, the project is located in Khuzam suburb, north of Riyadh. The project is designed to balance modern architecture with efficient land use. The project is spread over 64,000 sqm and comprises 15 buildings with 521 apartments. Construction has commenced and is targeted for completion by the second quarter of 2026G.



4.10 Employees

4.10.1 AI Ramz Company

As at December 2024G, the Company had 104 employees of which 59 were Saudi nationals. The Company's Saudization rate was 60% at 31 December 2024G for the Company's entities registered on the Qiwa platform (please refer to Section 4.11 ("**Saudization**") of this Prospectus). The table below shows the Company's employees by department:

Table (4.24): Employees by Department (AI Ramz Company)

Department	2022G			2023G			2024G		
	Saudi	Non Saudi	Total	Saudi	Non Saudi	Total	Saudi	Non Saudi	Total
Executive Management	1	-	1	2	-	2	1	1	2
Finance	2	4	6	4	3	7	6	3	9
Support Services	2	0	2	3	0	3	8	1	9
Project Management	3	1	4	7	6	13	8	16	24
Marketing	-	1	1	4	-	4	5	0	5
Sales	6	-	6	19	-	19	19	0	19
Information Technology	-	1	1	-	1	1	1	5	6
Property and Facilities	-	-	-	-	-	-	3	1	4
Customer Convenience	-	-	-	-	-	-	8	0	8
Others	-	3	3	-	6	6	0	14	14
Total	14	10	24	39	16	55	59	41	100

4.10.2 ZAT Construction (formerly known as Osus Al-Ramz Contracting Company)

As at 31 December 2024G, ZAT Construction had 83 employees of which 51 were Saudi nationals. The table below shows the employees by department.

Table (4.25): Employees by Department (ZAT Construction)

Department	2022G			2023G			2024G		
	Saudi	Non Saudi	Total	Saudi	Non Saudi	Total	Saudi	Non Saudi	Total
Executive Management	-	1	1	-	1	1	0	1	1
Project Management	-	19	19	-	39	39	5	52	57
Finance	-	-	-	-	-	-	1	6	7
Procurement	2	-	2	3	-	3	5	2	7
Human Resources	1	-	1	1	-	1	5	0	5
Customer Services	3	-	3	7	-	7	6	0	6
Total	6	20	26	11	40	51	22	61	83



4.11 Saudization

The Saudization Program “**Nitaqat**” was adopted by virtue of His Excellency the Minister of Labor’s Decision No. 4040 dated 12/10/1432H (corresponding to 10/09/2011G), pursuant to Council of Ministers’ Resolution No. 50 dated 21/5/1415H (corresponding to 27/10/1994G). The “**Nitaqat**” program was implemented on 12/10/1432H (corresponding to 10/09/2011G), with the Ministry of Human Resources and Social Development beginning the implementation of the Nitaqat program to encourage institutions to employ Saudi citizens. Through the “**Nitaqat**” program, the performance of any Company is evaluated based on specific categories (classifications), namely the platinum category, the green category (subdivided, into low, middle and high) and the red category. Companies in the platinum or green categories are deemed to have met Saudization requirements and are therefore entitled to a number of benefits, such as: obtaining and renewing work visas or otherwise changing the occupations of its non-Saudi workers (except for professions exclusively reserved for Saudi nationals). Companies in the red category (due to their non-compliance with specific requirements), are deemed to have violated Saudization requirements and may be subject to certain punitive measures, such as limiting their ability to renew non-Saudi employees’ work visas or completely prohibiting non-Saudi employees from obtaining or renewing work visas.

Below is a table indicating the Saudization rate and Nitaqat category of the Company and its branches, as at 31 December 2024:

Table (4.26): The Company Saudization Rate as at 31 December 2024G

Entity	Activity	Nitaqat Category	Saudization Rate
The Company	Real Estate Development	High Green	59.0%
ZAT Construction	Contracting	Medium Green	26.5%

Source: the Company

4.12 Business Activities or Assets outside Saudi Arabia

As at the date of this Prospectus, the Company and its subsidiaries have no commercial activities or assets outside Saudi Arabia.

4.13 Management and Support Services

The Company operates its business through many different departments which are managed centrally as follows:

4.13.1 Finance Department

The Finance Department is integral to upholding the Company’s financial health and driving its strategic growth. The department oversees budgeting, forecasting, financial reporting, and capital structure management, ensuring financial practices are aligned with the Company’s goals for sustainable growth and profitability. Key functions and responsibilities of the Finance Department include:

- **Financial Planning and Analysis:** This department conducts detailed financial planning and analysis to support decision-making across the Company. This process includes preparing budgets, forecasting performance, and conducting variance analysis to assess deviations from projections. These activities are vital for strategic planning, enabling the Company to respond to and mitigate risks associated with market fluctuations.
- **Capital Management and Funding:** Efficient management of the Company’s capital structure is a core responsibility. The finance team determines the optimal mix of debt, equity, and internal resources to fund development projects while minimizing the cost of capital. Engaging with banks, financial institutions, and investors, the department secures funding aligned with the Company’s long-term strategic objectives and market conditions, while maintaining appropriate debt levels.
- **Cash Flow Management:** Effective cash flow management is critical for the Company, given the capital demands of real estate development. The finance team ensures that there is sufficient liquidity for operational needs and investment commitments by managing receivables, payables, and cash holdings and by planning for both short- and long-term liquidity requirements.
- **Financial Reporting and Compliance:** The finance department is responsible for preparing accurate financial reports in line with regulatory standards, providing stakeholders with an understanding of the Company’s financial position. These reports, including balance sheets, income statements, and cash flow statements, are essential for maintaining transparency with investors, regulators, and other stakeholders.



- **Zakat and Tax Compliance:** The department also manages Zakat planning and compliance, ensuring adherence to all relevant tax regulations. This includes calculating Zakat, VAT, and withholding tax liabilities, preparing returns, and implementing strategies to optimize the Company's tax obligations.

Through these functions, the Finance Department ensures financial management is aligned with broader business objectives, contributing to immediate financial stability and supporting long-term growth.

4.13.2 Support Services Department

The Support Services Department encompasses various support functions essential to the Company's operational efficiency and project management. Key areas include:

- Overseeing the Company's premises, the administration unit ensures each location adheres to the Company's standards for security, cleanliness, and safety.
- Overseeing the procurement team to ensure efficient and effective execution of all purchasing processes, with a focus on meeting the organization's needs to foster a positive work environment.
- Implementing the organization's strategy and promoting its culture aligned with the organization's values and future aspirations.
- Recruiting, training, and developing qualified personnel to achieve organizational goals.
- Providing full support to other departments in achieving their objectives.
- Managing the customer and visitor reception team and providing them with the necessary support.

4.13.3 Project Management Department

The Project Management Department is a cornerstone of the Company's operations, playing a crucial role in delivering successful development projects. Led by the head of project management, the department consists of five specialized units that manage each project comprehensively from initiation to final handover. The department's key responsibilities include:

- **Design and Specification:** This unit's responsibilities start with conducting initial feasibility studies, evaluating each project's viability and potential returns based on detailed market and financial analysis. Once a project passes the feasibility stage, the team collaborates with architects and planners to develop designs that align with the Company's standards for quality and innovation, as well as the target market's preferences and needs.
- **Project Execution:** Following design finalization, the project management team selects and engages contractors who meet the Company's rigorous standards for quality, reliability, and adherence to schedules. The team oversees all construction activities, ensuring projects are executed as planned, within budget, and in full compliance with regulatory requirements.
- **Project Monitoring and Supervision:** Throughout the construction phase, the project management team closely supervises contractors to ensure adherence to design specifications and building codes. This active oversight ensures that each project maintains the high standards expected by the Company.
- **Delivery:** The Delivery Unit manages the handover of completed properties, ensuring a smooth and timely transition to owners or tenants. This unit oversees all completion and delivery activities to guarantee properties meet the Company's high standards and customer expectations.
- **Procurement:** This unit manages supplier relationships, procurement processes, logistics, and warehouse operations. By efficiently handling sourcing and supply chain management, the procurement team supports the timely and cost-effective delivery of materials and services for each project.
- **Government Relations:** This unit is responsible for obtaining all required governmental permits and certifications, such as building licenses, certificates of completion, and title deed transfers. It also manages other regulatory authorizations necessary for the Company's operations. Through these units, the Company's Project Management Department ensures that each development is executed with precision, from initial planning through final delivery, supporting the Company's reputation for quality and excellence in real estate.

Through these units, the Project Management Department ensures that each development is executed with precision, from initial planning through final delivery, supporting the Company's reputation for quality and excellence in real estate.

4.13.4 Marketing Department

The Marketing Department is dedicated to enhancing brand presence, generating interest in the Company's properties, and building market demand through targeted campaigns and brand management efforts. This team drives the Company's public image, ensuring alignment with the brand's vision and attracting potential buyers and tenants.



- **Brand Positioning and Promotion:** The marketing team works to establish a strong brand presence for the Company by creating compelling messaging and positioning for each development. They use brand management strategies to ensure consistency across all channels, aligning with the Company's identity and values.
- **Campaign Development:** This team designs and implements marketing campaigns across digital and traditional platforms. Campaigns are tailored to highlight the Company's unique property offerings and appeal to the target market, driving lead generation and interest in the Company's real estate developments.
- **Customer Engagement and Content Creation:** The marketing team engages potential buyers and tenants through various channels, including social media, website content, and email campaigns. Their goal is to create content that educates, inspires, and prompts action, making the Company's properties more appealing and accessible to prospective clients.

4.13.5 Sales Department

The Sales Department is dedicated to driving revenue growth by focusing on direct property sales, client management, and transaction support. This team plays a crucial role in translating the Company's strategic goals into successful sales outcomes, ensuring alignment with financial targets and customer satisfaction.

- **Direct Sales:** The sales team is responsible for the direct selling of the Company's properties, working to achieve sales targets while maintaining high standards of customer service. They develop and execute sales strategies, handle all stages of negotiations, and guide clients through the buying process to ensure seamless and satisfying transactions.
- **Client Relationship Management:** Sales representatives build and nurture client relationships by providing personalized support, addressing inquiries, and guiding customers through the selection and purchasing process. This team prioritizes customer experience and works to establish long-term trust with clients.
- **Strategic Sales Planning:** The Sales Department analyzes market trends, customer feedback, and competitor activity to inform its approach. By aligning sales strategies with market conditions and Company objectives, the team works to optimize pricing, enhance sales processes, and maximize revenue potential across the Company's portfolio.

4.13.6 Information Technology Department

The IT Department supports all business activities across departments, addressing both software and hardware needs. Recently, the Company implemented the ERP system "**Microsoft Dynamics 365**" to improve data management, streamline financial tracking, and enhance project oversight. Responsibilities within IT include:

- Managing and supervising IT services provided to the Company and its subsidiaries.
- Offering ongoing technical support, ensuring information systems remain operational and accessible.
- Safeguarding data and networks through robust security measures.
- Ensuring compliance with software licenses.

4.14 Business Continuity

There has been no suspension or interruption in the Company's and the Subsidiary's business during the twelve-month period preceding the date of this Prospectus which would affect or have a significant impact on their financial position and no material change in the nature of its business is contemplated.



05

Organizational Structure and Corporate Governance



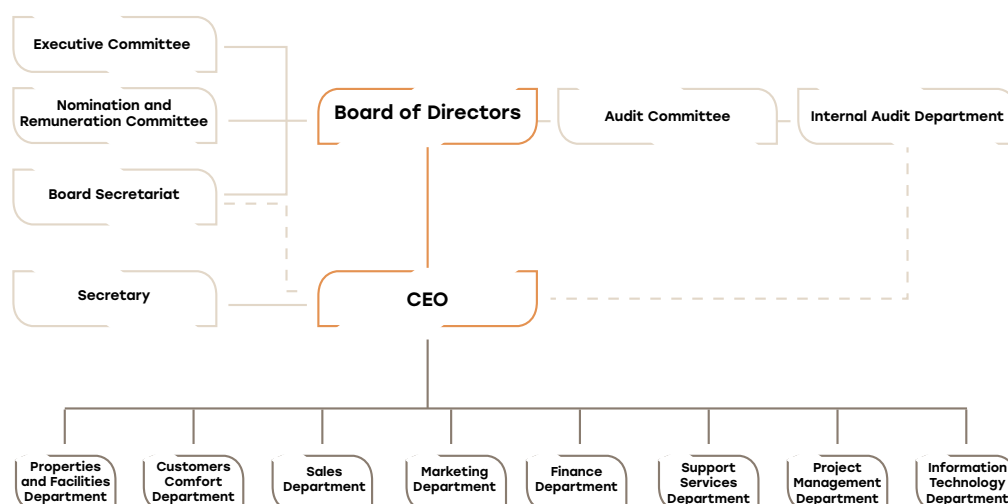


5. ORGANIZATIONAL STRUCTURE AND CORPORATE GOVERNANCE

The organizational structure of the Company consists of the Board of Directors (the “**Board of Directors**” or “**Board**”) and the Board Committees; namely the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee. The Board is ultimately responsible for directing, supervising and the general oversight of the Company and its Executive Management team.

The following figure illustrates the organizational structure of the Company, as at the date of this Prospectus.

Figure (5.1): Figure 5.1: The Company’s Organizational Structure as at the date of this Prospectus



Source: the Company

Table (5.1): Structure of Corporate Direct Ownership Pre-Offering and Post-Offering:

Shareholder Name	Pre-Offering			Post-Offering		
	No. of Shares	Direct Ownership*	Par Value (SAR)	No. of Shares	Direct Ownership*	Par Value (SAR)
Rasheed Abdulrahman Al-Rasheed	24,000,012	80.00%	240,000,120	24,000,012	56.00%	240,000,120
Abdulmalik Rasheed Abdulrahman Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Rakan Rasheed Abdulrahman Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Harun Rasheed Abdulrahman Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Fatima Abdullah Al-Majed	750,000	2.5%	7,500,000	750,000	1.75%	7,500,000
Haya Rasheed Abdulrahman Al-Rasheed**	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Moudhi Rasheed Abdulrahman Al-Rasheed	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Sara Rasheed Abdulrahman Al-Rasheed	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Public (through subscription)**	-	-	-	12,857,143	30.00%	-
Total	30,000,000	100%	300,000,000	42,857,143	100.00%	428,571,430

* The ownership percentage has been rounded to the nearest tenth.

** Shares owned by the Public shall be equal to 31.36% of the Company’s capital after the Offering, and shall include Shares owned by Haya Rasheed Abdulrahman Al-Rasheed who will be considered as being part of the Public after the Offering, in accordance with the Listing Rules.

Source: the Company



5.1 Board Members and Secretary

5.1.1 Formation of the Board of Directors

According to the Company's Bylaws, the Company shall be managed by a Board of Directors comprised of six (6) members who must be elected by the Ordinary General Assembly for a term not exceeding four (4) years. The powers and responsibilities of the Board of Directors are set forth in the Company's Bylaws and the Company's Corporate Governance Manual, in line with the Companies Law, the Implementing Regulations of the Companies Law for Listed Joint Stock Companies, and the Corporate Governance Regulations.

As at the date of this Prospectus, the Board of Directors is comprised of six (6) members. On 11/06/1446H (corresponding to 12/12/2024G), the Company's General Assembly renewed the current Board of Directors' term of office for 4 years, which shall end on 25/07/1450H (corresponding to 12/12/2028G).

The following table shows names of Board members, and other related information, as at the date of this Prospectus.

Table (5.2): The Company's Members of the Board of Directors:

No.	Name	Nationality	Age	Position	Status	Date of Appointment	Direct Ownership		Indirect Ownership	
							Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1-	Rasheed Abdulrahman Nasser Al-Rasheed	Saudi	59 years	Chairman of the Board of Directors	Non-Executive	11/06/1446H (corresponding to 12/12/2024G)	80.00%	56.00%	-	-
2-	Faisal Abdullah Ali Al-Nassar	Saudi	46 years	Vice Chairman	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
3-	Harun Rasheed Abdulrahman Al-Rasheed	Saudi	29 years	Managing Director	Executive	11/06/1446H (corresponding to 12/12/2024G)	3.89%	2.72%	-	-
4-	Abdulaziz Mohammed Abdullatif Al-Mulhim	Saudi	50 years	Board Member	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
5-	Nizar bin Hussein bin Abdullah Banbilah	Saudi	45 years	Board Member	Independent	11/06/1446H (corresponding to 12/12/2024G)	-	-	-	-
6-	Abdulmalik Rasheed Abdulrahman Al-Rasheed	Saudi	26 years	Board Member	Executive	11/06/1446H (corresponding to 12/12/2024G)	3.89%	2.72%	-	-

Source: the Company

5.1.2 Responsibilities of the Board of Directors

The responsibilities of Board of Directors' Chairman, Members and Secretary shall include the following:

5.1.2.1 Board of Directors

The Board represents all Shareholders and performs its duties of care and loyalty in managing the Company's affairs and undertakes all actions in the general interest of the Company and develops it and maximizes its value. The Company's Board of Directors is responsible for the Company's business even if it delegates some of its powers to committees, individuals or other third parties. In any case, the Board may not issue a general or an open-ended delegation. The Board of Directors is responsible for leadership and guidance, approving the Company's strategic directions and objectives, supervising their implementation, managing risks, establishing an internal control and effective monitoring system, monitoring performance and preparing reports thereon.



Under Article 18 of the Company's Bylaws, and without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers in managing and supervising the Company's affairs. Among the main functions and competencies of the Board are the following:

- Laying down the plans, policies, strategies and main objectives of the Company, supervising their implementation and reviewing them periodically, and ensuring that the human and financial resources required to fulfill them are available, including:
 - Setting a comprehensive strategy for the Company, key business plans and policies and mechanisms of the risk management and review and guide them;
 - Determining the most appropriate capital structure for the Company, its financial objectives, and approving all kinds of estimated budgets;
 - Overseeing the main capital expenditures of the Company and the acquisition or disposal of assets;
 - Setting performance indicators, and monitoring the implementation thereof and the overall performance of the Company;
 - Reviewing and approving the organizational and human resources structures of the Company on a periodic basis; and
 - Ensuring that the financial and human resources required for achieving the objectives and main plans of the Company are available.
- Setting rules and procedures for internal control and generally overseeing them, including:
 - Developing a written policy to remedy actual and potential conflicts of interest scenarios for each of the Board members, the Executive Management, and the Shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties;
 - Ensuring the integrity of the financial and accounting systems, including systems relating to the preparation of financial reports;
 - Ensuring the implementation of appropriate control procedures for risk assessment and management by generally forecasting the risks that the Company may encounter and creating an environment which is aware of the culture of risk management at the Company level and disclosing such risks transparently to the Stakeholders and parties related to the Company; and
 - Reviewing the effectiveness of the Company's internal control procedures on an annual basis.
- Setting forth specific and explicit policies, standards and procedures for membership in the Board, and implementing them following approval by the General Assembly.
- Developing a written policy that regulates the relationship with Stakeholders.
- Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to Shareholders and Stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures.
- Supervising the management of the Company's finances, its cash flows, as well as its financial and credit relationships with third parties.
- Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - Increasing or decreasing the share capital of the Company; and
 - Dissolving the Company before the end of its term as specified in the Company's Bylaws, or deciding the continuity of the Company.
- Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - The use of the Company's contractual reserves, if it is not allocated for a specific purpose in the Company's Bylaws;
 - Forming additional financial allocations or reserves for the Company; and
 - The method of distributing the net profits of the Company.
- Ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency.
- Developing effective communication channels allowing Shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments.
- Preparing the Company's interim and annual financial statements and approving them before publishing them.
- Preparing the Board's report and approving it before publishing it.



- Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the rights and obligations of the members and shall evaluate the performance and activities of these committees and their members.
- Specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance, and remunerations in the form of Shares, without prejudice to the Implementing Regulations of the Companies Law for Listed Joint Stock Companies.
- Notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest; the notification shall include the information provided by the member of the Board and shall be accompanied by a special report of the Company's external auditor.
- Setting the values and standards that govern the work at the Company.

5.1.2.2 Chairman of the Board of Directors

Pursuant to Article 20 of the Company's Bylaws, the Board of Directors shall appoint from among its members a Chairman and a Vice Chairman and may appoint a Managing Director. It shall not be permissible for a member to occupy concurrently the office of the Chairman and any executive position in the Company. The Chairman shall have all the powers set forth under Article 20 of the Company's Bylaws, including the power to represent the Company in its relationship with third parties and before all government entities, companies, individuals, all courts of all levels and classes; call for a Board meeting; and preside over the meetings of the Board and the General Assembly. The main responsibilities of the Chairman of the Board of Directors shall include the following:

- Ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course.
- Ensuring that the Board effectively discusses all fundamental issues in due course.
- Representing the Company before third parties in accordance with the Companies Law, its Implementing Regulations, and the Bylaws.
- Encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company.
- Ensuring that there are actual communication channels with Shareholders and conveying their opinions to the Board.
- Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism.
- Preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda.
- Convening periodic meetings with the Non-Executive Directors without the presence of any executive in the Company.

5.1.2.3 Vice Chairman of the Board of Directors

In the absence of the Chairman, the Vice Chairman shall assume the duties of the Chairman of the Board of Directors.

5.1.2.4 Secretary of the Board of Directors

Based on a recommendation by the Chairman, the Board of Directors shall appoint from among its members or from others a Secretary, and shall determine the remuneration thereof.

The responsibilities of the Secretary shall include the following:

- Documenting the Board meetings and preparing minutes therefor, which shall include the discussions and deliberations carried during such meetings, as well as the place, date, times on which such meetings commenced and concluded; and recording the decisions of the Board and voting results and retaining them in a special and organized register, as well as including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by the Chairman of the meeting, all of the attending members and the Secretary.
- Retaining the reports submitted to the Board and the reports prepared by the board.
- Providing the Board members with the agenda of the Board meeting and related worksheets, documents and information and any additional information, related to the topics included in the agenda items, as requested by any Board member.
- Ensuring that the Board members comply with the procedures approved by the Board.
- Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting.



- Presenting the draft minutes to the Board members to provide their opinions on them before signing the same.
- Ensuring that the Board members receive, fully and promptly, a copy of the minutes of the Board's meetings as well as the information and documents related to the Company.
- Coordinating among the Board members.
- Regulating the disclosure register of the Board and Executive Management as per Article 89 of the Corporate Governance Regulations.
- Providing assistance and advice to the Board members.

5.1.2.5 Managing Director

The Managing Director shall be vested with the powers determined by the Board of Directors. The Managing Director shall carry out the tasks as directed by the Board of Directors.

5.1.3 Remuneration of Members of the Board of Directors

With the exception of the two contracts concluded with Harun Rasheed Abdulrahman Al-Rasheed and Abdulmalik Rasheed Abdulrahman Al-Rasheed, in their capacity as CEO and CFO, the Company has not concluded any service or employment contracts with the members of the Board of Directors of the Company. The Board members receive their remuneration in accordance with the Companies Law, the provisions of the Company's Bylaws, and the Company's Remuneration Policy.

5.1.4 Biographies of the Members and Secretary of the Board

Overview of the experiences, qualifications, and current and previous positions of each member of the Board of Directors and the Secretary of the Board.

5.1.4.1 Rasheed Abdulrahman Nasser Al-Rasheed

Name	Rasheed Abdulrahman Nasser Al-Rasheed
Age	59 years
Nationality	Saudi
Current Position	Chairman of the Board of Directors
Date of Appointment	12/12/2024G
Academic Qualifications	Higher Diploma in Management Information Systems (MIS) from King Saud University, Riyadh, in 1988G.
Current Executive Positions	• Managing Director, Tarabot Investment & Development Company, a closed joint stock company engaging in the field of logistics services, since 2014G.



Previous Executive Positions	• Computer Programmer, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications, from 1988G until 1992G. • Computer Programmer and Systems Analyst, Royal Saudi Air Force (BDM International), a military institution engaging in the field of military aviation, from 1992G until 1993G. • Management Consultant, Al-Rashed Chartered Accountants Office, a limited liability company, engaging in the field of commerce and accounting, from 1993G until 1995G. • Senior Management Consultant, Al-Rashed Chartered Accountants Office, a limited liability company, engaging in the field of commerce and accounting, from 1996G until 1997G. • Senior Management Information Consultant, Al-Rashed Chartered Accountants Office, a limited liability company, engaging in the field of commerce and accounting, from 1998G until 2000G. • Vice Chairman of the Group, Abdullah Abunayyan Company, a limited liability company engaging in the field of the business management, from 2000G until 2007G. • Group CFO, Abdullah Abunayyan Company, a limited liability company engaging in the field of the business management, from 2000G until 2007G. • CEO, Arabian Company for Water & Power Development (formerly ACWA Holding), a limited liability company engaging in the field of water and electricity, from 2007G until 2014G. • Company Owner, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2017G until 2019G.
Other Current Memberships	• Board Member, International Vision Investment Company (formerly the Arabian Company for Water & Power Development), a closed joint stock company engaging in the field of infrastructure, since 2007G. • Executive Committee Member, International Vision Investment Company (formerly the Arabian Company for Water & Power Development), a closed joint stock company engaging in the field of infrastructure, since 2007G. • Member, Saudi Organization for Chartered and Professional Accountants (SOCPA), a limited liability company engaging in the field of accounting, since 2010G. • Chairman of the Executive Committee (Non-Executive), Saudia Cargo Company, a closed joint stock company engaging in the field of logistics services, since 2012G. • Audit Committee Member, Saudia Cargo Company, a closed joint stock company engaging in the field of logistics services, since 2012G. • Board Member (Non-Executive), Saudia Cargo Company, a closed joint stock company engaging in the field of logistics services, since 2012G. • Board Member, Tarabot Investment & Development Company (formerly Integrated Transport Company), a closed joint stock company engaging in the field of logistics services, since 2012G. • Board Member, Saudi Integrated Waste Treatment Company, a limited liability company engaging in the field of recycling, since 2013G. • Board Member, Tarabot Air Cargo Services Company, a closed joint stock company engaging in the field of logistics services, since 2014G. • Board Member, Jazan Gas Business Company, a limited liability company engaging in the field of logistics services, since 2015G. • Chairman of the Risk and Audit Committee, Jazan Gas Business Company, a limited liability company engaging in the field of logistics services, since 2015G. • Member of the Nomination and Remuneration Committee, Saudia Cargo Company, a closed joint stock company engaging in the field of logistics services, since 2017G. • Board Member, SAL Saudi Logistics Services, a listed joint stock company engaging in the field of logistics services, since 2019G. • Audit Committee Member, SAL Saudi Logistics Services, and a listed joint stock company engaging in the field of logistics services, since 2019G. • Executive Committee Member, SAL Saudi Logistics Services, a listed joint stock company engaging in the field of logistics services, since 2019G. • Board Member, SAL Saudi Logistics Services, a listed joint stock company engaging in the field of logistics services, since 2021G. • Board Member, Dr. Sulaiman Al Habib Medical Services Group Company, a listed joint stock company, engaging in the field of health, since 2021G. • Member of the Audit Committee, Dr. Sulaiman Al Habib Medical Services Group Company, a listed joint stock company, engaging in the field of health, since 2022G. • Member of the Audit Committee, ACWA Power (formerly International Water and Power Company), a listed joint stock company engaging in the field of water and electricity, since 2022G. • Board Member, Al-Hassan Ghazi Ibrahim Shaker Company, a listed joint stock company engaging in the field of wholesale and retail trade of air conditioners, household and electrical appliances, since 2022G.



Other Current Memberships	• Board Member, Himmah Capital Limited Company, a closed joint stock company engaging in the field of financial services, since 2022G. • Chairman, Himmah Capital Investment Company, a closed joint stock company engaging in the field of financial services, since 2023G. • Board Member, DataVolt Information Technology Company, a limited liability company, engaging in the field of information and communications, since 2023G. • Chairman, Romoz AlAnaam Company, a closed joint stock company engaging in the field of sheep and feed, since 2024G.
Other Previous Memberships	• Board Member, Arabian Shield Cooperative Insurance Company, a listed joint stock company engaging in the field of insurance, from 2024G until 2025G. • Member of the Audit Committee, Dr. Sulaiman Al Habib Medical Services Group Company, a listed joint stock company engaging in the field of health, from 2021G until 2024G. • Board Member, AlOuzat Company, a limited liability company engaging in the field of logistics services, from 2014G until 2024G. • Board Member, Shuqaiq Water and Electricity Co. (SqWEC), a limited liability company engaging in the field of water and electricity, from 2006G until 2009G. • Board Member, Information Systems Audit and Control Association (ISACA), a limited liability company engaging in the field of information technology, from 1999G until 2002G. • Board Member, Arabian Company for Water & Power Development, a limited liability company engaging in the field of water and electricity, from 2004G until 2011G. • Board Member, Rabigh Arabian Water & Electricity Company, a limited liability company engaging in the field of water and electricity, from 2006G until 2009G. • Board Member, Abdullah Abunayyan Group, a closed joint stock company engaging in the field of business management, from 2006G until 2009G. • Board Member, Shuaibah Water and Electricity Company, a limited liability company engaging in the field of water and electricity, from 2006G until 2009G. • Chairman, Zilan Arabia Company, a limited liability company, engaging in the field of construction and building, from 2007G until 2023G. • Board Member, Saudi Tabreed District Cooling Company, a closed joint stock company engaging in the industrial field, from 2008G until 2021G. • Board Member, International Company for Water and Power Projects (ACWA Power), a limited liability company engaging in the industrial field, from 2008G until 2022G. • Chairman, Saudi Tabreed Operations & Maintenance Company (STOM), a closed joint stock company engaging in the industrial field, from 2009G until 2021G. • Chairman, Dhahran Tabreed Company, a closed joint stock company engaging in the industrial field, from 2009G until 2021G. • Managing Director, Saudi Tabreed District Cooling Company, a closed joint stock company engaging in the industrial field, from 2011G until 2021G. • Board Member, Central District Cooling Company in Makkah, a limited liability company engaging in the industrial field, from 2011G until 2021G. • Chairman, Riyadh Tabreed Company, a limited liability company engaging in the industrial field, from 2015G until 2019G. • Chairman, Riyadh Water Production Company, a limited liability company, engaging in the field of trade, from 2015G until 2020G. • Chairman, Dhahran Valley Cooling Company, a closed joint stock company engaging in the industrial field, from 2019G until 2021G. • Board Member, Integrated Towers Communications Company, a limited liability company engaging in the field of telecommunications, from 2019G until 2022G. • Chairman, Network Coverage Company for Communications, a limited liability company engaging in the field of telecommunications, from 2020G until 2021G. • Vice Chairman, Saudi Tabreed District Cooling Company, a limited liability company engaging in the industrial field, from 2021G until 2023G.

Source: the Company



5.1.4.2 Faisal Abdullah Ali Al-Nassar

Name	Faisal Abdullah Ali Al-Nassar
Age	46 years
Nationality	Saudi
Current Position	Vice Chairman of the Board of Directors
Date of Appointment	12/12/2024G
Academic Qualifications	Bachelor's degree in Accounting and Management Information Systems from the Industrial Management College at King Fahd University of Petroleum and Minerals, Dhahran, in 2002G.
Current Executive Positions	- Manager, Primary Medical Centers Company, a limited liability company engaging in the healthcare field, since 2025G. - Manager, Taswyat Management Company, a limited liability company engaging in the field of management consulting, since 2025G. - Manager, Sehat Al Olaya Medical Complex Company, a limited liability company engaging in the healthcare field, since 2025G. - Manager, Asharq Alawsat Pharmacies Company, a limited liability company engaging in the pharmaceutical field, since 2025G. - Manager, Home Healthcare Company, a limited liability company engaging in the healthcare field, since 2025G. - Manager, Al Gharb Al Takhassusi Hospital for Healthcare Company, a limited liability company engaging in the healthcare field, since 2025G. - Manager, Al Mokhtabarat Diagnostic Medical Company, a limited liability company engaging in the medical analysis field, since 2025G. - Manager, Sehat Al Suwaidi Medical Company, a limited liability company engaging in the healthcare field, since 2025G. - Manager, Rawabet Medical Company, a limited liability company engaging in the healthcare field, since 2025G. - CFO, Dr. Sulaiman Al Habib Medical Group, a public joint stock Company engaging in the field of medical care, since 2011G. - Manager, Dr. Sulaiman Al Habib Hospital, a limited liability company (UAE branch) engaging in the field of medical care, since 2016G. - Manager, AlMohammadiyah Hospital Medical Care Company, a limited liability company engaging in the field of medical care, since 2018G. - Manager, North Riyadh Medical Care Company, a limited liability company engaging in the field of medical care, since 2018G. - Manager, PharmaChoice Pharmacy, a limited liability company engaging in the field of pharmaceutical industries, since 2018G. - Manager, Wrass Real Estate Company, a closed joint stock company engaging in the field of real estate, since 2020G. - Manager, AlMaalem AlOula Investment Company, a limited liability company engaging in the field of investment, since 2021G. - Manager, Cloud Solutions International Company, a limited liability company engaging in the field of IT, since 2022G. - Manager, Al-Kharj Health Medical Care Company, a limited liability company engaging in the field of medical care, since 2022G. - Manager, Dr. Sulaiman Al Habib for Education Company, a limited liability company engaging in the field of medical education, since 2023G. - Manager, North Gate Medical Care Company, a limited liability company engaging in the field of medical care, since 2022G. - Manager, West Gate Medical Care Company, a limited liability company engaging in the field of medical care, since 2022G. - Manager, Medi Life Limited Company, a limited liability company engaging in the field of digital marketing, since 2022G. - Manager, Alpha Care Limited Company, a limited liability company engaging in the field of healthcare, since 2022G. - Manager, Wrass Operation and Maintenance Company (formerly Saudi Serco Services Company), a limited liability company engaging in the field of medical maintenance, since 2023G. - General Manager, Sehat Al Hamra for Health Care, a limited liability company engaging in the field of medical care, since 2023G. - CEO, Dr. Sulaiman Al Habib Medical Group, a public joint stock company engaging in the field of medical services, since 2023G. - Manager, Buraydah Specialized Hospital Company for Medical Care, a limited liability company engaging in the field of medical care, since 2024G. - Manager, Al-Rayyan Hospital Company for Medical Care, a limited liability company engaging in the field of medical care, since 2024G. - Manager, East Gate Medical Care Company, a limited liability company engaging in the field of medical care, since 2024G.



Previous Executive Positions	• Senior Manager, Corporate and Investment Banking Group at Samba Financial Group, a public joint stock company engaging in the field of investment banking, from 1999G until 2006G. • CEO of Financial and Investment Management, Ruya Investment Company (formerly ACWA Holding), a closed joint stock company engaging in the field of financial and investment management, from 2006G until 2011G. • Acting CEO, Dr. Sulaiman Al Habib Medical Group, a public joint stock company engaging in the field of medical care, from 2022G until 2023G.
Other Current Memberships	• Chairman of the Executive Committee, the Company, since 2024G. • Board Member, Travi Private Investment Limited Company, a limited liability company engaging in the field of investment, since 2014G. • Chairman, East Health Medical Company Limited, a limited liability company engaging in the field of medical care, since 2022G. • Chairman, Cloud Solutions for Communications and Information Technology Company, a limited liability company engaging in the field of IT, since 2022G. • Chairman, Central Medical Company, a limited liability company engaging in the field of medical care, since 2022G. • Chairman, West Jeddah Hospital Company, a limited liability company engaging in the field of medical care, since 2022G. • Chairman, Flow Medical Company, a limited liability company engaging in the field of medical care, since 2022G. • Board Member, Tamkeen Human Resources Company, a closed joint stock company engaging in the field of the employment services and professional solutions, since 2022G. • Member of the Nomination and Remuneration Committee, Saudi Jordanian Fund for Medical and Educational Investments, a closed joint stock company engaging in the field of medical and educational investments, since 2022G. • Chairman, Eraf Medical Company, a limited liability company engaging in the field of medical care, since 2023G. • Member of the Executive Committee, Dr. Sulaiman Al Habib Medical Group, a public joint stock company engaging in the field of healthcare, since 2023G.



Other Previous Memberships	• Board Member, Dr. Abdulaziz Al-Ajaji Dental Clinics, a limited liability company engaging in the dental field, from 2018G until 2025G. • Board Chairman, Primary Medical Centers Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Chairman, Taswyat Management Company, a limited liability company engaging in the field of management consulting, from 2022G until 2025G. • Board Chairman, Sehat Al Olaya Medical Complex Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Chairman, Asharq Alawsat Pharmacies Company, a limited liability company engaging in the pharmaceutical field, from 2022G until 2025G. • Board Chairman, Home Healthcare Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Chairman, Al Gharb Al Takhassusi Hospital for Healthcare Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Chairman, Al Mokhtabarat Diagnostic Medical Company, a limited liability company engaging in the medical analysis field, from 2022G until 2025G. • Board Chairman, Sehat Al Suwaidi Medical Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Chairman, Rawabet Medical Company, a limited liability company engaging in the healthcare field, from 2022G until 2025G. • Board Member, Vision Investment Company (formerly ACWA Holding), a closed joint stock company engaging in the field of financial management and investment, from 2006G until 2011G. • Member of the Executive Committee, Vision Investment Company (formerly ACWA Holding), a closed joint stock company engaging in the field of financial management and investment, from 2006G until 2011G. • Board Member, Serco Saudi Services Company, a limited liability company engaging in the field of services and maintenance, from 2014G until 2023G. • Board Member, Al Afia Pharmacies for Medicines Company, a limited liability company engaging in the field of the pharmaceutical industries, from 2016G until 2021G. • Board Member, Antab Riyadh Company for Operation and Maintenance, a limited liability company engaging in the field of operation and maintenance, from 2016G until 2021G. • Board Member, Al-Rayyan Maintenance and Operation Company, a limited liability company engaging in the field of operation and maintenance, from 2016G until 2021G. • Board Member, Bone, Joint and Spine Hospital Company, a limited liability company engaging in the field of health, from 2016G until 2021G. • Board Member, Al-Mustaqbal Hospital Construction Company, a limited liability company engaging in the field of health, from 2016G until 2021G. • Chairman of the Investment Committee, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2021G until 2024G.

Source: the Company

5.1.4.3 Harun Rasheed Abdulrahman Al-Rasheed

Name	Harun Rasheed Abdulrahman Al-Rasheed
Age	29 years
Nationality	Saudi
Current Position	Managing Director
Date of Appointment	12/12/2024G
Academic Qualifications	• Bachelor's degree in Industrial Engineering from King Saud University, Riyadh, in 2018G.
Current Executive Positions	• CEO, the Company, since 2024G. • General Manager, ZAT Construction Company (formerly known as Osus Al-Ramz Contracting Company), a limited liability company engaging in the field of contracting, since 2022G. • Real Estate Advisor, Watheeq PropTech Venture Fund, an investment fund engaging in the field of real estate investment, since 2022G.



Previous Executive Positions	- Real Estate Marketer, Bursa Al Maskan Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2013G until 2015G. - Project Manager, Bursa Al Maskan Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2015G until 2017G. - Project Supervisor, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2017G until 2019G. - Business Analyst, Palladium Consulting Limited Company, a limited liability company engaging in the field of management consulting, from 2019G until 2019G. - Strategic Advisor, Palladium Consulting Limited Company, a limited liability company engaging in the field of management consulting, from 2019G until 2020G. - Director of Project Management, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2020G until 2021G.
Other Current Memberships	- Member of the Executive Committee, the Company, since 2024G. - Board Member, of Al Dalal Al Jadeed Information Technology Company, a limited liability company engaging in the field of information technology, since 2021G. - Board Member, Romoz Holding Company, a holding company with limited liability engaging in the field of investment, since 2021G. - Board Member, Romoz AlAnaam Company, a closed joint stock company engaging in the field of sheep and feed, since 2024G.
Other Previous Memberships	Member of the Investment Committee, Al Ramz Real Estate Company, a closed Saudi joint stock company engaging in the field of real estate, from 2021G until 2024G.

Source: the Company

5.1.4.4 Abdulaziz Mohammed Abdullatif Al-Mulhim

Name	Abdulaziz Mohammed Abdullatif Al-Mulhim
Age	50 years
Nationality	Saudi
Current Position	Member of the Board of Directors
Date of Appointment	12/12/2024G
Academic Qualifications	- Master of Business Administration (MBA) from the University of Leeds, UK, in 2002G. - Bachelor's degree in Industrial Engineering from King Fahd University of Petroleum and Minerals, Dhahran, in 1997G. - Senior Executives Program Certificate from the London Business School, UK, in 2016G. - Certificate of Executive Director from the Board of Directors Institute, Dubai, in 2021G.
Current Executive Positions	CFO, Health Holding Company, a closed joint-stock company engaging in the field of healthcare delivery and the development of the health system, since 2023G.
Previous Executive Positions	- Assistant General Manager of Corporate Banking Services, Samba Financial Group, a public joint stock company engaging in the field of banking services, from 1998G until 2007G. - Head of Financial Affairs, Tarabut Investment Company (one of Vision Investment Companies), a closed joint stock company engaging in the field of logistics services, from 2008G until 2017G. - Group CFO, International Vision Investment Company, a closed joint stock company engaging in the field of financial advisory and investment, from 2017G until 2021G. - Vice CEO of Privatization Consulting for Community and Healthcare Sectors, National Center for Privatization & PPP, a government center engaging in the field of economy, from 2022G until 2023G. - Head of Financial Affairs, Red Sea Cruise Ship Company, a closed joint stock company engaging in the field of providing marine tourism cruises, from 2021G until 2022G.



Other Current Memberships	• Member of the Audit Committee, ACWA Power Company, a listed joint stock company engaging in the field of power and water, since 2025G. • Member of the Risk and Compliance Committee, National Infrastructure Fund, a government entity engaging in the field of infrastructure, since 2024G. • Chairman of the Audit Committee, the Company, since 2021G.
Other Previous Memberships	• Member of the Audit Committee, Bin Daoud Holding, a public joint stock company engaging in the field of retail, from 2022G until 2025G. • Chairman of the Audit Committee, Thiqa Business Services, a government company engaging in the field of business systems analysis services, from 2023G until 2025G. • Member of the Audit Committee, Saudi Airlines Air Cargo Company, a closed joint stock company engaging in the field of air cargo, from 2015G until 2021G. • Board Member, Advanced Piping Solutions Company, a limited liability company engaging in the field of supply of pipes and reinforced concrete, from 2018G until 2021G. • Board Member, AlDar Chemicals Company, a limited liability company engaging in the field of manufacturing complex chemical products, from 2018G until 2021G. • Chairman of the Finance Committee, Saudi District Cooling Company, a closed joint stock company engaging in the field of cooling systems services for districts, from 2019G until 2021G. • Member of the Audit Committee, Miyahuna Company, a limited liability company engaging in the field of providing potable water systems, industrial and recycled water management and wastewater, from 2019G until 2021G. • Member of the Audit Committee, SAL Saudi Logistics Services, a closed joint stock company engaging in the field of logistics services, from 2020G until 2021G.

Source: the Company



5.1.4.5 Nizar Hussein Abdullah Banbilah

Name	Nizar Hussein Abdullah Banbilah
Age	45 years
Nationality	Saudi
Current Position	Member of the Board of Directors
Date of Appointment	12/12/2024G
Academic Qualifications	- Bachelor's degree in Electrical and Computer Engineering from Umm Al-Qura University, Makkah, in 2003G. - Master in Public Administration from Harvard University, USA, in 2017G. - Certificate of the Global CEO Program from Wharton School, USA, in 2022G.
Current Executive Positions	CEO, Etihad Etisalat (Mobily), a listed joint stock company engaging in the field of telecommunications, since 2025G.
Previous Executive Positions	- Head of Special Projects, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2024G until 2025G. - Director of the International Services Readiness Department, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2006G until 2008G. - Senior Manager of the Implementation of National Services for the Wholesale Sector, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2008G until 2009G. - Chief Negotiator, Viva Telecommunications Company, a public joint stock company engaging in the field of telecommunications and IT, from 2009G until 2010G. - Vice Chairman of the Business and Carriers Sector, Viva Telecommunications Company, a public joint stock company engaging in the field of telecommunications and IT, from 2010G until 2014G. - Executive General Manager of Alliance Planning and Portfolio Management, Mobily Company, a public joint stock company engaging in the field of telecommunications and IT, from 2014G until 2015G. - Chairman of Dry Goods Sector, The National Shipping Company of Saudi Arabia (Bahri), a listed joint stock company engaging in the field of sea freight, from 2015G until 2019G. - CEO, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2019G until 2024G.
Other Current Memberships	- Chairman of the Nomination and Remuneration Committee, the Company, since 2024G. - Member, Young Presidents Organization, a limited liability company engaging in the field of learning and growth, since 2019G. - Board Member, Saudia Cargo Company, a closed joint stock company engaging in the field of shipping, since 2020G. - Chairman of the Digital Transformation Committee, Saudia Cargo Company, a closed joint stock company engaging in the field of shipping, since 2022G.
Other Previous Memberships	- Chairman, MyOffice Company, a limited liability company engaging in the field of commerce and retail, from 2015G until 2019G. - Board Member, BahriBunge Dry Bulk Limited Company, a limited liability company engaging in the field of sea freight, from 2017G until 2019G. - Board Member, Bahri Company, a public joint stock company engaging in the field of sea freight, from 2017G until 2019G. - Board Member, Injaz Company, a limited liability company engaging in the field of consulting, from 2019G until 2022G. - Chairman of the Board, Pearl Submarine Cable Company, a limited liability company engaging in the field of telecommunications and internet, from 2021G until 2024G. - Chairman of the Executive Committee, Pearl Submarine Cable Company, a limited liability company engaging in the field of telecommunications and internet, from 2021G until 2024G. - Chairman of the Board, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2022G until 2024G. - Chairman of the Executive Committee, Saudi Telecom Company (STC), a public joint stock company engaging in the field of telecommunications and IT, from 2022G until 2024G.

Source: the Company



5.1.4.6 Abdulmalik Rasheed Abdulrahman Al-Rasheed

Name	Abdulmalik Rasheed Abdulrahman Al-Rasheed
Age	26 years
Nationality	Saudi
Current Position	Member of the Board of Directors
Date of Appointment	12/12/2024G
Academic Qualifications	Bachelor's degree in Operations Research from King Saud University, Riyadh, in 2020G.
Current Executive Positions	• CFO, the Company, since 2023G. • General Manager, Romoz Holding Company, a holding company with limited liability engaging in the field of investment, since 2021G.
Previous Executive Positions	• Assistant Project Manager, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2017G until 2019G. • General Manager, Al Ramz Education Company, a limited liability company engaging in the field of education, from 2019G until 2021G. • Project Manager, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2019G until 2020G. • Marketing and Sales Specialist, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2019G until 2020G. • Business Development Manager, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2020G until 2021G. • Marketing and Sales Manager, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2020G until 2021G.
Other Current Memberships	• Member of the Executive Committee, the Company, since 2024G. • Board Member, Romoz AlAnam Company, a closed joint stock company engaging in the field of sheep and feed, since 2024G.
Other Previous Memberships	• Member of the Investment Committee, Al Ramz Real Estate Company, a closed Saudi joint stock company engaging in the field of real estate, from 2021G until 2024G. • Subject Matter Expert, Terrace Real Estate Platform Company, a limited liability company engaging in the field of real estate investment, from 2021G until 2023G.

Source: the Company

5.1.4.7 Faisal Abdulaziz Al Fawzan

Name	Faisal Abdulaziz Al Fawzan
Age	29 years
Nationality	Saudi
Current Position	Secretary of the Board of Directors
Date of Appointment	22/07/2025G
Academic Qualifications	• Bachelor's degree in Law and Political Science from King Saud University, Riyadh, in 2019G.
Current Executive Positions	• Secretary of the Remuneration and Nomination Committee, the Company, since 2023G. • Secretary of the Executive Committee, the Company, since 2025G. • Secretary of the Board of Directors, Center of Excellence for Autism, a sole proprietorship operating in the healthcare and education sector, since 2024G.



Previous Executive Positions	• Secretary of the Board of Directors, Al Rasheed Industrial Company, a public joint stock company operating in the manufacturing sector, from 2021G until 2024G. • Secretary of the Audit Committee, Al Rasheed Industrial Company, a public joint stock company operating in the manufacturing sector, from 2021G until 2024G. • Assistant Legal Advisor, Al Rasheed Industrial Company, a public joint stock company operating in the manufacturing sector, from 2020G until 2024G. • Trainee Lawyer, Al Sanad Law Firm, a law firm operating in the legal practice and consultancy sector, from 2019G until 2020G.
Other Current Memberships	• None
Other Previous Memberships	• None

5.2 Company and Board Committees

The Board of Directors shall form committees in order to better run the Company. Each Committee shall have its own charter which determines the Committee's roles, responsibilities, and powers. The Committees shall periodically hold meetings for the purpose of carrying out the tasks entrusted thereto. These Committees comprise the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee. The following is a summary of the structure, responsibilities and members of each Board Committee.

5.2.1 Audit Committee

Ensuring that an effective internal control system is in place is one of the responsibilities entrusted to the Board of Directors. The main task of the Audit Committee is to verify the adequacy and effective implementation of the internal control system and to make any recommendations to the Board of Directors that would actuate and develop the system to achieve the Company's objectives. The Committee is also responsible for approving risk management policies and procedures and reviewing risk assessment activities and risk mitigation plans before presenting the same to the Board of Directors. The Committee is responsible for ensuring compliance with the Company's Corporate Governance Regulations and Practices issued by the CMA and the Company's Corporate Governance Manual. The most updated Charter of the Audit Committee was approved by the General Assembly on 11/06/1446H (corresponding to 12/12/2024G). The scope of the Committee's work shall include all actions that enable it to fulfil its functions, including:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows Shareholders and Investors to assess the Company's financial position, performance, business model, and strategy.
- Analyzing any important or unusual issues contained in the financial reports.
- Meticulously investigating any issues raised by the Company's CFO or any person assuming their duties or the Company's compliance officer or external auditor.
- Examining the accounting estimates in respect of material issues contained in the financial reports.
- Examining the accounting policies followed by the Company and providing its opinion and recommendations thereon to the Board.
- Examining and reviewing the Company's internal, financial, and risk management systems.
- Reviewing the Internal Audit reports and pursuing the implementation of the corrective measures in respect of the notes included therein.
- Monitoring and overseeing the performance and activities of the Internal Auditor and the Company's Internal Audit Department to ensure the availability of the necessary resources and their effectiveness in performing the assigned tasks and duties.
- Recommending to the Board of Directors the appointment of the head of the Internal Audit Unit or Department, or an internal auditor, and proposing the remuneration thereof.
- Providing recommendations to the Board to nominate auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.



- Verifying the independence of the auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
- Reviewing the plan of the Company's auditor and its activities, and ensuring that it does not provide any technical, administrative or consulting works that are beyond its scope of work, and provides its opinion thereon.
- Responding to queries of the Company's auditor.
- Reviewing the auditor's reports and comments on the financial statements, and following up on the procedures taken in connection therewith.
- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith.
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

The Audit Committee shall consist of at least three (3) and at most five (5) non-executive Board members to be appointed by a Board resolution. The term of office of the member of the Audit Committee may not exceed the term of office of the Board. The membership of the Audit Committee shall end upon the end of the Board's term or upon the resignation of the member from the Committee. The Board may nominate members of the Audit Committee for another term. The members of the Audit Committee shall include at least one (1) independent Board member as well as a competent member in financial and accounting affairs.

The members of the Audit Committee were appointed pursuant to the Resolution of the Board of Directors dated 02/06/1446H (corresponding to 03/12/2024G).

Table (5.3): Members of the Audit Committee

No.	Name	Position	Status
1	Abdulaziz Mohammed Abdullatif Al-Mulhim	Chairman of the Audit Committee	Independent Board Member
2	Asaad Abdulrahman Niaz Turkestani	Committee Member	Non-Board Member
3	Kamal Hussain Abdulrahman Al-Horaibi	Committee Member	Non-Board Member

Source: the Company

The following is a brief overview of the members of the Audit Committee:

5.2.1.1 Abdulaziz Mohammed Abdullatif Al-Mulhim

Please refer to Section 5.1.4.4 for further details regarding the experience, and current and previous positions of Abdulaziz Mohammed Abdullatif Al-Mulhim.

5.2.1.2 Asaad Abdulrahman Niaz Turkestani

Name	Asaad Abdulrahman Niaz Turkestani
Age	42 years
Nationality	Saudi
Current Position	Member of the Audit Committee.
Date of Appointment	03/12/2024G
Academic Qualifications	Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals, Dhahran, in 2006G.
Current Executive Positions	Head of Corporate and Institutional Banking Services, Qatar National Bank, a public joint stock company engaging in the field of banking, since 2021G.



Previous Executive Positions	• Corporate Relationship Manager, Samba Financial Group, a public joint stock company engaging in the field of banking, from 2006G until 2008G. • Senior Corporate Relationship Manager, Alinma Bank, a public joint stock company engaging in the field of banking, from 2009G until 2011G. • Acting Team Manager, Emirates NBD, a public joint stock company engaging in the field of banking, from 2011G until 2012G. • Senior Corporate Relationship Manager, Emirates NBD, a public joint stock company engaging in the field of banking, from 2011G until 2012G. • Group Treasury Manager, Zain Holding Company, a public joint stock company engaging in the field of telecommunications, from 2012G until 2013G. • Head of Large Corporate Finance Sector, Emirates NBD, a public joint stock company engaging in the field of banking, from 2014G until 2017G. • Director of the Central Region for Corporate and Institutional Finance, Emirates NBD, a public joint stock company engaging in the field of banking, from 2017G until 2020G. • Acting Head of Corporate and Institutional Banking Services, Emirates NBD, a public joint stock company engaging in the field of banking, in 2021G.
Other Current Memberships	• N/A
Other Previous Memberships	• N/A

Source: the Company

5.2.1.3 Kamal Hussain Abdulrahman Al-Horaibi

Name	Kamal Hussain Abdulrahman Al-Horaibi
Age	50 years
Nationality	Saudi
Current Position	Member of the Audit Committee.
Date of Appointment	03/12/2024G
Academic Qualifications	• Master of Business Administration (MBA) from Al Faisal University, Riyadh, in 2014G. • Bachelor's degree in Systems Engineering from King Fahd University of Petroleum and Minerals, Dhahran, in 1997G.
Current Executive Positions	• Consultant, Ministry of Human Resources and Social Development, a government ministry engaging in the field of human resources, since 2019G.
Previous Executive Positions	• Financial Advisor in Credit Department, Saudi Industrial Development Fund, a government institution engaging in the industrial field, from 1997G until 2004G. • Acting Director of the Acquisitions and Mergers Department in the Strategic Investments Unit, Saudi Telecom Company (STC), a public joint stock company engaging in the field of technology, from 2004G until 2008G. • Vice President of Investment Banking, Al Rajhi Capital, a public joint stock company engaging in the field of banking, from 2008G until 2012G. • Director of Industrial Operations, Saudi Technology Development and Investment Company (TAQNIA), a government company engaging in the field of technology, from 2012G until 2013G. • General Manager, Ceramic Pipe Company, a closed joint stock company engaging in the industrial field, from 2013G until 2015G. • General Manager of Investment Banking, Al Rajhi Capital, a public joint stock company engaging in the field of banking, from 2015G until 2018G. • Investment Manager, Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO), a public joint stock company engaging in the field of pharmaceuticals, from 2018G until 2019G.
Other Current Memberships	• N/A
Other Previous Memberships	• N/A

Source: the Company



5.2.2 Nomination and Remuneration Committee

The main function of the Nomination and Remuneration Committee is to determine the policies and procedures related to the nomination of the members of the Board, its Committees, and the Executive Team, and to determine the policies and procedures related to their remunerations. The Charter of the Nomination and Remuneration Committee was approved by the General Assembly on 11/06/1446H (corresponding to 12/12/2024G). The Committee's scope of work includes all duties designed to enable it to fulfil its functions, including:

- Preparing a clear policy for the remuneration of the members of the Board of Directors, Board Committees, and Executive Management and submitting the same to the Board for consideration, before presenting it to the General Assembly for approval.
- Clarifying the relationship between the remunerations granted and the applicable remuneration policy, and indicating any material deviation from this policy.
- Periodically reviewing the remuneration policy, evaluating its effectiveness in achieving the desired goals.
- Recommending to the Board of Directors the remuneration of the members of the Board of Directors, Board Committees, and the Company's Senior Executives in accordance with the approved policy.
- Suggesting clear policies and standards for membership in the Board and the Executive Management.
- Recommending nominees to the Board of Director pursuant to the approved policies and procedures, provided that no person who has been convicted of a felony involving breach of trust shall be nominated.
- Setting out descriptions of the capabilities and qualifications required for the Board membership and for the Executive Management positions.
- Determining the amount of time a Director shall allocate to the work of the Board of Directors.
- Annually reviewing the necessary skills or experience required for Board membership and Executive Management positions.
- Reviewing the structure of the Board of Directors and Executive Management and providing recommendations as to the changes that can be made thereto.
- Annually verifying the independence of the independent members and that there is no conflict of interest in cases where a Director is also a board member in another company.
- Developing job descriptions for executive, non-executive, and independent members, as well as Senior Executives.
- Establishing procedures to be followed in the event that the position of a Board member or Senior Executive becomes vacant.
- Identifying the weaknesses and strengths of the Board of Directors and proposing solutions to address the same in line with the Company's interest.

Members of the Nomination and Remuneration Committee shall not be less than three (3) and no more than five (5), and the members of the Committee shall be appointed by the Board of Directors and the Board may dismiss them at its discretion. The Nomination and Remuneration Committee membership term shall not exceed the term of the Board. The membership of a Nomination and Remuneration Committee member, that is also a Board member, ends with the end of such member's term in the Board or by resignation from the Nomination and Remuneration Committee. The membership of non-members ends by his / her resignation or at the end of the term of the Committee.

The following members were appointed to the Nomination and Remuneration Committee pursuant to a Board Resolution dated 02/06/1446H (corresponding to 03/12/2024G).

Table (5.4): Members of the Nomination and Remuneration Committee

	Name	Position	Status
1	Nizar Hussein Abdullah Banbilah	Chairman of the Nomination and Remuneration Committee	Independent Board Member
2	Nasser Issa Mohammed Al-Humaid	Member of the Nomination and Remuneration Committee	Non-Board Member
3	Faris Saleh Faris Al-Zahrani	Member of the Nomination and Remuneration Committee	Non-Board Member

Source: the Company



The following is a brief overview of the Members of Nomination and Remuneration Committee:

5.2.2.1 Nizar Hussein Abdullah Banbilah

Please refer to Section 5.2.2.1 for further details regarding the experience, and current and previous positions of Nizar Hussein Abdullah Banbilah.

5.2.2.2 Nasser Issa Mohammed Al-Humaid

Name	Nasser Issa Mohammed Al-Humaid
Age	44 years
Nationality	Saudi
Current Position	Member of the Nomination and Remuneration Committee
Date of Appointment	03/12/2024G
Academic Qualifications	• Master of Business Administration (MBA) from the Open University Malaysia, Bahrain, in 2010G. • Certificate of Leadership Development Program, from IMD Business School, Switzerland, in 2019G. • Certificate of Leadership Development Program of Disruptive Strategy from Harvard Business School, USA, in 2021G. • Certificate of Leadership Development Program of People Skills for Leaders from London Business School, UK, in 2023G.
Current Executive Positions	• Executive Director of the Middle East, Accenture Company, a listed joint stock company engaging in the field of consulting and business services, since 2024G.
Previous Executive Positions	• Deputy Governor, Saline Water Conversion Corporation (SWCC), in Saudi Arabia, a Saudi government institution engaging in the field of desalination of seawater and supplying various regions of the Kingdom with desalinated water, from 2021G until 2024G. • General Manager, Human Resources, Ministry of Tourism of Saudi Arabia, a government entity engaging in the field of tourism, 2021G. • Chief Human Resources Officer, Quality of Life Program (one of Saudi Vision 2030 Programs), a government entity engaging in the fields of security, culture, heritage, sports, tourism, and entertainment, from 2019G until 2021G. • Acting Chief Shared Services Officer, Quality of Life Program (one of Saudi Vision 2030 Programs), a government entity engaging in the fields of security, culture, heritage, sports, tourism, and entertainment, 2020G. • Acting CFO, Quality of Life Program (one of Saudi Vision 2030 Programs), a government entity engaging in the fields of security, culture, heritage, sports, tourism, and entertainment, 2019G. • Regional Human Resources Director, General Electric HealthCare, a listed joint stock company engaging in the field of medical devices, digital infrastructure, data analytics and decision support tools that help diagnose, treat and monitor patients, from 2017G until 2019G. • Regional Human Resources Director, Accenture Company, a listed joint stock company engaging in the field of consulting and business services, from 2014G until 2017G. • Country Human Resources Manager, Oracle Company, a listed joint stock company engaging in the field of technology and manufacturing and sale of servers and network solutions designed specifically to operate its platforms and databases, from 2011G until 2014G. • Human Resources Specialist, Sahara Petrochemicals Company, a listed joint stock company engaging in the field of chemical industries, from 2005G until 2008G. • Employee Relations Specialist, SABIC Company, a listed joint stock company engaging in the field of petrochemicals, polymers, chemicals, agro-nutrients, specialty products, independent business and metallurgy, from 2005G until 2008G. • IT Help Desk Administrator, Zamil Industrial Company, a listed joint stock company engaging in the field of development of various materials and equipment used in the building and construction industries, from 2003G until 2005G.



Other Current Memberships	- Member of the Nomination and Remuneration Committee, Premium Residency Center, a government entity engaging in the field of attracting and supporting distinguished categories of competencies and investors to participate in the development of the Kingdom, since 2022G. - Member of the Nomination and Remuneration Committee, Hail Region Development Authority, a government entity engaging in the field of planning, legislation, empowerment and strategic supervision for the development of the region, since 2022G.
Other Previous Memberships	- Member of the Nomination and Remuneration Committee, Hail Region Development Authority (HRDA), a government agency engaging in the field of planning, legislation, empowerment, and strategic supervision for the development of the region, from 2022G until 2024G. - Secretary of Nomination and Remuneration Committee, Quality of Life Program (one of Saudi Vision 2030 Programs), a government entity engaging in the fields of security, culture, heritage, sports, tourism, and entertainment, from 2019G until 2021G. - Chairman of the Advisory Board, Saudi Human Resources Think Tank, a non-profit entity engaging in the field of human resources solutions and development, from 2019G until 2024G. - Member of the Nomination and Remuneration Committee, Water Solutions Company, a government company engaging in the field of desalination, from 2022G until 2024G. - Member of the Sector Skills Council, Ministry of Human Resources and Social Development, a government entity engaging in the field of building the skills framework of the energy and utilities, from 2023G until 2024G.

5.2.2.3 Faris Saleh Faris Al-Zahrani

Name	Faris Saleh Faris Al-Zahrani
Age	54 years
Nationality	Saudi
Current Position	Member of the Nomination and Remuneration Committee
Date of Appointment	03/12/2024G
Academic Qualifications	- Bachelor's degree in Business Administration from Lakehurst University, USA, in 2004G. - Associate degree in Business Administration from the Center for Degree Studies, USA, in 1999G.
Current Executive Positions	- Vice President of Human Resources, Etihad Atheeb Telecommunication Company, a listed joint stock company engaging in the field of telecommunications, since 2024G. - Vice President of Human Resources and Culture, a new, yet unannounced project - confidential - engaging in the field of real estate development (one of the Public Investment Fund companies), since 2025G.
Previous Executive Positions	- Vice President of Human Resources and Culture, Saudi Royal Aviation, a government entity engaging in the field of air transport, from 2020G until 2024G. - Vice President of Human Resources and Culture, Etihad Atheeb Telecom Company, a listed joint-stock company engaging in the field of telecommunications, from 2024G until 2025G. - Consultant Partner, ASET, a consulting organization engaging in the field of business consulting and human resources management, from 2019G until 2020G. - Chief Human Resources Officer, Zain KSA Company, a listed joint stock company engaging in the field of providing telecommunications and digital services, from 2018G until 2019G. - Talent Management Executive General Manager, Zain KSA Company, a listed joint stock company engaging in the field of providing telecommunications and digital services, 2018G. - Human Resources Services General Manager, Zain KSA Company, a listed joint stock company engaging in the field of providing telecommunications and digital services, from 2015G until 2018G. - Director of Business Development, Saudi Telecom Company (STC), a listed joint stock company engaging in the field of telecommunications, from 2011G until 2015G. - Corporate Policies Manager, Saudi Telecom Company (STC), a listed joint stock company engaging in the field of telecommunications, from 2008G until 2011G. - Organization Design Manager, Saudi Telecom Company (STC), a listed joint stock company, and subsidiary of the Saudi Telecommunications Group engaging in the field of telecommunications, from 2007G until 2008G. - MP Forecasting and Planning Manager, Saudi Telecom Company (STC), a listed joint stock company engaging in the field of telecommunications, from 2006G until 2007G.



Previous Executive Positions	• Job Evaluation Manager, Saudi Telecom Company (STC), a listed joint stock company engaging in the field of telecommunications, from 2003G until 2006G. • Logistics Manager, Sogereb Aviation Company, a limited liability company engaging in the field of airline marketing and aviation, from 2002G until 2003G. • Logistics Supervisor, Isnad Company, a closed joint stock company engaging in the field of aircraft maintenance and aviation, from 1999G until 2002G. • Acting Logistics Supervisor, Al-Salam Aircraft Company, a government company (affiliated to the Ministry of Defense), engaging in the field of aircraft maintenance and aviation, from 1993G until 1999G. • Material Controller, Ministry of Defense and Aviation, a government entity, engaging in the field of defense and armament, from 1988G until 1993G.
Other Current Memberships	N/A
Other Previous Memberships	• Secretary of the Nomination and Remuneration Committee, Zain KSA Company, a listed joint stock company engaging in the field of providing telecommunications and digital services, from 2018G until 2019G.

5.2.3 Executive Committee

The main function of the Executive Committee is to assist the Board in performing activities and tasks as delegated to it by the Board of Directors in order to manage the Company's business. The Charter of the Executive Committee was approved by the Board of Directors on 02/06/1446H (corresponding to 03/12/2024G). The Committee's responsibilities include the following:

- Assisting the Board in performing activities and tasks as delegated to it by the Board of Directors, in order to facilitate smooth operations of the Company.
- Conducting periodic meetings with the Executive Management to monitor work progress and any challenges.
- Reviewing and recommending to the Board of Directors the goals, strategy, plans and objectives (strategic and operational).
- Reviewing and recommending to the Board the Executive Management KPIs and related goals and monitoring the performance of the management accordingly.
- Reviewing the CEO recommendation in relation to the Company's strategy, operations and strategic plan.
- Providing oversight over the execution over the strategic plans to achieve the Company's overall objectives.
- Reviewing and recommending to the Board the Company's organizational structure.
- Reviewing and recommending to the Board the policies and procedures developed by the Executive Management.
- Overseeing the daily implementation of Board policies.
- Enhancing and upgrading the Company's technologies and technical support.
- Managing vendor relationship with some of the key suppliers.
- Reviewing and recommending for approval to the Board of Directors operating plans, capital expenditure plans and other studies or plans that will have a material impact upon the operations of the Company.
- Reviewing and recommending to the Board of Directors any amendments to existing or any new corporate investment principles or guidelines of a general nature proposed by the Management.
- Reviewing investments, acquisitions and/or reviewing submittal of binding bids in relation to any project, and/or reviewing further changes or revisions in such investment or bids submitted or to be submitted by the Company as per the authority matrix approved by the Board of Directors.
- Reviewing and recommending to the Board the annual budget.
- Submitting its reports after each Committee meeting to the Board that include all decisions taken, recommendations or any other related matters.

The Executive Committee shall consist of at least three (3) and at most five (5) members to be appointed by the Board of Directors and may be dismissed by the Board at its sole discretion. The term of office of the member of the Executive Committee may not exceed the term of office of the Board. A Director's membership in the Executive Committee shall end upon the end of the Board's term or upon the resignation of such Director from the Committee. Non-Board members' membership in the Executive Committee shall end upon their resignation or at the expiration of the Committee's term.



The following members were appointed to the Executive Committee pursuant to a Board Resolution dated 02/06/1446H (corresponding to 03/12/2024G).

Table (5.5): Members of the Executive Committee

	Name	Position	Status
1-	Faisal Abdullah Ali Al-Nassar	Chairman of the Executive Committee	Non-Executive Board Member
2-	Rasheed Abdulrahman Nasser Al-Rasheed	Committee Member	Non-Executive Board Member
3-	Harun Rasheed Abdulrahman Al-Rasheed	Committee Member	Executive Board Member
4-	Abdulmalik Rasheed Abdulrahman Al-Rasheed	Committee Member	Executive Board Member
5-	Faisal Mohammed Abdullah Al-Shegry	Committee Member	Non-Board Member

Source: the Company

The following is a brief overview of the members of the Executive Committee:

5.2.3.1 Faisal Abdullah Ali Al-Nassar

Please refer to Section 5.1.4.2 for further details regarding the experience, and current and previous positions of Faisal Abdullah Ali Al-Nassar.

5.2.3.2 Rasheed Abdulrahman Nasser Al-Rasheed

Please refer to Section 5.1.4.1 for further details regarding the experience, and current and previous positions of Rasheed Abdulrahman Nasser Al-Rasheed.

5.2.3.3 Harun Rasheed Abdulrahman Al-Rasheed

Please refer to Section 5.1.4.3 for further details regarding the experience, and current and previous positions of Harun Rasheed Abdulrahman Al-Rasheed.

5.2.3.4 Abdulmalik Rasheed Abdulrahman Al-Rasheed

Please refer to Section 5.1.4.6 for further details regarding the experience, and current and previous positions of Abdulmalik Rasheed Abdulrahman Al-Rasheed.

5.2.3.5 Faisal Mohammed Abdullah Al-Shegry

Name	Faisal Mohammed Abdullah Al-Shegry
Age	31 Years
Nationality	Saudi
Current Position	Director of Real Estate Investment Department
Date of Appointment	03/12/2024G
Academic Qualifications	Bachelor's degree in Economics from Syracuse University, Maxwell School, USA, in 2016G.
Current Executive Positions	Director of Real Estate Investment Department, AWJ Holding Company, a closed joint stock company engaging in the field of investment, since 2023G.
Previous Executive Positions	• Head of Local Real Estate Investments, Riyadh Capital, a closed joint stock company engaging in the field of investment and fund management, from 2022G until 2023G. • Associate Manager of Local Real Estate Investments, Riyadh Capital, a closed joint stock company engaging in the field of investment and fund management, from 2021G until 2022G. • Senior Real Estate Investment Analyst, Riyadh Capital, a closed joint stock company engaging in the field of investment and fund management, from 2018G until 2021G. • Senior Analyst, Knight Frank Company, a closed joint stock company engaging in the field of real estate development, 2018G. • Analyst, Knight Frank Company, a closed joint stock company engaging in the field of real estate development, from 2016G until 2018G.



Other Current Memberships	- Member of the Executive Committee, the Company, since 2024G. - Board Member, Sports Boulevard Fund, a closed joint stock company engaging in the field of real estate investment, since 2024G. - Board Member, AWJ Al-Ramz Fund, a closed joint stock company engaging in the field of real estate investment, since 2024G. - Board Member, AWJ AlAjlan Riviera Fund, a closed joint stock company engaging in the field of real estate investment, since 2023G.
Other Previous Memberships	Board Member, Saudi Hospitality Company, a limited liability company engaging in the field of hospitality and hotel services, from 2021G until 2023G.

5.3 Senior Management

5.3.1 Overview of the Senior Management

The Company's Senior Management is comprised of qualified Saudi and non-Saudi members with significant local and international expertise in the real estate development sector. The primary responsibility of the Chief Executive Officer is to manage the Company's business and supervise its performance in line with the objectives and guidance of the Board of Directors and Shareholders.

The Senior Management team currently consists of nine (9) members, as set out in the table below:

Table (5.6): Senior Management Details

No.	Name	Nationality	Age	Position	Appointment Date to the Current Position	Direct Ownership Ratio		Indirect Ownership Ratio	
						Pre-Offering	Post-Offering	Pre-Offering	Post-Offering
1-	Harun Rasheed Abdulrahman Al-Rasheed	Saudi	29 Years	CEO	18/07/2020G	3.89%	2.72%	-	-
2-	Abdulmalik Rasheed Abdulrahman Al-Rasheed	Saudi	26 Years	CFO	01/10/2017G	3.89%	2.72%	-	-
3-	Abdulsalam Awad Ali Al-Zahrani	Saudi	28 Years	Director of Customer Experience Department	21/10/2024G	-	-	-	-
4-	Khalid Fuad Mohammed Al-Khalifah	Saudi	37 Years	Head of Marketing Department	03/11/2024G	-	-	-	-
5-	Mohammed Abdulrahman Abdallah Al-Jameel	Saudi	35 Years	Director of Property and Facilities Department	13/10/2024G	-	-	-	-
6-	Saad Abdulrahman Saad Al-Sultan	Saudi	30 Years	Director of Project Management Department	02/01/2022G	-	-	-	-
7-	Sultan Jabr Abdulrahman Al-Jabr*	Saudi	27 Years	Director of Support Services Department	11/05/2022G	-	-	-	-
8-	Waleed Numan Mohammed Al-Hijri	Yemeni	43 Years	Director of Information Technology Department	08/01/2024G	-	-	-	-
9-	Yazan Khalid Yahya Abu-Alsondos	Jordanian	34 Years	Director of Internal Audit Department	19/08/2024G	-	-	-	-
10-	Vacant*	-	-	Director of Sales Department	-	-	-	-	-

Source: the Company

* As at the date of this Prospectus, the Company is working to appoint a Sales Department Director, and it is expected that this will occur in the second quarter of 2026G. Mr. Sultan Jabr Abdulrahman Al-Jabr is currently assigned as Act-ing Sales Director, in addition to his position as Director of the Support Services Department.



5.3.2 Biographies of Senior Executives

The following is a brief overview of the experiences, academic qualifications, as well as current and previous positions of each of the Senior Executives:

5.3.2.1 Harun Rasheed Abdulrahman Al-Rasheed

Please refer to Section 5.1.4.3 for further details regarding the experience, and current and previous positions of Harun Rasheed Abdulrahman Al-Rasheed.

5.3.2.2 Abdulmalik Rasheed Abdulrahman Al-Rasheed

Please refer to Section 5.1.4.6 for further details regarding the experience, and current and previous positions of Abdulmalik Rasheed Abdulrahman Al-Rasheed.

5.3.2.3 Abdulsalam Awad Ali Al-Zahrani

Name	Abdulsalam Awad Ali Al-Zahrani
Age	28 Years
Nationality	Saudi
Current Position	Director of Customer Experience Department
Date of Appointment	21/10/2024G
Academic Qualifications	Bachelor's degree in Tourism and Hotel Management from King Saud University, Riyadh, in 2021G.
Current Executive Positions	N/A
Previous Executive Positions	• Front Desk Agent, Rosewood Al Faisaliah Hotel, a tourist hotel engaging in the field of tourism, from 2015G until 2016G. • Front Desk Agent, Hyatt Regency Hotel, a tourist hotel engaging in the field of tourism, from 2016G until 2017G. • Assistant Manager Front Office, Hyatt Regency Hotel, a tourist hotel engaging in the field of tourism, from 2017G until 2021G. • Assistant Front Office Manager, Hyatt Regency Hotel, a tourist hotel engaging in the field of tourism, from 2022G until 2023G. • Front Office Manager, Hyatt Habitas Hotel, a tourist hotel engaging in the field of tourism, from 2022G until 2023G. • Front Office Manager, Radisson Collection Hotel Group, a tourist hotel engaging in the field of tourism, from 2023G until 2024G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company



5.3.2.4 Khalid Fuad Mohammed Al-Khalifah

Name	Khalid Fuad Mohammed Al-Khalifah
Age	37 Years
Nationality	Saudi
Current Position	Head of Marketing Department
Date of Appointment	03/11/2024G
Academic Qualifications	• Bachelor's degree in Marketing from Northern Kentucky University, USA, in 2016G. • Bachelor's degree in Business Administration from Northern Kentucky University, USA, in 2016G. • Diploma in Marketing from the College of Technology, KSA, in 2010G.
Current Executive Positions	N/A
Previous Executive Positions	• Media Manager, Samaya Holding Company (King Salman Science Oasis Project), a closed joint stock company engaging in the field of public relations, from 2017G until 2018G. • Main Account Manager and Media Planner, TrendMENA Marketing Agency, a closed joint stock company engaging in the field of marketing and media, from 2018G until 2019G. • Marketing Manager, Al Saif Trading Agencies Company, a closed joint stock company engaging in the field of utensils and household appliances, from 2019G until 2022G. • Director of the Marketing and Product Department, ARASCO Foods Company (Entaj), a closed joint stock company engaging in the field of food, from 2022G until 2024G. • Marketing Strategy Advisor, Dinar Investment Platform, a closed joint stock company engaging in the field of investment, 2023G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company

5.3.2.5 Mohammed Abdulrahman Abdallah Al-Jameel

Name	Mohammed Abdulrahman Abdallah Al-Jameel
Age	35 Years
Nationality	Saudi
Current Position	Director of Property and Facilities Department
Date of Appointment	13/10/2024G
Academic Qualifications	Diploma of Civil Technology from the Technical College in Unayzah, in 2009G.
Current Executive Positions	N/A
Previous Executive Positions	• Administrative Coordinator, National Water Company, a government company engaging in the field of water, from 2010G until 2015G. • Supervision and Contracts Officer, Saudi Authority for Industrial Cities and Technology Zones (MODON), a government body engaging in the field of construction and operation of industrial cities, from 2015G until 2018G. • Director of Security and Safety, Hamat Properties Company, a closed joint stock company engaging in the field of real estate, from 2018G until 2019G. • Director of Operation and Maintenance, Kaden Investment Company, a closed joint stock company engaging in the field of investment, from 2019G until 2023G. • Property Manager, Kaden Investment Company, a closed joint stock company engaging in the field of real estate investment, from 2023G until 2024G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company



5.3.2.6 Saad Abdulrahman Saad Al-Sultan

Name	Saad Abdulrahman Al-Sultan
Age	30 Years
Nationality	Saudi
Current Position	Director of Project Management Department
Date of Appointment	02/02/2022G
Academic Qualifications	Bachelor's degree in Mechanical Engineering from King Saud University, Riyadh, in 2018G.
Current Executive Positions	N/A
Previous Executive Positions	- Project Engineer, Arail Construction, a limited liability company engaging in the field of construction, from 2017G until 2018G. - Project Engineer, Durrat Sugar Refinery Company, a closed joint stock company engaging in the field of food, from 2018G until 2020G. - Engineer of the Packaging Department, Durrat Sugar Refinery Company, a closed joint stock company engaging in the field of food, from 2020G until 2021G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company

5.3.2.7 Sultan Jabr Abdulrahman Al-Jabr

Name	Sultan Jabr Abdulrahman Al-Jabr
Age	27 Years
Nationality	Saudi
Current Position	Director of Support Services Department
Date of Appointment	11/05/2022G
Academic Qualifications	Bachelor's degree in Human Resources Management from Imam Mohammad Ibn Saud Islamic University (IMSIU), Riyadh, in 2019G.
Current Executive Positions	N/A
Previous Executive Positions	- Production Line Specialist, Al Watania for Industries Company, a holding company engaging in the field of industry, from 2016G until 2017G. - Customer Service Specialist, Saudi Telecom Channels Company, a Saudi joint stock company engaging in the field of telecommunications, from 2018G until 2019G. - Human Resources Specialist, Osool Company, a Saudi joint stock company engaging in the field of real estate, 2019G. - Human Resources Specialist, Fazah Industrial Company, a closed joint stock company engaging in the field of local industry, from 2020G until 2021G. - Human Resources Supervisor, Fazah Industrial Company, a closed joint stock company engaging in the field of local industry, 2022G. - Human Resources Manager, Al Ramz Real Estate Company, a closed joint stock company engaging in the field of real estate, from 2022G until 2023G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company



5.3.2.8 Waleed Numan Mohammed Al-Hijri

Name	Waleed Numan Mohammed Al-Hijri
Age	43 Years
Nationality	Yemeni
Current Position	Director of Information Technology Department
Date of Appointment	08/01/2024G
Academic Qualifications	Bachelor's degree in Science in Information Technology from Sikkim Manipal University (SMU), India, in 2005G.
Current Executive Positions	N/A
Previous Executive Positions	• Director of Information Technology Department, Al Dakheel Oud Company, a closed joint stock company engaging in the field of perfumes, from 2021G until 2024G. • Director of Information Technology Department, Al Majed For Oud Company, a listed joint stock company engaging in the field of perfumes, from 2016G until 2021G. • Director of Business Solutions Department, Shabakah Integrated Technology Company (Shabakah Net), a closed joint stock company engaging in the field of information technology, from 2013G until 2016G. • Director of the Central and Eastern Region Branch, Computer Software Company (CompuSOFT), a closed joint stock company engaging in the field of computers, from 2008G until 2013G. • Project Manager, Computer Software Company (CompuSOFT), a closed joint stock company engaging in the field of computers, from 2008G until 2013G. • Enterprise Resource Planning (ERP) Applications Consultant, Computer Software Company (CompuSOFT), a closed joint stock company engaging in the field of computers, from 2008G until 2013G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company

5.3.2.9 Yazan Khalid Yahya Abu-Alsondos

Name	Yazan Khalid Yahya Abu-Alsondos
Age	34 Years
Nationality	Jordanian
Current Position	Director of Internal Audit Department
Date of Appointment	19/08/2024G
Academic Qualifications	• Bachelor's degree in International Accounting from the German Jordanian University (GJU), Jordan, in 2013G. • Certificate of Certified Internal Auditor (CIA) from the International Institute of Internal Auditors (IIA), USA, in 2024G.
Current Executive Positions	N/A
Previous Executive Positions	• Internal Control Officer, FINCA Microfinance Company (Jordan), a private joint stock company engaging in the field of finance, from 2014G until 2015G. • Senior Internal Auditor, Al Rajhi Bank (Jordan), a foreign company operating branch engaging in the field of banking, from 2015G until 2018G. • Senior Internal Auditor, Sanadcom Business Finance Company (Jordan), a private joint stock company engaging in the field of finance, from 2018G until 2019G. • Director of the Internal Audit Department, Ahli Microfinance Company (Jordan), a private joint stock company engaging in the field of finance, from 2019G until 2023G. • Director of the Internal Audit Department, Unified Hospitality Company, a limited liability company engaging in the field of hospitality, from 2023G until 2024G.
Other Current Memberships	N/A
Other Previous Memberships	N/A

Source: the Company



5.3.3 Employment Contracts with Senior Executives

The Company concluded employment contracts with the entire members of the Executive Management of the Company. These contracts stipulate their salaries and bonuses according to their qualifications and experience and include a number of benefits such as a monthly transportation or housing allowance, or both. These contracts are renewable and subject to the Saudi Labor Law.

The table below shows the main details of employment contracts with Senior Executives.

Table (5.7): Summary of Employment Contracts with the Company's Executive Management Members

No.	Name	Position	Appointment Date	Contract Date	Contract Termination Date
1-	Harun Rasheed Abdulrahman Al-Rasheed	CEO	18/08/2023G	18/08/2023G	Indefinite
2-	Abdulmalik Rasheed Abdulrahman Al-Rasheed	CFO	01/10/2023G	01/10/2023G	Indefinite
3-	Abdulsalam Awad Al-Zahrani	Director of Customer Experience Department	21/10/2024G	21/10/2024G	Indefinite
4-	Khalid Fuad Mohammed Al-Khalifah	Head of Marketing Department	03/11/2024G	03/11/2024G	Indefinite
5-	Mohammed Abdulrahman Abdullah Al-Jameel	Director of Property and Facilities Department	13/10/2024G	13/10/2024G	Indefinite
6-	Saad Abdulrahman Saad Al-Sultan	Director of Project Management Department	01/01/2024G	01/01/2024G	Indefinite
7-	Sultan Jaber Abdulrahman Al-Jaber	Director of Support Service Department	08/05/2024G	08/05/2024G	Indefinite
8-	Walid Numan Mohammed Al-Hijri	Director of IT Department	08/01/2024G	08/01/2024G	07/01/2026G
9-	Yazan Khalid Yahya Abu- Alsondos	Director of Internal Audit Department	19/08/2024G	19/08/2024G	18/08/2025G
10-	Vacant*	Director of Sales Department	-	-	-

Source: the Company

*As at the date of this Prospectus, the Company is in the process of appointing a Sales Department Director.

5.4 Remuneration of Board Members and Senior Executives

According to the Company's Corporate Governance Manual, remunerations of the Board of Directors shall consist of periodic or annual bonuses related to performance, short- or long-term incentive plans, and any other in-kind benefits, excluding reasonable actual expenses incurred by the Company on behalf of the members of the Board of Directors for the purpose of performing their duties. The remuneration of Senior Executives shall be determined under the contracts concluded therewith in accordance with the remuneration policy set for Board members and members of the Board of Directors committees and Executive Management approved by the Company. Furthermore, neither the Directors nor the Senior Executives have powers to borrow from the Company or to vote on a contract or an arrangement in which they have a direct or indirect interest.

No in-kind benefits have been paid to the Board members and Senior Executives for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G. The following table shows the remuneration of the Board of Directors and the top five Senior Executives (including the CEO and the Head of Finance) for the financial years ended 31 December 2022G, 31 December 2023G, and 31 December 2024G.

Table (5.8): Remuneration of Board Members and Senior Executives

SAR	FY Ended 31 December 2022G	FY Ended 31 December 2023G	FY Ended 31 December 2024G
Board Members	875,000	891,361	1,175,000
Senior Executives	2,066,129	1,413,358	1,520,316

Source: the Company



5.5 Corporate Governance

5.5.1 Overview

The key sources of corporate governance for the Company are the Corporate Governance Regulations issued by the CMA, certain provisions of the Companies Law, and corporate governance best practices in the Kingdom.

The framework under the Corporate Governance Regulations regulates the various relationships between the Board, Executive Directors, Shareholders and other stakeholders, by establishing rules and procedures to facilitate decision-making processes with the objective of protecting the rights of Shareholders and other stakeholders and promoting the values of credibility, fairness, competitiveness, and transparency in the Company's conduct on the Exchange and in the business environment.

These regulations, which entail the implementation of a clear and transparent disclosure process, ensure that the Board acts in the best interests of the Shareholders and presents a clear and fair view of the financial condition of the Company and the results of its operations.

The Company's policy is to adopt high standards of corporate governance. The Corporate Governance Regulations shall apply to the Company from the date of Listing. In all cases, the Company currently abides by the majority of the provisions of the Corporate Governance Regulations and will fully abide by such regulations as at the date of Listing. The Company considers ongoing compliance with these regulations to be an important factor in its continued success.

5.5.2 Key Corporate Governance Requirements

The key corporate governance requirements that the Company complies with are set out in the Corporate Governance Regulations. These cover the following broad areas:

- General shareholder rights (Articles 4 to 9);
- Rights relating to General Assembly Meetings (Articles 10 to 15);
- The Board of Directors: formation, responsibilities, competencies, procedures, and training (Articles 16 to 39);
- Conflicts of interest (Articles 40 to 46);
- Company Committees (Articles 47 to 69); and
- Internal controls, external auditors, company reports and policies, and various other matters (Articles 70 to 95).

5.5.3 Corporate Governance Manual and Internal Charters

On 02/06/1446H (corresponding to 03/12/2024G), the Company's Board of Directors approved the Corporate Governance Manual of the Company and its internal regulations, in addition to the following internal charters, which were also approved by the Company's Ordinary General Assembly on 11/06/1446H (corresponding to 12/12/2024G):

- Audit Committee Charter;
- Nomination and Remuneration Committee Charter;
- Executive Committee Charter;
- Code of Conduct and Ethics;
- Transparency and Disclosure Policy;
- Conflicts of Interest Policy;
- Risk Management Policy;
- Dividend Distribution Policy;
- Remuneration Policy;
- Internal Audit Charter;
- Board of Directors Policy;
- Whistleblowing Policy;
- Stakeholder Relation Policy;
- Conflicts of Interest and Competing Business Policy;
- Related Parties Transactions Policy; and
- Delegation of Powers Policy.



Corporate Governance Compliance

The Board of Directors declare that the Company is currently complying with the majority of the Corporate Governance Regulations and will fully comply with the Corporate Governance Regulations from the date of Listing.

In particular, the majority of the Company's Board of Directors are Non-Executive Directors while three (3) are Independent Directors. In addition, the Shareholders adopted the cumulative voting method in relation to the appointment of Directors. This method of voting gives each Shareholder voting rights equivalent to the number of Shares he/she holds. Each Shareholder has the right to use all of his/her voting rights for one nominee or to divide their voting rights between his/her selected nominees without any duplication of votes. This method shall increase the chances of the Minority Shareholders to appoint their representatives at the Board by exercising the cumulative votes available thereto in favor of one nominee.

The General Assembly formed the Audit Committee on 15/05/1443H (corresponding to 19/12/2021G). The Board of Directors then amended the Committee's formation on 02/06/1446H (corresponding to 03/12/2024G). The Audit Committee consists of three (3) members. The Board of Directors also formed the Nomination and Remuneration Committee on 02/06/1446H (corresponding to 03/12/2024G). The Nomination and Remuneration Committee consists of three (3) members. The General Assembly of the Company approved the charters of the Audit Committee and the Nomination and Remuneration Committee in its session held on 11/06/1446H (corresponding to 12/12/2024G).

Furthermore, the Company has put in place measures to comply with provisions that deal with conflicts of interest and competing interests (Article 71 of the Companies Law, Article 12 of the Implementing Regulations to the Companies Law, and Articles 42 and 44 of the Corporate Governance Regulations). The Company has obtained the approval of the General Assembly for transactions with Related Parties, as stated in Section 12.9 ("**Transactions and Contracts with Related Parties**").

Pursuant to the Corporate Governance Regulations, each Board Member is prohibited from voting on a decision taken by the Board or the General Assembly with respect to transactions and contracts that are executed for the Company's account, if he/she has a direct or indirect interest in those transactions or contracts. The Companies Law sets out similar requirements to the effect that a Director, without prior authorization from the Ordinary General Assembly, may not have any direct or indirect interest in transactions or contracts made for the account of the Company. The Director also has an obligation to inform the Board of Directors of any personal interest he may have in such transactions or contracts and may not participate in voting on resolutions to be adopted in this respect by the Board of Directors or shareholder assemblies. The Board of Directors must inform the General Assembly of any transactions and contracts in which any Director has a direct or indirect personal interest and accompany that with a special report from the Company's external auditor.

The Corporate Governance Regulations also provide that if a Board Member wishes to engage in a business that may compete with the Company or any of its activities, he/she must notify the Board of any project that could compete with the Company's business, and abstain from voting on the related decision in the board meetings and general assemblies; the Board must inform the Ordinary General Assembly of the competing businesses that the Board Member proposes to be engaged in; and the prior authorization of the Company's General Assembly must be obtained for the Board Member to engage in the competing business. The Companies Law sets out similar requirements.

The Company currently complies with the mandatory governance requirements that apply to Saudi public joint stock companies, excluding some provisions mandatory only with respect to listed companies, which the Company is not currently in compliance as the Company's shares are not currently listed on the Exchange, as follows:

- Paragraph A of Article 8 relating to the announcement on Tadawul's website about the information of candidates for membership of the Board of Directors upon publishing or inviting for the General Assembly's meeting.
- Paragraph B of Article 8 relating to limit the voting of the General Assembly to candidates whose information are announced pursuant to Paragraph A of Article 8.
- Paragraph D of Article 13 relating to the publication of the date, place and agenda of the General Assembly on Exchange website, the Company's website, or through other modern technology means, at least twenty-one days prior to the date thereof.
- Paragraph E of Article 13 relating to the amendment of the General Assembly's agenda within a period between publishing the announcement and the date of convening the General Assembly meeting.
- Paragraph C of Article 14 relating to the availability of information concerning the items of the General Assembly of Shareholders through the Tadawul website and the Company's website and obtaining information related to the items on the General Assembly's agenda, especially the report of the Board of Directors, the auditor, the financial statements, and the Audit Committee report.



- Paragraph D of Article 15 relating to granting Shareholders access to the minutes of the General Assembly meeting and providing the Authority with a copy of such minutes within (10) days of date of any such meeting.
- Paragraph E of Article 15 relating to the announcement to the public and notification of the Authority and Tadawul of the results of the General Assembly immediately after its conclusion.
- Paragraph D of Article 17 relating to notifying the Authority of the Directors' names and their membership status, as well as any changes that may affect their membership within five business days from the occurrence of such changes.
- Article 65 relating to the publication of the Company's announcement of nomination for Board membership on the Company's website and Tadawul website in order to invite persons wishing to run for Board membership, provided that the nomination period shall remain open for at least a month from the date of the announcement.
- Paragraph 4 of Article 78 relating to the Board's suggestion of at least two candidates to the Ordinary General Assembly for the purpose of appointing the Company's auditor.
- Paragraph B of Article 88 relating to the Audit Committee's report including the details stipulated in the Corporate Governance Regulations and the publishing thereof on the Company's website and Tadawul website.

5.6 Conflict of Interest

Neither the Company's Bylaws nor any of the Company's internal regulations and policies grant any Director or the CEO the power to vote on any contract or proposal in which he has a direct or indirect interest, in accordance with Articles 27 and 71 of the Companies Law. Article 27 states that a Member of the Board shall not have any direct or indirect interest in the transactions and contracts conducted on behalf of Company, except with the authorization of the Ordinary General Assembly, and in accordance with the controls set forth by the competent authority.

Pursuant to Article 71, a Board Member must inform the Board of Directors of any personal interest he may have in the transactions and contracts made on behalf of the Company. The Board of Directors shall inform the General Assembly, when it convenes, of the transactions and contracts in which any Board Member has a personal interest. Such communication shall be accompanied by a special report from the auditor. Such declaration must be recorded in the minutes of the Board meeting, and the interested member shall not participate in voting on the resolution to be adopted in this respect.

Based on the foregoing, the Directors undertake to comply with the following:

- Complying with the provisions of Articles 27, 71, and 72 of the Companies Law and the provisions of Chapter six of Part three of the Corporate Governance Regulations.
- Refraining from voting on General Assembly resolutions pertaining to contracts entered into with the Company where the Director has a direct or indirect interest in such contract.
- Avoiding participating in any business that competes with that of the Company, unless such member has authorization from the Ordinary General Assembly.
- All future Related Party transactions shall be made on an arm's length basis in accordance with the terms of the Related Party Transactions Policy.

5.6.1 Business Similar to or Competing with the Company's

As at the date of this Prospectus, neither the Members of the Company's Board of Directors nor any of its Committees' Members take part in activities similar to, or competing with, the Company's or its activity branches.

5.6.2 Direct and Indirect Interest of Directors, Board Secretary, and Senior Executives

The Board of Directors declares that there is no conflict of interest for any of the Board Members, Executive Management, Board Secretary, Senior Executives, nor any of their Relatives, and that they do not hold direct or indirect interests in the shares and debt instruments of the Company and its subsidiaries, if any, or otherwise any interest in another matter that may affect the operations of the Company, except as disclosed in Section 4.8 ("**Overview of Shareholders**") and Section 12.9 ("**Transactions and Contracts with Related Parties**") of this Prospectus. Additionally, as at the date of this Prospectus, all the Company's transactions and contracts entered into with Related Parties in which any Board Member has an interest were approved at the General Assembly Meeting held on 15/05/1443H (corresponding to 19/12/2021G), the General Assembly Meeting held on 21/12/1445H (corresponding to 27/06/2024G), the General Assembly Meeting held on 11/06/1446H (corresponding to 12/12/2024G), and the General Assembly Meeting held on 26/12/1446H (corresponding to 22/06/2025G) in accordance with the requirements of Article seventy-one (71) of the Companies Law.



As at the date of this Prospectus, the Company, in the ordinary course of its business, deals with Meshkati Trading Company, Tfwed For Building Materials Company, and Majed Abdulrahman Al-Rasheed Company, for the supply of electrical equipment, sale of concrete products and provision of legal services, as detailed in Table 5.9 ("**Details of Related Parties' Agreements and Transactions in which a Board Member has an Interest**") of this Prospectus.

Table (5.9): Details of Related Parties' Agreements and Transactions in which a Board Member has an Interest

No.	Related Board Member	Nature of Transaction	Interested Party	Nature of Relationship	Value of Transaction during FY2022G (SAR)	Value of Transaction during FY2023G (SAR)	Value of Transaction during FY2024G (SAR)
1-	Rasheed Al-Rasheed, Harun Al-Rasheed and Abdulmalik Al-Rasheed	2021G: Purchase of rest houses and villas contract 2023G: purchase of office property - Three-Month Period Ended 31 March 2024G: Office premises lease contract and purchase of two residential villas	Romoz Holding Company	Rasheed Al-Rasheed owns 80% of the Company, Harun Al-Rasheed and Abdulmalik Al-Rasheed are managers at the Company and have a partial ownership of no more than 5% of Romoz Holding Company's capital	N/A	44,001,588	18,350,000
2-	Rasheed Al-Rasheed	2023G: Supply of electrical equipment - Three-Month Period Ended 31 March 2024G: Supply of electrical equipment	Meshkati Trading Company	Majed Al-Rasheed is member of Meshkati Trading Company's Board and is the brother of the Chairman of the Board, Rasheed Al-Rasheed.	N/A	3,134,886	21,080
3-	Rasheed Al-Rasheed	Concrete products sale	Tfwed For Building Materials Company	Nasser Al-Rasheed, the brother of the Chairman of the Board Rasheed Al-Rasheed is a member of Tfwed For Building Materials Company's Board and has an ownership percentage in the Company.	131,568	N/A	N/A
4-	Rasheed Al-Rasheed	Contract for the provision of legal services concerning a dispute related to one of the Company's properties	Majed Abdulrahman Al-Rasheed Company for Professional Consultation LLC	Majed Al-Rasheed is an Executive at Majed Abdulrahman Al-Rasheed Company for Professional Consultation LLC and is the brother of the Chairman of the Board Rasheed Al-Rasheed.	N/A	115,000	80,500

Source: the Company



06

Management Discussion
and Analysis of Financial
Position and Results
of Operation



6. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

6.1 Introduction

The Management Discussion and Analysis section of Al Ramz Real Estate Company and its subsidiaries (collectively referred to in this section as the “**Group**”) provides an analytical presentation of the Group’s operating performance and financial position during the financial years ending on 31 December 2022G, 2023G, 2024G.

These consolidated financial statements and the accompanying notes for the financial years ending on 31 December 2022G, 2023G, 2024G have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“**SOCPA**”). The consolidated audited financial statements of the Group for the financial year ending on 31 December 2022G, 2023G and 2024G were audited by Ibrahim Ahmed Al Bassam & Partners Company (PKF Al-Bassam & Co).

Neither Ibrahim Ahmed Al Bassam & Partners (PKF Al-Bassam & Co) nor any of its subsidiaries, employees, or any of their relatives owns any shares, stakes, or interest of any kind in the Group that might affect its independence as of the date of issuance of the consolidated financial statements. As of the date of this Prospectus, Ibrahim Ahmed Al Bassam & Partners (PKF Al-Bassam & Co) has provided its written consent to indicate in this Prospectus its role as an auditor for the Group’s accounts for the financial years ending on 31 December 2022G, 2023G, and 2024G, and it has not withdrawn that approval as of the date of issuance of this Prospectus.

All figures in this section have been rounded to the nearest thousand Saudi Riyals unless otherwise stated, and numbers and percentages have been rounded to the nearest decimal place. Therefore, the sum of these numbers may differ from what is shown in the tables.

The financial information for the financial year ended on 31 December 2022G was used from the comparative financial information presented in the consolidated financial statements for the financial year ended on 31 December 2023G, and the financial information was used for the financial years ended on 31 December 2023G and 2024G from the consolidated financial statements for the financial year ended on 31 December 2024G.

This section may include statements of a forward-looking nature relating to the future capabilities of the Group, based on management’s plans and expectations regarding the Group’s growth, results of operations and financial position as well as the risks and uncertainties associated therewith. The Group’s actual results may differ materially from the expected results as a result of many factors, risks and future events, including those discussed in this section of the Prospectus or elsewhere in particular Section 2 (“**Risk Factors**”) of this Prospectus.

6.2 Directors’ Declaration of the Financial Statements

The Board of Directors declare that

- 1- The Board of Directors declare that the financial information contained in this section is extracted without material modifications and is presented in accordance with the audited consolidated financial statements for the years ended on 31 December 2022G, 2023G and 2024G. The previously mentioned statements were prepared by the Group in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia.
- 2- The Board of Directors declare that the Group has sufficient working capital for a period of at least twelve months immediately following the date of publication of the Prospectus.
- 3- The Board of Directors declare that there has been no material negative change in the financial and commercial position of the Group during the three years immediately preceding the date of submitting the application for registration and offering the securities subject to this Prospectus, in addition to the end of the period covered in the auditor’s report up to the date of issuance of this Prospectus. The Board of Directors also declare that all material facts relating to the Group and its financial performance have been disclosed in this Prospectus, and that there is no information, documents or other facts the omission of which would make any statement misleading.
- 4- The Board of Directors declare that the Group does not have any property, including contractual securities or other assets, the value of which is subject to fluctuations or whose value is difficult to ascertain, which would significantly affect the assessment of the financial position, except for financial instruments at fair value through profit or loss, which were disclosed in paragraph 3 (“**Financial assets at fair value through profit or loss (FVTPL)**”) of Section 6.5.1.2.1 (“**Financial assets**”) of this Prospectus.



- 5- The Board of Directors declare that the Group have not granted any commissions, discounts, brokerage fees, or any non-monetary compensation during the three (3) years immediately preceding the date of submitting the application for registration and offering of securities subject to this Prospectus, in connection with the issuance or offering any securities to any of the members of the Board of Directors, senior executives, those presenting or offering securities, or experts who received any of these payments or benefits.
- 6- The Board of Directors declare that the Group does not have any loans or other liabilities, including overdrafts from bank accounts, obligations under acceptance, acceptance credit or lease purchase obligations, whether covered by a personal guarantee, not covered by a personal guarantee, secured by a mortgage, or not secured by a mortgage, other than what was stated in Section 12.10 ("**Credit Facilities and Loans**") of this Prospectus.
- 7- The Board of Directors declare that, except for what is disclosed in Section 6.3 ("**Key factors affecting the Company's performance**") and Section 2 ("**Risk factors**") of this Prospectus, the Group does not have any information about any governmental, economic, financial, monetary, or political policies or any other factors that have influenced or may influence or could materially affect (directly or indirectly) operations.
- 8- The Board of Directors declare that there is no intention of making any fundamental change to the nature of the Group's activities.
- 9- The Board of Directors declare that the Group's operations have not been discontinued in a way that could have a significant impact on the Group's financial position during the past twelve months.
- 10- The Board of Directors declare that the share capital of the Group and its subsidiaries is not subject to any option right.
- 11- The Board of Directors declare that all material facts relating to the Group and its contingent liabilities or guarantees have been disclosed as of the date of this Prospectus.
- 12- The Board of Directors declare that the properties of the Group are not subject to any mortgages, rights or charges as of the date of this Prospectus, except as disclosed in Section 12.10 ("**Credit Facilities and Loans**") of this Prospectus.
- 13- The Board of Directors declare that the Group has provided comprehensive details in this Prospectus of all fixed assets and investments, including contractual securities and other assets whose value is volatile or difficult to estimate.
- 14- The Board of Directors declare that the Group has not issued debt instruments, term loans, or secured, unsecured, existing, or approved but unissued mortgages, except as disclosed in Section 12.10 ("**Credit Facilities and Loans**") of this Prospectus.
- 15- The Board of Directors declare that there was no reservation in the auditor's report on the issuer's financial statements for any of the three financial years immediately preceding the date of submitting the application for registration and offering the securities subject to this Prospectus.
- 16- The Board of Directors declare that there has been no material change in the accounting policies of the issuer during the three financial years immediately preceding the date of submitting the application for registration and offering of securities subject to this Prospectus.
- 17- The Board of Directors declare that there has been no material amendment to the audited consolidated financial statements announced for any of the three financial years immediately preceding the date of submitting the application for registration and offering of securities subject to this Prospectus.
- 18- The Board of Directors declare that, other than what is stated in Section 5.1.1 ("**Composition of the Board of Directors**") of this Prospectus, neither the members of the Board of Directors nor any of their relatives have any shares or interest of any kind in the Group, it any.
- 19- The Board of Directors declares that the Group has not made any changes to the working capital of its material subsidiaries during the three years immediately preceding the date of submitting the application for registration and offering of the securities subject to this Prospectus.



6.3 Key Factors Affecting the Company's Performance

The Group's operational and financial performance is influenced by a number of interrelated factors that are critical to understanding the company's strategic direction, market position, and future outlook. The key factors affecting the Group's operations are outlined below:

1- Economic Environment

The performance of the real estate sector is closely tied to the overall economic growth of the Kingdom of Saudi Arabia, which is influenced by oil prices, government spending, and private sector activity. Accordingly, changes in the economic environment may directly or indirectly impact the real estate sector.

2- Government Policies and Regulations

- **Vision 2030 Initiatives:** The Group operates within the framework of Saudi Vision 2030, which emphasizes urban development, increased homeownership, and intensified investment in infrastructure;
- **Regulatory Compliance:** Adhering to Saudi real estate laws, zoning regulations, and environmental standards is essential to securing project approvals and ensuring timely execution.
- **Tax Policies:** Real estate transaction tax, value-added tax (VAT), and other fiscal measures can affect construction costs and property pricing.

3- Competition and Supply-Demand Balance

- The Saudi real estate sector is highly competitive, with numerous players vying for market share. This necessitates that Al Ramz Company differentiates itself through unique offerings, high quality, and distinctive pricing strategies.
- Market dynamics, including demand for residential, commercial, and mixed-use properties versus supply, directly influence project timelines, occupancy rates, and pricing strategies. In the fiscal year 2024G, the Group revised payment terms for the Stone Complex, Jadeel, Al Rayyan 2, and Al Malqa Villas projects to facilitate the sale of 12 units with a total receivable value of SAR 34 million, representing 3.6% of the Group's total revenue of SAR 952 million for the same period.

4- Consumer Preferences and Demographics

- **Population Growth:** The rising population growth in the Kingdom and changing demographics have increased demand for various types of real estate, including affordable housing and luxury developments.
- **Cultural Shifts:** The Group's projects are increasingly shaped by evolving lifestyle preferences, such as demand for integrated communities and mixed-use developments.
- **Affordability:** The average selling price of the Group's projects rose from SAR 6,941 per square meter to SAR 9,583 per square meter. Real estate purchases require substantial capital and often depend on the availability of mortgage financing. Therefore, rising property prices may impact end-users' ability to purchase units.

5- Financing and Capital Structure

- **Cost of Capital:** Access to affordable financing and prevailing interest rate environments significantly affect project feasibility and profitability. The Group conducts feasibility studies for each project, including funding sources. Since 2022G, the Group has aimed to balance its developments by using both its own capital and real estate funds. Generally, the Group holds a minority stake in these projects, while the fund manager arranges financing for the remaining equity and debt. Since 2022G, the Group has developed Ramz 41, Ramz 45, Ramz 48, Al Maaly, and Al Nakheel projects through funds established by Riyadh Capital, Blominvest, and SNB Capital. The Group also has new projects under development with funds, such as the King Khalid Road project with Riyadh Capital and the Ramz Tower – King Salman Road project with Riyadh Capital;
- **Debt Management:** The Group's debt increased from SAR 68.4 million in 2022G to SAR 429.1 million in 2024G. The debt ratio rose from 0.1x to 0.3x during the same period. Securing bank financing, managing debt, and maintaining a healthy debt-to-equity ratio are essential for operational sustainability and investor confidence.



6- Real Estate Development Cycles

- **Project Pipeline and Execution:** Maintaining sufficient project volume and completing them on schedule are key to sustaining cash flow and meeting customer expectations.
 - a- As at 31 December 2024G, the Group's available inventory stood at SAR 6.8 million, representing 13 units. Meanwhile, the Group has:
 - 10 fully owned projects under development expected to generate SAR 2,753.4 million in revenue upon completion;
 - b- 4 projects with investment funds expected to generate SAR 178.3 million in revenue upon completion;
 - c- 1 project with the National Housing Company expected to generate SAR 119.1 million in off-plan sales revenue.
- **Land Acquisition:** The availability and cost of strategically located land parcels affect the Group's ability to launch new projects. Since 2022G, the average land cost for the Group's projects increased from SAR 2,006 per square meter to SAR 3,384 per square meter. Rising land costs can negatively impact project profit margins. For example, the Group's gross profit margin from unit sales declined to 26.6% in 2024G from 32.1% in 2023G.

Delays in completing ongoing projects or failure to acquire new land and launch new developments may directly affect the Group's financial performance.

7- Cost Management and Supply Chain

Since 2022G, the Group's construction cost per square meter increased from SAR 2,590 to SAR 3,461 in 2024G. Construction costs are influenced by the following key factors:

- **Raw Material Prices:** Fluctuations in the cost of building materials such as steel, cement, and glass can impact project budgets;
- **Labor Market Dynamics:** Availability of skilled labor and changes in labor costs can affect construction timelines and profitability. The Group typically assigns its wholly owned subsidiary, Zat Al Emar Contracting Company (formerly known as Asas Al Ramz Contracting), to oversee construction. Zat does not employ its own construction workers but subcontracts labor for various construction activities such as demolition, excavation, concrete, mechanical, electrical, and plumbing works.
- **Supply Chain Efficiency:** Effective supply chain management is critical to completing projects within budget. This includes securing competitive pricing, ensuring timely availability of materials, and minimizing disruptions.

8- These combined factors influence AI Ramz Real Estate's operational strategy and its ability to achieve long-term growth and profitability. Accordingly, management continuously monitors these elements to adapt to evolving market conditions and regulatory environments.



6.4 Corporate Information

Al Ramz Real Estate Company (the “**Company**”) is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia under commercial registration number 1010488618 dated 29 Dhul-Qidah 1437 H (corresponding to 1 September 2016G).

General field of activities	Activity name
Construction	• Building construction • Construction of roads and railway lines • Benefit projects • Demolition • Site preparation • Electrical installations • Plumbing, heating and air conditioning works • Completion and finishing of buildings • Other specialized construction activities
Accommodation and food services activities	Short-term accommodation activities
Real Estate activities	• Real estate activities in owned or leased property • Real estate activities based on fees or contracts
Administrative and support services	Integrated facilities support activities
Other service activities	Activities of professional organizations with membership

Source: Consolidated financial statement for the years ended 31 December 2023G and 2024G.

During the year ended 31 December 2023G, the Group’s Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3 Rabi’ al-Awwal 1444 H. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the “**Holding Company**”) will exercise control over Osos Al Ramz Contracting Company and will be accounted for as a subsidiary.

On 4 Ramadan 1445 H corresponding to 14 March 2024G, the name of the subsidiary was changed from Osos Al Ramz Contracting Company to Zat Al Emar Contracting Company.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the “**Holding Company**”), and its directly owned company (“**Subsidiary**”):

Subsidiary	Country of Incorporation	Legal form	Effective Ownership Percentage (Direct)
Zat Al Emar Contracting	KSA	Limited Liability Company	100%

Source: Consolidated financial statement for the year ended 31 December 2024G.

Zat Al Emar Contracting Company (“**the Company**”) is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 H, corresponding to 9 March 2022G.

The main activity of the Company is as follows:

General field of activities	Activity name
Construction	• Building Construction • Construction of roads and railway lines • Benefit projects • Civil Engineering Construction Works • Demolition • Site Preparation • Electrical Installations • Plumbing, Heating, and Air Conditioning Works • Completion and finishing of buildings

Source: Consolidated financial statement for the years ended 31 December 2023G and 2024G.



6.5 Basis of Preparation

Statement of compliance

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

Basis of consolidation:

The consolidated financial statements encompass Al Ramz Real Estate Company and its subsidiary (the “Group”).

The consolidated financial statements include the consolidated financial statements of the Holding Company and its subsidiaries as at 31 December 2024G. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed to risks or has the right to receive variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure to risks or has the right to receive variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns and when the Group maintains less than the majority of voting or similar rights of an investee.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of comprehensive income,
- Reclassifies the Holding Company’s share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost except the investments carried at FVSI & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

Certain comparative figures have been reclassified to conform to the current year presentation.



Functional and presentation currency

These consolidated financial statements are presented in SAR, which is the Company's functional and presentation currency.

6.5.1 Material Accounting Policies

The preparation of the consolidated financial statements requires the Group management to make estimates and judgments that affect the application of accounting policies and the disclosed amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the result of which forms the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed if the revision affects only that period or in the period of the revision and current and future periods affected.

In the process of applying the Group's accounting policies, the Group's management has made the following judgments, which have a significant effect on the amounts recognized in the consolidated financial statements.

6.5.1.1 Current versus non-current classification

Classification of assets and liabilities as current or non-current. The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as a current asset if:

- Expected to be realized or intended to be sold or consumed in the Company's normal operating cycle, or
- It is held primarily for the purpose of trading, or
- Expected to be realized within 12 months after the statement of financial position date, or
- Cash or cash equivalent unless the asset cannot be exchanged or used to settle a liability for at least 12 months after the statement of financial position date.

All other assets are classified as non-current assets. A liability is considered a current when:

- It is expected to be settled in the Company's normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within 12 months after the statement of financial position date, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.
- The Group classifies all other liabilities as non-current liabilities.

Tax assets and liabilities are classified as non-current assets and liabilities.

6.5.1.2 Financial instruments

A financial instrument is any contract that results in a financial asset for one entity and a financial liability or equity instrument for another entity.

6.5.1.2.1 Financial assets

IFRS 9 includes three main categories for classifying financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). The Group generally classifies its financial assets based on the business model in which the financial assets are managed and their contractual cash flows.

1- Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Business model assessment

The Group assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and the information is provided to the Management.

2- Fair value through other comprehensive income (FVOCI)

Debt instruments

Debt instrument is not measured at FVOCI if it meets both of the following conditions and has not been designated at FVTPL:

The assets are held within a business model whose objective is achieved by collecting contractual cash flows and sell financial assets; and

- The contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Equity instruments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in the statement of profit or loss and other comprehensive income. This election is made on an investment-by-investment basis.

3- Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as measured at FVTPL. In addition, upon initial recognition, the Company may choose to designate a financial asset at fair value through profit or loss if it does not meet the requirements to be classified as a financial instrument at amortized cost or at fair value through other comprehensive income, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified after initial recognition, except in the period after the Group changes its business model for managing the financial assets. Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured and included in financial assets at fair value through profit or loss, because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets

The impairment model applied by the Group is based on the “**expected credit losses**” model as specified in IFRS 9 “**Financial Instruments**”. Expected credit losses are included in the relevant loss provisions in an amount equal to:

12-month ECL (expected credit losses resulting from defaults on financial instruments that may occur within 12 months of the reporting date); or

Lifetime ECL (expected credit losses resulting from all defaults over the life of the financial instrument).

An impairment allowance is recognized for lifetime ECL on the financial instrument if the credit risk for the instrument has increased significantly since initial recognition. This includes contractual assets and trade receivables that lack significant financing components. The Group also recognizes lifetime ECL on contractual assets and trade receivables that have significant financing components in accordance with IFRS 9.

The Group uses practical expedients when estimating lifetime ECL on the financial instrument. As a result, lifetime ECL are calculated for trade receivables are calculated using an assessment of the recoverability of the gross carrying amount of each customer.

6.5.1.2.2 Derecognition

A financial asset (or part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company’s statement of financial position) where:

- 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, or (a) the Group has transferred substantially all of the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it assessed whether, and to what extent, it has retained the risks and rewards of ownership and has neither transferred nor retained any form of control over the asset. The Group continues to recognize the transferred asset part of its continuing involvement in the asset. In that case, the Group continues to recognize the liabilities associated with the asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and liabilities that the Group has retained.

The continuing involvement in the transferred asset is assessed based on the lower of initial carrying amount of the asset or the maximum payment that the Group may be required to make.

The Group classifies its financial liabilities, excluding financial guarantees and loan commitments, as liabilities measured at amortized cost. Amortized cost is calculated by considering any discounts or premiums on obtaining finance. Finance cost forms an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced or modified by the same lender with different terms or substantially different terms, such an exchange or modification is treated as a derecognition of the original liability and a recognition of the new liability.

The difference between the respective carrying amounts is recorded in the statement of profit or loss and other comprehensive income.

Offsetting

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

6.5.1.3 Property and equipment

Property, plant and equipment are initially recognized at their acquisition cost, which includes any costs directly related to restoring the assets to their intended condition and location for proper operation as determined by the Group's management. The assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

When major different components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The estimated depreciation rates for the assets to be depreciated are as follows:

Item	Rate
Vehicles	25%
Computers	25%
Office equipment and building improvements	The lower of 20% or the lease term
Plant and equipment	20%

Source: Consolidated Financial Statements for the financial year ended 31 December 2024G.

Non-current assets are reviewed for impairment to determine if their carrying amount is recoverable, based on any relevant events or changes in circumstances. Impairment loss, if any, is recognized when the carrying amount of the asset is higher than its recoverable amount. The recoverable amount of an asset is the higher of the fair value less cost to sell or its value in use.

Assets under construction that are not yet ready for their intended use are not depreciable.

Repair and maintenance expenses are charged to the statement of comprehensive income. Repair and maintenance expenses that would significantly increase the value of assets or their useful life are capitalized.



The depreciation method, residual value estimates, and estimated useful lives are reviewed annually.

Items of property, plant, equipment, along with any significant components initially recognized, are derecognized at disposal or when there are no expected future economic benefits from their use or disposal. Any gains or losses on derecognition (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) are recorded in the statement of profit or loss and other comprehensive income when the asset is derecognized. If the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately reduced to its recoverable amount.

6.5.1.4 Intangible assets

Intangible assets acquired separately are initially measured at their cost. Intangible assets acquired through a business combination are valued at their fair value on the acquisition date. Intangible assets are recognized at cost, net of accumulated amortization and impairment losses, following the initial recognition. Internally developed intangible assets are not capitalized, except for development costs that are capitalized. Expenditures are recognized in the statement of other comprehensive income in the period when incurred. The useful lives of intangible assets are subject to assessment and are classified as either finite or indefinite.

Intangible assets that have a finite useful life are amortized over their economic useful lives and are assessed for impairment whenever there is an indication that the intangible assets may have been impaired. The amortization period and method for intangible assets with finite useful lives are re-viewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are considered in order to adjust the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Amortization of intangible assets with finite useful lives are charged to the statement of comprehensive income, specifically within expenses that aligns with the function of the intangible asset. The Company's intangible assets comprise of software. The estimated useful life is 4 years.

The following are the estimated amortization rate for the assets:

Item	Rate
Software	25%

Source: Consolidated Financial Statements for the financial years ended 31 December 2022G, 2023G and 2024G.

6.5.1.5 Investment property, net

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives:

Item	Rate
Land	-
Buildings	3.03%

Source: Consolidated Financial Statements for the financial years ended 31 December 2024G.

The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and duration of depreciation are consistent with the expected pattern of economic benefits from these assets.

Properties are not transferred from investment properties to property inventory when and only when, there is a change in use, evidenced by the commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the transfer date.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property less related costs while value in use is the present value of estimated future cash flows expected to arise from continuing use of the investment property and from its disposal at the end of its useful life.



6.5.1.6 Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date (i.e., the date when the underlying asset becomes available for use). Right-of-use assets are measured at cost less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received and costs of restoring the asset to its original condition. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over their estimated useful life or the lease term, whichever is shorter. If the Group is reasonably certain to exercise the purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. Right-of-use assets are subject to impairment.

Right-of-use assets are initially measured at cost, which includes:

- The initial measurement amount of lease liabilities.
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred.
- Restoration costs.

Refundable security deposits are not included in the initial measurement of right-of-use assets. However, the difference between the nominal amount of the refundable security deposit and its fair value at the commencement date of the lease represents an additional lease payment made in advance and is therefore added to the initial carrying amount of the right-of-use assets and added to the consolidated statement of profit or loss and other comprehensive income over the lease term as part of the depreciation of the asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

Lease Term

When determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee.

6.5.1.7 Investments in Associates and Joint Ventures

Associates are entities over which the Group has significant influence but does not have control, generally evidenced by holding between 20% and 50% of the voting rights. If an entity holds, directly or indirectly, less than 20% of the voting power of an investee, it is presumed that the entity does not have significant impact on the investee, unless such impact can be clearly demonstrated. Significant impact is usually evidenced in one or more of the following ways:

- a- Representation on the board of directors or equivalent governing body of the investee;
- b- Participation in policy-making processes, including decisions about dividends or other distributions;
- c- Material transactions between the entity and the investee;
- d- Interchange of managerial personnel; or
- e- Provision of essential technical information

A joint venture is a contractual arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. If the ownership interest in an associate or joint venture does not result in significant influence, the Group classifies this investment as a financial asset measured either at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL).

Associates and joint ventures are accounted for using the equity method. Under the equity method, investments are initially recognized at cost and are subsequently adjusted by the Group's share of the investee's profits or losses after the acquisition date, based on the latest available financial statements.



If the ownership interest in an associate or joint venture is reduced but significant influence is retained, the amounts previously recognized in other comprehensive income are not reclassified to the consolidated statement of profit or loss except to the extent of the proportional share when necessary. The Group's share of post-acquisition profits or losses is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses of an associate or joint venture equals or exceeds its interest in the same associate or joint venture, including any other unsecured receivables, The Group does not recognize further losses, unless it has a liability.

Legally or constructively, or by making payments on behalf of the associate or joint venture. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

At each reporting date, the Group assesses whether there is any objective evidence that the investment in the associate or joint venture is impaired. If such evidence exists, the Group calculates the impairment loss as the difference between the recoverable amount of the associate or joint venture and its carrying value, and recognizes the amount in the consolidated statement of profit or loss.

Gains and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of associates and joint ventures are aligned, where necessary, to ensure consistency with the policies adopted by the Group. Reduced gains and losses arising from investments in associates or joint ventures are recognized in the consolidated statement of profit or loss.

6.5.1.8 Investments in subsidiaries

A subsidiary is an entity over which the Group has significant influence and which it does not control or have joint control over. Significant influence is the ability of the Group to participate in the financial and operating decisions and policies of the investee and is not control or joint control over those policies.

Factors to consider when determining significant influence involve maintaining - directly or indirectly - a portion of the voting rights of the investee, having representation on the board of directors or similar governing bodies, participating in policymaking, and being involved in decisions regarding dividends or other distributions. Significant transactions, transfer of management personnel, or sharing of fundamental technical details.

6.5.1.9 Investments by cost method

Investments in subsidiaries are initially recognized at acquisition cost, including any direct costs attributable to the acquisition. These assets are subsequently measured at cost less accumulated impairment losses, if any.

6.5.1.10 Real Estate under development

Properties acquired, constructed, or in the process of construction and development for the purpose of sale are categorized as development properties and are reported at the lower of cost or net realizable value. Short-term development properties typically encompass the expenses associated with land acquisition, construction, and other costs involved in preparing the properties for sale. Net realizable value represents the projected selling price in the regular course of business, taking into account market prices at the reporting date, after deducting completion costs and selling expenses.

Management conducts annual reviews of the book values of development properties.

According to the real estate operating cycle, most properties are typically sold within 14 to 16 months from the reporting date. Development properties are classified as current assets by management at each reporting date. Development properties are transferred to property inventory as soon as they are completed.



6.5.1.11 Real Estate Inventory

The Real Estate Inventory is reported at the lower of its cost or net realizable value. Expenses are calculated based on the costs incurred to bring each product to its current location and condition as follows:

- **Cost of Real Estate under development:** The expenses associated with preparing properties for sale, such as the cost of land, construction, and other related expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less any expected costs of completion and the expected costs necessary to make the sale.

6.5.1.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent consists of cash on hand, current accounts, bank deposits, and other short-term high liquidity investments having an original maturity of three months or less from the acquisition date. These investments can be readily converted into cash and have a minimal risk of change in value. They are also available for the Group's use.

6.5.1.13 Trade receivables

They represent amounts due from private and public sector customers for supplies in the normal course of the Company's activity, and the receivables do not carry interest. When credit exceeds the usual credit terms, receivables are calculated at amortized cost using the effective interest rate method at the end of each reporting period, the carrying amounts of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are unrecoverable. In this case, the impairment loss is recognized immediately in the statement of profit or loss.

6.5.1.14 Employee end-of-service benefit obligations

6.5.1.14.1 Short-term obligations

Liability for wages and salaries, including non-cash benefits, accrued leave and travel tickets expected to be paid in full within 12 months after the end of the period in which the employees provide the related services, is recognized based on the services provided by the employees until the end of the reporting period of financial statements, and measured by amounts expected to be paid when the liabilities are settled. The liability is presented as current employee benefit obligations in accrued expenses in the statement of financial position.

6.5.1.14.2 Long-term employee benefits and other related obligations

The liability or asset of defined benefits is recognized in the statement of financial position. The employee end-of-service benefit obligations are the present value of the defined benefit obligations in the reporting year, and the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligations is calculated by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms close to terms of the related liability.

Defined benefit costs are categorized as follows:

Service Cost

Service costs include current service costs and past service costs which are recognized immediately in the statement of profit or loss.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest Cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations. This cost is included in employee benefits expense in the statement of profit or loss.



Remeasurement Gains or Losses

Remeasurement gains or losses on adjustments and changes in actuarial assumptions are recognized in the year in which they occur, immediately under other comprehensive income.

6.5.1.15 Borrowings

Borrowings are initially recorded at their fair value, which represents the amount received. After deducting any transaction costs, if applicable. After being initially recognized, long-term borrowings are measured at amortized cost using the effective interest rate method. Any variance between the proceeds (after deducting transaction costs) and the redemption amount is accounted for in the consolidated statement of profit or loss throughout the borrowings term, employing the effective interest rate method. Loan transaction costs include fees paid on loan facilities, which are recognized if it is likely that the facility will be utilized. Under these circumstances, the fees are not immediately charged, but rather deferred until the facilities are actually utilized. These fees are then accounted for as prepayments for liquidity services, as long as there is no indication that the facility will be withdrawn. They are gradually paid off over the facility term.

Borrowings are derecognized in the consolidated statement of financial position when the obligation is charged, canceled or expires. The difference between the carrying amount of financial liabilities derecognized or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit and loss under other income or finance costs.

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 financial reporting year.

Borrowing cost

General and specific borrowings directly related to the purchase, construction or production of assets eligible for capitalization are capitalized during the time period required to complete and prepare the asset for its intended use or sale, as appropriate. Eligible assets are assets that necessarily take a significant period of time to become ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings until spent on qualifying assets is deducted from borrowing costs eligible for capitalization.

Other borrowing costs are recognized as expenses in the year in which they are incurred in the consolidated statement of profit or loss.

6.5.1.16 Trade payables

Trade payables are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

6.5.1.17 Provisions

Provisions are recognized when the Company has a current legal or constructive obligation 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 obligation amount. If the effect of time value of money is material, provisions are estimated by expected future cash flows discounted at a current pre-tax rate, which reflects current market assessments of time value of money and liability-specific risks. Discounting impact is recognized as finance cost in the statement of profit or loss.

6.5.1.18 Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority ("**ZATCA**"), the Group is subject to zakat. The Company's zakat provision is recognized and charged to the statement of profit or loss and other comprehensive income. Additional zakat liabilities, if any, related to assessments for previous years are calculated by the ZATCA in the period in which the final assessments are issued.

Taxes are recognized by the Group on certain transactions with residents and non-residents in the Kingdom of Saudi Arabia (if any), in accordance with the tax regulations in the Kingdom of Saudi Arabia.

The Group is primarily eligible to pay zakat only. Since the reversal of timing differences, if any, is not anticipated to have a significant impact on zakat amount in the foreseeable future, no deferred tax liabilities or assets have been recognized in these consolidated financial statements.



6.5.1.19 VAT

Expenses and assets are recognized after deducting the VAT amount, except for:

- When the VAT incurred in connection with the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognized as part of the cost of the purchase of the assets or as part of the item expense, where applicable, and/or
- When receivables and payables are stated including VAT amount

The net amount of VAT recoverable from/or due to the tax authority is included either as part of prepaid expenses and other current assets or accrued expenses and other current liabilities in the statement of financial position.

6.5.1.20 Real Estate Transaction Tax (RETT)

RETT is incurred on the purchase of real estate assets and is not recoverable from the Zakat, Tax and Customs Authority. RETT is recognized as part of the cost of acquiring the real estate assets, as applicable.

6.5.1.21 Remeasurement gains or losses

Remeasurement gains or losses arising from adjustments or changes in actuarial assumptions are recognized in the year in which they occur directly in the statement of comprehensive income.

6.5.1.22 Contingencies

All contingencies arising from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the Group or all current liabilities arising from past events but are not recognized for the following reasons:

- 1- It isn't probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- 2- A reliable estimate can't be made of the obligation amount, they should all be assessed at each financial position date and disclosed in the Company's consolidated financial statements under the contingencies.

6.5.1.23 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leased properties (i.e., leases with a term of 12 months or less from the commencement date that do not include a purchase option) and also applies the recognition exemption to leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

6.5.1.24 Lease Liabilities

Lease contracts are recognized as right-of-use assets and corresponding liabilities at the date the leased asset is made available for use by the group. The right-of-use assets and lease liabilities arising from the lease contract are initially measured at the present value.

Lease liabilities are initially measured at the present value of unpaid lease payments at the commencement date, discounted using the implicit interest rate in the lease. If this rate cannot be easily determined, the group uses its incremental borrowing rate.

The lease payments included in the measurement of lease liabilities consist of the following:

- Fixed lease payments (mainly including fixed payments minus any lease incentives).
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- Amounts expected to be paid by the lessee under guarantees of the residual value.
- The exercise price of purchase options if the lessee is reasonably certain of exercising these options.
- Penalties for terminating the lease, if the lease term reflects the exercise of a termination option.



The group remeasures lease liabilities and adjusts the related right-of-use assets when:

- The lease term changes or there is a change in the assessment of the likelihood of exercising a purchase option. In this case, the lease liability is remeasured by discounting the modified lease payments using the revised discount rate.
- Lease payments change due to changes in an index or rate, or a change in expected payments under a guaranteed residual value. In this case, lease liabilities are remeasured by discounting the modified lease payments using the initial discount rate, unless the lease payments change due to a change in floating interest rates, in which case the revised discount rate is applied.
- The lease agreement is modified, and the modification is not accounted for as a separate lease contract. In this case, lease liabilities are remeasured by discounting the modified lease payments using the discount rates.

6.5.1.25 Revenue recognition

Revenues represent sales of completed properties, revenues from construction of property developments, rentals of residential properties and land sales. The Group recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15:

Step 1: Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that identifies the amount of consideration the Group expects to be entitled in exchange for fulfilling each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

If the amount to be paid in the contract includes a variable amount, the Group estimates the amount the Group is entitled to in exchange for transferring promised goods or services to a customer.

The amount of the promised consideration may vary if the Group's entitlement to the consideration is conditional on the occurrence or non-occurrence of a future event. The amount of consideration may vary due to discounts, rebates, refunds, credits, incentives, penalties or other similar items. The variance related to the consideration promised by the customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the variable consideration using the most probable amount according to the contract terms.

With regard to contracts concluded with customers for the sale of property, in addition to the five-step model, the Group fulfills the performance obligation and recognizes revenues over a period of time, if one of the following criteria is met:

- 1- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- 2- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- 3- The Group's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the aforementioned conditions is not met, revenue is recognized at the time when the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability.



Revenue	The nature and timing of fulfilling performance duties
Revenues from the sale of completed units and development property sold during the development stage	The Group enters into contracts with customers for the sale of completed properties, completed residential units or development property that are sold during the development stage. These developments usually take an operational cycle to completion. Revenues related to the sale of these units are recognized by the contractual terms and conditions of each arrangement, at a certain point in time, when the conditions for control are met in accordance with IFRS 15 paragraph 38. The sale of completed units constitutes a single performance obligation that is satisfied at a point in time. The administration reached objective jurisprudence through which it was certain that the indicators of transfer of control are met through customers' acceptance of control over the economic benefits of real estate units, and this is done when they are delivered in accordance with the relevant contractual terms. All individual promises in the contract must be complete, and this includes properties that require units to be available for operational readiness.
Property development revenues for others	The group enters into contracts with clients to develop properties for others. Revenue is recognized over a period of time during which the outcome of the transaction can be reliably estimated, by reference to the stage of completion of the transaction at the financial reporting date. When measuring progress towards meeting performance obligations, the Group uses the output method, where revenue recognition is based on measuring the value of work transferred/completed to date in comparison to the total goods, services or costs to be provided under the contract. The value of work completed to date is based on the consultant's reports. The Group also provides project development services to others ("property funds") according to contracts that include the calculation of development fees based on the cost of the works carried out, excluding some specific elements. Revenue related to these fees is recognized progressively over the period of implementation of the project in accordance with IFRS.
Lease revenue	The Group enters into contracts with customers to lease its investment properties. Lease revenue is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred or incentives are added in the negotiation and an operating lease arrangement is considered an integral part of the carrying amount of the lease and is recognized on a straight-line basis over the lease term.
Revenue from the sale of units under development off-plan	The Group enters into contracts with customers for the sale of off-plan units. Revenue is recognized over a period of time. The group assessed that the group's performance does not result in an asset that results in alternative use. The Group also has an enforceable right to pay for performance completed to date, and is entitled to receive an amount that compensates it at least for the performance completed to date. Costs incurred to date are usually in addition to a reasonable profit margin or completion percentage according to the report of the certified consultant by owning enforceable rights to compensate for the work completed to date in the event of any dispute or termination of the contract. When measuring progress towards meeting performance obligations, the Group uses the output method, where revenue recognition is based on measuring the value of work transferred/performed to date against the total goods, services or costs to be provided under the contract. The value of the work done to date is based on the consultant's reports.
Marketing and Brokerage commission revenues	The group collects a property marketing commission from the sale of residential units, and this commission is calculated as a specific percentage of the value of the sale of the residential unit, in accordance with the terms and conditions of contracts concluded with developers. The revenue generated from these commissions is recognized when the sale is completed, and the related payments are received.

Source: Consolidated Financial Statements for the financial year ended 31 December 2024G.

6.5.1.26 Cost of revenue

Cost of revenue includes the cost of land, development costs and other related service costs. Cost of revenue is proportional to units sold and is based on the cost incurred to date to the estimated total costs for each project. The cost of hospitality business revenues, services and lease revenue is calculated on the basis of the actual cost of providing the services. Contracting costs include all costs incurred in fulfilling the performance under the contract



Zakat provision

When calculating the current zakat payable by the Group, the management considers the relevant regulations and decrees / rulings of the Zakat, Tax and Customs Authority regarding certain past cases.

6.5.1.27 Expenses

Selling, marketing, general and administrative expenses include both direct and indirect costs that do not specifically represent part of the cost of revenue. Selling and marketing expenses encompass the costs incurred by the Group in its sales and marketing departments. General and administrative expenses include all costs, except financial charges and impairment losses. Allocations of shared expenses between the cost of revenue, selling and marketing expenses, and general and administrative expenses, as applicable, are made on a consistent basis.

6.5.1.28 Impairment of non-financial assets

The Group annually evaluates whether there are any indicators of impairment in its assets. If such indicators exist, the recoverable amount is estimated to compare it with the carrying amount. If the estimation of the recoverable amount proves to be challenging, the Group will instead estimate the recoverable amount of the lowest cash-generating unit that has been identified. Assigning the asset to it results in cash inflows to the Company from its ongoing use, which is mostly independent from the Company's cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the higher of value in use or the fair value less costs to sell. When estimating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money. Asset-specific risks: If the recoverable amount of the asset (or cash-generating unit) is estimated at less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss.

At the reporting date, impairment losses that were previously recorded are assessed to determine if there are any indicators that the losses have decreased or no longer exist. Impairment losses are reversed in the event of a change in the estimates used to calculate the recoverable amount. Impairment losses can be reversed if the carrying value of the assets does not exceed the previously estimated carrying amount, less depreciation or amortization if no impairment loss was recognized.

6.5.1.29 Foreign currency transactions and balances

Foreign currency transactions are translated into SAR at the exchange rates ruling at the time of the transaction. Foreign exchange gains and losses resulting from translation and the re-measurement of monetary items denominated in foreign currency are recognized in the statement of profit or loss and other comprehensive income at year-end exchange rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently retranslated at year end, except for non-monetary items measured at fair value that are translated using the exchange rates at the date when the fair value was determined

6.5.2 Accounting Judgments, Estimates and Assumptions

In the preparation of the consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and the underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



In applying the Group's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements:

Judgments

- Information about judgments made in applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:
- Note 3-7: Classification of investees accounted for using the equity method – whether the Group has significant influence over the investee.
- Note 3-22: Lease term – whether the Group is reasonably certain to exercise extension options.
- Note 3-23: Assessment of gross versus net revenue – whether the Group acts as a principal or an agent in a transaction.
- Note 3-23: Assessment of satisfaction of performance obligations.

Selling properties under development off-plan

The Group evaluates its contracts with customers to sell off-plan properties under development to determine whether performance obligations have been met over time or at a specific time.

The Group concludes that the Group's performance does not produce an asset that has an alternative use as the Group is contractually obligated not to redirect property under development to another use during its development, based on sales agreements concluded with customers, whereby Group contracts are concluded to provide specific residential units to the customer.

Also, the Group concluded that it had an enforceable right to reimbursement for performance completed to date, as it was entitled to an amount that at least compensated it for performance completed to date ("**usually the costs incurred to date plus a reasonable profit margin**").

By obtaining enforceable rights to compensation for work performed to date in the event of any dispute or termination of the contract in accordance with the legal advice obtained by the management.

Accordingly, the Group recognizes revenue from the sale of properties under development over time.

Material influence on associate companies

An associate is a company over which the group has an important influence. Substantial influence is the ability to participate in the financial and operational policy decisions of the investee, but not to control or have joint control over those policies. The group concluded that it exercises an important influence in both Al Majd Building Company for Real Estate Development and Investment, Al Ramz and Asayel Real Estate Development Company.

Considerations of principal versus agent:

Among the important accounting estimates, assumptions and judgments are considerations of principal versus agent. The Group periodically evaluates its contractual arrangements to determine whether it is acting as principal, where it recognizes revenues on a gross basis, or whether it is acting as an agent, which entails recognizing revenues on a net basis. The Group exercises professional discretion when it makes this assessment taking into account the details of the terms of the contract, the nature of the products and services and as determined by International Standard No. 15 on revenue from customer contracts. The Group evaluates the following indicators among other things when determining whether it acts as a principal or agent in transactions:

- The Group is primarily responsible for fulfilling the undertaking to provide the specified goods or services.
- The group bears inventory risks before transferring specified goods or services.
- The group has the right to set the price for the specific good or service.

The Group evaluates different categories of revenue in light of the above indicators, however exercises professional judgment before concluding whether it is acting as a principal or agent.

The group has reached objective judgments and jurisprudence through its contractual arrangements that determine that it is principal in its dealings with off-plan sales contracts, through which it is committed to confronting buyers with all the legal and regulatory obligations imposed on it.



Going concern

The company's management conducted an assessment of the company's ability to continue in accordance with the principle of going concern and is convinced that the company has sufficient resources to continue its business in the near future. Therefore, management does not have any fundamental doubts about the company's ability to continue, and therefore separate financial statements were prepared on the basis of the principle of going concern.

Uncertain estimates and assumptions

The following are the estimates made by the Group's management in the process of implementing the Group's accounting policies that have an important influence on the amounts recognized in the consolidated financial statements.

Estimation of defined benefit obligations

Actuarial valuations are used to assess the cost of defined benefit obligations and the present value of the obligation. Furthermore, a particular obligation necessitates the consideration of certain assumptions on future outcomes, notably the anticipated increment in salary and benefits, as well as the discount rate employed to transform future cash flows into the present value. Adjustments to these assumptions will have an influence on the carrying amount of the liability. Every assumption is reviewed at the end of each financial year.

Useful lives of property, equipment and investment property

The Company's management determines the estimated useful lives of its property, equipment, and investment property for the purpose of calculating depreciation. This estimate is determined after considering the expected use of the asset. Management periodically reviews the estimated useful lives and depreciation method to ensure that the depreciation method and term are consistent with the expected pattern of economic benefits derived from these assets.

Realizable value of property inventory

Inventories are stated at the lower of cost or net realizable value. Management estimates the net realizable values of property inventories, by considering the most dependable evidence available at the time of making the estimates. Market-driven changes may impact the future realizable value of the inventory by potentially decreasing future selling prices.

Warranty and maintenance provision

Provision for warranty and maintenance is established for units sold during the year, taking into account past data on the frequency of repairs and returns. These expenses are anticipated to be accrued in the upcoming year. The warranty and maintenance provision calculations were made using estimates derived from the current sales levels and the available information on returns during the warranty term for all units sold.

Contracts for the sale of properties under development contain certain warranties after the completion of the properties under development, that is, the properties under development have met the specified operational performance standards. The Group provides warranties relating to ten-year constructional works, electro-mechanical and mechanical works on the spot and is included in other operating expenses. These warranties are considered insurance warranties, which are legally required to be provided, such as quality warranties. Minor maintenance is considered as an expense.

The group recognized the warranty provision related to construction works and electrical and mechanical works in the amount of SAR 1.3 million. (2023: SAR 644 thousand).

Provision for completion of projects

A provision for the completion of projects is recognized to cover expected costs that relate to the completion of the project after revenue recognition, such as the installation of glazing, and certain final finishes items. This provision is calculated based on estimates of residual costs, based on past experience and available information about actual costs of similar projects.

The provision is reviewed periodically to update estimates in accordance with actual developments in the project, and costs are deducted from it when the associated work is carried out.

The group recognized the provision for project completion at SAR 2.1 million in the current fiscal year.



Realizable value of development property

Management calculates the net realizable values of development properties by considering the most reliable evidence available at the time of making the estimates. Market-driven changes may have an influence on the future realizable value of inventory by potentially decreasing future selling prices.

Fair value measurement

Management utilizes valuation techniques to assess the fair value of financial instruments in cases where active market prices are not readily accessible. This requires making estimates and assumptions that align with how market participants value the instrument. Management relies on observable statements whenever possible, although they may not always be readily available. In this case, management relies on the most accurate and up-to-date information. The estimated fair values may vary from the actual prices that would be realized in an arm's length transaction occurred at the reporting date.

Non-cash distributions, if applicable, are valued based on the fair value of the assets to be distributed. Any fair value remeasurement are immediately recognized in equity. When non-cash assets are distributed, any difference between the carrying amount of the liabilities and the carrying amount of the distributed assets is recognized in the statement of profit or loss and other comprehensive income.

Fulfillment of performance obligation

The Group makes its judgment to assess whether the contractual performance obligations for the sale of property inventory or development properties have been fulfilled at a certain point in time or over time. This requires meticulous evaluation of the pertinent clauses in every sales agreement to determine whether:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When any of the aforementioned standards are fulfilled, the Group recognize revenue over time.

Based on the purchase and sale agreements with customers and the applicable rules and regulations, the Group has determined that it will recognize revenue at a certain point in time.

Estimated cost of completion

The Group uses the output method to calculate the percentage of completion in accounting for long-term development contracts. The use of the percentage of completion method by the group requires an estimate of the total contract costs.

These estimates include, among other things, construction costs, change orders and the cost of fulfilling other contractual obligations to customers. These estimates are reviewed at regular periods. Any subsequent changes in the estimated cost of completing the project may affect the results of subsequent periods.

Transfer of control in contracts with customer

If the Group determines that performance obligations have been fulfilled at a certain point in time, revenue is recognized when control is transferred to the customer. Regarding contracts for the sale of property inventory, this usually occurs when the unit is delivered to the customer.

Financing component

The Group does not expect any contracts when the time between delivering the promised goods or services to the customer and receiving payment from the customer is longer than one year. Consequently, the Group does not make any changes to transaction prices to account for the time value of money.



Classification of real estate leases

The Group has entered into commercial real estate leases with interested individuals. After evaluating the terms and conditions of these agreements, the Group has concluded that the lease term is not a significant portion of the economic useful life of the leased property. Additionally, the present value of the minimum rental payments does not accurately reflect the full fair value of the leased property, which retains significantly all risks and rewards of these properties' ownership, and the Group accounts for these leases as operating leases.

6.5.3 New Amendments to Standards Issued

New and amended IFRSs issued and applied effective in 2024G

The following amendments to standards relevant to the Group are effective for the annual periods beginning on or after 1 January 2024G (unless otherwise stated). The Group adopted these standards and / or amendments, however, there is no significant impact of these on the financial statements

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 1	Classification of liabilities as current or non-current	January 1, 2024G	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024G	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026G	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

Source: Consolidated Financial Statements for the financial years ended 31 December 2022G, 2023G and 2024G.

New and amended IFRSs issued but not yet effective:

The Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 21	Lack of Exchangeability	January 1, 2025G	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026G	These amendments clarify financial assets, and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.



Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027G	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027G	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

Source: Consolidated Financial Statements for the financial years ended 31 December 2022G, 2023G and 2024G.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of their initial application.

6.6 Material Subsidiaries

Zaat Al Emaar Contracting Company (formerly known as from Osos Al Ramz Contracting Company) has been identified as a material subsidiary based on its contribution to the Group's revenue, net profit/(loss), assets and liabilities as shown in the analyses below.

The table below summarizes the revenue and net profit/(loss) by entity for the financial years ending on December 31, 2022G, 2023G, and 2024G.

Revenue and net profit/(loss) by entity for the financial years 2022G, 2023G, and 2024G

SAR in 000s	As at December 31, 2022G			As at December 31, 2023G			As at December 31, 2024G		
	Revenue	Net profit/(loss)	Net profit/(loss) as a percentage of revenue	Revenue	Net profit/(loss)	Net profit/(loss) as a percentage of revenue	Revenue	Net profit/(loss)	Net profit/(loss) as a percentage of revenue
Al Ramz Real Estate Company	631,911	143,417	22.7%	529,949	134,937	25.5%	943,152	159,528	16.9%
Zat Al Emaar Contracting Company	152,710	7,138	4.7%	284,145	7,659	2.7%	417,480	(8,435)	(2.0%)

Source: Management information.

The table below summarizes the assets and liabilities by entity as at December 31, 2022G, 2023G, and 2024G.

Table (6.1): Assets and liabilities by entity

SAR in 000s	As at December 31, 2022G		As at December 31, 2023G		As at December 31, 2024G	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Al Ramz Real Estate Company	615,352	98,984	973,164	351,811	1,370,755	617,086
Zat Al Emaar Contracting Company	31,401	24,213	62,161	47,314	54,253	47,919
Cancellations*	(12,725)	(1,941)	(79,839)	(53,059)	(61,225)	(41,722)



SAR in 000s	As at December 31, 2022G		As at December 31, 2023G		As at December 31, 2024G	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Total	634,028	121,256	955,486	346,066	1,363,783	623,284
As a percentage of revenue before						
Al Ramz Real Estate Company	95.1%	80.3%	94.0%	88.1%	96.2%	92.8%
Zat Al Emaar Contracting Company	4.9%	11.9%	6.0%	11.9%	3.8%	7.2%

Source: Management information

*Cancellations represent transactions between the two consolidated group companies that have no impact on the group's performance.

6.7 Results of operations for the financial years ending on 31 December 2022G, 2023G, 2024G

6.7.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

The table below summarizes the statement of comprehensive income for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.2): Statement of comprehensive income

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G - 2023G	Var. 2023G - 2024G	CAGR 2022G - 2024G
Revenue	633,253	531,909	951,755	(16.0%)	78.9%	22.6%
Cost of revenue	(467,660)	(404,307)	(785,129)	(13.5%)	94.2%	29.6%
Gross profit	165,593	127,603	166,626	(22.9%)	30.6%	0.3%
General and administrative expenses	(13,472)	(17,037)	(31,356)	26.5%	84.0%	52.6%
Selling and marketing expenses	(4,832)	(9,624)	(18,290)	99.2%	90.0%	94.6%
Depreciation expense of right-of-use assets	-	-	(3,334)	NA	NA	NA
Operating profit	147,289	100,941	113,645	(31.5%)	12.6%	(12.2%)
Finance cost and bank facilities	(1,770)	(2,360)	(16,692)	33.4%	607.2%	207.1%
Financing interest income	-	-	269	NA	NA	NA
Other income	1,699	4,518	21,888	166.0%	384.5%	259.0%
Unrealized gains from investments at fair value through profit and loss	-	28,240	47,828	NA	69.4%	NA
Realized gains from investments at fair value through profit and loss	-	-	2,012	NA	NA	NA
Interest income from Islamic deposits	-	400	516	NA	29.1%	NA
Net income for the year before zakat	147,218	131,739	169,467	(10.5%)	28.6%	7.3%
Zakat	(7,396)	(5,140)	(11,117)	(30.5%)	116.3%	22.6%
Net income for the year	139,822	126,599	158,350	(9.5%)	25.1%	6.4%
Items that will not be reclassified to the consolidated statement of income in subsequent years:						
Gains from revaluation of investments through FVOCI	-	-	3,204	NA	NA	NA
Actuarial (loss) / gain on end-of-service benefits	(20)	49	(475)	(343.0%)	(1078.0%)	(388%)
Total comprehensive income for the year	139,801	126,647	161,079	(9.4%)	27.2%	7.3%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



The table below summarizes the key performance indicators for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.3): Key performance indicators

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Gross margin	26.1%	24.0%	17.5%	(2.2)	(6.5)	(8.6)
Gross margin of sale of units	32.8%	32.1%	26.6%	(0.7)	(5.4)	(6.1)
Net income margin	22.1%	23.8%	16.6%	1.7	(7.2)	(5.4)
Revenue from sale of units						
Average revenue per sqm (SAR per sqm)	6,941	7,621	9,583	9.8%	25.7%	17.5%
Number of units sold*	271	212	208	(21.8%)	(1.9%)	(12.4%)
Development revenues						
Number of active projects	2	8	10	300.0%	25.0%	123.6%
Average revenue per project (SAR in 000s)	28,522	27,282	20,846	(4.3%)	(23.6%)	(14.5%)

Source: Management information.

*Commercial units were sold by area, not by number of units.

Revenue

Revenues represent sales of completed properties, revenues from construction of property developments, rentals of residential properties and land sales. The Group recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15. The Group's primary revenue sources are:

- i- Revenue from sale of units (which contributed to 37.1% of total revenue in 2024G), whereby the Group acquires land plots and develops them into residential and non-residential units for sale, these developments usually take an operational cycle to completion. Revenues related to the sale of these units are recognized by the contractual terms and conditions of each arrangement, at a certain point in time, when the conditions for control are met in accordance with IFRS 15 paragraph 38.
- ii- Development revenues (21.9% of total revenue in 2024G), in relation to development projects owned by third parties, mainly real estate funds, in which the Group often holds a minority stake. Revenue from contracting and development work for third parties is recognized based on the percentage of completion, consistent with the payment terms of contracts concluded with customers, after obtaining all supporting documentation to demonstrate performance and service delivery,
- iii- Revenue from off-plan sales, whereby the Group develops residential and commercial units on a land owned by National Housing Company ("NHC"),
- iv- Revenue from sale of properties under development which contributed to 18.1% of total revenue in 2024G,
- v- Revenue from sale of legacy investment properties

Revenue decreased by 16.0% from SAR 633.3 million in 2022G to SAR 531.9 million in 2023G mainly due to the decrease in:

- i- Revenue from the sale of properties under development amounting to SAR 174.0 million, whereby the Group sold 2 PUDs in 2023G, namely the Ramz Tharwah project, which was sold to the Real Estate Development Fund, and the Tharwa Tower, as compared to 4 in 2022G which were sold to real estate development funds, amounting to SAR 224.2 million, as the group sought to achieve balance in its development activities through its own projects as well as through the funds,
- ii- Revenue from the sale of investment properties amounting to SAR 74.3 million, primarily related to the sale of Al Nada Building for SAR 54.0 million, Arqa Building for SAR 15.0 million, and Al Ahmadiya Building for SAR 5.3 million, as the Group benefited from market conditions to sell old rental-generating properties. It is worth noting that the Company did not sell investment properties in the fiscal year 2023G,
- iii- The drop in revenue from sale of units by SAR 23.2 million due to the drop-in units sold from 271.0 in 2022G to 212.0 in 2023G, in line with the Group's increased focus on the development for others segment. This was partially offset by increase in development revenues by SAR 161.2 million due to growth in this newly launched segment and the increase in the number of development projects from 2 to 8 projects during the same period.



Revenue increased by 78.9% from SAR 531.9 million in 2023G to SAR 951.8 million in 2024G mainly driven by (i) the ramp-up of the newly launched off-plan sales project by SAR 183.5 million whereby the Group signed an agreement with National Housing Company (“NHC”) during 2023G to develop a residential project on lands owned by the NHC, (ii) the increase in revenue from sale of properties under development by SAR 122.4 million, in relation to the sale of King Salman Tower project of SAR 172.6 million to a fund and (iii) the increase in revenue from sale of units by SAR 102.4 million despite the drop in number of units sold from 212 in 2023G to 208 in 2024G, whereby average revenue per sqm increased from SAR 7.6 thousand in 2023G to SAR 9.6 thousand in 2024G mainly following the increased contribution of the sale of villas and the prime location of the Group’s apartment projects.

Cost of revenue

Cost of revenue mainly consists of cost of development of third-party owned projects (representing 33.4% of total costs of revenue in 2024G), cost of sale of units (31.8%) which include construction costs such as labor, cement, electrical, piping among other direct costs and cost of off-plan sales (20.2%), among other costs.

Cost of revenue decreased by 13.5% from SAR 467.7 million in 2022G to SAR 404.3 million in 2023G mainly due to (i) the decrease in cost of sale of properties under development by SAR 151.3 million in line with the lower number of PUDs sold, (ii) drop in cost of sale of investment properties by SAR 45.9 million related to the sale of 3 buildings in Al Nada, Ahmadiyah and Irqa and (iii) the drop in cost of units sold by SAR 16.3 million following the decline in units sold from 271 in 2022G to 212 in 2023G. The decrease was partially offset by the increase in cost of development by SAR 136.9 million in line with the increase in the number of development projects from 2 to 8 during the same period.

Cost of revenue increased by 94.2% from SAR 404.3 million in 2023G to SAR 785.1 million in 2024G due to (i) the increase in cost of off-plan sales by SAR 146.9 million following the ramp-up of the NHC project, (ii) increase in cost of sale of units by SAR 85.1 million in line with the increase in total average costs (by 36.5%) from SAR 5.0 thousand in 2023G to SAR 6.8 thousand in 2024G, mainly following the increased contribution of sale of villas and increased apartments of projects sold in prime location, (iii) increase in costs of development by SAR 85.9 million driven by the additional costs incurred by the Group to strengthen its relationship with strategic fund managers coupled with the ramp-up of projects initiated during 2023G, and (iv) higher cost of properties under development sold by SAR 58.8 million attributable to the sale of King Salman Tower project

Gross profit

Gross profit decreased by 22.9% from SAR 165.6 million in 2022G to SAR 127.6 million in 2023G in line with the decrease in the Group’s revenue during the period. Gross margin decreased from 26.1% to 24.0% over the period due to the decrease in the gross margin contribution from sale of investment properties and sales of properties under development, both of which are part of the Group’s non-core operations, partially offset by increased gross margin of the development, in line with the increased contribution of the segment total revenues.

Gross profit increased by 30.6% from SAR 127.6 million in 2023G to SAR 166.6 million in 2024G, in line with the increase in revenue of the Group.

Gross margin declined from 24.0% in 2023G to 17.5% in 2024G, mainly due to the loss recorded on the development segment as Management has decided to continue to invest in its relationship with fund managers and incurred additional unbudgeted costs to enhance the specifications of 5 projects with real estate funds.

General and administrative expenses

General and administrative expenses mainly comprise of salaries and related benefits (35.3% of the total in 2024G), provision for ECL (11.1%), bonuses (10.9%) and consulting fees (6.6%), among other costs.

General and administrative expenses increased by 26.5% from SAR 13.5 million in 2022G to SAR 17.0 million in 2023G mainly due to the increase in (1) salaries and related benefits by SAR 2.6 million due to the increase in average headcount from 16 to 32, despite the decrease in the average monthly cost per employee from SAR 18.6 thousand to SAR 16.2 thousand during the same period, coupled with (2) donations and contributions of SAR 2.1 million granted to help relief efforts in the region, partially offset by the non-reoccurrence of the exceptional IPO expenses in 2022G by SAR 2.4 million in relation to the Group’s potential listing on Nomu.

General and administrative expenses increased by 84.0% from SAR 17.0 million in 2023G to SAR 31.4 million in 2024G mainly on the back of the increase in salaries and related benefits by SAR 4.9 million following the increase in headcount from 32 in 2023G to 56 in 2024G in line with the expansion of the Group’s operations coupled with the incurred ECL allowance of SAR 3.5 million recorded in accordance with IFRS9, and higher bonuses distributed by SAR 859.5 thousand.



Selling and marketing expenses

Selling and marketing expenses primarily consist of salaries and related benefits (representing 15.7% of the total in 2024G), commissions (4.8%) and other marketing expenses (79.5%) which relate to the Group's advertising through campaigns, exhibitions, social media platforms, amongst others.

Selling and marketing expenses increased by 99.2% from SAR 4.8 million in 2022G to SAR 9.6 million in 2023G mainly on the back of (i) the implementation of new commission policy for the Group's sale team starting 2023G, where commissions amounted to SAR 1.8 million, (ii) the increase in salaries and related benefits by SAR 1.5 million mainly following the increase in average headcount from 8 in 2022G to 23 in 2023G in line with the increase in the average number of employees from 8 in 2022G to 23 in 2023G, and (iii) the increase in the Group's project related marketing expenses.

Selling and marketing expenses increased by 90.0% from SAR 9.6 million in 2023G to SAR 18.3 million in 2024G mainly in line with the increase in the project related marketing expenses undertaken by the Group, coupled with the increase in salaries and related benefits by SAR 0.7 million due to the increase in average headcount from 23 in 2023G to 33 in 2024G.

Depreciation expense of right of use assets

Depreciation expense of right of use assets amounted to SAR 3.3 million in 2024G and related to the lease contract for Faseelah Offices.

Finance cost and bank facilities

Finance costs comprise of finance costs on loans, interest expense on lease liabilities amongst other bank charges. It is worth noting that the finance cost on loans used for construction and development purposes are capitalized within the developed units cost during the construction phase of the project, recorded under the projects under development balance sheet line item.

Finance costs increased by 33.4% from SAR 1.8 million in 2022G to SAR 2.4 million in 2023G as the Group obtained additional facilities from Riyadh Bank, Bank AlJazira and Arab National Bank.

Finance costs increased from SAR 2.4 million in 2023G to SAR 16.7 million in 2024G mainly driven by higher interest expense on loans by SAR 11.1 million, following additional loans taken from SAB, Arab National Bank and Riyadh Bank.

Financing interest income

Financing interest income amounted to SAR 269 thousand in 2024G, and represents the interest earned on the loan provided to Al-Majd Building Real Estate Development and Investment of SAR 28.4 million.

Other income

Other income pertains to commission on marketing, brokerage fees, amongst others.

Other income increased by 166.0% from SAR 1.7 million in 2022G to SAR 4.5 million in 2023G mainly due to commissions on sales of units developed through real estate funds, amounting to SAR 2.3 million. On top of the generated development sales, the Group earns a commission amounting to 2.5% of the value of the sold units on behalf of the funds, as part of its agreements with the real estate funds.

Other income increased by 384.5% from SAR 4.5 million in 2023G to SAR 21.9 million in 2024G mainly attributable to brokerage fees for the sale of land of SAR 12.4 million and increase in commission on sale of units related to the funds by SAR 6.9 million, partially offset by the drop in returns from ZATCA by SAR 2.1 million in relation to the exemption of the Group from fines and penalties associated with VAT declarations.

Unrealized realized gains from investments at fair value through profit and loss

Unrealized gains from investments at fair value through profit and loss amounted to SAR 28.2 million in 2023G and related to the gains resulting from the valuation of Ramz Residential Fund (SAR 17.0 million) and Riyadh Real Estate Development Funds (SAR 11.3 million).

Unrealized gains from investments at fair value through profit and loss amounted to SAR 47.8 million in 2024G and mainly related to the gains resulting from the valuation of Riyadh Real Estate Development Funds (SAR 26.4 million) and Ramz Residential Fund (SAR 15.4 million).



Realized gains from investments at fair value through profit and loss

Realized gains from investments at fair value through profit and loss amounted to SAR 2.0 million in 2024G and related to the sale of 67,276 units in Ramz Residential Fund (SAR 2.0 million).

Interest income from Islamic deposits

Interest income from Islamic deposits amounted to SAR 400 thousand in 2022G and SAR 516 thousand in 2023G, in relation to bank deposits maturing for less than 3 months.

Zakat

Zakat decreased by 30.5% from SAR 7.4 million in 2022G to SAR 5.1 million in 2023G followed by an increase to SAR 11.1 million in 2024G in line with the Zakat base of the Group.

It is worth noting that during 2022G, the Group has obtained approval from ZATCA to submit Zakat return on a consolidated basis.

Net income for the Year

Net income for the year decreased by 9.5% from SAR 139.8 million in 2022G to SAR 126.6 million in 2023G, in line with the decrease in the Group's gross profit. This was offset by gains on investments at fair value through profit or loss.

Net profit for the year increased by 25.1% from SAR 126.6 million in 2023G to SAR 158.4 million in 2024G, primarily due to an improvement in the Group's gross profit, despite a significant decline in the profitability of development projects, in addition to gains on the valuation of financial assets at fair value through profit or loss, and higher commissions on the sale of units associated with funds. This was partially offset by higher financing costs related to loans, an increase in general and administrative expenses due to the increase in the Group's headcount, and an increase in marketing and sales expenses resulting from increased spending on project marketing due to intensified market competition.

Total Comprehensive Income for the Year

Total comprehensive income for the year decreased by 9.5% from SAR 139.8 million in 2022G to SAR 126.6 million in 2023G, in line with the decrease in net profit for the year.

Total comprehensive income for the year increased by 27.2% from SAR 126.6 million in 2023G to SAR 161.1 million in 2024G, due to an increase in net profit for the year.

6.7.1.1 Revenue by type

The table below summarizes the revenue by type for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.4): Revenue by type

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Unit sales revenue	273,597	250,427	352,788	(8.5%)	40.9%	13.6%
Real estate development revenue for others	57,044	218,258	208,460	282.6%	(4.5%)	91.2%
Off-plan sales revenue	-	9,192	192,669	NA	1,996.2%	NA
Development property sales revenue*	224,196	50,179	172,562	(77.6%)	243.9%	(12.3%)
Development commission revenues for others	-	-	13,613	NA	NA	NA
Lease revenue	2,825	1,892	2,957	(33.0%)	56.3%	2.3%
Construction and contracting revenue	1,341	1,960	8,705	46.1%	344.2%	154.7%
Revenue from sale of investment properties	74,250	-	-	(100.0%)	NA	(100.0%)
Total	633,253	531,909	951,755	(16.0%)	78.9%	22.6%



SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
As a % of total revenue				Ppt.		
Unit sales revenue	43.2%	47.1%	37.1%	3.9	(10.0)	(6.1)
Real estate development revenue for others	9.0%	41.0%	21.9%	32.0	(19.1)	12.9
Off-plan sales revenue	0.0%	1.7%	20.2%	1.7	18.5	20.2
Development property sales revenue*	35.4%	9.4%	18.1%	(26.0)	8.7	(17.3)
Development commission revenues for others	0.0%	0.0%	1.4%	-	1.4	1.4
Lease revenue	0.4%	0.4%	0.3%	(0.1)	(0.0)	(0.1)
Construction and contracting revenue	0.2%	0.4%	0.9%	0.2	0.5	0.7
Revenue from sale of investment properties	11.7%	0.0%	0.0%	(11.7)	-	(11.7)
KPIs						
Revenue from sale of units						
Average revenue per sqm (SAR per sqm)	6,941	7,621	9,583	9.8%	25.7%	17.5%
Number of units sold	271	212	208	(21.8%)	(1.9%)	(12.4%)
Development revenues for others						
Number of active projects	2	8	10	300.0%	25.0%	123.6%
Average revenue per project (SAR in 000s)	28,522	27,282	20,846	(4.3%)	(23.6%)	(14.5%)

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G, and management information.

*On 25 September 2024G, a sale agreement was signed between Al Ramz Real Estate Company (the seller) and Jada Al Malqa Real Estate Company (the buyer) concerning two land plots (No. 2060 and 2061) located in Al Malqa district, Riyadh.

The agreed sale price amounted to SAR “**172,562,320**” to be paid in kind through the issuance of units at SAR (“**10**”) per unit to the seller in an investment fund managed by “**Riyad Capital**.” According to the fund’s terms and conditions, the Group is the developer of the fund.

On 18 November 2024G, the Capital Market Authority (“**the CMA**”) approved the establishment of the fund, and the development activities related to the fund’s primary purpose commenced during the year ended 31 December 2024G.

The Group exercised a judgment to consider this transaction as part of its ordinary course of business. Under the agreement, control over the two land plots was transferred, and all risks and rewards of ownership passed to the fund. There is no obligation on the seller to repurchase the land in the future. Based on the nature of the assets and their acquisition / development purpose, this transaction is accounted for under IAS 2 “**Inventories**.” The Group obtained certified work progress reports from the project consultant, including actual completion percentages for the year ended 31 December 2024G.

Unit sales revenue

The table below summarizes the unit sales revenue for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.5): Unit sales revenue

SAR in 000s	2022G (Manage- ment Infor- mation)	2023G (Manage- ment Infor- mation)	2024G (Manage- ment Infor- mation)	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Stone Complex	-	-	91,824	NA	NA	NA
Naqsh Villa	-	4,631	81,329	NA	1,656.2%	NA
Jadeel Floors	-	-	62,665	NA	NA	NA
Remal Hills 1	-	76,602	45,645	NA	(40.4%)	NA



SAR in 000s	2022G (Management Information)	2023G (Management Information)	2024G (Management Information)	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Ramz Al Rayyan 2	-	-	34,010	NA	NA	NA
Ramz 40	-	-	24,550	NA	NA	NA
Ramz 35/36	24,489	47,783	7,500	95.1%	(84.3%)	(44.7%)
Ramz 27	25,107	14,191	4,165	(43.5%)	(70.7%)	(59.3%)
Ramz 33	33,326	7,269	983	(78.2%)	(86.5%)	(82.8%)
Ramz 25	65,496	40,441	118	(38.3%)	(99.7%)	(95.8%)
Top 10 projects	148,417	190,917	352,788	28.6%	84.8%	54.2%
Others	125,180	59,511	-	(52.5%)	(100.0%)	NA
Total	273,597	250,427	352,788	(8.5%)	40.9%	13.6%
Sales of investment properties	-	-	-	NA	NA	NA
Total	273,597	250,427	352,788	(8.5%)	40.9%	13.6%
KPIs						
Number of units sold*	271	212	208	(21.8%)	(1.9%)	(12.4%)
Area (sqm)	39,415	32,859	36,816	(16.6%)	12.0%	(3.4%)
Average revenue per sqm (SAR per sqm)	6,941	7,621	9,583	9.8%	25.7%	17.5%

Source: Management information.

* Commercial projects are sold based on area and not based on number of units.

Unit sales revenue is the Group's primary revenue stream contributing to an average of 42.5% of total revenue over 2022G-2024G. Revenue from sale of units are recognized upon the signature of the sales contract and the transfer of the title deed to the customer.

Revenue from sale of units decreased by 8.5% from SAR 273.6 million in 2022G to SAR 250.4 million in 2023G driven by the decrease in units sold from 271 in 2022G to 212 in 2023G as Management expanded its operations in the development for third party segment. The decrease was partially offset by the increase in average revenue per sqm from SAR 6.9 thousand to SAR 7.6 thousand during the same period in line with the increase in market prices.

Revenue from sale of units increased by 40.9% from SAR 250.4 million in 2023G to SAR 352.8 million in 2024G driven by the increase in average revenue per sqm from SAR 7.6 thousand in 2023G to SAR 9.6 thousand in 2024G, despite the drop in number of units sold from 212 to 208 during the same period. The increase in the average revenue was on the back of the increase in contribution of (i) Stone Complex sales to total sales (70 units in 2024G as opposed to not sold any units in 2023G), (ii) the increase in the contribution of villa sales to total sales (41 units sold in 2024G as opposed to 17 units sold in 2023G), which are measured based on land area as opposed to sellable areas for apartments, (iii) sale of apartment projects in prime locations mainly KAFD and King Salman Road, and (iv) the increase in market prices.

Projects where the group has sold units include:

Stone Complex

Recorded revenues of SAR 91.8 million in 2024G through the sale of 70 units with an area of 8,485 square meters.

Naqsh Villa

Recorded revenues of SAR 4.6 million in 2023G through the sale of 1 unit with an area of 339 square meters. It also recorded revenues of SAR81.3 million in 2024G through the sale of 27 units with an area of 7,581 square meters.

Jadeel Floors

Recorded revenues of SAR 62.7 million in 2024G through the sale of 32 units with an area of 6,978 square meters.



Remal Hills 1

Recorded revenues of SAR 76.6 million in 2023G through the sale of 97 units with an area of 13,665 square meters. It also recorded revenues of SAR 45.6 million in 2024G through the sale of 56 units with an area of 7,696 square meters.

Ramz Al Rayyan 2

Recorded revenues of SAR 34.0 million in 2024G through the sale of 9 units with an area of 2,595 square meters.

Ramz 40

Recorded revenues of SAR 24.6 million in 2024G through the sale of 3 units with an area of 1,500 square meters.

Ramz 35/36

Recorded revenues of SAR 24.5 million in 2022G through the sale of 11 units with an area of 2,491 square meters. It also recorded revenues of SAR 47.8 million in 2023G through the sale of 16 units with an area of 4,144 square meters. It also recorded revenues of SAR 7.5 million in 2024G through the sale of two units with an area of 520 square meters.

Ramz 27

Recorded revenues of SAR 25.1 million in 2022G through the sale of 37 units with an area of 5,560 square meters. It also recorded revenues of SAR 14.2 million in 2023G through the sale of 23 units with an area of 3,344 square meters. It also recorded revenues of SAR 4.2 million in 2024G through the sale of 8 units with an area of 1,192 square meters.

Ramz 33

Recorded revenues of SAR 33.3 million in 2022G through the sale of 44 units with an area of 5,713 square meters. It also recorded revenues of SAR 7.3 million in 2023G through the sale of eight units with an area of 1,166 square meters. It also recorded revenues of SAR 983 thousand in 2024G through the sale of one unit with an area of 167 square meters.

Ramz 25

Recorded revenues of SAR 65.5 million in 2022G through the sale of 68 units with an area of 9,080 square meters. It also recorded revenues of SAR 40.4 million in 2023G through the sale of 43 units with an area of 5,333 square meters. It recorded revenues of SAR 118 thousand in 2024G related to the marketing revenues reported by the Company despite no units being sold during the period.

Other

The other units are related to Ramz 31, Ramz 37, Al Khobar 117, Ramz 19, and Ramz 23 in 2022G.

These are related to Fasila offices, Ramz 37 and Ramz 31 in 2023G.

Real estate development revenue for others

The table below summarizes the real estate development revenue for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.6): Real estate development revenue

SAR in 000s	2022G (Management Information)	2023G (Management Information)	2024G (Management Information)	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G
RAFD	-	16,666	90,458	NA	442.8%	NA
Ramz Tharwah	-	28,756	43,134	NA	50.0%	NA
Sadeem Villa -AWJ	-	-	36,486	NA	NA	NA
Ramz Tower	-	-	19,346	NA	NA	NA
King Khalid Offices	-	-	16,229	NA	NA	NA
Rayya Al Nakheel	-	-	6,875	NA	NA	NA



SAR in 000s	2022G (Management Information)	2023G (Management Information)	2024G (Management Information)	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G
Sadeem Apartment - AWJ	-	-	4,156	NA	NA	NA
Ramz Al Maaly	16,852	56,904	2,844	237.7%	(95.0%)	(58.9%)
Remal Hills - RC	-	39,501	1,436	NA	(96.4%)	NA
Ramz Al Nakheel	40,192	24,588	1,108	(38.8%)	(95.5%)	(83.4%)
Ramz 41	-	15,233	-	NA	(100.0%)	NA
Ramz 45	-	28,126	-	NA	(100.0%)	NA
Ramz 48	-	8,484	-	NA	(100.0%)	NA
Total	57,044	218,258	222,073	282.6%	1.7%	97.3%
Development commission revenues for others	-	-	(13,613)	NA	NA	NA
Total	57,044	218,258	208,460	282.6%	(4.5%)	91.2%
KPIs						
Number of active projects	2	8	10	300.0%	25.0%	123.6%
Average revenue per project (SAR in 000s)	28,522	27,282	20,846	(4.3%)	(23.6%)	(14.5%)

Source: Management information.

Real estate development revenue for others represents of 21.9% of total revenues in 2024G and were introduced in 2022G as a way to expand the Group's operations and diversify its source of funding.

Development revenues are mainly generated from the development agreements the Group has with mainly real estate funds. The Group receives (i) development fees which are recognized on over the construction period based on the project's percentage of completion and (ii) fixed fees ranging between 5% and 7% of the project's total construction cost, which are presented separately under 'commissions from development projects' starting 2024G. The agreement for development of projects between the Group and the funds are based on fixed fees. The Group in turn hires subcontractors to perform the construction works on a fixed fee basis also. As such, the margin the Group from records from this segment is the difference between the contracted cost with the funds and the contracted cost with suppliers. The Group also receives a sales and marketing commission amounting to 2.5% of the value of the units it sells on behalf of the funds, which are recorded under 'other income'.

Development revenues increased by 282.6% from SAR 57.0 million in 2022G to SAR 218.3 million in 2023G due to the increase in the number of projects from 2 in 2022G to 8 in 2023G.

Development revenue decreased by 4.5% from SAR 218.3 m million in 2023G to SAR 208.5 million in 2024G due to the winding down of 6 projects that were ongoing in 2023G, partially offset by the commencement of 5 projects during the 2024G period, mainly related to Sadeem Villa and Ramz Tower.

RAFD

RAFD Project is a real estate development project by Riyadh Capital, which generated revenues of SAR 16.7 million in 2023G. It generated revenues of SAR 90.5 million in 2024G.

Ramz Tharwah

Ramz Tharwah is a real estate development project by Musharakah Fund, which generated revenues of SAR 28.8 million in 2023G. It generated revenues of SAR 43.1 million in 2024G.

Sadeem Villa -AWJ

Sadeem Villa is a residential real estate development project in partnership with Al Ahli Capital as the fund manager, which generated revenues of SAR 36.5 million in 2024G.



Ramz Tower

Ramz Tower is a real estate development project by Riyadh Capital, which generated revenues of SAR 19.3 million in 2024G.

King Khalid R. Offices

The King Khalid Offices project is a real estate development project by Riyadh Capital, which generated revenues of SAR 16.2 million in 2024G.

Rayya Al Nakheel

Rayya Al Nakheel project is a real estate development project by Itqan Capital, which generated revenues of SAR 6.9 million in 2024G.

Sadeem Apartment – AWJ

Sadeem Apartment is a residential real estate development project in partnership with Al Ahli Financial Company as the fund manager, which generated revenues of SAR 4.2 million in 2024G.

Ramz Al Maaly

Ramz Al Maaly is a real estate development project for Blominvest Fund, which generated revenues of SAR 16.9 million, SAR 56.9 million, and SAR 2.8 million in 2022G, 2023G, and 2024G, respectively

Remal Hills - RC

Remal Hills – RC is a real estate development project for Riyadh Financial, which generated revenues of SAR 39.5 million and SAR 1.4 million in 2023G and 2024G, respectively

Ramz Al Nakheel

Ramz Al Nakheel project is a real estate development project for Blominvest Fund, which generated revenues of SAR 40.2 million, SAR 24.6 million, and SAR 1.1 million in 2022G, 2023G, and 2024G, respectively.

Ramz 41

Ramz 41 project is a real estate development project for Riyadh Capital, which generated revenues of SAR 15.2 million in 2023G.

Ramz 45

Ramz 45 project is a real estate development project for Riyadh Capital, which generated revenues of SAR 28.1 million in 2023G.

Ramz 48

Ramz 48 project is a real estate development project for Riyadh Capital, which generated revenues of SAR 8.5 million in 2023G.

Off-plan sales revenue - Jawharat Al Ramz

Off-plan sales revenue is based on an agreement signed with NHC on April-2023G for a period of 3.5 years whereby the Group develops residential and commercial residential units on a land in Riyadh owned by the latter and has the right to engage in off-plan sales.

As per the contract signed in 2023G, the Group should pay to NHC an amount of SAR 500 for each square meter sold in addition to development fees amounting to 3% of the total cost of developed units. The payments should be made to NHC at the end of the contract date.

During Q4 2024G, the contract with NHC was amended, whereby (i) NHC increased the Group's obligations to reach an amount of SAR 1,158 per square meter for the sold units and (ii) the prices of the non-subsidized units increased by SAR 33.5 million. As such, the new estimated total costs of the project were increased by SAR 5.2 million and the contract value increased by SAR 33.5 million.

Revenue from off-plan sales is recorded based on the percentage and completion method and amounted to SAR 9.2 million in 2023G which increased to SAR 192.7 million in 2024G mainly following the ramp-up of the project which reached a percentage completion of 63.0% in 2024G (compared to 3.2% in 2023G).



Development property sales revenue

Development property sales revenue contributed to an average of 21.0% of total revenues during 2022G-2024G. Starting 2022G, the Group focused on developing projects under the real estate fund structure whereby then Group won't be funding the development of the projects from its operating cash flows. The properties are priced based on the valuation of an independent third-party appointed in agreement between the Group and the fund. Part of the proceeds from these sales were settled against the acquisition of units in these funds.

During 2022G, the Group sold 4 PUDs to real estate funds it has development agreements with for a total value of SAR 224.2 million.

In 2023G, revenue from sale of properties under development amounted to SAR 50.2 million and related to the transfer of Ramz Tharwah to Ramz Tharwa Real Estate Fund.

In 2024G, revenue from sale of properties under development amounted to SAR 172.6 million and related to the sale of King Salman Tower to Riyadh Capital Real Estate Development Fund, whereby the Group will receive units priced at SAR 10 each.

Development commission revenues for others

Development commission revenues for others amounted to SAR 13.6 million in 2024G and represent the fixed fees generated from development projects, which are based on the project's total construction cost. Prior to 2024G, commissions were recorded as part of ' development revenue for others.

Lease revenue

Lease revenue decreased from SAR 2.8 million in 2022G to SAR 1.9 million in 2023G in line with management's decision to focus on the development and sale of properties and to shift to the renting of commercial units instead of residential. As such, rental income from buildings in Al Nada decreased by SAR 0.6 million, Irqa by SAR 0.4 million, Dammam by SAR 0.3 million amongst other properties.

Lease revenue increased from SAR 1.9 million in 2023G to SAR 3.0 million in 2024G mainly driven by the rental income generated from Faseelah Square offices amounting to SAR 1.5 million.

Construction and contracting revenue

Construction and contracting revenue relate to contracts signed between the Group, through its subsidiary, Zat Construction Company and third parties mainly for small project developments such as residential villas. Revenues are recorded based on the percentage of completion after taking the necessary documents to verify the services performed.

Construction and contracting revenue increased from SAR 1.3 million in 2022G to SAR 2.0 million on in 2023G mainly following the increase in the number of contracts from 2 in 2022G to 3 in 2023G.

Construction and contracting revenue increased from SAR 2.0 million in 2023G to SAR 8.7 million in 2024G mainly due to the ramp up of Anbar Villa project that commenced in Q4- 2023G, contributing to SAR 6.0 million in revenues.

Revenue from sale of investment properties

Revenue from sale of investment properties amounted to SAR 74.3 million in 2022G and mainly relates to the sale of Alnada building for SAR 54.0 million, Arqa building for SAR 15.0 million and Ahmadiya building for SAR 5.3 million, whereby the Group took advantage of market conditions to sell the legacy rent generating properties.



6.7.1.1.1 Cost of revenue

The table below summarizes the cost of revenue for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.7): Cost of revenue

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Costs of real estate development contracts for others	39,699	176,644	262,584	345.0%	48.7%	157.2%
Cost of units sold	181,165	164,817	249,884	(9.0%)	51.6%	17.4%
Off-plan sales costs	-	11,328	158,275	NA	1,297.3%	NA
Cost of development projects sold	196,286	45,027	103,838	(77.1%)	130.6%	(27.3%)
Completion expenses attributable to finished projects	1,921	4,701	5,562	144.7%	18.3%	70.2%
Provision for completing projects	-	-	2,100	NA	NA	NA
Warranty and maintenance provision expense	887	645	1,323	(27.3%)	105.2%	22.2%
Depreciation of investment property	1,052	677	679	(35.7%)	0.3%	19.7%
Cost of sale of investment properties	45,925	-	-	NA	NA	NA
Other expenses	724	468	884	(35.4%)	88.7%	10.5%
Total	467,660	404,307	785,129	(13.5%)	94.2%	29.6%
As a % of total revenue	Ppt.					
Costs of real estate development contracts for others	6.3%	33.2%	27.6%	26.9	(5.6)	21.3
Cost of units sold	28.6%	31.0%	26.3%	2.4	(4.7)	(2.4)
Off-plan sales costs	0.0%	2.1%	16.6%	2.1	14.5	16.6
Cost of development projects sold	31.0%	8.5%	10.9%	(22.5)	2.4	(20.1)
Completion expenses attributable to finished projects	0.3%	0.9%	0.6%	0.6	(0.3)	0.3
Provision for completing projects	0.0%	0.0%	0.2%	-	0.2	0.2
Warranty and maintenance provision expense	0.1%	0.1%	0.1%	(0.0)	0.0	(0.0)
Depreciation of investment property	0.2%	0.1%	0.1%	(0.0)	(0.1)	(0.1)
Cost of sale of investment properties	7.3%	0.0%	0.0%	(7.3)	-	(7.3)
Other expenses	0.1%	0.1%	0.1%	(0.0)	0.0	0.0
Total	73.9%	76.0%	82.5%	2.2	6.5	8.6
KPIs						
Costs of real estate development contracts for others						
Number of active projects	2	8	10	300.0%	25.0%	123.6%
Average cost per project (SAR in 000s)	19,850	22,081	26,258	11.2%	18.9%	15.0%
Cost of units sold						
Number of units sold	271	212	208	(21.8%)	(1.9%)	(12.4%)
Average land cost per sqm (in SAR)	2,006	2,058	3,384	2.6%	64.4%	29.9%
Average construction cost per sqm (in SAR)	2,590	2,958	3,461	14.2%	17.0%	15.6%
Total average cost per sqm (in SAR)	4,596	5,016	6,844	9.1%	36.5%	22.0%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G, and management information.



Costs of real estate development contracts for others

Costs of real estate development contracts for others pertains to the costs of managing and developing projects on behalf of third-party customers mainly real estate funds.

The Group hires contractors to construct the projects based on a fixed fee agreement, and in return recharges the costs to clients based on a fixed agreed upon budget. It is worth noting that costs of development also include construction and contracting costs of SAR 2.1 million in 2023G and SAR 7.7 million in 2024G.

Costs of real estate development contracts for others increased by 345.0% from SAR 39.7 million in 2022G to SAR 176.6 million in 2023G in line with the expansion of the Group's operations whereby the number of projects increased from 2 active projects in 2022G to 8 active projects in 2023G. This was also due to management's decision to bear additional enhancement costs, mainly in relation to Ramz 45 and Ramz 48 projects, to strengthen its relations with the funds.

Costs of real estate development contracts for others further increased by 48.7% from SAR 176.6 million in 2023G to SAR 262.6 million in 2024G, mainly driven by i) the ramp-up of projects initiated during 2023G, mainly RAFD by SAR 63.3 million, and ii) the additional costs that Management decided to incur on Ramz Al Maaly, Ramz Al Nakheel and Remal Hills. This was partially offset by the completion of projects, mainly Ramz 45 and Ramz 48.

Cost of units sold

Cost of units sold includes the land cost and construction costs of units sold.

Cost of units sold decreased by 9.0% from SAR 181.2 million in 2022G to SAR 164.8 million in 2023G due to the decrease in the number of units sold by 59 units. This was partially offset by the increase in average construction cost per sqm from SAR 2.6 thousand in 2022G to SAR 3.0 thousand in 2023G in line with the increase in price of construction raw material.

Cost of units sold increased by 51.6% from SAR 164.8 million in 2023G to SAR 249.9 million in 2024G driven by increase in the average construction cost from SAR 3.0 thousand in FY23 to SAR 3.5 thousand in 2024G coupled with the increase in average land cost from SAR 2.1 thousand in FY23 to SAR 3.4 thousand in 2024G.

The increase in total average costs was mainly on the back of the increased contribution of (i) sale of villas to total units sold, (ii) the prime location of the apartment projects sold during the period, namely Stone Complex and Jadeel Floors, and (iii) increased demand and overall market dynamics in the Saudi real estate sector.

Off-plan sales costs – Jawharat Al Ramz

Off-plan sales costs relate to the development costs associated with the Group's off-plan project with NHC. As per the contract, the Group should pay to NHC an amount of SAR 500 for each square meter sold in addition to development fees amounting to 3% of the total cost of developed units.

During Q4 - 2024G, the contract was amended, whereby the Group should pay NHC an amount of SAR 1,158 per square meter for the sold units, leading to an increase in the estimated total costs by SAR 5.2 million. As such, cost of off-plan sales increased from SAR 11.3 million in 2023G to SAR 158.3 million in 2024G due to the increase in the pre-agreed costs coupled with the ramp-up of the project, whereby the project reached 59.8% completion in 2024G (compared to 3.2% in 2023G).

Cost of development projects sold

Cost of development projects sold mainly relate to the capitalized cost of land, and construction costs attributable to the projects under development sold by the Group during the period.

The Group sold 4 and 2 unfinished properties under development to real estate funds, in 2022G and 2023G, respectively, in light of Management's decision to diversify its development funding source and use the fund structure. As such the cost amounted to SAR 196.3 million in 2022G and SAR 45.0 million in 2023G.

In 2024G, the cost of sale of properties under development amounted to SAR 103.8 million in relation to the sale of King Salman Tower to Jadat Al-Malqa Real Estate Company. The Group will acquire real estate fund units in return for this price of the land.



Completion expenses attributable to finished projects

Completion expenses attributable to finished projects relates to any remediation costs incurred by the Group on projects in the completion phase.

Cost of completing finished projects increased from SAR 1.9 million in 2022G to SAR 4.7 million in 2023G to SAR 5.6 million in 2024G in line with the growth in the Group's operations, and the higher specifications adopted.

Provision for project completion

Provision for project completion relates to units sold and transferred to clients prior to the completion of the projects, in relation to Ramz 40 and Ramz Al Rayyan 2, whereby the Group expects to incur costs to complete of SAR 2.1 million in 2024G.

Warranty and maintenance provision expense

Warranty and maintenance provision expense relates to the one-year post sales, maintenance obligation offered by the Group to customers. The provision is accrued on the basis of 0.05% of the cost of units sold.

Warranty and maintenance provision expense decreased by 27.3% from SAR 887 thousand in 2022G to SAR 645 thousand in 2023G in line with the decrease in units sold during the period from 271 units to 212 units.

Warranty and maintenance provision expense increased by 105.2% from SAR 645 thousand in 2023G to SAR 1.3 million in 2024G driven by the increase in the value of units sold, whereby average revenue per sqm increased from SAR 7.6 thousand in 2023G to SAR 9.6 thousand in 2024G.

Depreciation of investment property

Depreciation of investment property relate to the depreciation of the buildings and improvements made to the rent generating investment properties.

Depreciation of investment property decreased by 35.7% from SAR 1.1 million in 2022G to SAR 676.7 thousand in 2023G in line with the sale of investment properties of GBV amounting to SAR 54.8 million that occurred in 2022G.

The expense remained stable at an average of SAR 678,8 thousand in 2024G.

Cost of sale of investment properties

Cost of sale of investment properties amounted to SAR 45.9 million in 2022G and relates to the sale of the 3 buildings in Al Nada, Ahmadiyah and Iraq.

Others

Others relate to the cost of rent, in relation to maintenance costs on the Group's rented properties, including Al Ezdehar building and Faseelah Square. Others amounted to SAR 724 thousand in 2022G, SAR 468 thousand in 2023G and SAR 884 thousand in 2024G.

6.7.1.2 General and administrative expenses

The table below summarizes the general and administrative expenses for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.8): General and administrative expenses

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Salaries, remunerations and equivalents	3,569	6,218	11,074	74.2%	78.1%	76.2%
Provision for expected credit losses	316	-	3,481	(100.0%)	NA	231.9%
Remunerations and incentives	3,332	2,554	3,414	(23.3%)	33.6%	1.2%
Professional consultations and fees	1,089	1,209	2,070	11.0%	71.3%	37.8%
Government charges	455	609	1,273	33.9%	109.1%	67.4%



SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Medical insurance	186	607	1,168	227.0%	92.4%	150.8%
Grants and donations	-	2,087	1,044	NA	(49.9%)	NA
Social insurance	240	606	1,035	152.3%	70.6%	107.5%
Others	4,285	3,147	6,796	(26.6%)	116.0%	25.9%
Total	13,472	17,037	31,356	26.5%	84.0%	52.6%
As a % of total revenue	Ppt.					
Salaries, remunerations and equivalents	0.6%	1.2%	1.2%	0.6	0.0	0.6
Provision for expected credit losses	0.0%	0.0%	0.4%	0.0	0.4	0.3
Remunerations and incentives	0.5%	0.5%	0.4%	0.0	(0.1)	(0.2)
Professional consultations and fees	0.2%	0.2%	0.2%	0.0	0.0	0.0
Government charges	0.1%	0.1%	0.1%	0.0	0.0	0.0
Medical insurance	0.0%	0.1%	0.1%	0.1	0.0	0.1
Grants and donations	0.0%	0.4%	0.1%	0.4	(0.3)	0.1
Social insurance	0.0%	0.1%	0.1%	0.1	0.0	0.1
Others	0.7%	0.6%	0.7%	(0.1)	0.1	0.0
Total	2.1%	3.2%	3.3%	1.1	0.1	1.2
KPIs						
Avg. headcount	16	32	56	100.0%	75.0%	87.1%
Avg. monthly salary per avg. headcount (in SAR)	18,587	16,193	16,480	(12.9%)	(1.8%)	(5.8%)

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G, and management information.

Salaries, remunerations and equivalents

Salaries, remunerations and equivalents include basic salaries and other employee allowances including housing, vacation and transportation.

Salaries, remunerations and equivalents increased by 74.2% from SAR 3.6 million in 2022G to SAR 6.2 million in 2023G driven by the increase in average headcount from 16 in 2022G to 32 in 2023G.

Salaries, remunerations and equivalents increased by 78.1% from SAR 6.2 million in 2023G to SAR 11.1 million in 2024G driven by the further increase in headcount from 32 to 56 during the same period, mainly related to recruitment in finance, IT, and shared services departments. This is in line with the Group's contemplated IPO.

Provision for expected credit losses

Provision for expected credit losses amounted to SAR 3.5 million in 2024G. During 2024G, the Group applied the simplified approach in calculating the ECL allowance in accordance with IFRS9, which is performed by an independent.

Remunerations and incentives

Remunerations and incentives are distributed based on the performance of employees and the BoD's approval.

Remunerations and incentives decreased by 23.3% from SAR 3.3 million in 2022G to SAR 2.6 million in 2023G, mainly due to Management's decision to distribute an exceptional bonus of SAR 1.8 million in 2022G.

Remunerations and incentives increased by 33.6% from SAR 2.6 million in 2023G to SAR 3.4 million in 2024G driven by the increase in the headcount from 32 to 56 during the period.



Professional consultations and fees

Professional consultations and fees relate to appraisal fees of investment properties, which are usually valued annually or upon the purchase or sale of properties.

Professional consultations and fees increased by 11.0% from SAR 1.1 million in 2022G to SAR 1.2 million in 2023G and by 71.3% to SAR 2.1 million in 2024G in line with the various valuation activities that the Group is undertaking.

Government charges

Government charges pertain to registration and license fees paid to the government.

Government charges increased from SAR 454.6 thousand in 2022G to SAR 608.8 thousand in 2023G to SAR 1.3 million in 2024G in line with the increase in number of projects and the overall increase in the Group's operations.

Medical insurance

Medical insurance increased from SAR 185.6 thousand in 2022G to SAR 607.1 thousand in 2022G to SAR 1.2 million in 2024G in line with the increase in headcount over the same period.

Grants and donations

Grants and donations amounted to SAR 2.1 million in 2023G and relate to the financial support provided to charitable organizations.

Grants and donations amounted to SAR 1.0 million in 2024G and relate to financial support provided to charities.

Social insurance

Social insurance pertains to mandatory contributions made by the company for the government in relation to its employees.

Social insurance increased from SAR 240 thousand in 2022G to SAR 606.4 thousand in 2023G, and to SAR 1.0 million in 2024G in line with the increase in average headcount over the historical period.

Others

Others mainly include depreciation of PPE (SAR 982 thousand in 2024G), system and network expenses (SAR 740 thousand), end of service benefits (SAR 615 thousand), stationery and printing materials (SAR 610 thousand), cleaning and hospitality (SAR 428 thousand), rent expenses for employee accommodations (SAR 386 thousand), training expenses (SAR 347 thousand), telephone expenses (SAR 283 thousand) amongst others (SAR 3.0 million).

Others decreased by 26.6% from SAR 4.3 million in 2022G to SAR 3.1 million in 2023G mainly driven by the non-incurrence of the one-off IPO expenses by SAR 2.4 million in 2022G. This was partly offset by an increase in short term rent value by SAR 339 thousand over the same period.

Others increased by 116.0% from SAR 3.1 million in 2023G to SAR 6.8 million in 2024G driven by an increase in various expenses such as, depreciation of PPE by SAR 568 thousand, system and network expenses by SAR 484 thousand, stationery and printing materials by SAR 481 thousand and employee end of service benefits by SAR 279 thousand in line with the overall increase in the Group's headcount and operations.



6.7.1.3 Selling and marketing expenses

The table below summarizes the selling and marketing expenses for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.9): Selling and marketing expenses

SAR in 000s	2022G (Manage- ment Infor- mation)	2023G (Manage- ment Infor- mation)	2024G (Manage- ment Infor- mation)	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Salaries and related benefits	595	2,142	2,874	260.2%	34.2%	119.9%
Commissions	-	1,767	869	NA	(50.8%)	NA
Others	4,237	5,716	14,547	34.9%	154.5%	85.3%
Total	4,832	9,624	18,290	99.2%	90.0%	94.6%
As a % of total revenue				Ppt.		
Salaries and related benefits	0.1%	0.4%	0.3%	0.3	(0.1)	0.2
Commissions	0.0%	0.3%	0.1%	0.3	(0.2)	0.1
Others	0.7%	1.1%	1.5%	0.4	0.5	0.9
Total	0.8%	1.8%	1.9%	0.1	0.1	1.4
KPIs						
Avg. headcount	8	23	33	187.5%	43.5%	103.1%
Avg. monthly salary per avg. headcount (in SAR)	6,194	7,760	7,258	25.3%	(6.5%)	8.2%

Source: Management information.

Salaries and related benefits

Salaries and related benefits represent marketing and sales employees related benefits and comprises mainly of basic salaries, housing allowances, amongst other allowances.

Salaries and related benefits increased from SAR 595 thousand in 2022G to SAR 2.1 million at 2023G in line with the increase in average headcount from 8 to 23 during the period.

Salaries and related benefits increased from SAR 2.1 million at 2023G to SAR 2.9 million at 2024G following the increase in headcount from 23 in 2023G to 33 in 2024G in line with the Group's increased focus on expanding its sales and marketing capabilities based on its internal needs and its dealings with the funds.

Commissions

In 2023G, a commission policy for the sales team was implemented in return for each unit sold. The commission policy is incremental, noting that the total commissions should not exceed 1% of total sales. Commissions amounted to SAR 1.8 million 2023G and dropped to SAR 869 thousand in 2024G.

Others

Others mainly relate to brand marketing, advertising campaigns, exhibitions, advertising through social media platforms amongst others.

Other marketing expenses increased by 34.9% from SAR 4.2 million at 2022G to SAR 5.7 million at 2023G and further by 154.4% to SAR 14.5 million at 2024G driven by the Group's new strategy to increase its brand awareness and its project marketing spend in line with the competitive market dynamics.



6.7.1.4 Other income

The table below summarizes the other income for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.10): Other income

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Income from marketing and brokerage commissions	-	2,259	21,541	NA	853.5%	NA
Others	1,699	2,259	347	33.0%	(84.6%)	(54.8%)
Total	1,699	4,518	21,888	166.0%	384.5%	259.0%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Income from marketing and brokerage commissions

Income from marketing and brokerage commissions increased from zero in 2022G to SAR 2.3 million in 2023G, related to a 2.5% commission on the value of units sold on behalf of the funds, as part of real estate development agreements with real estate development funds.

Income from marketing and brokerage commissions increased by 853.5% from SAR 2.3 million in 2023G to SAR 21.5 million in 2024G, driven by SAR 12.4 million in land outreach commissions and SAR 8.2 million in unit sales commissions related to the Ramz Al Maaly, Remal Hills – RC, and Ramz Al Nakheel projects owned by real estate development funds.

Others

Other income increased by 33.0% from SAR 1.7 million in 2022G to SAR 2.3 million in 2023G, due to an increase in tax refunds from the Zakat, Tax, and Customs Authority of SAR 925 thousand.

Other income decreased by 84.6% from SAR 2.3 million in 2023G to SAR 347 thousand in 2024G, due to a refund from the Zakat, Tax, and Customs Authority of SAR 2.1 million in 2023G.

6.7.1.5 Finance costs

The table below summarizes the finance costs for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.11): Finance cost

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G-2023G	Var. 2023G-2024G	CAGR 2022G-2024G
Interest expense on borrowings	1,086	2,360	13,456	117.4%	470.1%	252.1%
Interest on lease liabilities	-	-	1,136	NA	NA	NA
Other finance charges	684	-	2,100	(100.0%)	NA	75.2%
Total	1,770	2,360	16,692	33.4%	607.2%	207.1%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G, and management information.

Interest expense on borrowings

Interest expense on borrowings increased by 117.4% from SAR 1.1 million in 2022G to SAR 2.4 million in 2023G due to the Group's access to additional facilities from Riyadh Bank, Bank AlJazira, and Arab National Bank.

Interest expense on borrowings increased by 470.1% from SAR 2.4 million in 2023G to SAR 13.5 million in 2024G due to the Group's access to additional loans from Saudi First Bank, Arab National Bank, and Riyadh Bank.

Interest on lease liabilities

Interest on lease liabilities amounted to SAR 1.1 million in 2024G, primarily related to the lease of Fasila's offices, some of which were leased to external clients.



Other finance charges

Other finance charges amounted to SAR 684 thousand in 2022G and SAR 2.1 million in 2024G.

6.7.2 Statement of Financial Position as at December 31, 2022G, 2023G and 2024G

The table below summarizes the statement of financial position as at December 31, 2022G, 2023G, and 2024G

Table (6.12): Statement of financial position

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Assets			
Non-Current Asset			
Property and equipment, net	1,280	1,828	9,589
Intangible assets, net	514	429	271
Investment properties, net	39,782	39,305	38,627
Investment carried at fair value through other comprehensive income (FVOCI)	1,550	2,950	6,154
Investments in associate companies	-	-	8,450
Investments carried at fair value through profit or loss (FVTPL)	132,140	314,346	316,329
Right-of-use assets	-	-	12,208
Total Non-Current Assets	175,266	358,858	391,629
Current Assets			
Cash at banks	73,086	24,200	52,146
Trade receivables, net	10,727	110,302	375,046
Prepayments and other receivables	40,153	43,719	45,967
Real estate under development	247,502	288,965	445,216
Real estate inventory	87,294	105,439	6,810
Due from related parties	-	24,002	46,969
Total Current Assets	458,763	596,627	972,154
Total Assets	634,029	955,485	1,363,783
Equity and Liabilities			
Equity			
Share capital	300,000	300,000	300,000
Statutory reserve	24,177	37,671	37,671
Actuarial reserve	(44)	5	(471)
Retained earnings	188,639	271,744	403,299
Total equity	512,772	609,420	740,499
Liabilities			
Non-Current Liabilities			
Employee end-of-service benefit obligation	237	468	1,548
Lease liabilities - non-current	-	-	9,413
Non-current portion from long-term borrowings	33,005	229,679	277,811
Total Non-Current Liabilities	33,242	230,147	288,772



SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Current Liabilities			
Trade payables	16,641	38,858	53,276
Due to related parties	-	361	300
Accrued expenses and other payable	17,943	14,592	58,817
Advance payments clients	10,599	34,097	56,564
Lease liabilities - current	-	-	3,098
Zakat provision payable	7,396	5,240	11,218
Current portion from long-term borrowings	35,435	22,772	151,239
Total Current liabilities	88,014	115,919	334,512
Total Liabilities	121,256	346,066	623,284
Total Equity and Liabilities	634,029	955,485	1,363,783
KPIs			
ROA	22.1%	13.2%	11.6%
DIO (real estate inventory)	90	213	82
ROE	27.3%	20.8%	21.4%
Gearing ratio (loans/net assets)	0.1	0.4	0.6

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Non-current assets

Non-current assets include property and equipment, intangible assets, investment properties, financial assets held at fair value through OCI, financial assets held at fair value through P&L, investments in associates, and right-of-use assets.

Non-current assets increased from SAR 175.3 million as at 31 December 2022G to SAR 358.9 million as at 31 December 2023G mainly driven by the increase in financial assets at FVPL in line with the increase in additions by SAR 175.5 million mainly to Riyadh Real Estate Development Fund for developing units in Ramz Tower project - King Salman Road and units in Hittin in relation to the development of Yousor Village project.

Non-current assets increased from SAR 358.9 million as at 31 December 2023G to SAR 391.6 million as at 31 December 2024G, due to an increase in right-of-use assets by SAR 12.2 million and investments in associates by SAR 8.5 million.

Current assets

Current assets include cash at banks, trade receivables, prepayments and other receivables, real estate under development, real estate inventory, and due from related parties.

Current assets increased from SAR 458.8 million as at 31 December 2022G to SAR 596.6 million as at 31 December 2023G as a result of:

- 1- The increase in trade receivables by SAR 99.6 million in line with the increase in the Group's operations, mainly off-plan sales, real estate development and sale of PUD, and delay in the finalization of the title of deeds of several units.
- 2- The increase in real estate under development by SAR 41.5 million on the back of the increase in the number of projects under development from 13 to 18, partially offset by the transfers of completed projects to real estate inventory which amounted to SAR 183.0 million during the same period.

This was offset by a decrease in cash at banks of SAR 48.9 million mainly driven by additions to financial assets held at FVP&L by SAR 175.5 million, partially offset by loan proceeds of SAR 209.5 million.



Current assets increased from SAR 596.6 million as at 31 December 2023G to SAR 972.2 million as at 31 December 2024G as a result of:

- 1- The increase in trade receivables by SAR 264.7 million line with the increase in the Group's operations
- 2- The increase in properties under development by SAR 156.3 million resulting from the sale of Ramz Tower - King Salman Road, coupled with the transfer of completed projects to real estate inventory and transfers to cost of development.

This was offset by a decrease in real estate inventory of SAR 98.6 million due to the sale of 208 units, offset by transfers from properties under development of SAR 153.4 million during the same period.

Equity

Shareholders' equity increased from SAR 512.8 million as at 31 December 2022G to SAR 609.4 million as at 31 December 2023G was mainly driven by the growth of retained earnings by SAR 83.1 million, resulting from a net income of SAR 126.6 million, this was partially offset by a dividend distribution of SAR 30.0 million during the same period.

Shareholders' equity increased from SAR 609.4 million as at 31 December 2023G to SAR 740.5 million as at 31 December 2024G was mainly driven by the growth of retained earnings by SAR 131.6 million, resulting from a net income of SAR 161.6 million, this was partially offset by a dividend distribution of SAR 30.0 million during the same period.

Non-current liabilities

Non-current liabilities increased from SAR 33.2 million as at 31 December 2022G to SAR 230.1 million as at 31 December 2023G due to an increase in the non-current portion of long-term loans by SAR 196.7 million during the same period on the back of new loans obtained from Riyadh bank, Bank AlJazira, and Arab National Bank.

Non-current liabilities increased from SAR 230.1 million as at 31 December 2023G to SAR 288.8 million as at 31 December 2024G due to an increase in the non-current portion of lease liabilities by SAR 9.4 million.

Current liabilities

Current liabilities increased from SAR 88.0 million as at 31 December 2022G to SAR 115.9 million as at 31 December 2023G due to an increase in (1) accrued expenses and other payables by SAR 23.5 million in line with the increase in revenue of development contracts collected in advance and an Off-plan sales revenue collected in advance related to Jawharat Al Ramz project, and (2) trade payables by SAR 22.2 million, in line with the expansion of the Group's operations and the need for contracting services. This was offset by a decrease in the current portion of long-term loans by SAR 12.7 million during the same period.

Current liabilities increased from SAR 115.9 million as at 31 December 2023G to SAR 334.5 million as at 31 December 2024G due to an increase in:

- 1- Long-term loans by SAR 128.5 million following additional facilities obtained from Arab National Bank, partially offset by the repayment of a portion of the outstanding loans.
- 2- Accrued expenses and other payables by SAR 44.2 million mainly due to higher accrued construction expenses by SAR 25.5 million and the partial settlement of dividends declared amounting to SAR 15.0 million.
- 3- Advance payments by SAR 22.5 million due to the increase in revenue of development contracts collected in advance by SAR 18.1 million, and Unit sale deposits in line with the increase in the number of units sold during the same period.



6.7.2.1 Non-current assets

The table below summarizes the non-current assets as at December 31, 2022G, 2023G, and 2024G

Table (6.13): Non-current assets

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Property and equipment, net	1,280	1,828	9,589
Intangible assets, net	514	429	271
Investment properties, net	39,782	39,305	38,627
Investment carried at fair value through other comprehensive income (FVOCI)	1,550	2,950	6,154
Investments in associate companies	-	-	8,450
Investments carried at fair value through profit or loss (FVTPL)	132,140	314,346	316,329
Right-of-use assets	-	-	12,208
Total non-current assets	175,266	358,858	391,629

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

6.7.2.1.1 Property and equipment, net

The table below summarizes the property and equipment, net as at December 31, 2022G, 2023G, and 2024G

Table (6.14): Property and equipment, net

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Vehicles	-	307	414
Office Equipment & Leases improvements	917	995	7,218
Computers	363	526	1,938
Tools and equipment	-	-	19
Net book value	1,280	1,828	9,589

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The table below summarizes the additions to property and equipment as at December 31, 2022G, 2023G, and 2024G

Table (6.15): Additions to property and equipment

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Vehicles	-	363	208
Office Equipment & Leases improvements	457	332	6,803
Computers	292	267	1,711
Tools and equipment	-	-	21
Capital work in progress – transferred to intangible assets.	686	-	-
Net book value	1,435	962	8,743

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



The table below summarizes the depreciations of property and equipment as at December 31, 2022G, 2023G, and 2024G

Table (6.16): Depreciations of property and equipment

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Vehicles	-	56	101
Office Equipment & Leases improvements	188	253	580
Computers	36	104	299
Tools and equipment	-	-	1
Net book value	224	414	982

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Property, plant and equipment are initially recognized at acquisition cost, which includes any costs directly related to restoring the assets to their intended condition and location for proper operation as determined by the Group's management. The assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

When major different components of an item of property, plant and equipment have varying useful lives, they are accounted for as single items of property, plant and equipment. Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment.

Property and equipment, net comprises of leasehold improvements and office equipment (SAR 7.2 million), computers (SAR 1.9 million), amongst others (SAR 433 thousand).

Property and equipment increased from SAR 1.3 million as at 31 December 2022G to SAR 1.8 million as at 31 December 2023G mainly due to additions by SAR 962 thousand in line with the growth of the Group's operations, partially offset by annual depreciation charges.

Property and equipment increased from SAR 1.8 million as at 31 December 2023G to SAR 9.6 million as at 31 December 2024G driven by additions of SAR 8.7 million, mainly in relation to building improvements and office equipment amounting to SAR 6.8 million and computers SAR 1.7 million, in line with the continued expansion of the Group's operations. This was partially offset by annual depreciation charges of SAR 982 thousand.

Vehicles

The net book value of vehicles increased from nil as at 31 December 2022G to SAR 307 thousand as at 31 December 2022G due to additions amounting to SAR 363 thousand, offset by annual depreciation expenses of SAR 56 thousand during the same period.

The net book value of vehicles increased from SAR 307 thousand as at 31 December 2023G to SAR 414 thousand as at 31 December 2024G due to additions amounting to SAR 208 thousand, offset by annual depreciation expenses of SAR 101 thousand during the same period.

Office Equipment & Leases improvements

The net book value of office equipment & leases improvements increased from SAR 917 thousand as at 31 December 2022G to SAR 995 thousand as at 31 December 2023G due to additions amounting to SAR 332 thousand, offset by annual depreciation expenses of SAR 253 thousand during the period.

The net book value of office equipment & leases improvements increased from SAR 995 thousand as at 31 December 2023G to SAR 7.2 million thousand as at 31 December 2024G due to additions amounting to SAR 6.8 million, offset by depreciation expenses amounting to SAR 580 thousand during the same period.

Computers

The net book value of computer equipment increased from SAR 363 thousand as at 31 December 2022G to SAR 526 thousand as at 31 December 2023G due to additions amounting to SAR 267 thousand, offset by annual depreciation expenses amounting to SAR 104 thousand during the period.



The net book value of computer equipment increased from SAR 526 thousand as at 31 December 2022G to SAR 1.9 million thousand as at 31 December 2024G due to additions of SAR 1.7 million, offset by depreciation expenses of SAR 299 thousand during the period.

Tools and equipment

The net book value of tools and equipment amounted to SAR 19 thousand as at 31 December 2024G due to additions of SAR 21 thousand, offset by depreciation expenses of SAR 1 thousand during the period.

6.7.2.1.2 Intangible assets, net

Table (6.17): Intangible assets, net as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Software & Networks	514	429	271
Total	514	429	271

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Intangible assets, net relates to the Group's ERP software implemented during 2022G.

The balance decreased from SAR 514 thousand as at 31 December 2022G to SAR 429 thousand as at 31 December 2023G and further to SAR 271 thousand as at 31 December 2024G due to the amortization charges recorded during the period.

6.7.2.1.3 Investment properties, net

Table (6.18): Investment properties, net as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Land	21,800	21,800	21,800
Buildings	17,982	17,505	16,827
Total	39,782	39,305	38,627

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Table (6.19): Investment properties, net as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	Land	Buildings	Total
Cost			
At 31 December 2022	21,800	22,200	44,000
Additions	-	200	200
At 31 December 2023, and 31 December 2024	21,800	22,400	44,200
Accumulated depreciation			
At 31 December 2022	-	4,218	4,218
Depreciation	-	677	677
At 31 December 2023	-	4,895	4,895
Depreciation	-	679	679
At 31 December 2024	-	5,573	5,573
Net book value			
As at 31 December 2022	21,800	17,982	39,782
As at 31 December 2023	21,800	17,505	39,305
As at 31 December 2024	21,800	16,827	38,627

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives. The fair value of the investment properties amounted to SAR 46.9 million, and have been determined based on the valuation made by the independent evaluator as at 31 December 2024G and it is Wasm Valuation Company (independent evaluators are accredited by the Saudi Authority for Accredited Valuers “**Taqeem**”), the evaluator has appropriate professional qualifications, previous experience in the site and the type of properties evaluated.

Investment properties were valued using the fair value method, specifically the income capitalization approach, which relies on significant unobservable inputs. As a result, these investments are classified within Level 3 of the fair value hierarchy. Significant inputs to consider are:

- The capitalization rates are determined by considering inputs such as the specific location, size, and quality of the properties, as well as the market data on the valuation date. Appraisers typically use a rate of 8% - 9% for their calculations.
- Assessing projected vacancy rates considering the prevailing and anticipated market conditions following the conclusion of any existing lease term.
- Maintenance costs, which encompass the investments required to uphold the operational efficiency of the property over its estimated useful life.

As at 31 December 2024G, the Company’s management has used investment properties with a net book value of (SAR 38.6 million) as collateral for Facility (6,7), shown in section 2-4-2-7-6 (“**loans**”).

Investment properties, net comprises of 5 properties held for leasing activities, namely Al Ezdehar with a NBV of SAR 16.0 million, building 105 in Al Khobar with a NBV of SAR 7.0 million and 3 buildings in Dammam each of NBV SAR 5.2 million. Investment properties valuation is determined by an independent third-party.

Investment properties, net decreased from SAR 39.8 million as at 31 December 2022G to SAR 39.3 million as at 31 December 2023G and further to SAR 38.6 million as at 31 December 2024G due to annual depreciation charges during the period.

6.7.2.1.4 Investment carried at fair value through other comprehensive income (FVOCI)

The table below summarizes the investment carried at fair value through other comprehensive income (FVOCI) as at December 31, 2022G, 2023G, and 2024G

Table (6.20): Investment carried at fair value through other comprehensive income (FVOCI)

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
WatheeQ PropTech Venture Fund (1)	1,200	2,100	3,994
Al-Dalal Al-Jadid Information Technology Holding Company (2)	350	350	1,069
Dark Al Diyar (3)	-	500	1,091
Total	1,550	2,950	6,154

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Debt instruments are measured at FVOCI if they meet both of the following conditions are met:

- The asset is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments held at fair value through other comprehensive income are valued by an independent expert appointed by the Fund.

Financial assets held at FVOCI relate to:

- 1- This investment represents a holding of 210 thousand units as of 31 December 2024 in the WatheeQ PropTech Venture Fund (“**the Fund**”). The Fund is the first closed-ended venture capital fund in the Middle East specializing in property technologies (PropTech) and is licensed by the Capital Market Authority in the Kingdom of Saudi Arabia. It is also Shariah-compliant. The WatheeQ PropTech Venture Fund aims to invest in newly established technology companies, whether local or international. The Fund is managed by WatheeQ Financial Services Company.



- 2- The Group holds equity interests classified as investments measured at fair value through other comprehensive income. As at 13 October 2022G, Al Ramz Real Estate Company holds a 10.69% ownership in Al-Dalal Al-Jadid Information Technology Holding Company ("**the Investee Company**"), which is a company registered on 4 February 2021G, with an investment valued at SAR 350 thousand. The investment was initially made on 1 September 2021G and is considered a venture capital investment.

As at 31 December 2024G, the valuation of Al-Dalal Al-Jadid Information Technology Holding Company reached SAR 10 million, according to the latest funding rounds carried out by the company.

- 3- The Group holds investments in financial instruments measured at fair value through other comprehensive income. These investments are denominated in US dollars, while the Group's functional currency is the Saudi Riyal. These are considered venture capital investments.

On 6 June 2022G, the Group invested SAR 500 thousand in AL Deyar Travel and Tourism Company ("**the Investee Company**"), a company registered under Commercial Registration number 4030459993. The investment was made through the issuance of convertible instruments that may be converted into equity shares in the company, with a valuation cap of USD 5 million in accordance with the terms of the financing agreement.

As at 6 June 2022G, the Group has not received any dividend income; however, it recognized fair value change gains amounting to SAR 591 thousand in the statement of other comprehensive income as at 31 December 2024G. The ownership percentage at that date was 1.94%.

Investment carried at fair value through other comprehensive income (FVOCI) increased from SAR 1.6 million as at 31 December 2022G to SAR 3.0 million as at 31 December 2023G due to additions to PropTech Venture Fund ("**the Fund**") by SAR 900 thousand and Dark Al Diyar Travel and Tourism Company by SAR 500 thousand.

Investment carried at fair value through other comprehensive income (FVOCI) increased from SAR 3.0 million as at 31 December 2023G to SAR 6.2 million as at 31 December 2024G due to realized gains of SAR 3.2 million, mainly in relation to PropTech Venture Fund by SAR 1.9 million.

6.7.2.1.5 Investments in associate companies

The table below summarizes the investment carried at fair value through other comprehensive income (FVOCI) for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.21): Investments in associate companies

SAR in 000s	As at 31 December 2022 Audited			As at 31 December 2023 Audited			As at 31 December 2024 Audited		
	%	Number of shares	Amount	%	Number of shares	Amount	%	Number of shares	Amount
Al Majd Building for Real Estate Development & Investment Company	-	-	-	-	-	-	50%	50	8,200
Al Ramz & Asayel Real Estate Development Company	-	-	-	-	-	-	50%	250	250
Balance at the end of the year	-	-	-	-	-	-	-	-	8,450

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Investments paid into associate companies are accounted for under the equity method in the consolidated financial statements. The change in the financial statements from the date of investment (the date of incorporation of the companies) to 31 December 2024G is immaterial to the Group. Accordingly, the summary financial statements of the associate companies were not presented.

On 14 November 2024G, Al Majd Building for Real Estate Development & Investment Company was established as a limited liability company (Commercial Registration No. 1009076582), with its activities consisting of building construction, real estate activities in owned or leased properties and real estate activities based on fees or contracts. During the financial year ended 31 December 2024G, the Group added additional capital to Al Majd Building for Real Estate Development & Investment Company, amounting to SAR 8.2 million.

On 5 November 2024G, Al Ramz & Asayel Real Estate Development Company was established as a limited liability company (Commercial Registration No. 2051261320), with its activities consisting of building construction, demolition, building completion and finishing, real estate activities in owned or leased properties and real estate activities based on fees or contracts. The Group's share in Al Ramz & Asayel Real Estate Development Company consists of 250 shares with a value of SAR 250 thousand on 31 December 2024G.



6.7.2.1.6 Investments carried at fair value through profit or loss (FVTPL)

The table below summarizes investment carried at fair value through other comprehensive income (FVOCI) as at December 31, 2022G, 2023G, and 2024G.

Table (6.22): Investments carried at fair value through profit or loss (FVTPL)

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Ramz Residential Fund	59,667	102,057	31,004
Riyadh Real Estate Development Fund - Ramz	72,473	60,129	55,743
Riyadh Real Estate Development Fund - King Khalid	-	100,000	115,500
Ramz Tharwa Real Estate Fund	-	10,000	10,188
Riyadh Real Estate Development Fund - Hittin	-	42,160	57,440
AlAhli Al-Rabwa Real Estate Fund-Ramz	-	-	46,455
Total	132,140	314,346	316,329

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing the financial assets. Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured and included in financial assets at fair value through profit or loss, because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Financial assets held at fair value through P&L pertains to the Group's investments in 6 real estate funds. The purpose of the funds is the acquisition of land and development of real estate projects in Riyadh and Al Khobar. The Fund issues periodic asset valuations, which are performed by an independent expert appointed by the Fund.

Financial assets held at fair value through P&L relate to investments in six funds, namely:

1- Al Ramz Residential Fund

Al Ramz Residential Fund (The "**Fund**") is a Closed-Ended Private Real Estate Investment Fund managed by BLOMINVEST Company. The Fund's objective is to generate capital by acquiring and developing lands in Sadafah Dist., Al Khobar and Sadafah District, Dammam. These lands are designated for the development of residential units, such as villas and apartments. Then sell the properties generating the highest return to shareholders. The fund is composed of 17,829 units of fair value SAR 31.0 million as at 31 December 2024G.

2- Riyadh Real Estate Development Fund

Riyadh Real Estate Development Fund – the "**Fund**" – is a closed-ended real estate investment fund managed by Riyadh Capital. It is a privately offered fund established in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulations and related governing rules. The Fund's investment objective is capital growth through the acquisition and development of five real estate properties under development, by constructing four residential projects in Riyadh and one project in Al Khobar. Exit from the Fund will be achieved through the sale of residential units off-plan or, upon completion, through sale to third parties. The Fund has a term of three years, extendable twice for an additional one year each. The Fund's commencement date has been set as 1 December 2022G. The fund is composed of 5.1 million units of fair value SAR 55.7 million as at 31 December 2024G.

3- Riyadh Real Estate Development Fund - Durrat King Khalid Road

Riyadh Real Estate Development Fund - Durrat King Khalid Road is a Closed-Ended Real Estate Investment Fund focused on developing a high-quality office project in Riyadh, spanning an area of 27,000 square meters. The project encompasses a collection of office buildings and commercial facilities, featuring modern designs that harmonize with the historical legacy and mirror the utmost urban architectural standards. The project stands out due to its strategic location on King Khalid Road, near Prince Mohammed bin Salman Road. The fund is composed of 10.0 million units of FV SAR 115.5 million as at 31 December 2024G.



4- Ramz Tharwa Real Estate Fund

Ramz Tharwa Real Estate Fund is a Closed-Ended Private Shariah Compliant Real Estate Investment Fund, established in the Kingdom of Saudi Arabia in accordance with the Investment Fund Regulations and the regulations governing Special Purpose Vehicles. This Fund's main objective is to generate capital gains by channeling investments into the construction of residential units on the property in the Tharwa plan located in Dammam. The Fund's term lasts for one and a half years. The fund is composed of 10 thousand units of fair value SAR 10.2 million as at 31 December 2024G.

5- Riyadh Real Estate Development Fund - Durrat Hittin

Riyadh Real Estate Development Fund - Durrat Hittin (the "**Fund**"), is a Closed-Ended Private Real Estate Investment Fund, focused on the development of a multi-purpose project in the Hittin Dist., Riyadh, spanning an area exceeding 27,000 square meters. The fund is composed of 4.0 million units of fair value SAR 57.4 million as at 31 December 2024G.

6- Al Ahli AlRabwa (Al Ramz Real Estate)

Al Ahli AlRabwa (Al Ramz Real Estate) Fund is a Closed-Ended real estate fund whose units are offered privately and Compliant with Sharia regulations. Managed by Al Ahli Capital. The main objective of the Fund is to develop capital for unit owners through investment in the residential real estate sector. This includes the acquisition of raw or partially or completely developed lands for infrastructure development, construction, and construction of residential units or buildings. The Fund may sell the land or project in completely or partially before or during Development after approval of the Fund's Board of Directors. The fund is composed of 40.6 million units of fair value SAR 46.5 million as at 31 December 2024G.

Investments carried at fair value through profit or loss (FVTPL) increased from SAR 132.1 million as at 31 December 2022G to SAR 314.3 million as at 31 December 2023G mainly driven by additions amounting to SAR 175.5 million mainly to Riyadh Real Estate Development Fund for developing units in King Khalid amounting to SAR 100.0 million in relation to Ramz Tower project - King Salman and in Hittin amounting to SAR 42.2 million in relation to the development of Yousor Village project. This was partially offset by the distributions received from Riyadh Real Estate Development Fund - Ramz which amounted to SAR 21.5 million due to the sale of completed projects under the fund.

Investments carried at fair value through profit or loss (FVTPL) increased from SAR 314.3 million as at 31 December 2023G to SAR 316.3 million as at 31 December 2024G mainly driven by unrealized gains of SAR 47.8 million, and additions to AlAhli Al-Rabwa Real Estate Fund of SAR 40.6 million. This was partially offset by distribution received from Ramz Residential Fund of SAR 88.5 million following the sale of completed projects.

Table (6.23): Movement of Investments carried at fair value through profit or loss (FVTPL) as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Beginning of the year	59,667	132,140	314,346
Additions	72,473	175,461	40,643
Disposals	-	(21,496)	(88,500)
Unrealized gains	-	28,240	47,828
Realized gains	-	-	2,012
Ending of the year	132,140	314,346	316,329

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



Table (6.24): Investments carried at fair value through profit or loss (FVTPL) as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	Units	Value per unit	Cost	Market value
31 December 2024				
Ramz Residential Fund	17,829	1,000	17,829	31,004
Riyadh Real Estate Development Fund - Ramz	5,100,000	10	51,000	55,743
Riyadh Real Estate Development Fund - King Khalid	10,000,000	10	100,000	115,500
Ramz Tharwa Real Estate Fund	10,000	1,000	10,000	10,188
Riyadh Real Estate Development Fund - Hittin	4,000,000	10	40,000	57,440
AlAhli Al-Rabwa Real Estate Fund-Ramz	40,642,698	1	40,643	46,455
Total	-	-	259,472	316,329
31 December 2023				
Ramz Residential Fund	85,105	1,000	85,105	102,057
Riyadh Real Estate Development Fund - Ramz	5,100,000	10	51,000	60,129
Riyadh Real Estate Development Fund - King Khalid	10,000,000	10	100,000	100,000
Ramz Tharwa Real Estate Fund	10,000	1,000	10,000	10,000
Riyadh Real Estate Development Fund - Hittin	4,000,000	10	40,000	42,160
Total	-	-	286,105	314,346
31 December 2022				
Ramz Residential Fund	59,667	1,000	59,667	59,667
Riyadh Real Estate Development Fund - Ramz	7,247,335	10	72,473	72,473
Total	-	-	132,140	132,140

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

6.7.2.1.7 Right-of-use assets

The table below summarizes the right-of-use assets as at December 31, 2022G, 2023G, and 2024G

Table (6.25): Right-of-use assets

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Cost			
At 1 January	-	-	-
Additions during the year	-	-	15,543
At 31 December	-	-	15,543
Accumulated depreciation			
At 1 January	-	-	-
Additions during the year	-	-	(3,334)
At 31 December	-	-	(3,334)
NBV	-	-	12,208

Source: Consolidated Financial Statements for the financial years ended 31 December 2024G.



On July 28 2024G, the company concluded a lease contract with Rumoz Holding Company, a limited liability company, to lease an open commercial complex (plaza) located in the Al-Malqa neighborhood, Abdul Latif bin Abdul Malik Al Sheikh Road, Riyadh, with an area of 2,300 square meters. The company uses part of this building as its headquarters. The rest of the building is leased to other sub-parties, and the company has leased the complex for 5 years from 1 January 2024G until 31 December 2028G, the lease will be paid in semi-annual payments, with a total of 17 million for the full value of the contract over the five years. The net book value for Faseelah Offices amounted to SAR 11.3 million as at December 31 2024G.

The company concluded a lease contract to lease an exhibition in an open commercial complex (plaza) in the Yarmouk neighborhood, Prince Turki bin Abdulaziz Road, Al-Khobar, with an area of 360 square meters and the company's business center is located there. The company leased the exhibition for a period of 3 years, from 1 November 2023G until 31 October 2026G. The lease is paid in semi-annual payments. A total of SAR 1.7 million for the entire contract value over the three years. The net book value of sales office amounted to SAR 955 thousand on December 31 2024G.

6.7.2.2 Current assets

The table below summarizes the current assets as at December 31, 2022G, 2023G, and 2024G

Table (6.26): Current assets

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Cash at banks	73,086	24,200	52,146
Trade receivables, net	10,727	110,302	375,046
Prepayments and other receivables	40,153	43,719	45,967
Real estate under development	247,502	288,965	445,216
Real estate inventory	87,294	105,439	6,810
Due from related parties	-	24,002	46,969
Total current assets	458,763	596,627	972,154

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G

6.7.2.2.1 Cash at banks

The table below summarizes the cash at banks as at December 31, 2022G, 2023G, and 2024G

Table (6.27): Cash at banks

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Bank balances – current accounts	73,086	24,200	52,146
Restricted cash	-	(17,127)	(12,358)
Cash at banks	73,086	7,073	39,788

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Cash at banks consist of bank balances – current accounts and restricted bank account balances.

Bank balances – current accounts

Bank balances – current accounts decreased from SAR 73.1 million as at 31 December 2022G to SAR 24.2 million as at 31 December 2023G, due to additions to investments carried at fair value through income statement amounting to SAR 175.5 million. This was offset by loan proceeds of SAR 209.5 million during the same period.

Bank balances – current accounts increased from SAR 24.2 million as at 31 December 2023G to SAR 52.1 million as at 31 December 2024G, mainly due to loan proceeds of SAR 217.3 million and distributions received from financial assets held at fair value through profit or loss of SAR 88.5 million, which were partially offset by negative operating cash flow of SAR 93.2 million, loan repayments, and gains from financial assets held at fair value through profit or loss.



Restricted cash

Restricted cash balances amounted to SAR 17.1 million as at 31 December 2022G and SAR 12.4 million as at 31 December 2023G and 2024G, respectively, relating to its obligations under the off-plan sales project with the NHC.

6.7.2.2 Trade receivables, net

The table below summarizes the trade receivables, net as at December 31, 2022G, 2023G, and 2024G

Table (6.28): Trade receivables, net

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Trade receivables	11,043	110,618	378,527
Allowance for expected credit loss	(316)	(316)	(3,481)
Total	10,727	110,302	375,046

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Table (6.29): Ageing of trade receivables, net as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	1 – 180 Days	181 – 365 Days	366 – 730 Days	Total
At 31 December 2024	351,191	21,796	2,059	375,046
At 31 December 2023	98,483	11,737	83	110,302
At 31 December 2022	10,727	-	-	10,727

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Trade receivables, net

Trade receivables, net includes receivable balances from customers of unit sales, real estate development and off-plan sales.

Trade receivables increased from SAR 10.7 million as at 31 December 2022G to SAR 110.3 million as at 31 December 2023G and SAR 375.0 million as at 31 December 2024G in line with i) the increase in the Group's operations, mainly off-plan sales, real estate development and sale of PUD and ii) delay in the finalization of the title of deeds of several units.

Allowance for expected credit loss

Allowance for expected credit loss amounted to SAR 316 thousand as at 31 December 2022G and 31 December 2023G in relation to the provision taken against a rental client.

During 2024G, the Group applied the simplified approach in calculating its ECL allowance as per IFRS9, which is assessed by a third-party consultant. Allowance for expected credit loss increased from SAR 316 thousand as at 31 December 2023G to SAR 3.5 million as at 31 December 2024G driven by a charge of SAR 3.5 million, partially offset by write-offs of SAR 316 thousand.

6.7.2.3 Prepayments and other receivables

The table below summarizes prepayments and other receivables as at December 31, 2022G, 2023G, and 2024G

Table (6.30): Prepayments and other receivables

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
VAT Recoverable *	15,390	12,241	25,738
Business guarantee discount for customers	-	-	5,765
Prepayments	187	4,963	5,472
Company offering prepayments	-	-	4,902
Margin of letters of guarantee	-	25,161	2,258



SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Employee receivables and covenant	486	548	1,225
Suppliers - advance	4,390	806	607
Accrued revenue	19,700	-	-
Total	40,153	43,719	45,967

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G

* As at 31 December 2024G, the Group had a certificate that allows for the recovery of taxes incurred from real estate development. The Group has filed tax recovery claims for the year, still pending review by the Zakat, Tax and Customs Authority (ZATCA).

Prepayments and other receivables mainly pertain to VAT recoverable (SAR 25.7 million, representing 56.0% of the total as at 31 December 2024G), business guarantee discount for customers (SAR 5.8 million, 12.5%) and prepayments (SAR 5.5 million, 11.9%).

Prepayments and other receivables increased from SAR 40.2 million as at 31 December 2022G to SAR 43.7 million as at 31 December 2023G mainly driven by margin of letters of guarantee of SAR 25.2 million in relation to the development of project Jawharat Al Ramz with NHC, partially offset by the drop in accrued revenue by SAR 19.7 million following the invoicing of the accrued balance.

Prepayments and other receivables increased from SAR 43.7 million as at 31 December 2023G to SAR 46.0 million as at 31 December 2024G mainly driven by (i) increase in VAT refundable in relation to contractor invoices by SAR 13.5 million, (ii) increase in client guarantees of SAR 5.8 million in relation to projects RAFD and Sadeem and (iii) advance payments of SAR 4.9 million, relating to IPO-related advisory fees. This was partially offset by the partial release of letters of guarantee by SAR 22.9 million as the development project with NHC reached 10% completion.

VAT refundable

VAT refundable amounted to SAR 25.7 million as at 31 December 2024G stemming from contractor invoices related to Zat Construction Company.

Business guarantee discount for customers

During 2024G, the Group provides a performance guarantee of SAR 5.8 million representing 5% of development sales invoices in relation to projects RAFD and Sadeem. The balance will be collected after 6 months from the completion of the project.

Prepayments

Prepayments increased from SAR 187 thousand as at 31 December 2022G to SAR 5.0 million as at 31 December 2023G followed by an increase to SAR 5.5 million as at 31 December 2024G mainly driven by the increase in advertising campaigns.

Company offering prepayments

Company offering prepayments amounted to SAR 4.9 million as at 31 December 2024G, and represent advisory fees paid in advance in relation to the Group's potential listing on the Saudi Arabian Stock Exchange "Tadawul".

Margin of letters of guarantee

Margin of letters of guarantee relate to an agreement between the Group and NHC for the development of project Jawharat Al Ramz. The guarantee was released upon completion of 10% of the project.

Margin of letters of guarantee amounted to SAR 25.2 million as at 31 December 2023G and decreased to SAR 2.3 million as at 31 December 2024G.

Employee receivables and covenant

Employee receivables and covenant increased from SAR 486 thousand as at 31 December 2022G to SAR 548 thousand as at 31 December 2023G and SAR 1.2 million as at 31 December 2024G mainly following the increase in the Group's operations and employee headcount.



Suppliers - advance

Suppliers - advance pertain to advances paid to contractors for the construction and development of projects.

Suppliers - advance balance decreased from SAR 4.4 million as at 31 December 2022G to SAR 806 thousand as at 31 December 2023G followed by a drop to SAR 607 thousand as at 31 December 2024G due to renegotiations with suppliers to pay for the purchases on a credit basis.

Accrued revenue

Accrued revenue relates to project Ramz Al Nakheel which was sold to Ramz Residential fund.

As at 31 December 2022G, the project was 60% completed whereby the remaining balance of SAR 19.7 million was invoiced during 2023. Accordingly, the balance of accrued revenue decreased from SAR 19.7 million as at 31 December 2022G to nil as at 31 December 2023G and 2024G.

6.7.2.2.4 Real estate under development

Table (6.31): Real estate under development as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning	356,949	247,502	288,965
Additions	348,283	269,453	830,712
Cost of Real estate under development sold	(195,485)	(45,027)	(103,838)
Transferred to property inventory	(262,245)	(182,962)	(153,355)
Transferred to the cost of development contracts for others	-	-	(417,268)
Total	247,502	288,965	445,216

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Real Estate properties under development (“**PUD**”) comprised of 10 projects that are under construction to be eventually moved to inventory properties for sale of units or moved to investment properties for the rental of units, including apartments, villas, offices and towers.

The Group capitalizes all the costs related to the construction of projects (including direct materials, direct labor, finance cost and consulting costs) and allocates the costs of goods sold on a pro-rata basis, based on the size of each unit sold. In addition, the balance includes WIP costs in relation to the excess cost received from contractors for projects developed under funds.

The total cost of the projects under development amounted to SAR 445.2 million as at 31 December 2024G out of which SAR 368.2 million are land cost (representing 82.7% of the total) and SAR 77.0 million are construction costs (17.3%).

As at 31 December 2024G, the Company’s management had pledged development properties with a present value of SAR 115.5 million, a value of “**103.8 million Saudi Riyals**” also includes a portion of the properties charged to the cost of sales, as a security for credit facility (3), (4), Note 1-7-3-1-4 (Loans) with a local bank.

As at 31 December 2024G, the Company’s management had pledged development properties with a present value of SAR 77.6 million, as a security for credit facility (6), (7), Note 1-7-3-1-4 (Loans) with a local bank.

As at 31 December 2024G, the Group’s management had pledged development properties with a present value of SAR 185.4 million, as a security for credit facility (8), Note 1-7-3-1-4 (Loans) with a local bank.

Real Estate under development increased from SAR 247.5 million as at 31 December 2022G to SAR 289.0 million as at 31 December 2023G on the back of the increase in the number of projects under development from 13 to 18 during the period, partially offset by the transfers of completed projects to real estate inventory which amounted to SAR 183.0 million.

Real Estate under development increased from SAR 289.0 million as at 31 December 2023G to SAR 445.2 million as at 31 December 2024G driven by additions made to new and existing projects during the period, mainly related to Jeddah Front and Massar Makkah, which partially offset the sale of the Ramz Tower – King Salman Road to a real estate development fund, along with transfer of completed projects to real estate inventory and transfers to development costs.



The table below summarizes the summary of real estate under development as at 31 December 2024G:

Table (6.32): Summary of real estate under development

SAR in 000s	As at 31 December 2024				
	No. of units	Land cost	Construction cost	Balance	Expected end date
New Remal Project	400	182,754	2,692	185,446	March-2026G
Yousor Village	144	40,613	45,090	85,702	May-2025G
Jedda Villas	80	57,721	1,318	59,039	July-2026G
Lolia Villa	29	18,580	17,438	36,018	July-2025G
Jedda Front	889	27,240	-	27,240	September-2026G
Aykah Town	43	8,275	10,389	18,664	July-2025G
Aykah Villa	14	5,386	11,536	16,922	September-2024G
Masar Makkah	540	16,640	-	16,640	December-2026G
Al Rabeia	NA	5,555	-	5,555	NA
Rawdah Project	NA	5,444	-	5,444	NA
WIP costs relating to funds	-	-	7,896	7,896	-
Elimination for consolidation	-	-	(19,351)	(19,351)	-
Total	2,139	368,208	77,008	445,216	-

Source: Management information.

New Remal Project

New Rimal project is located in the Al-Rimal district of Riyadh, with a built-up and sales area of 135.8 thousand square meters. New Rimal project's balance under development reached SAR 185.4 million as at 31 December 2024G. The project's planned construction includes 400 villas, and revenues are expected to reach SAR 499.2 million, compared to an estimated completion cost of SAR 186.6 million by the project's expected completion date of March 2026G.

Yousor Village

Yousor Village project is located in the Al Salamah district of Jeddah, with a built-up and sales area of 20.9 thousand square meters. Yousor Village project's balance under development amounted to SAR 85.7 million as at 31 December 2024G. The project's planned construction includes 144 villas, and revenues are expected to reach SAR 124.2 million, compared to an expected completion cost of SAR 6.7 million at the project's expected completion date in May 2025G.

Jedda Villas

Jedda Villas project is located in the Obhur district of Jeddah, with a built-up and sales area of 15.9 thousand square meters. Jedda Villas project's assets under development amounted to SAR 59.0 million as at 31 December 2024G. The project's planned construction includes 80 villas, and revenues are expected to reach SAR 159.1 million, compared to an estimated completion cost of SAR 63.0 million at the project's expected completion date in July 2026G.

Lolia Villa

Lolia Villa project is located in Al Khobar, with a built-up and sales area of 16.6 thousand square meters. The Lolia Villa project's balance under development amounted to SAR 36.0 million as at 31 December 2024G. The project's planned construction includes 29 villas, and revenues are expected to reach SAR 74.6 million, compared to an expected completion cost of SAR 20.2 million by the project's expected completion date of July 2025G.

Jeddah Front

Jeddah Front's real estate under development balance amounted to SAR 27.2 million as at 31 December 2024G. The project's planned construction is 889 units, and revenues are expected to reach SAR 684.3 million, compared to an expected cost of SAR 485.2 million at the project's expected completion date in September 2026G.



Aykah Town

Aykah Town project is located in Qassim, with a built-up and sales area of 8.7 thousand square meters. Aykah Town's real estate under development balance amounted to SAR 18.7 million as at 31 December 2024G. The project's planned construction includes 43 villas, and revenues are expected to reach SAR 27.8 million, offset by an expected completion cost of SAR 3.7 million by the project's expected completion date of July 2025G.

Aykah Villa

Aykah Villa project in Qassim covers a built-up and sales area of 5,700 square meters. Aykah Villa's assets under development amounted to SAR 16.9 million as at 31 December 2024G. The project includes 14 villas, and revenues are expected to reach SAR 15.1 million.

Masar Makkah

Masar Makkah project's balance under development amounted to SAR 16.6 million as at 31 December 2024G. The project's planned construction is 540 units, and project revenues are expected to reach SAR 1,169.2 million, offset by an expected completion cost of SAR 691.1 million by the project's expected completion date of December 2026G.

Al-Rabie

Al-Rabie project is located in the Al-Rabie district of Riyadh. Al-Rabie project's balance under development amounted to SAR 5.6 million as at 31 December 2024G. It should be noted that development work has not yet commenced due to a legal dispute with the previous landowner.

Rawdah Project

Rawdah project's balance under development amounted to SAR 5.4 million as at 31 December 2024G. It should be noted that development work has not commenced as the project mechanism has not yet been agreed upon.

6.7.2.2.5 Real estate inventory

The table below summarizes the real estate inventory as at December 31, 2022G, 2023G, and 2024G

Table (6.33): Real estate inventory

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning	2,358	87,294	105,439
Transferred from Real estate under development during the year	262,245	182,962	153,355
Transfer to cost of revenue attributable to properties sold during the year	(227,090)	(164,817)	(251,984)
Transfers from investment properties	49,781	-	-
Total	87,294	105,439	6,810

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Real estate inventory pertains to the number properties currently available for sale or rent, whether it is residential or commercial. Real estate inventory amounted to SAR 6.8 million and related to 13 units in Al Ramz 25 and 27, Tel Al Rimal, Jadeel, and Stone Complex projects as at 31 December 2024G. The number of properties available for rent under investment properties amounted to 66 units as at 31 December 2022G, 2023G, and 2024G.

Real estate inventory increased from SAR 87.3 million as at 31 December 2022G to SAR 105.4 million as at 31 December 2023G driven by the completion of properties under development of SAR 183.0 million partially offset by the sale of 212 units.

Real estate inventory decreased from SAR 105.4 million as at 31 December 2023G to SAR 6.8 million as at 31 December 2024G driven by the sale of 208 units partially offset ongoing development of the Group's PUDs contributing to SAR 153.4 million.



Table (6.34): Summary of real estate inventory as at December 31 2024G

As at 31 December 2024					
	Type	No. of units	Units available for sale	Expected revenue	Balance
Ramz 27	Apartment	77	9	4,400	3,529
Jadeel	Floors	32	1	2,407	1,312
Stone Complex	Apartment	71	1	1,283	826
Tal Alrimal 1	Apartment	89	1	1,023	662
Ramz 25	Apartment	112	1	600	481
Total	NA	381	13	9,713	6,810

Source: Management information.

Ramz 27

The balance of Ramz 27 under real estate inventory amounted to SAR 3.5 million as at 31 December 2024G, and the number of units available for sale in the project was 9.

Jadeel

The balance of Jadeel under real estate inventory amounted to SAR 1.3 million as at 31 December 2024G and the number of units available for sale in the project was one residential unit.

Stone Complex

The balance of Stone Complex under real estate inventory amounted to SAR 826 thousand as at 31 December 2024G, and the number of units available for sale in the project was one residential unit.

Tal Al Rimal 1

The balance of Tal Al Rimal under real estate inventory amounted to SAR 662 thousand as at 31 December 2024G and the number of units available for sale in the project was one residential unit.

Ramz 25

The balance of Ramz 25 under real estate inventory amounted to SAR 481 thousand as at 31 December 2024G and the number of units available for sale in the project was one residential unit.

6.7.2.2.6 Due from related parties

The table below summarizes the due from related parties as at December 31, 2022G, 2023G, and 2024G

Table (6.35): Due from related parties

SAR in 000s	Relationship	Nature of transaction	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Rumoz Holding Company	Allied company	Operating	-	24,002	18,350
Al Majd Building for Real Estate Development & Investment Company	Associate Company	Financing	-	-	28,619
Total			-	24,002	46,969

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Due from related parties pertain to receivable balances from Al Majd Building for Real Estate Development & Investment Company (SAR 28.6 million) which is financing in nature and Romoz Holding Company (SAR 18.4 million) for the sale of villas and administrative buildings.



Due from related parties increased from SAR 24.0 million as at 31 December 2023G to SAR 47.0 million as at 31 December 2024G driven by receivables from Al Majd Building for Real Estate Development & Investment Company amounting to SAR 28.6 million in relation to the loan provided.

6.7.2.3 Equity

The table below summarizes the equity as at December 31, 2022G, 2023G, and 2024G

Table (6.36): Equity

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Share capital	300,000	300,000	300,000
Statutory reserve	24,177	37,671	37,671
Actuarial reserve	(44)	5	(471)
Retained earnings	188,639	271,744	403,299
Total equity	512,772	609,420	740,499

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Share capital

Share capital comprised of 30,000,000 million shares (SAR 10 per share) and amounted to SAR 300.0 million as at 31 December 2022G, 2023G, and 2024G. The shares were distributed to shareholders as follows:

The table below summarizes the share capital as at December 31, 2022G, 2023G, and 2024G

Table (6.37): Share capital

SAR in 000s	Number of shares	Price per share	Value of shares	%
Rasheed Abdulrahman Nasser Al Rasheed	24,000,012	10	240,000	80.0%
Harun Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667	3.9%
Abdulmalik Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667	3.9%
Rakan Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667	3.9%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500	2.5%
Haya Rasheed Abdulrahman Al Rasheed	583,296	10	5,833	1.9%
Modi Rasheed Abdulrahman Al Rasheed	583,296	10	5,833	1.9%
Sarah Rasheed Abdulrahman Al Rasheed	583,296	10	5,833	1.9%
Total	30,000,000		300,000	100%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Statutory reserve

The Ordinary General Assembly may, when determining the share of net profits attributable to the shares, decide to allocate reserves to the extent that serves the Group's interest or ensures the distribution of stable dividends to shareholders as much as possible. The said Assembly may also deduct amounts from the net profits to serve social purposes for the Group's employees.

As such, statutory reserve amounted to SAR 24.2 million as at 31 December 2022G and SAR 37.7 million as at 31 December 2023G and 31 December 2024G.



Actuarial reserve

Actuarial reserve increased from a loss of SAR 44 thousand as at 31 December 2022G to SAR 5 thousand as at 31 December 2023G, followed by a drop to a loss of SAR 471 thousand as at 31 December 2024G based on the actuarial reports of an independent third party.

Retained earnings

Retained earnings increased from SAR 188.6 million as at 31 December 2022G to SAR 271.7 million as at 31 December 2023G driven by a net income of SAR 126.6 million partially offset by dividend distributions of SAR 30.0 million and transfers to statutory reserve of SAR 13.5 million.

Retained earnings increased from SAR 271.7 million as at 31 December 2023G to SAR 403.3 million as at 31 December 2024G driven by net income of SAR 161.6 million partially offset by a dividend distribution of SAR 30.0 million, during the same period.

6.7.2.4 Non-current liabilities

The table below summarizes the non-current liabilities as at December 31, 2022G, 2023G, and 2024G

Table (6.38): Non-current liabilities

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Employee end-of-service benefit obligation	237	468	1,548
Lease liabilities - non-current	-	-	9,413
Non-current portion from long-term borrowings	33,005	229,679	277,811
Total Non-Current Liabilities	33,242	230,147	288,772

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

6.7.2.4.1 Employee end-of-service benefit obligation

The Group provides end-of-service benefits to its employees in accordance with the labor law applicable in the Kingdom of Saudi Arabia. These benefits represent an unfunded type of defined benefit plan.

The retirement schemes provide benefits that are primarily determined by the years of service and the employee compensation. Scheme funding is tailored to meet local requirements. Obligations are vulnerable to demographic, legal, and economic risks. Unforeseen changes in commodity and capital markets, along with fluctuations in the discount rate used for calculating defined benefit obligations, are the main factors contributing to economic risks

The table below summarizes the employee end-of-service benefit obligation as at December 31, 2022G, 2023G, and 2024G

Table (6.39): Employee end-of-service benefit obligation

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning of the year	131	237	468
Current service costs	104	325	615
Commissions	4	15	28
Settlements	(21)	(61)	(38)
Actuarial losses on EOS	20	(49)	475
Balance at the end of the year	237	468	1,548

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Employee benefit obligations increased from SAR 237 thousand as at 31 December 2022G to SAR 468 thousand as at 31 December 2023G, then to SAR 1.5 million as at 31 December 2024G in line with the increased number of employees



6.7.2.4.2 Non-current portion from long-term borrowings

The table below summarizes the non-current portion from long-term borrowings as at December 31, 2022G, 2023G, and 2024G

Table (6.40): Non-current portion from long-term borrowings

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Long-term borrowings - non-current portion	33,005	229,679	277,811
Long-term borrowings - current portion	35,435	22,772	151,239
Total	68,440	252,451	429,051

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Non-current portion from long-term borrowings increased from SAR 33.0 million as at 31 December 2022G to SAR 229.7 million as at 31 December 2023G, due to additional financing obtained by the Group, particularly the loans from Riyadh Bank and Bank AlJazira.

Non-current portion from long-term borrowings increased from SAR 229.7 million as at 31 December 2023G, to SAR 277.8 million as at 31 December 2024G, due to additional financing obtained by the Group, particularly the loans from Saudi First Bank and Arab National Bank.

Table (6.41): Long-term loans as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
(1) Arab National Bank (Loan 1)	35,000	-	-
(2) SAB (Loan 1)	25,000	16,250	-
(3) Bank AlJazira (Loan 1)	20,544	20,544	10,272
(4) Bank AlJazira (Loan 2)	-	79,456	79,456
(5) Riyadh Bank (Loan 1)	-	100,000	100,000
(6) Arab National Bank (Loan 2)	-	30,000	22,500
(7) Arab National Bank (Loan 3)	-	-	50,435
(8) SAB (Loan 2)	-	-	128,273
(9) Riyadh Bank (Loan 2)	-	-	28,350
(10) Amlak International	18,230	-	-
	98,774	246,250	419,286
Financing transaction costs, net	396	6,201	9,764
Settlements	(30,730)	-	-
Balance at the end of the year	68,440	252,451	429,051

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Facility 1 (Arab National Bank 1)

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with Arab National Bank on 23 May 2021G. The agreement provides a financing limit of SAR 40 million to support the Group operating activities. The financing is paid in semi-annual payments for a period of 4 years starting from 31 May 2022G. During the year ended on 31 December 2023G, the entire loan amounting to SAR 26.3 million was paid.

Facility 2 (SAB 1)

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with SAB on 25 August 2021. The agreement provides a financing limit of SAR 25 million to support the Group operating activities. During the year ended in 31 December 2024G, the full financing value was paid in the amount of SAR 16.2 million, and all related mortgages were released.



Facility 3 (Bank AlJazira - Drawdowns 1)

The Company entered into a credit facility agreement in the form of Islamic Tawarruq with Bank AlJazira on 18 July 2022G. The agreement provides a financing limit of SAR 100 million, specifically for operating purposes. Only an amount of SAR 20.5 million was used in the year ended in 31 December 2022G. This is as a first tranche of the aforementioned facility, and an amount of SAR 10.2 million was paid during the year 2024G.

Facility 4 (Bank AlJazira - Drawdowns 2)

The group used an amount of SAR 79.5 million as a second and final tranche, which is considered complementary to the rest of the facility specified in Facility No.3. Accordingly, the group mortgaged properties under development whose current value amounted to SAR 115.5 million as at 31 December 2024G to a local bank, which consists of the lands and the construction cost on them to cover facility tranches Nos."3" and "4" and also includes SAR 103.8 million as part of the real estate charged to the cost of sales.

Facility 5 (Riyadh Bank)

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with Riyadh Bank on 9 October 2023G, with a facility limit of SAR 100 million, to finance its operational activities. The Group pledged investment units in the following real estate development funds in favor of the local bank: Riyad Real Estate Development Fund – Al Ramz, Riyad Real Estate Development Fund – Durrat King Khalid Road, and Riyad Real Estate Development Fund – Durrat Hittin, with a total book value of SAR 228 million as at 31 December 2024G.

Facility 6 (Arab National Bank 2 - Drawdowns 1)

The Company entered into a credit facility agreement in the form of Islamic Tawarruq with Arab National Bank on 10 December 2023. The agreement provides a financing limit of SAR 130 million, specifically for operating purposes. A value of SAR 30 million was used during the period 31 December 2023G, as the group included the facility coverage in real estate mortgages worth SAR 116.2 million for the benefit of a local bank, which consists of investment properties, lands, and the construction cost on them before excluding from them a value of SAR 41.6 million to profit and loss accounts, and an amount of SAR 7.5 million was paid during the year ended in 2024. These mortgages include coverage of Facility No."7" below.

Facility 7 (Arab National Bank 3 - Drawdowns 1 and 2)

On 31 December 2024G, the group signed a facility agreement with a facility limit of SAR 130 million, a value of SAR 60.6 million was used divided into two tranches: SAR 15.6 and SAR 45 million, accordingly. The group included the coverage of this facility in real estate mortgages worth SAR 116.2 million for the benefit of Arab National Bank, which consist of investment properties, lands, and the construction cost on them before excluding them. Its value is SAR 41.6 million to the profit and loss accounts for the benefit of Arab National Bank, and an amount of SAR 10.1 million was paid during the year ended in 31 December 2024G.

Facility 8 (SAB 2)

On 18 July 2024G, the group signed a credit facility agreement with a facility limit of SAR 331 million, in order to finance projects under development, two tranches were used, the first amounting to SAR 112.7 million and the second amounting to SAR 15.5 million during the period 2024. Accordingly, the group mortgaged properties under development amounting to SAR 185.4 million for the benefit of SAB, which consists of the lands and the construction cost on them as at 31 December 2024G.

Facility 9 (Riyadh Bank)

On 28 May 2024G, the group signed a credit facilities agreement with a facility limit of SAR 150 million, to finance projects under development and investments. A first tranche amounting to SAR 28.3 million was used on 11 November 2024G to finance investments in sister companies. The group mortgaged the value of those related investments.



Facility 10 (Amlak International)

The loan was fully paid in 2022G.

Table (6.42): Movement of long-term loans as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning of the year	53,230	68,044	246,250
Additions	45,544	209,456	217,254
	98,774	277,500	463,504
Settlements during the year	(30,730)	(31,250)	(44,218)
Finance costs	396	6,201	9,764
Balance at the end of the year	68,440	252,451	429,051
Current portion of long-term loans	(35,435)	(22,772)	(151,239)
Non-current portion of long-term loans	33,005	229,679	277,811

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Table (6.43): Movements of finance costs as at December 31, 2022G, 2023G, and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning of the year	863	396	6,201
Additions	2,315	9,633	23,701
Settlements	(2,782)	(3,829)	(20,137)
Balance at the end of the year	396	6,201	9,764

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The Group funds part of its projects under construction through loans and borrowings from banks, most notably Riyad Bank, Bank AlJazira, Arab National Bank, and others.

Long-term loans increased from SAR 68.4 million as at 31 December 2022G to SAR 252.5 million as at 31 December 2023G on the back of new loans obtained from Riyad bank amounting to SAR 100.0 million, Bank AlJazira amounting to SAR 79.5 million, and Arab National Bank amounting to SAR 30.0 million, partially offset by repayments of SAR 31.3 million.

Long-term loans increased from SAR 252.5 million as at 31 December 2023G to SAR 429.1 million as at 31 December 2024G on following additional facilities obtained from SABB amounting to SAR 128.3 million and Arab National Bank amounting to SAR 50.4 million, partially offset by the re-payment of a portion of the outstanding loans of SAR 44.2 million. The loans are secured by pledges of land and PUDs and by a personal guarantee from the shareholder.



6.7.2.5 Current liabilities

The table below summarizes the current liabilities as at December 31, 2022G, 2023G, and 2024G

Table (6.44): Current liabilities

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Trade payables	16,641	38,858	53,276
Due to related parties	-	361	300
Accrued expenses and other payable	17,943	14,592	58,817
Advance payments clients	10,599	34,097	56,564
Lease liabilities - current	-	-	3,098
Zakat provision payable	7,396	5,240	11,218
Current portion from long-term borrowings	35,435	22,772	151,239
Total Current liabilities	88,014	115,919	334,512

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

6.7.2.5.1 Trade payables

Trade payables consist of suppliers related to construction works materials and contractors in addition to the payable to NHC.

Trade payables increased from SAR 16.6 million as at 31 December 2022G to SAR 38.9 million as at 31 December 2023G and SAR 53.3 million as at 31 December 2024G in line with the increase in the Group's operations.

6.7.2.5.2 Due to related parties

The table below summarizes the due to related parties as at December 31, 2022G, 2023G, and 2024G

Table (6.45): Due to related parties

SAR in 000s	Nature of Relationship	Nature of transaction	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Al Majd Building for Real Estate Development & Investment Company	Associate Company	Investing	-	-	50
Al Ramz & Asayel Real Estate Development Company	Associate Company	Investing	-	-	250
Meshkati trading company	Affiliate entity	Operating	-	361	-
Due to related parties			-	361	300

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Due to related parties relates to the outstanding payable balances to Al Ramz & Asayel Development Company (SAR 250 thousand) and Al-Majd Building for Real Estate Development and Investment (SAR 50 thousand), both of which are investing in nature.

Due to related parties increased from nil as at 31 December 2022G to SAR 361 thousand as at 31 December 2023G and related to Meshkati Trading Company amounting to SAR 361 thousand which offers electrical services to the Group.

Due to related parties decreased from SAR 361 thousand as at 31 December 2023G to SAR 300 thousand as at 31 December 2024G driven by settlements to Meshkati Company by SAR 316 thousand, partially offset by payables to Al Ramz & Asayel Real Estate Development Company and Al-Majd Building for Real Estate Development and Investment, in return for the share ownership in the two entities.



6.7.2.5.3 Accrued expenses and other payable

The table below summarizes the accrued expenses and other payable as at December 31, 2022G, 2023G, and 2024G

Table (6.46): Accrued expenses and other payable

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Accrued business expenses	4,912	6,409	31,956
Dividends payable	-	-	15,000
Remunerations and incentives payable	6,067	2,875	4,091
VAT	5,436	3,593	2,469
Provision for completing projects	-	-	2,100
Warranty and maintenance provision	875	678	1,736
Others	652	1,037	1,466
Total	17,943	14,592	58,817

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Accrued business expenses

Accrued business expenses mainly relate to accrued costs of contractors

Accrued business expenses increased from SAR 4.9 million as at 31 December 2022G to SAR 6.4 million as at 31 December 2023G and further to SAR 32.0 million as at 31 December 2024G in line with the increase in the Group's operations.

Dividends payable

The Group agreed to distribute dividends of SAR 30.0 million based on the Board of Directors' approval dated 27 June 2024G, out of which SAR 15.0 million were settled during 2024G.

Remunerations and incentives payable

Remunerations and incentives payable decreased from SAR 6.1 million as at 31 December 2022G to SAR 2.9 million as at 31 December 2023G followed by an increase to SAR 4.1 million as at 31 December 2024G.

VAT

VAT payable relates to the value added tax owed to the respective governmental authority that has not been paid yet.

VAT payable decreased from SAR 5.4 million as at 31 December 2022G to SAR 3.6 million as at 31 December 2023G to SAR 2.5 million as at 31 December 2024G due to settlements of the payables.

Provision for completing projects

Provision for completing projects relates to units sold and transferred to clients prior to the completion of the projects, in relation to Ramz 40 and Ramz Al Rayyan 2, whereby the Group expects to incur costs to complete of SAR 2.1 million as at 31 December 2024G.

Warranty and maintenance provision

Warranty and maintenance provision relates to the one-year maintenance obligation the Group has regarding its units sold. The balance decreased SAR 875 thousand as at 31 December 2022G to SAR 678 thousand mainly due to the decrease in the unit sold during the period.

Warranty and maintenance provision increased from SAR 678 thousand as at 31 December 2023G to SAR 1.7 million as at 31 December 2024G driven by the increase in the value of units sold.



Others

Others mainly comprise of accrued commissions for the sales team and unit rental insurance.

Others increased from SAR 652 thousand as at 31 December 2022G to SAR 1.0 million as at

as at 31 December 2023G mainly driven by the increase in accrued commission for the sales team by SAR 794 thousand, partially offset by settlements to real estate tax payables by SAR 235 thousand.

Others increased from SAR 1.0 million as at 31 December 2023G to SAR 1.5 million as at 31 December 2024G mainly due to the increase in accrued commissions by SAR 499 thousand.

6.7.2.5.4 Advance payments clients

The table below summarizes the advance payments clients as at December 31, 2022G, 2023G, and 2024G

Table (6.47): Advance payments clients

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Revenue of development contracts collected in advance	9,958	20,000	38,089
Off-plan sales revenue collected in advance	-	7,936	12,358
Unit sale deposits	-	4,112	4,846
Rentals collected in advance	641	2,049	1,271
Total	10,599	34,097	56,564

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Advance payments mainly comprised of revenue of development contracts collected in advance (SAR 38.1 million), off-plan sales revenue collected in advance (SAR 12.4 million), unit sale deposits (SAR 4.8 million) and rentals collected in advance (SAR 1.3 million).

Advance payments increased from SAR 10.6 million as at 31 December 2022G to SAR 34.1 million as at as at 31 December 2023G mainly driven by the increase in revenue of development contracts collected in advance by SAR 10.0 million and advances received from off-plan sales by SAR 7.9 million related to Jawharat Al Ramz project.

Advance payments increased from SAR 34.1 million as at 31 December 2022G to SAR 56.6 million as at 31 December 2022G mainly driven by the increase in revenue of development contracts collected in advance by SAR 18.1 million mainly related to King Khalid Offices.

6.7.2.5.5 Lease liabilities – current

The table below summarizes the lease liabilities as at December 31, 2022G, 2023G, and 2024G

Table (6.48): Lease liabilities

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Current portion of lease liabilities	-	-	3,098
Non- current portion of lease liabilities	-	-	9,413
Total	-	-	12,511

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



Table (6.49): Lease liabilities

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
At 1 January	-	-	-
Additions during the year	-	-	15,543
Financing cost	-	-	1,136
Paid during the year	-	-	(4,168)
at 31 December 2024G	-	-	12,511

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

Lease liabilities pertain to the lease contract for Faseelah Offices, part of which is leased to third-party customers, and the Sales Office in Khobar in accordance with IFRS 16. Lease liabilities amounted to SAR 12.5 million as at 31 December 2024G.

6.7.2.5.6 Zakat provision payable

The table below summarizes the zakat provision payable as at December 31, 2022G, 2023G, and 2024G

Table (6.50): Zakat provision payable

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Balance at the beginning of the year	4,288	7,396	5,240
Additions	7,396	5,140	11,117
Payments	(4,288)	(7,296)	(5,140)
Balance at the end of the year	7,396	5,240	11,218

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The Group has successfully filed zakat returns up to the year ended 31 December 2023G and received a provisional zakat certificate from the Zakat, Tax, and Customs Authority (ZATCA), which is valid until 30 April 2025G. Final zakat assessments have not yet been received from ZATCA for those years.

Zakat provision decreased from SAR 7.4 million as at 31 December 2022G to SAR 5.2 million as at 31 December 2023G due to settlements of SAR 7.3 million partially offset by provision of SAR 5.1 million.

Zakat provision increased from SAR 5.2 million as at 31 December 2023G to SAR 11.2 million as at 31 December 2024G following a provision of SAR 11.1 million partially offset by settlements of SAR 5.1 million.

6.7.2.5.7 Current portion from long-term borrowings

The table below summarizes the current portion from long-term borrowings as at December 31, 2022G, 2023G, and 2024G

Table (6.51): Current portion from long-term borrowings

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Current portion from long-term borrowings	35,435	22,772	151,239

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The current portion of long-term borrowings decreased from SAR 35.4 million as at 31 December 2022G to SAR 22.8 million as at 31 December 2023G due to the repayment of certain loans.

The current portion of long-term borrowings increased from SAR 22.8 million as at 31 December 2023G to SAR 151.2 million as at 31 December 2024G due to additional financing obtained by the Group and the conversion of a portion of non-current loans to current loans.



6.7.2.6 Working capital

The table below summarizes working capital as at December 31, 2022G, 2023G, and 2024G

Table (6.52): Working capital

SAR in 000s	As at 31 December		
	2022	2023	2024
Current Assets			
Cash at banks	73,086	24,200	52,146
Trade receivables, net	10,727	110,302	375,046
Prepayments and other receivables	40,153	43,719	45,967
Real Estate under development	247,502	288,965	445,216
Real estate inventory	87,294	105,439	6,810
Due from related parties	-	24,002	46,969
Total Current Assets	458,763	596,627	972,154
Current Liabilities			
Trade payables	16,641	38,858	53,276
Due to related parties	-	361	300
Accrued expenses and other payable	17,943	14,592	58,817
Advance payments clients	10,599	34,097	56,564
Lease liabilities - current	-	-	3,098
Zakat provision payable	7,396	5,240	11,218
Current portion from long-term borrowings	35,435	22,772	151,239
Total Current liabilities	88,014	115,919	334,512
Net working capital	370,749	480,708	637,642

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The Group's net working capital witnessed an increase from SAR 370.7 million as at 31 December 2022G to SAR 480.7 million as at 31 December 2023G mainly due to the increase in (1) trade re-ceivables by SAR 99.6 million and (2) properties under development by SAR 41.5 million. This was offset by a decrease in cast at banks balances by SAR 48.9 million due to additions to financial assets held at fair value through P&L and an increase in deferred revenue by SAR 23.5 million during the same period.

Net working capital further increased from SAR 480.7 million as at 31 December 2023G to SAR 637.6 million as at 31 December 2024G due to (1) an increase in trade receivables from SAR 110.3 million as at 31 December 2023G to SAR 375.0 million as at 31 December 2024G and (2) an in-crease in properties under development of SAR 156.3 million. This was partially offset by a decrease in real estate inventory of SAR 98.6 million as 199 units were sold.

6.7.2.7 Capital structure

Current shareholders own all of the Company's shares prior to the offering. Following the completion of the offering, they will own 70% of the Company's shares.

The following table shows the Company's capitalization as shown in the Company's audited consolidated financial statements for the financial years ending 31 December 2022G, 2023G, and 2024G. The following table should be read in conjunction with the relevant financial statements, including the accompanying notes contained in Section 20 ("Financial Statements and Auditors' Report") of this Prospectus.



Table (6.53): Capitalization of the company's debt and equity

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Short-term loans	-	-	-
Long-term loans	68,440,033	252,450,880	429,050,582
Total interest-bearing loans	68,440,033	252,450,880	429,050,582
Current portion of lease liabilities	-	-	3,097,965
Non-current portion of lease liabilities	-	-	9,412,600
Total lease liabilities	-	-	12,510,565
Total loans and lease liabilities	68,440,033	252,450,880	441,561,147
Share capital	300,000,000	300,000,000	300,000,000
Statutory reserve	24,177,055	37,670,775	37,670,775
Actuarial reserve	(43,779)	4,824	(470,513)
Retained earnings	188,638,929	271,744,044	403,298,689
Total equity	512,772,205	609,419,643	740,498,951
Capitalization (total loans and lease liabilities + equity)	581,212,238	861,870,523	1,182,060,098
Total loans and lease liabilities/ capitalization	11.8%	29.3%	37.4%

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.

The Board of Directors confirms the following:

- The Board of Directors declare that the share capital of the Group and its subsidiaries is not subject to any option right, as of the date of this prospectus.
- The Company does not have any debt instruments, as of the date of this prospectus.
- The Board of Directors declare that the Group has sufficient working capital for a period of at least (12) months immediately following the date of publication of the Prospectus, subject to any material adverse change in the Company's business.

6.7.3 Statement of cash flow

The table below summarizes the statement of cash flow as at December 31, 2022G, 2023G, and 2024G

Table (6.54): Statement of cash flows

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Cash Flow from Operating Activities			
Net profit of the year before Zakat	147,218	131,738	169,467
Adjustments to settle net profit before zakat:			
Depreciation of properties and equipment	224	414	982
Depreciation of investment properties	1,052	677	679
Provision for employee end-of-service benefits	108	340	615
Financing transaction costs	2,315	9,633	23,701
Finance costs of end-of-service benefits	-	-	28
Depreciation of right-of-use assets	(24,470)	-	3,334
Finance costs of lease liabilities	-	-	1,136
Amortization of intangible assets	71	162	167
ECL provision	316	-	3,481



SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Unrealized gains on investments at fair value through income statement (FVIS)	-	(28,240)	(47,828)
Realized gains on investments measured at fair value through income statement (FVIS)	-	-	(2,012)
Total adjustments	126,834	114,724	153,749
Changes in operating assets and liabilities:			
Trade receivables	(10,477)	(99,575)	(268,225)
Due from related parties	-	24,002	5,652
Prepayments and other receivables	(28,574)	(3,566)	(2,248)
Real estate under development	109,447	(41,463)	(156,251)
Real estate inventory	(84,936)	(18,145)	98,628
Trade payables	11,208	22,216	14,418
Due to related parties	(1,872)	361	(361)
Advance payments clients	8,232	23,498	22,468
Accrued expenses and other current liabilities	15,684	(3,351)	29,225
Interest paid on lease liabilities	-	-	(1,136)
Financing transaction costs paid	(2,782)	(3,829)	(20,137)
Cash generated from operating activities	142,765	(33,132)	(124,217)
Zakat paid during the year	(4,288)	(7,296)	(5,140)
End-of-service benefits provision charged	(21)	(61)	(38)
Net cash generated from operating activities	138,455	(40,489)	(129,395)
Cash Flows from Investing Activities			
Payments for purchases of properties equipment	(750)	(962)	(8,743)
Additions of investment properties	-	(200)	-
Payments for investments carried at FVOCI	-	(1,400)	-
Payments for purchase of intangible assets	(535)	(77)	(8)
Payments for investments carried at FVSI	(132,140)	(175,461)	(40,643)
Proceeds from investments carried at FVSI	-	21,496	88,500
Payments for investments in associate companies	-	-	(8,150)
Proceeds from disposal of investment properties	74,250	-	-
Net cash used in investing activities	(59,175)	(156,604)	30,956
Cash Flows from Financing Activities			
Long-term borrowings received	45,544	209,456	217,254
Dividends paid	(30,000)	(30,000)	(15,000)
Borrowings paid	(30,730)	(31,250)	(44,218)
Lease liabilities paid	-	-	(3,032)
Due from related parties	-	-	(28,619)
Net cash used in financing activities	(15,186)	148,206	126,385
Net change in cash and cash equivalents	64,093	(48,886)	27,946
Cash and cash equivalents at the beginning of the year	8,993	73,086	24,200
Cash and cash equivalents at end of the year	73,086	24,200	52,146

Source: Consolidated Financial Statements for the financial years ended 31 December 2023G and 2024G.



Net cash generated from operating activities

Cash generated from operating activities decreased from SAR 138.5 million in 2022G to a loss of SAR 40.5 million in 2023G, primarily due to the increase in trade receivables and additions made to the Group's properties under development.

Cash used in operating activities decreased from a loss of SAR 40.5 million in 2023G to a loss of SAR 129.4 million in 2024G driven mainly by the uncollected cash balances accumulated during the period, mainly relating to the sale of 1 PUD and the additions made to projects under development.

Net cash used in investing activities

Cash used in investing activities increased from SAR 59.2 million in 2022G to SAR 156.6 million in 2023G mainly following an increase in payments for investments carried at FVSI by SAR 43.3 million.

Net cash flows used in investing activities amounted to SAR 156.6 million in 2023G and increased to net cash flows from investing activities of SAR 31.0 million in 2024G, mainly driven by the distributions made by real estate funds following the completion and sale of projects held with funds.

Net cash used in financing activities

Net cash used in financing activities amounted to SAR 15.2 million in 2022G and increased to net cash flow from financing activities of SAR 148.2 million in 2023G mainly due to the increase in long-term borrowings received by SAR 163.9 million.

Net cash flows from financing activities decreased from SAR 148.2 million in 2023G to SAR 126.5 million in 2024G mainly driven by the increase in due to related parties by SAR 28.6 million partially offset by lower dividends paid.

6.7.4 Commitments and Contingent Liabilities

As at 31 December 2024G, the Group had contingent liabilities in the form of bank guarantees issued in the normal course of business amounting to SAR 2.3 million (31 December 2023G: SAR 25.2 million).

The Group also had capital commitments related to development contracts amounting to SAR 763.8 million as at 31 December 2024G. These commitments primarily relate to the King Khalid Dorrah project (with expected commitments of SAR 295.0 million), Ramz Tower (SAR 151.1 million), and Jawharat Al Ramz (SAR 119.1 million).

Table (6.55): Commitments and Contingent Liabilities

SAR in 000s	Expected Costs as at 31 December 2024
King Khalid Dorrah	294,992
Ramz Tower	151,078
Al Ramz Jewel	119,113
Rafid Project	95,923
Sadeem Villas	42,356
Sadeem Apartments	39,698
Ria Al Nakheel	20,625
Total	763,784

Source: Management information.

6.7.5 Zat Construction Company (initially named Osos Al Ramz Contracting Company)

The table below summarizes statement of Profit or Loss and Other Comprehensive Income for the financial years ending on December 31, 2022G, 2023G, and 2024G.



6.7.5.1 Statement of Profit or Loss and Other Comprehensive Income

The table below summarizes the statement of comprehensive income for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.56): Statement of comprehensive income

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
Revenue	152,710	284,145	417,480	86.1%	46.9%	65.3%
Cost of revenue	(141,436)	(272,874)	(418,650)	92.9%	53.4%	72.0%
Gross profit	11,274	11,271	(1,170)	(0.0%)	(110.4%)	NA
General and administrative expenses	(3,850)	(3,429)	(6,257)	(10.9%)	82.5%	27.5%
Amortization of right-of-use assets	-	-	(93)	NA	NA	NA
Other income	-	194	161	NA	(17.2%)	NA
Operating profit	7,424	8,037	(7,360)	8.3%	(191.6%)	NA
Zakat	(286)	(378)	(1,076)	32.2%	184.7%	94.0%
Net income for the year	7,138	7,659	(8,465)	7.3%	(210.5%)	NA
Actuarial gains / (losses) for end-of-service benefits	-	-	(48)	NA	NA	NA
Total comprehensive income for the year	7,138	7,659	(8,513)	7.3%	(211.2%)	NA

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.

The table below summarizes the key performance indicators for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.57): Key performance indicators

SAR in 000s	2022G Audited	2023G Audited	2024G Audited	Var. 2022G- 2023G	Var. 2023G- 2024G	CAGR 2022G- 2024G
As a % of total revenue	Ppt.					
Gross margin	7.4%	4.0%	(0.3%)	(3.4)	(4.2)	(7.7)
Net income before zakat	(4.9%)	2.8%	(1.8%)	(2.0)	(4.6)	(6.6)
Net income	(4.7%)	2.7%	(2.0%)	7.4	(4.7)	(2.6)

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.

Revenue

Revenue mainly relates to construction projects with the parent company, Al Ramz Real Estate Company.

Revenue increased by 86.1% from SAR 152.7 million in 2022G to SAR 284.1 million in 2023G in line with the increase in the number of construction projects from 8 to 12 during the period.

Revenue increased by 46.9% from SAR 284.1 million in 2023G to SAR 417.5 million in 2024G driven by the increase in the number of construction projects from 12 to 15 during the period.

Cost of revenue

Cost of revenue relates to the costs to complete construction projects.

Cost of revenue significantly increased by 92.9% from SAR 141.4 million in 2022G to SAR 272.9 million in 2023G in line with the increase in revenue.

Cost of revenue increased by 53.4% from SAR 272.9 million in 2023G to SAR 418.7 million in 2024G driven by the increase in the number of projects undertaken by the Company.



Gross profit

Gross profit remained relatively stable at an average of SAR 11.3 million during the period 2022G-2023G.

Gross profit decreased from SAR 11.3 million in 2023G to a loss of SAR 1.2 million in 2024G due to higher construction and land costs coupled with management's inability to increase prices given the competitive market.

General and administrative expenses

General and administrative expenses comprise of salaries and related benefits, governmental fees, bonuses, medical insurance amongst others.

General and administrative expenses decreased by 11.0% from SAR 3.9 million in 2022G to SAR 3.4 million in 2023G on the back of the decrease in bonuses by SAR 2.1 million, partially offset by the increase in salaries and related benefits by SAR 921 thousand.

General and administrative expenses increased by 82.5% from SAR 3.4 million in 2023G to SAR 6.3 million in 2024G mainly due to the increase in salaries and related benefits by SAR 1.2m coupled with higher bonuses by SAR 514k..

Other income

Other income relates to the sale of scrap.

Other income slight increased from nil in 2022G to SAR 194 thousand in 2023G followed by a drop to SAR 161 thousand in 2024G.

Finance cost

Finance cost amounted to SAR 30 thousand in 2024G.

Zakat

Zakat expense amounted to SAR 286 thousand in 2022G. Zakat expense increased by 32.2% to SAR 378, thousand in 2023G and then by 184.7% to SAR 1.1 million in 2024G.

Total comprehensive income for the year

Total comprehensive income for the year increased by 7.3% from SAR 7.1 million in 2022G to SAR 7.7 million in 2023G, then decreased by 211.2% from SAR 7.7 million in 2023G to a loss of SAR 8.5 million in 2024G.

6.7.5.2 Statement of Financial Position

The table below summarizes statement of financial position as at December 31, 2022G, 2023G and 2024G

Table (6.58): Statement of financial position

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Assets			
Non-current asset			
Property and equipment, net	232	438	2,518
Intangible assets, net	135	97	66
Right-of-use assets	-	-	1,396
Total non-current assets	367	535	3,979
Current assets			
Cash at banks	858	555	3,070
Trade receivables, net	494	46	2,964
Prepayments and other receivables	1,403	1,031	1,430



SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Real estate under development	26,338	6,935	2,287
Due from related parties	1,941	53,059	40,522
Total current assets	31,034	61,626	50,273
Total assets	31,401	62,161	54,253
Equity and liabilities			
Equity			
Share capital	50	50	50
Statutory reserve	714	714	714
Actuarial reserve	-	-	(48)
Retained earnings	6,424	14,083	5,618
Total equity	7,188	14,847	6,334
Liabilities			
Non-current liabilities			
Employee benefits obligations	-	214	487
Non-current portion of lease liabilities	-	-	958
Total non-current liabilities	-	214	1,445
Current liabilities			
Trade payables	12,517	36,260	42,925
Due to related parties	-	361	-
Accrued expenses and other payables	11,410	10,001	2,030
Current portion of lease liabilities	-	-	343
Zakat provision	286	478	1,176
Total current liabilities	24,213	47,100	46,474
Total liabilities	24,213	47,314	47,919
Total equity and liabilities	31,401	62,161	54,253

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.

Non-current assets

Non-current assets relate to property and equipment, intangible assets, and right-of-use assets.

Non-current assets increased from SAR 367 thousand as at 31 December 2022G to SAR 535 thousand as at 31 December 2023G, due to an increase in property and equipment amounting to SAR 206 thousand during the same period.

Non-current assets further increased from SAR 535 thousand as at 31 December 2023G to SAR 4.0 million as at 31 December 2024G, mainly due to an increase in property and equipment by SAR 2.1 million and an increase in right-of-use assets by SAR 1.4 million.

Current assets

Current assets consist of cash at banks, trade receivables, prepayments and other receivables, real estate under development, and amounts due from related parties.

Current assets increased from SAR 31.0 million as at 31 December 2022G to SAR 61.6 million as at 31 December 2023G, primarily due to an increase in amounts due from related parties by SAR 51.1 million, partially offset by a decrease in real estate under development by SAR 19.4 million during the same period.

Current assets decreased from SAR 61.6 million as at 31 December 2023G to SAR 50.3 million as at 31 December 2024G, mainly due to a decrease in dues from related parties by SAR 12.5 million during the period.



Equity

Equity increased from SAR 7.2 million as at 31 December 2022G to SAR 14.8 million as at 31 December 2023G, primarily due to an increase in retained earnings by SAR 7.7 million during the same period.

Equity decreased from SAR 14.8 million as at 31 December 2023G to SAR 6.3 million as at 31 December 2024G, mainly due to a decline in retained earnings by SAR 8.5 million during the period.

Non-Current liabilities

Non-current liabilities increased from nil as at 31 December 2022G to SAR 214 thousand as at 31 December 2023G, due to an increase in the employee end-of-service benefits liability by SAR 0.2 million during the same period.

Non-current liabilities further increased from SAR 214 thousand as at 31 December 2023G to SAR 1.4 million as at 31 December 2024G, mainly due to an increase in the non-current portion of the lease liability by SAR 1.0 million during the period.

Current liabilities

Current liabilities consist of trade payables, amounts due to related parties, accrued expenses, other current liabilities, zakat provision, and employee end-of-service benefits obligation.

Current liabilities increased from SAR 34.3 million as at 31 December 2022G to SAR 47.1 million as at 31 December 2023G, primarily due to an increase in trade payables by SAR 23.7 million during the same period.

Current liabilities decreased slightly from SAR 47.1 million as at 31 December 2023G to SAR 46.5 million as at 31 December 2024G, mainly due to a decrease in accrued expenses and other payables by SAR 8.0 million, partially offset by an increase in trade payables by SAR 6.7 million during the period.

6.7.5.2.1 Property and equipment, net

The table below summarizes property and equipment, net as at December 31, 2022G, 2023G and 2024G

Table (6.59): Property and equipment, net

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Tools and Equipment	76	290	1,344
Office Furniture	156	129	779
Software and Networks	-	18	395
Total	232	438	2,518

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.

The table below summarizes the additions to property and equipment as at December 31, 2022G, 2023G and 2024G

Table (6.60): Additions to property and equipment

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Tools and Equipment	89	251	1,257
Office Furniture	169	8	781
Software and networks	-	19	425
Total	258	278	2,463

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.



The table below summarizes the depreciation of property and equipment as at December 31, 2022G, 2023G and 2024G

Table (6.61): Depreciation of property and equipment as at 31 December 2022G, 2023G and 2024G

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Tools and equipment	9	37	204
Office furniture	14	34	131
Software and networks	-	1	48
Total	23	72	383

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.

Property, plant, and equipment are initially recognized at acquisition cost, including any directly attributable costs necessary to bring the asset to the location and condition required for it to operate in the manner intended by the Company's management. Subsequently, these assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Where significant parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate components under property, plant, and equipment. Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant, and equipment.

Tools and equipment

The net book value of tools and equipment increased from SAR 76 thousand as at 31 December 2022G to SAR 290 thousand as at 31 December 2023G, due to additions amounting to SAR 251 thousand, offset by depreciation expenses of SAR 37 thousand during the same period.

The net book value of tools and equipment further increased from SAR 290 thousand as at 31 December 2023G to SAR 1.3 million as at 31 December 2024G, due to additions of SAR 1.3 million, offset by depreciation expenses of SAR 204 thousand during the same period.

Office furniture

The net book value of office furniture decreased from SAR 156 thousand as at 31 December 2022G to SAR 129 thousand as at 31 December 2023G, due to additions of SAR 8 thousand, offset by depreciation expenses of SAR 34 thousand during the same period.

The net book value of office furniture increased from SAR 129 thousand as at 31 December 2023G to SAR 779 thousand as at 31 December 2024G, due to additions of SAR 781 thousand, offset by depreciation expenses of SAR 131 thousand during the same period.

Software and networks

The net book value of software and networks increased from nil as at 31 December 2022G to SAR 18 thousand as at 31 December 2023G, due to additions of SAR 425 thousand, offset by annual depreciation expenses of SAR 48 thousand during the same period.

The net book value of software and networks further increased from SAR 18 thousand as at 31 December 2023G to SAR 395 thousand as at 31 December 2024G, due to additions of SAR 425 thousand, offset by depreciation expenses of SAR 48 thousand during the same period.



6.7.5.3 Statement of Cash Flows

The table below summarizes statement of cash flows for the financial years ending on December 31, 2022G, 2023G, and 2024G

Table (6.62): Statement of cash flows

SAR in 000s	31 December 2022G Audited	31 December 2023G Audited	31 December 2024G Audited
Cash Flow from Operating Activities			
Net profit of the year before Zakat	7,424	8,037	(7,390)
Adjustments for:			
Depreciation of properties and equipment	23	72	383
Depreciation of intangible assets	17	38	39
Depreciation of right-of-use assets		-	93
Finance costs for lease liabilities		-	20
Finance costs for employees' end of service benefits		-	10
Employees' end of service benefits		221	235
Changes in operating assets and liabilities			
Trade receivables	(494)	448	(2,918)
Advance payments and other debit balances	(1,403)	372	(399)
Properties under development	(26,338)	19,403	4,648
Due from related parties	(1,941)	(51,118)	12,537
Due to related parties	-	361	(361)
Trade payables and other current liabilities	12,517	23,743	6,665
Accrued expenses and other credit balances	11,410	(1,409)	(7,971)
Zakat paid	-	(186)	(378)
End of service benefits paid	-	(7)	(21)
Net cash generated from / (used in) operating activities	1,215	(25)	5,193
Cash Flows from Investing Activities			
Additions to PPE	(255)	(278)	(2,463)
Additions to intangibles	(152)	-	(8)
Net cash used in investing activities	(407)	(278)	(2,471)
Cash Flows from Financing Activities			
Lease repayment during the year	-	-	(207)
Paid-up capital	50	-	-
Net cash generated from / (used in) financing activities	50	-	(207)
Net change in cash and cash equivalents	858	(303)	2,515
Cash and cash equivalents at the beginning of the year	-	858	555
Cash and cash equivalents at end of the year	858	555	3,070

Source: Audited Financial Statements for the financial years ended 31 December 2023G and 2024G.



Net cash flows from / (used in) operating activities

Net cash flows from / (used in) operating activities decreased from SAR 1.2 million in 2022G to net cash used in operating activities of SAR 25 thousand in 2023G, primarily due to the increase in due from related parties (SAR 49.2 million) and accrued expenses and other credit balances (SAR 12.8 million), partially offset by the increase in properties under development (SAR 45.7 million).

Net cash flows from operating activities increased to SAR 5.2 million in 2024G mainly due to the increase in due from related parties by SAR 12.5 million coupled with the increase in trade payables and other credit balances by SAR 6.7 million. This was partially offset by the decrease in accrued expenses and other current balances by SAR 8.0 million.

Net cash flows used in investing activities

Net cash flows used in investing activities decreased from SAR 407 thousand in 2022G to SAR 278 thousand in 2023G mainly due to additions to intangibles of SAR 152 thousand during 2022G.

Net cash flows used in investing activities increased from SAR 278 thousand in 2023G to SAR 2.5 million in 2024G driven by additions to property, plant and equipment of SAR 2.5 million.

Net cash flows from financing activities

Net cash flows from financing activities amounted to SAR 50 thousand in 2022G in relation to paid capital and increased to net cash flows used in investing activities of SAR 207 thousand, related to lease liabilities paid.

6.7.6 Dividend distribution

On 9 March 2023G, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2022G amounting to (“**SAR 30,000,000**”), at SAR 1.00 per share, representing 10% of the nominal share value.

On 22 June 2023G, the General Assembly approved the distribution of a cash dividend to shareholders for the financial year ended 31 December 2022G amounting to SAR 30,000,000 at the rate of SAR 1.00 per share, representing 10% of the nominal share value.

The Company paid dividends for the financial year ended 31 December 2022 in two installments, the first payment of 20,000,000 on 19 December 2023 and the second payment of 10,000,000 on 21 December 2023G.

On 9 March 2024G, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2023G amounting to SAR 30,000,000 at the rate of 1.00 Saudi Riyals per share, representing 10% of the nominal share value.

On 27 June 2024G, the General Assembly approved the distribution of cash dividends to shareholders for the financial year ended 31 December 2023G amounting to SAR 30,000,000 at the rate of 1.00 Saudi Riyals per share, representing 10% of the nominal share value.

The Company disbursed dividends for the fiscal year ending on 31 December 2023G in two installments, the first payment of SAR 15,000,000 was disbursed on 30 October 2024G and the second payment of SAR 15,000,000 on 16 January 2025G.



07

Dividend Distribution Policy



7. DIVIDEND DISTRIBUTION POLICY

Under Article 107 of the Companies Law, a Shareholder is vested with all rights attached to Shares, including, in particular, the right to receive a share in the net profits declared for distribution. The Board of Directors shall recommend declaring and paying any dividends before approval by the Shareholders at the meeting of the General Assembly. The Company is under no obligation to declare dividends and any decision to do so will depend on, inter alia, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, the restrictions to which the dividend distribution process is subject under Financing and Debt Agreements, the Zakat, as well as other legal and regulatory considerations. Moreover, Shares give their holders the right to receive the dividends announced by the Company as of the date of this Prospectus and in the following Fiscal Years. Dividends shall be distributed in Saudi Riyals .

Distributable profits shall consist of the net income for the Financial Year, minus all amounts set aside for reserves allocated for specific purposes in the Company's Bylaws, if any, or reserves required by the General Assembly, plus retained earnings and distributable reserves formed from profits.

The Company's Share Premium Account, which forms part of Shareholders' equity, cannot be used for cash dividend distribution to shareholders.

After deducting all general expenses, costs, and other provisions, including zakat, allowances, and other reserves, the Company shall distribute net profits to Shareholders as follows:

- a- When determining a share's allocation of net profits, the Ordinary General Assembly shall decide to form additional reserves to the extent that serves the Company's interests or ensures the most consistent possible dividend distribution to Shareholders. The Assembly may also deduct from net profits for social purposes benefiting the Company's employees.
- b- The General Assembly shall determine the percentage to be distributed to Shareholders from net profits after deducting any reserves, if applicable.
- c- The Company may distribute interim dividends to Shareholders in accordance with the Dividend Distribution Policy.

Remaining profits shall be retained to support the Company's financial position.

The General Assembly shall determine the net profit percentage to be distributed to Shareholders after deducting reserves, if applicable. Shareholders shall be entitled to their share of profits in accordance with the General Assembly's resolution, which shall specify the eligibility and distribution dates. Shareholders registered in the Shareholder Register by the end of the eligibility date shall be eligible to receive dividends. The Board of Directors shall execute the General Assembly's resolution regarding the distribution of dividends to Shareholders.

Under its Bylaws, the Company may distribute interim dividends to Shareholders on a quarterly or semi-annual basis, based on audited and reviewed financial statements, regulatory requirements issued by competent authorities, and the following conditions:

- 1- Issuance of an annually renewable General Assembly resolution authorizing the Board of Directors to distribute interim dividends.
- 2- That the Company has reasonable liquidity and can reasonably forecast its profitability.
- 3- That the Company holds distributable profits for one or more prior years, as per the latest audited financial statements, sufficient to cover proposed distributions after deducting amounts distributed or capitalized from profits subsequent to said financial statements.
- 4- That distributable profits consist of the balance of retained earnings as shown in the statement of financial position from the period that preceded the distribution resolution, along with the balance of any distributable reserves.

Distributable reserves shall include reserves created from profits not designated for specific purposes or reserves created for specific purposes that have since been canceled.

The Board of Directors' annual report to the General Assembly shall include dividend distribution ratios for Shareholders over different fiscal year periods, the proposed profit share to be distributed at the end of the fiscal year, and the total dividend amounts.

Dividend distribution shall be charged to the accumulated retained earnings of prior years and/or distributable reserves formed from profits. The Company shall adopt an orderly and consistent approach to determine dividend distribution methods and ratios based on its capabilities and available liquidity. The Board of Directors shall disclose and announce approved periodic interim dividend ratios within the specified deadlines.



Moreover, the Company shall immediately and without delay disclose to the CMA and the public any decision to distribute interim dividends.

The following is a summary of Share dividends declared and distributed by the Company during the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G:

Table (7.1): Dividends Declared and Distributed by Company During Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G⁽¹⁾:

(SAR)	31 December 2022G	31 December 2023G	31 December 2024G
Dividends Declared for the Year/Period	30,000,000*	30,000,000**	30,000,000***
Dividends Paid During Year/Period	30,000,000	30,000,000	15,000,000
Net Profits for the Year/Period	139,821,648	126,598,835	158,350,195
Ratio of Declared Dividends to the Company's Net Profits (%)	21.5%	23.7%	18.9%

Source: the Company

* On 21/03/2022G, the Company's General Assembly approved a dividend distribution of SAR 30,000,000 for the Financial Year Ended 31 December 2021G.

** On 22/06/2023G, the Company's General Assembly approved a dividend distribution of SAR 30,000,000 for the Financial Year Ended 31 December 2022G.

*** On 27/06/2024G, the Company's General Assembly approved a dividend distribution of SAR 30,000,000 for the Financial Year Ended 31 December 2023G. A portion of the dividend, amounting to SAR 15,000,000, was paid on 30/10/2024G, while the remaining portion, amounting to SAR 15,000,000, was paid on 16/01/2025G.

(1) On 26/12/1446H (corresponding to 22/06/2025G), the Company's General Assembly also approved the distribution of dividends in the amount of SAR 30,000,000 for the Financial Year Ended 31 December 2024G.



08

Use of Proceeds



8. USE OF PROCEEDS

Total proceeds from the Offering are estimated at around nine hundred million and ten Saudi Riyals (SAR 900,000,010) of which approximately thirty-six million Saudi Riyals (SAR 36,000,000) will be applied towards the Offering expenses, which include the fees of the Financial Advisors, Lead Manager, Underwriters, Bookrunners, Company's Legal Advisor, Underwriters' Legal Advisor, Chartered Accountant, Market Study Consultant, and Financial Due Diligence Consultant, in addition to the fees of marketing, printing, and distribution, as well as any other costs and expenses related to the Offering.

The Company shall bear all expenses and costs related to the Offering estimated at thirty-six million Saudi Riyals (SAR 36,000,000). These costs include the fees of Financial Advisors, Underwriters, Bookrunners, Lead Manager, Issuer's Legal Advisor, Financial Due Diligence Consultant, Auditor, Market Study Consultant and others, in addition to marketing, printing, distribution and other related expenses, all of which will be deducted from the total proceeds of the Offering.

8.1 USE OF PROCEEDS

The Company intends to use the Offering Proceeds amounting to approximately nine hundred million ten Saudi Riyals (SAR 900,000,010), as well as other financial sources such as cash flows and loans, to finance the following activities:

- Approximately 37% of the proceeds to finance project development.
- 36% to finance the Group's investments in new real estate funds to develop specific projects.
- 23% will be available to the Group to use for its general purposes.
- 4% to cover expenses related to the Offering.

The following table summarizes the expected use of Offering Proceeds by item:

Table (8.1): Expected Use of Offering Proceeds by Item

Item	Expected Use of the Company's Share of Offering Proceeds (%) ⁽¹⁾⁽²⁾⁽³⁾	Expected Timeline to Use Proceeds	Expected Deadline for the Use of Offering Proceeds	Expected Use of Offering Proceeds (Million SAR)
Project Development	37%	8-30 months	December 2027G	333,000,004
Financing the Group's share of units in real estate funds for project development	36%	8-24 months	January 2027G	324,000,004
Expenses related to the Offering	4%	N/A	June 2027G	36,000,000
Group's General Purposes (including: investments in systems, loan repayments, working capital and real estate purchases)	23%	12-24 months	June 2027G	207,000,002

Source: the Company

(1) For more information on possible changes to the potential utilization of the Company's percentage from Net Proceeds of the above Offering, please refer to Section 8.3 "**Timeline for Expected Use of Net Offering Proceeds and Potential Changes**" of this Prospectus.

(2) Subject to Note (1) above and Section 8.3 "**Use of Net Proceeds**", and Section 8.1.1 "**Presentation of Proceeds Used for Project Development**" of this Prospectus, the Company's use of the Net Offering Proceeds detailed in the items described in the table above, shall not exceed 100% of the Net Offering Proceeds.

(3) In case of a surplus in the Net Offering Proceeds, the Company shall use the surplus to expedite the project's progress. In the event of a shortfall in the Net Offering Proceeds, the Company intends to use its financial resources and loans to cover such shortfall.

8.1.1 Presentation of Proceeds Used for Project Development

The Group intends to use part of the proceeds to finance the completion of some real estate projects that are expected to be completed between 2026G and 2027G, which will contribute to the growth of the Group.



Table (8.2): Presentation of Proceeds Used for Project Development

Project Name	Number of units	Use of Funds	Construction Commencement Date	Delivery or Completion Date	Total Cost of Project (million SAR)	Land Cost (million SAR)	Construction Cost (million SAR)	Percentage of Total Offering Proceeds
Al Ramz Villas Project-Obhur Al-Janoubiyah	75	Construction Cost: Inclusive of materials and labor	October 2024G	July 2026G	130.9	57.4	73.5	2.9%
Al Ramz Residential Project – Obhur Al-Shamaliya	900	Construction Cost: Inclusive of materials and labor	November 2025G	September 2026G	511.7	206.2	291.9	24.3%
Nada 2	127	Land Value and Construction Cost: Inclusive of materials and labor	November 2025G	January 2027G	146.8	96.4	45.1	10.2%
Total	-	-	-	-	789.4	360.0	410.5	37.4%

Source: the Company

8.1.2 Use of Proceeds to Finance Group's Share of Units in Real Estate Funds Created for Specific Project Development

The Group intends to use approximately 36% of the proceeds to finance its share of units in certain real estate funds established for project development purposes. Lands needed for these projects have already been acquired.

Table (8.3): Presentation of Proceeds Used for Project Development

Real Estate Fund Name	Use of Funds	Construction Commencement Date	Delivery or Completion Date	Company's Percentage of Ownership	Company's Share of Fund's Units (million SAR)	Percentage of Total Offering Proceeds
AlAhli Alrabwa Al Ramz Real Estate Fund (2)	The cost of construction of the Phase II of Sadeem apartments and villas	March 2025G	January 2027G	52%	184.0	11.3%
AlAhli Qurtuba Real Estate Fund – Ramz	The cost of construction of Qurtuba Project.	October 2026G	May 2029G	40%	400.0	25.0%
Total	-	-	-	-	584.0	36.3%

Source: the Company

8.2 Use of Proceeds to Finance the Company's General Purposes

Approximately 23% of the Offering Proceeds will be used to support the Company's general purposes. This includes strategic investments aimed at enhancing operational systems and infrastructure, such as project management IT systems, customer relationship management, and databases. It will also be used to repay existing loans in order to strengthen the Company's financial position, provide additional working capital to support ongoing business activities, and acquire real estate assets to support future growth and expansion plans. Each of these items will be subject to internal procedures to evaluate their feasibility and impact on the Company. This portion of the Net Proceeds is expected to be utilized over a period of approximately 12 to 24 months post-Offering. The Offering Proceeds will be held separately from the Company's internal resources until they are used. Accordingly, the Company is committed to timely disclosure of any changes or updates related to the use of Offering Proceeds.



8.3 Timeline for Expected Use of Net Offering Proceeds and Potential Changes

Project	1 July 2025G to 31 December 2025G	1 January 2026G to 30 June 2026G	1 July 2026G to 31 December 2026G	1 January 2027G to 30 June 2027G
Al Ramz Villas Project-Obhur Al-Janoubiyah	2.9%	0.0%	0.0%	0.0%
Nada 2	6.4%	1.9%	1.9%	0.0%
Al Ramz Residential Project – Obhur Al-Shamaliya	1.2%	10.9%	10.9%	1.2%
AlAhli Alrabwa Al Ramz Real Estate Fund 2	5.6%	5.6%	0.0%	0.0%
AlAhli Al Ramz Real Qurtuba Estate Fund	0.0%	25.0%	0.0%	0.0%
Group's General Purposes	5.0%	5.5%	5.5%	6.6%
Expenses related to the Offering	3.8%	0.0%	0.0%	0.0%
Total	24.9%	49.0%	18.3%	7.8%



09

Capitalization and Indebtedness





9. CAPITALIZATION AND INDEBTEDNESS

The Current Shareholders own the entirety of the Company's Shares prior to the Offering, and shall own 70% of the Company's Shares following the Offering.

The table below sets out the capitalization of the Company as derived from the Company's Consolidated Audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G. The following table should be read in conjunction with the relevant Financial Statements, including the notes thereto, which are set out in Section 21 of this Prospectus ("**Financial Statements and Auditor's Report**").

Table (9.1): Capitalization and Indebtedness

(SAR)	As at 31 December 2022G	As at 31 December 2023G	As at 31 December 2024G
Short-Term Loans	0	0	0
Long-Term Loans	68,440,033	252,450,880	429,050,583
Total Interest-Bearing Loans	68,440,033	252,450,880	429,050,583
Short-Term Lease Liabilities	0	0	3,097,965
Long-Term Lease Liabilities	0	0	9,412,600
Total Loans and Lease Liabilities	68,440,033	252,450,880	441,561,147
Share Capital	300,000,000	300,000,000	300,000,000
Statutory Reserve	24,177,055	37,670,775	37,670,775
Actuarial Profits and Losses	(43,779)	4,824	(470,513)
Retained Earnings	188,638,929	271,744,044	403,298,689
Total Equity	512,772,205	609,419,643	740,498,951
Total Capitalization (Total Loans and Leases + Total Equity)	581,212,238	861,870,523	1,182,060,098
Total Loans and Leases/Total Capitalization	11.8%	29.3%	37.4%

Source: the Company's Consolidated Audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G.

- The members of the Board of Directors confirm that:
- As at the date of this Prospectus, none of the Company's Shares is under option.
- As at the date of this Prospectus, the Company does not have any debt instruments.
- The Company's existing cash balances and cash flows are sufficient to meet its anticipated cash needs for working capital and capital expenditure for at least 12 months following the date of this Prospectus, subject to no material adverse change affecting the Company's business.



10

Experts' Statement



10. EXPERTS' STATEMENT

As at the date hereof, all the Advisors and Independent Auditor listed on pages (vii), (viii), and (ix) have given and not withdrawn their written consent to the publication of their names, logos, and statements or reports attributed thereto in this Prospectus as presented herein. Neither they nor any of their employees (forming part of the team serving the Company), or relatives have any shareholding or interest of any kind in the Company as at the date of this Prospectus, which would impair their independence.



11

Declarations





11. DECLARATIONS

The members of the Board of Directors declare that:

- 1- The Offering does not constitute a breach of the relevant laws and regulations in Saudi Arabia.
- 2- The Offering is without prejudice to any contracts or agreements to which the Issuer is a party.
- 3- All material legal information concerning the Issuer has been disclosed in the Prospectus.
- 4- The Issuer is not subject to any legal claims or proceedings that may, individually or in their entirety, materially affect its business or financial condition.
- 5- The members of the Board of Directors of the Issuer are not subject to any claims or any type of legal proceedings that could individually or collectively have a material effect on the Issuer's business or financial position.
- 6- Except as disclosed in Section 5 ("**Organizational Structure and Corporate Governance**") of this Prospectus, neither the members of the Board of Directors, Executive Management, the Secretary, nor any of their Relatives or dependents have a direct or indirect interest whatsoever in the Company's Shares, nor any interest in any other matter that may impact the Company's business.
- 7- Except as disclosed in Section 5 ("**Organizational Structure and Corporate Governance**") and Section 12.8 ("**Transactions and Contracts with Related Parties**") of this Prospectus, none of the members of the Board of Directors nor do any of the Senior Executives, Secretary, or their Relatives or Affiliates have any interest in any current written or verbal contract or arrangement contemplated or expected to be conducted with the Company.
- 8- As at the date of this Prospectus, and as described in Section 5.5 ("**Conflict of Interest**") of this Prospectus, there is no conflict of interest related to the members of the Board of Directors with respect to contracts or transactions entered into with the Company.
- 9- Except as disclosed in Section 5 ("**Organizational Structure and Corporate Governance**") and Section 4.7 ("**Overview of the Shareholders**") of this Prospectus, neither they nor any of their Relatives or Affiliates have any Shares or interest of any kind in the Company up to the date of this Prospectus.
- 10- Based on its necessary regulations and policies, the Company prepares the annual financial statements in accordance with the International Financial Reporting Standards, as endorsed in the Kingdom of Saudi Arabia (IFRS-KSA), and within the deadlines specified under the Rules on the Offer of Securities and Continuing Obligation ("**OSCOs**"). Furthermore, the Company possesses the necessary regulations and policies to prepare all the other financial and non-financial reports, as required by the OSCOs and within the time frames set out in the OSCOs.
- 11- The Company has sufficient working capital for at least twelve (12) months immediately following the date of publication of this Prospectus.
- 12- Except as disclosed in Section 12.10 ("**Credit Facilities and Loans**"), the Company has neither issued any debt instruments, nor does it have any term loans or any other outstanding borrowings or indebtedness (including bank overdrafts, liabilities under acceptance, acceptance credits, or hire purchase commitments).
- 13- As at the date of this Prospectus, there is no intention to make any material change in the nature of the Company's business.
- 14- There has also been no interruption in the business of the Company and the Subsidiary that could have affected, or significantly affected, the financial position of the Company during the last twelve (12) month period.
- 15- No commissions, discounts, brokerage fees, or any non-monetary compensation were granted to any member of the Board of Directors by the Company during the three (3) years immediately preceding the date of submitting the application for registration and offering of securities in connection thereto.
- 16- There has been no material adverse change in the financial or trading position of the Company in the three (3) years immediately preceding the date of filing the application for registration and offering of securities subject to this Prospectus, in addition to the period covered by the Independent Auditor's report and until the date of this Prospectus.
- 17- The internal control measures and regulations were soundly prepared to establish a written policy that regulates present or potential conflicts of interest, including the misuse of the Company's assets and misfeasance resulting from transactions with Related Parties; in addition to ensuring the integrity of financial and operational systems and ensuring the application of appropriate control measures to manage potential risks in accordance with the requirements of Article 21 of the Corporate Governance Regulations. Furthermore, the Board members shall conduct annual reviews of the Company's internal control measures.



- 18- The Company's Audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom of Saudi Arabia (IFRS-KSA). The financial data in this Prospectus has been extracted without any material deviation from the Financial Statements and are presented in a manner consistent therewith. No material amendments have been made thereto except for financial and statistical information that have been subject to rounding.
- 19- None of the Directors or the CEO will vote on General Assembly resolutions that relate to any transaction or contract in which they have a direct or indirect interest.
- 20- The members of the Board of Directors have developed procedures, controls, and systems that would enable the Company to meet all the requirements of the relevant laws and regulations, including the Companies Law, Capital Market Law and its implementing regulations, Rules on the Offer of Securities and Continuing Obligations, as well as the Listing Rules.
- 21- The Company has submitted and will submit to the CMA all documents required under the Capital Market Law and the OSCOs.
- 22- Except as disclosed in Section 2.1.24 ("**Risks Related to Financing Facilities, Liquidity, and Securing Additional Loans**") of this Prospectus, there is no collateral, encumbrance, or financial burden on any of the Company's assets.
- 23- As at the date of this Prospectus, the Company does not have any employee share schemes in place for its employees or any other arrangement involving the employees in the capital of the Company.
- 24- All employees of the Company are under its sponsorship.
- 25- Unless otherwise approved by the General Assembly, the members of the Board of Directors may not have a direct or indirect interest in the transactions and contracts entered into by the Company.
- 26- The members of the Board of Directors shall notify the Board of any direct or indirect interest they may have in the transactions and contracts entered into by the Company, and this notification will be recorded in the minutes of the Board of Directors meeting.
- 27- As at the date of this Prospectus, none of the Company's share capital is under option.
- 28- The members of the Board of Directors, Senior Executives, and Secretary have not at any time been declared bankrupt or been subject to bankruptcy proceedings.
- 29- None of the companies in which any of the Directors, Senior Executives, or Secretary was employed in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past five (5) years preceding the date of this Prospectus.
- 30- No powers exist giving any of the Directors the right to borrow money from the Company.
- 31- All necessary approvals were obtained for the offering of the Company's Shares in the stock market and for it to become a public joint stock company.
- 32- The Company is able to prepare the required reports in a timely manner, according to the implementing regulations issued by the CMA.
- 33- As at the date of this Prospectus, the persons whose names appear in Section 4.7 ("**Overview of the Shareholders**") of this Prospectus are the direct and indirect legal and beneficial owners of the Company's Shares.
- 34- The internal control, accounting, and IT systems of the Company are sufficient and adequate.
- 35- Except as stated in Section 17 ("**Waivers**") of this Prospectus, this Prospectus contains all the information to be included under the OSCOs requirements and does not omit any other fact that would have any impact on the application for the Securities Registration and Offering.
- 36- Third-party information and data included in this Prospectus, including the information obtained or derived from the market research conducted by the Market Research Consultant, is reliable and the Company has no reason to believe that such information is materially inaccurate. Moreover, the statistical information used in Section 3 ("**Market and Industry Overview**") of this Prospectus, which was obtained or derived from external sources, represents the latest information available at the respective source.
- 37- All terms and conditions that may affect the decisions of the Subscribers to invest in the Company's Shares have been disclosed.
- 38- The Company currently has no intention to sign any new contracts with Related Parties except to renew contracts with the Related Parties previously concluded and referred to in this Prospectus. In the event that the Company wishes to sign new contracts with Related Parties in the future, the Company shall comply with Articles 27, 71, and 72 of the Companies Law and Article 44 of the Corporate Governance Regulations.
- 39- All increases and decreases in the capital of the Company are in compliance with the laws and regulations applicable in Saudi Arabia.



- 40- The Company does not have any securities (contractual or otherwise) or any assets in which the value is subject to fluctuation that would adversely and materially affect the assessment of the financial position.
- 41- Except as disclosed in Section 2 (“**Risk Factors**”) hereof, the Company is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that have materially affected or may materially affect (directly or indirectly) its operations.
- 42- Except as disclosed in Section 2 (“**Risk Factors**”) hereof, the Company is not aware of any seasonal factor or business cycles related to its business that would affect the Company’ operations or financial position.
- 43- The Company has insurance policies with sufficient insurance coverage to carry out its activities. The Company renews its insurance policies regularly to ensure continued insurance coverage. The Company also took all reasonable security measures as per applicable industry practices.
- 44- All agreements that the Company considers to be material or important, or that have an impact on a Subscriber’s decision to invest in the Offer Shares have been disclosed. There are no other material agreements or contracts that have not been disclosed.
- 45- Except as disclosed in Section 2 (“**Risk Factors**”) hereof, and to the best of their knowledge and belief, there are no other material risks that may affect a prospective investor’s decision to invest in the Offer Shares.
- 46- Except as disclosed in Section 12.6 (“**Government Consents, Licenses and Certificates**”) hereof, as at the date of this Prospectus, the Company has obtained all necessary licenses and permits to carry out its business activities.
- 47- The Company is not a party to any litigation, claims, lawsuits or current investigations that could materially affect its business operations or financial position.
- 48- All necessary approvals have been obtained from lenders to offer 30% of the Company’s Shares in order for the Company to be a public joint-stock company.
- 49- The Company is in compliance with all terms and conditions under the agreements with lenders granting loans, facilities, and financing.
- 50- As at the date of this Prospectus, there has been no breach of the contractual terms and conditions under the agreements signed with the entities providing loans, facilities, and financing, and the Company complies with all the terms and conditions thereof.
- 51- All Board of Directors resolutions and deliberations shall be documented by means of written meeting minutes, which the Directors shall sign.
- 52- The Directors shall disclose the details of any Related Party transactions in accordance with the Companies Law, the Corporate Governance Regulations, and the CMA laws and regulations.

The Directors further declare complying with the provisions of Articles 71 and 72 of the Companies Law and Article 40 of the Corporate Governance Regulations with respect to contracts with Related Parties as follows:

- 1- All transactions entered into by the Company with Related Parties shall be entered into on an arm’s-length basis, and all works and contracts with Related Parties shall be subject to vote in meetings of the Board of Directors, or (if required by law), the Ordinary General Assembly. Directors may not vote on any decision related to transactions or contracts conducted for the account of the Company in which they have a direct or indirect interest, whether in the Board of Directors or the General Assembly.
- 2- All transactions entered into with Related Parties and described in Section 12.8 (“**Transactions and Contracts with Related Parties**”) of this Prospectus, including determining the financial consideration for the engagement, have been carried out in a legal manner and on appropriate and fair commercial basis similar to transactions with other third parties.
- 3- As at the date of this Prospectus, the members of the Board of Directors have not participated, jointly or severally, in any activities similar or competitive with the activities of the Company. The members of the Board of Directors further undertake to fulfill the requirements in the future, in accordance with Articles 27, 71, and 72 of the Companies Law, and Chapter 6 of Part Three of the Corporate Governance Regulations.
- 4- Neither the members of the Board of Directors nor any Senior Executives shall obtain a loan from the Company, and the Company shall not guarantee any loan entered into by a member of the Board of Directors.

The members of the Board of Directors and the CEO declare that they do not have the right to vote on decisions relating to their fees and remuneration or any contract or proposal in which they have an interest.

The Issuer undertakes to submit the latest interim/ annual financial statements (as applicable) and to attach the same to the preliminary Prospectus prior to the commencement of the Offer of the Company’s Shares, or within the final Prospectus, or to announce the same before the Listing of the Company’s Shares (as applicable), in accordance with the periods stipulated in the relevant continuing obligations of listed companies.



12

Legal Information





12. LEGAL INFORMATION

12.1 Declarations Related to Legal Information

- The members of the Board of Directors declare that:
- The Offering does not violate the applicable laws and regulations in the Kingdom.
- The Offering does not prejudice any contracts or agreements concluded by the Company.
- All material legal information relating to the Company and its Subsidiary has been disclosed in this Prospectus.
- The Company is not subject to any lawsuits or legal proceedings that may, individually or collectively, have a material effect on the business or financial position of the Company.
- Directors are not subject to any lawsuits or legal proceedings that may, individually or collectively, have a material effect on the business or financial position of the Company.
- Except as disclosed in Section 5.6 ("**Conflict of Interests**") of this Prospectus, the members of the Board of Directors and Executive Management did not jointly or severally participate in activities similar or competing with those of the Company and undertake to comply with the requirements of the Companies Law.

12.2 The Company

Al Ramz Real Estate Company is a Saudi closed joint stock company established under Commercial Registration No. 1010488618 dated 29/11/1437H (corresponding to 01/09/2016G) issued in Riyadh, Kingdom of Saudi Arabia. As per its Commercial Register, the head office of the Company is located in Riyadh, Zip Code: 13521, P.O. Box: 543077. As at the date of this Prospectus, the Company's current capital is three hundred million (300,000,000) Saudi Riyals divided into thirty million (30,000,000) Ordinary Shares at a fully paid-up nominal value of ten (10) Saudi Riyals per Share (the "**Share(s)**"). Post-capital increase, the Company's capital will be three hundred ninety-four million seven hundred thirty-six thousand eight hundred fifty (394,736,850) Saudi Riyals divided into thirty-nine million four hundred seventy-three thousand six hundred eighty-five (39,473,685) Ordinary Shares at a nominal value of ten (10) Saudi Riyals per Share. Pursuant to its Commercial Register, the Company's principal activities are as follows:

- Buying, selling and subdividing land and properties, and off-plan sales activities.
- Management and leasing of owned or rented properties (residential).
- Management and leasing of owned or rented properties (non-residential).
- Activities of real estate brokers.
- Property management.
- General constructions of residential buildings.
- General constructions of non-residential buildings.
- Restoration of residential and non-residential buildings.
- Drilling and earth moving for site preparation purposes.
- Casting of bases and foundations.
- Building finishing.
- Management of operation and maintenance services in buildings and annexed utilities.

(For further details, please see Section 4.9 ("**Overview of the Company's Principal Activities**") of this Prospectus).

12.3 Shareholding Structure

The following table shows the Company's Shareholders structure pre- and post-Offering:



Table (12.1): Company's Shareholding Structure Pre- and Post-Offering as at the Date of this Prospectus

Shareholder Name	Pre-Offering			Post-Offering		
	No. of Shares	Direct Ownership*	Par Value (SAR)	No. of Shares	Direct Ownership*	Par Value (SAR)
Rasheed Abdulrahman Nasser Al-Rasheed	24,000,012	80.00%	240,000,120	24,000,012	56.00%	240,000,120
Abdulmalik Rasheed Abdulrahman Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Rakan Rasheed Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Haroon Rasheed Abdulrahman Al-Rasheed	1,166,700	3.89%	11,667,000	1,166,700	2.72%	11,667,000
Fatima Abdullah Al Majed	750,000	2.5%	7,500,000	750,000	1.75%	7,500,000
Haya Rasheed Al-Rasheed**	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Moudhi Rasheed Al-Rasheed	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Sara Rasheed Al-Rasheed	583,296	1.94%	5,832,960	583,296	1.36%	5,832,960
Public (through Subscription)*	-	-	-	12,857,143	30.00%	-
Total	30,000,000	100%	300,000,000	42,857,143	100.00%	428,571,430

*Ownership percentages have been rounded to the nearest decimal place.

**Shares owned by the Public shall be equal to 31.36% of the Company's capital after the Offering, and shall include Shares owned by Haya Rasheed Abdulrahman Al-Rasheed who will be considered as being part of the Public after the Offering, in accordance with the Listing Rules.

Source: the Company

Details related to each Shareholder's ownership are included in Section 4.7 ("**Overview of the Shareholders**") of this Prospectus.

12.4 Subsidiaries

Table (12.2): Subsidiaries and Investments in which the Company holds Ownership Interests

No.	Subsidiary Name	CR No.	Country of Incorporation	Principal Business Activities	Capital	Company's Ownership Percentage
1-	ZAT Construction Company	1010787199	KSA	General constructions of residential buildings - General constructions of non-residential buildings (such as schools, hospitals, hotels) - Construction of airports and airports facilities - General constructions of government buildings - Construction of prefabricated buildings on sites - Restoration of residential and non-residential buildings - Repair and maintenance of bridges and tunnels - Drilling and earth moving for site preparation purposes - Casting of bases and foundations - Electrical wiring - Installation, maintenance and repair of plumbing and sanitary equipment - Building finishing	SAR 50,000	100%
2-	Mabna AlMajd Real Estate Development and Investment Company	1009076582	Saudi Arabia	Building construction - Real estate activities in owned or leased properties - Real estate activities on a fee or contract basis	SAR 100,000	50%



3-	Al Ramz wa Asayel Real Estate Development Company	2051261320	Saudi Arabia	Building construction – Demolition – Building completion and finishing – Real estate activities in owned or leased properties – Real estate activities on a fee or contract basis	SAR 500,000	50%
4-	Oud Financial Company	7050855829	Saudi Arabia	Other activities auxiliary to financial services activities – Fund management activities	SAR 20,000,000	25%

Source: the Company

12.5 Government Consents, Licenses and Certificates

The Company and its Subsidiary have obtained several regulatory and operational licenses and certificates from the relevant competent authorities, which are periodically renewed. The Board members declare that the Company obtained all licenses and consents necessary to conduct its business. The following tables list licenses and certificates currently held by the Company:

Table (12.3): Details of Commercial Registration Certificates Obtained by the Company

CR	Location	Registration Date	Expiry Date
1010488618	Riyadh	29/11/1437H (corresponding to 01/09/2016G)	24/07/1447H (corresponding to 13/01/2026G)

Source: the Company

Table (12.4): Details of Commercial Registration Certificate of the Company's Subsidiary

No.	Branch	Location	CR	Registration Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	1010787199	06/08/1443H (corresponding to 09/03/2022G)	28/08/1447H (corresponding to 16/02/2026G)

Source: the Company

Table (12.5): Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company

No.	Company	Issuer	Membership No.	Issuance Date	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh Chamber	366533	29/11/1437H (corresponding to 01/09/2016G)	24/07/1447H (corresponding to 13/01/2026G)

Source: the Company

Table (12.6): Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company's Subsidiary

No.	Company	Issuer	Membership No.	Issuance Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh Chamber	715582	06/08/1443H (corresponding to 09/03/2022G)	24/07/1447H (corresponding to 13/01/2026G)

Table (12.7): Details of the Main Municipality Licenses Obtained by the Company

No.	Branch	Location	License No.	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh	460316899075	23/04/1449H (corresponding to 24/09/2027G)

Source: the Company

**Table (12.8): Details of the Civil Defense License Obtained by the Company**

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh	46-001628220-1	21/04/1446H (corresponding to 24/10/2024G)	23/04/1449H (corresponding to 24/09/2027G)

Source: the Company

Table (12.9): Details of the Main Municipality Licenses for the Company Offices

No.	Branch	Location	License No.	Expiry Date
1-	Al Ramz Real Estate Company Office	Al-Khobar	460316811596	28/04/1449H (corresponding to 29/09/2027G)
2-	Al Ramz Real Estate Company Office	Riyadh	43016039995	22/04/1450H (corresponding to 12/09/2028G)

Source: the Company

Table (12.10): Details of the Civil Defense Licenses for the Company Offices

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	Al Ramz Real Estate Company Office	Al-Khobar	46-001617077-1	28/04/1446H (corresponding to 31/10/2024G)	28/04/1449H (corresponding to 29/09/2027G)
2-	Al Ramz Real Estate Company Office	Riyadh	46-000817025-3	02/05/1446H (corresponding to 04/11/2024G)	22/04/1450H (corresponding to 12/09/2028G)

Table (12.11): Details of the Main Municipality Licenses Obtained by the Company's Subsidiary

No.	Branch	Location	License No.	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	460517616967	04/06/1449H (corresponding to 03/11/2027G)

Source: the Company

Table (12.12): Details of the Civil Defense License Obtained by the Company's Subsidiary

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	46-001706112-1	04/06/1446H (corresponding to 05/12/2024G)	04/06/1449H (corresponding to 03/11/2027G)

Table (12.13): Details of Building Permits Relating to Company Projects

No.	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
1-	King Salman Tower	799022004437 dated 24/11/1444H	Plot of land no.(s) 2060 and 2061, Plan no, 3114, Al-Malqa District, Riyadh, Saudi Arabia	6944	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	07/03/1446H (corresponding to 10/09/2024G)	07/03/1449H (corresponding to 09/08/2027G)
2-	Ramz Al-Rayyan 2	799060001641 dated 22/02/1445H	Plot of land no. 153, Block no. 4, Plan no. 6741A, Al-Rayyan District, Riyadh, Saudi Arabia	11705	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	15/06/1445H (corresponding to 28/12/2023G)	15/06/1448H (corresponding to 25/11/2026G)
3-	Aykah Town	362520002878 dated 29/02/1445H	Plot of land no. 442/8, Plan no. 905/2/Q, Al-Mabroka District, Buraydah, Saudi Arabia	450614157996	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	12/06/1445H (corresponding to 25/12/2023G)	12/06/1448H (corresponding to 22/11/2026G)



No.	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
4-	Yousor Village	481007000129 dated 20/08/1444H	Plot of land no.(s) 106-111, Plan no. 32/B, Al-Salama District, Jeddah, Saudi Arabia	4500105971	Al Ramz Real Estate Company (CR no. 1010488618)	Jeddah Municipality	14/06/1445H (corresponding to 27/12/2023G)	14/06/1448H (corresponding to 24/11/2026G)
5-	Lolia Villa	-	Plot of land no.(s) 605 and 607, Plan no. 985/S.D, Al-Sudfa District, Al-Khobar, Saudi Arabia	450915291573	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Sharqia Municipality	26/09/1445H (corresponding to 05/04/2024G)	26/09/1448H (corresponding to 05/03/2027G)
6-	Sadeem Villas - Phase I	Third Party ³	Plot of land no.(s) 1295 - 1297, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	23341	Third Party	Riyadh Municipality	29/10/1445H (corresponding to 08/05/2024G)	30/10/1448H (corresponding to 07/04/2027G)
7-	Sadeem Villas - Phase I	Third Party ⁴	Plot of land no.(s) 1309 - 1311, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	19305	Third Party	Riyadh Municipality	25/08/1445H (corresponding to 06/03/2024G)	25/08/1448H (corresponding to 02/02/2027G)
8-	Sadeem Villas - Phase I	Third Party ⁵	Plot of land no.(s) 1327- 1328, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	19304	Third Party	Riyadh Municipality	25/08/1445H (corresponding to 06/03/2024G)	25/08/1448H (corresponding to 02/02/2027G)
9-	Sadeem Villas - Phase I	Third Party ⁶	Plot of land no.(s) 1339 - 1340, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	23341	Third Party	Riyadh Municipality	29/10/1445H (corresponding to 08/05/2024G)	30/10/1448H (corresponding to 07/04/2027G)
10-	Sadeem Apartments - Phase I	Third Party ⁷	Plot of land no.(s) 128-132, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	24843	Third Party	Riyadh Municipality	18/11/1445H (corresponding to 26/05/2024G)	18/11/1448H (corresponding to 25/04/2027G)

- 3 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 4 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 5 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 6 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 7 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.



No.	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
11-	Rayya Al-Nakheel	Third Party ^a	Plot of land no. 133, Plan no. 2113/B, Al-Nakheel District, Riyadh, Saudi Arabia	13596	Third Party	Riyadh Municipality	03/07/1445H (corresponding to 15/01/2024G)	03/07/1448H (corresponding to 12/12/2026G)
12-	Ramz Tharwah	660001277371 dated 10/08/1445H	Plot of land no.(s) 168 and 170 Plan no. 1450/SD, Al-Seef District, Dammam, Saudi Arabia	440711455723	Musharaka Ramz Tharwah Real Estate Company (Unified No. 7035607451)	Al-Sharqia Municipality	08/07/1444H (corresponding to 30/01/2023G)	08/07/1447H (corresponding to 28/12/2025G)
13-	Jawharat Al-Ramz	-	Plot of land in plan no. 310106060900/S/ Amended 2, Riyadh	3204	Ministry of Municipalities and Housing	Riyadh Municipality	01/03/1445H (corresponding to 16/09/2023G)	01/03/1448H (corresponding to 14/08/2026G)
14-	RAFD - Hittin	518510001269 dated 06/09/1444H	Eight Plot of land no.(s) 843 – 845, 1156, 1157, 1256, 1257 and 2080 in plan no. 3057, Hittin, Riyadh, Saudi Arabia	8865	Durrat Al-Markaz Real Estate Company (Unified No. 7024081502)	Riyadh Municipality	19/05/1445H (corresponding to 03/12/2023G)	19/05/1448H (corresponding to 30/10/2026G)
15-	Ay kah Villa	562529003590 dated 03/12/1444H	Plot of land. no. 443/12, plan no. 905/2/Q, Al-Nahda District, Buraydah, Saudi Arabia	450112779816	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	15/02/1445H (corresponding to 31/08/2023G)	15/02/1448H (corresponding to 29/07/2026G)
16-	Jadeel Alrimal	993563001440 dated 15/07/1446H	Complex No. 48, Plot No. 3966, AlRimal District, Riyadh	25998	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	11/08/1446H (corresponding to 10/02/2025G)	11/08/1449H (corresponding to 08/01/2028G)
17-	Jadeel Alrimal	395001000133 dated 08/05/1446H	Complex No. 49, Plot No. 3966, AlRimal District, Riyadh	19096	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	18/06/1446H (corresponding to 19/12/2024G)	18/06/1449H (corresponding to 11/07/2027G)
18-	Jadeel Alrimal	495001000101 dated 27/04/1446H	Complex No. 53, Plot No. 3966, AlRimal District, Riyadh	19250	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	20/06/1446H (corresponding to 21/12/2024G)	20/06/1449H (corresponding to 19/11/2027G)
19-	Jadeel Alrimal	993563001410 dated 14/07/1446H	Complex No. 55, Plot No. 3966, AlRimal District, Riyadh	25997	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	11/08/1446H (corresponding to 10/02/2025G)	11/08/1449H (corresponding to 08/01/2028G)
20-	Jadeel Alrimal	498512000244 dated 26/04/1446H	Plot 56 in plan 3966, AlRimal District, Riyadh	19161	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	20/06/1446H (corresponding to 21/12/2024G)	20/06/1449H (corresponding to 19/11/2027G)
21-	Jadeel Alrimal	993563001518 dated 21/07/1446H	Plot 57 in plan 3966, AlRimal District, Riyadh	26001	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	11/08/1446H (corresponding to 10/02/2025G)	11/08/1449H (corresponding to 08/01/2028G)

8 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al Nakheel Real Estate Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al Nakheel Real Estate Fund upon transfer of title deed ownership to Al Nakheel Real Estate Fund.



No.	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
22-	Jadeel Alrimal	698552039481 dated 25/04/1446H	Plot 58 in plan 3966, AlRimal District, Riyadh	25996	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	11/08/1446H (corresponding to 10/02/2025G)	11/08/1449H (corresponding to 08/01/2028G)
23-	Obhur Al-Janoubiyah	360026268324 dated 22/03/1446H	Plot No. 16/19, plan No. 216/B/ Amended, Obhur Al-Janoubiyah District, Jeddah	460718170115	Al Ramz Real Estate Company (Unified No. 7007099612)	Jeddah Municipality	27/09/1446H (corresponding to 27/03/2025G)	27/09/1449H (corresponding to 23/02/2028G)
24-	King Khaled Project	Third Party ⁹	Hittin District, Riyadh	29703	Third Party	Riyadh Municipality	10/09/1446H (corresponding to 10/03/2025G)	10/09/1449H (corresponding to 06/02/2028G)

Table (12.14): Occupancy Certificates Relating to Company Projects

No.	Project	Title Deed No. and Date	Location	Certificate No.	Permit No.	Issued To	Issued By	Issuance Date
1-	Ramz Al-Rayyan 2	799060001641 dated 22/02/1445H	Plot of land no. 153, Block no. 4, Plan no. 674IA, Al-Rayyan District, Riyadh, Saudi Arabia	1446/9076	11705	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	01/07/1446H (corresponding to 01/01/2025G)
2-	Aykah Villa / Aykah Town	562529003590 dated 03/12/1444H	Plot of land. no. 443/12, plan no. 905/2/Q, Al-Nahda District, Buraydah, Saudi Arabia	4643075342	450112779816	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	02/07/1446H (corresponding to 02/01/2025G)
3-	Aykah Apartments	362520002878 dated 29/02/1445H	Plot No. 442/8, Plan No. 905/2/Q, Al-Mabrouka District, Buraidah, Kingdom of Saudi Arabia	4752985515	450614157996	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	18/03/1447H (corresponding to 10/09/2025G)
4-	Lolia Villa	994069004900 dated 05/07/1445H	Plot No. 609, Plan Sh.D/985, Al-Sudfah District, Al Khobar, Kingdom of Saudi Arabia	4748943661	450915291573	Al Ramz Real Estate Company (Unified No. 7007099612)	Al Sharqiyah Municipality	23/02/1447H (corresponding to 10/10/2020G)
5-	Ramz Tharwah	660001277371 dated 10/08/1445H	Plot of land no.(s) 168 and 170 Plan no. 1450/SD, Al-Seef District, Dammam, Saudi Arabia	4643453962	440711455723	Musharaka Ramz Tharwah Real Estate Company (Unified No. 7035607451)	Al-Sharqia Municipality	15/10/1446H (corresponding to 13/04/2025G)

⁹ This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit. This third party is the Durrat King Khaled Fund, and the fund's special purpose entity is the registered owner of the relevant title deed.



Table (12.15): Details of Off-Plan Sale Licenses Relating to Company Projects

No	Project	License no.	Issued to	Issued by	Issuance Date	Expiry Date
1-	Jawharat Al-Ramz	180/A	Al Ramz Real Estate Company	REGA	07/11/2023G	06/11/2024G
2-	Yousor Village	266	Al Ramz Real Estate Company	REGA	19/11/2024G	01/03/2026G
3-	Sadeem Apartments	350	Al Ramz Real Estate Company	REGA	12/02/2025G	12/02/2026G
4-	Sadeem Villas	360	Al Ramz Real Estate Company	REGA	17/02/2025G	17/02/2026G

Table (12.16): Real Estate Activity Licenses / Permits / Certificates

No	License / Permit / Certificate	Document No.	Issued To	Issued By	Issuance Date	Expiry Date
1-	Property Management License ¹⁰	2200003170	Al Ramz Real Estate Company JSC (closed)	REGA	08/11/2024G	08/11/2026G
2-	Facility Management License	3200000524	Al Ramz Real Estate Company JSC (closed)	REGA	18/08/2023G	01/12/2027G
3-	Brokerage and Marketing License	1200012343	Al Ramz Real Estate Company JSC (closed)	REGA	11/09/2024G	11/09/2027G
4-	Off-Plan Sale and Leasing Qualification Certificate ¹¹	1480	Al Ramz Real Estate Company JSC (closed)	REGA	04/06/2024G	06/05/2027G
5-	MODON Services Provider Categorization Certificate ¹²	2021001500	Al Ramz Real Estate Company (CR no. 1010488618)	MoMAH (Balady)	07/01/2021G	07/10/2025G
6-	Real Estate Brokerage Certificate ¹³	EJAR_48028200	Al Ramz Real Estate Company JSC (closed)	REGA (EJAR)	02/11/2017G	31/12/2024G

The Company currently holds direct ownership interests in one Subsidiary, ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (single-person company).

Set out below is a summary of the direct ownership interests owned by the Company in its Subsidiary, ZAT Construction Company:

Table (12.17): Subsidiaries and Investments in which the Company holds Ownership Interests

No.	Subsidiary Name	CR No.	Country of Incorporation	Principal Business Activities	Capital	Company's Ownership Percentage
1-	ZAT Construction Company	1010787199	KSA	General constructions of residential buildings - General constructions of non-residential buildings (such as schools, hospitals, hotels) - Construction of airports and airports facilities - General constructions of government buildings - Construction of prefabricated buildings on sites - Restoration of residential and non-residential buildings - Repair and maintenance of bridges and tunnels - Drilling and earth moving for site preparation purposes - Casting of bases and foundations - Electrical wiring - Installation, maintenance and repair of plumbing and sanitary equipment - Building finishing	SAR 50,000	100%

¹⁰ Allows the certificate holder to undertake property management activities.

¹¹ Allows the certificate holder to undertake activities related to the sale and leasing of off plan real estate developments .

¹² Allows the Company to provide construction / development services in MODON-regulated industrial zones as a **"second tier"** services provider.

¹³ Allows certificate holder to undertake leasing brokerage activities on the EJAR platform.



No.	Subsidiary Name	CR No.	Country of Incorporation	Principal Business Activities	Capital	Company's Ownership Percentage
2-	Mabna AlMajd Real Estate Development and Investment Company	1009076582	Saudi Arabia	Building construction – Real estate activities in owned or leased properties – Real estate activities on a fee or contract basis	SAR 100,000	50%
3-	Al Ramz & Asayel Real Estate Development Company	2051261320	Saudi Arabia	Building construction – Demolition – Building completion and finishing – Real estate activities in owned or leased properties – Real estate activities on a fee or contract basis	SAR 500,000	50%
4-	Oud Financial Company	7050855829	Saudi Arabia	Other activities auxiliary to financial services activities – Fund management activities	SAR 20,000,000	25%

Source: the Company

12.6 Government Consents, Licenses and Certificates

The Company and its Subsidiary have obtained several regulatory and operational licenses and certificates from the relevant competent authorities, which are periodically renewed. The Board members declare that the Company obtained all licenses and consents necessary to conduct its business. The following tables list licenses and certificates currently held by the Company:

Table (12.18): Details of Commercial Registration Certificates Obtained by the Company

CR	Location	Registration Date	Expiry Date
1010488618	Riyadh	29/11/1437H (corresponding to 01/09/2016G)	24/07/1447H (corresponding to 13/01/2026G)

Source: the Company

Table (12.19): Details of Commercial Registration Certificate of the Company's Subsidiary

No.	Branch	Location	CR	Registration Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	1010787199	06/08/1443H (corresponding to 09/03/2022G)	28/08/1447H (corresponding to 16/02/2026G)

Source: the Company

Table (12.20): Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company

No.	Company	Issuer	Membership No.	Issuance Date	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh Chamber	366533	29/11/1437H (corresponding to 01/09/2016G)	24/07/1447H (corresponding to 13/01/2026G)

Source: the Company



Table (12.21): Details of the Certificate of Membership in the Chamber of Commerce Obtained by the Company's Subsidiary

No.	Company	Issuer	Membership No.	Issuance Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh Chamber	715582	06/08/1443H (corresponding to 09/03/2022G)	24/07/1447H (corresponding to 13/01/2026G)

Table (12.22): Details of the Main Municipality Licenses Obtained by the Company

No.	Branch	Location	License No.	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh	460316899075	23/04/1449H (corresponding to 24/09/2027G)

Source: the Company

Table (12.23): Details of the Civil Defense License Obtained by the Company

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	Al Ramz Real Estate Company	Riyadh	46-001628220-1	21/04/1446H (corresponding to 24/10/2024G)	23/04/1449H (corresponding to 24/09/2027G)

Source: the Company

Table (12.24): Details of the Main Municipality Licenses for the Company Offices

No.	Branch	Location	License No.	Expiry Date
1-	Al Ramz Real Estate Company Office	Al-Khobar	460316811596	28/04/1449H (corresponding to 29/09/2027G)
2-	Al Ramz Real Estate Company Office	Riyadh	43016039995	22/04/1450H (corresponding to 12/09/2028G)

Source: the Company

Table (12.25): Details of the Civil Defense Licenses for the Company Offices

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	Al Ramz Real Estate Company Office	Al-Khobar	46-001617077-1	28/04/1446H (corresponding to 31/10/2024G)	28/04/1449H (corresponding to 29/09/2027G)
2-	Al Ramz Real Estate Company Office	Riyadh	46-000817025-3	02/05/1446H (corresponding to 04/11/2024G)	22/04/1450H (corresponding to 12/09/2028G)

Table (12.26): Details of the Main Municipality Licenses Obtained by the Company's Subsidiary

No.	Branch	Location	License No.	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	460517616967	04/06/1449H (corresponding to 03/11/2027G)

Source: the Company

Table (12.27): Details of the Civil Defense License Obtained by the Company's Subsidiary

No.	Branch	Location	License No.	Registration Date	Expiry Date
1-	ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (Limited Liability Company)	Riyadh	1-001706112-46	04/06/1446H (corresponding to 05/12/2024G)	04/06/1449H (corresponding to 03/11/2027G)



Table (12.28): Details of Building Permits Relating to Company Projects

No	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
1-	King Salman Tower	799022004437 dated 24/11/1444H	Plot of land no.(s) 2060 and 2061, Plan no. 3114, Al-Malqa District, Riyadh, Saudi Arabia	6944	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	07/03/1446H (corresponding to 10/09/2024G)	07/03/1449H (corresponding to 09/08/2027G)
2-	Ramz Al-Rayyan 2	799060001641 dated 22/02/1445H	Plot of land no. 153, Block no. 4, Plan no. 674IA, Al-Rayyan District, Riyadh, Saudi Arabia	11705	Al Ramz Real Estate Company (Unified No. 7007099612)	Riyadh Municipality	15/06/1445H (corresponding to 28/12/2023G)	15/06/1448H (corresponding to 25/11/2026G)
3-	Aykah Town	362520002878 dated 29/02/1445H	Plot of land no. 442/8, Plan no. 905/2/Q, Al-Mabroka District, Buraydah, Saudi Arabia	450614157996	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	12/06/1445H (corresponding to 25/12/2023G)	12/06/1448H (corresponding to 22/11/2026G)
4-	Yousor Village	481007000129 dated 20/08/1444H	Plot of land no.(s) 106-111, Plan no. 32/B, Al-Salama District, Jeddah, Saudi Arabia	4500105971	Al Ramz Real Estate Company (CR no. 1010488618)	Jeddah Municipality	14/06/1445H (corresponding to 27/12/2023G)	14/06/1448H (corresponding to 24/11/2026G)
5-	Lolia Villa	-	Plot of land no.(s) 605 and 607, Plan no. 985/S.D, Al-Sudfa District, Al-Khobar, Saudi Arabia	450915291573	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Sharqia Municipality	26/09/1445H (corresponding to 05/04/2024G)	26/09/1448H (corresponding to 05/03/2027G)
6-	Sadeem Villas - Phase I	Third Party ¹⁴	Plot of land no.(s) 1295 - 1297, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	23341	Third Party	Riyadh Municipality	29/10/1445H (corresponding to 08/05/2024G)	30/10/1448H (corresponding to 07/04/2027G)
7-	Sadeem Villas - Phase I	Third Party ¹⁵	Plot of land no.(s) 1309 - 1311, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	19305	Third Party	Riyadh Municipality	25/08/1445H (corresponding to 06/03/2024G)	25/08/1448H (corresponding to 02/02/2027G)
8-	Sadeem Villas - Phase I	Third Party ¹⁶	Plot of land no.(s) 1327-1328, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	19304	Third Party	Riyadh Municipality	25/08/1445H (corresponding to 06/03/2024G)	25/08/1448H (corresponding to 02/02/2027G)
9-	Sadeem Villas - Phase I	Third Party ¹⁷	Plot of land no.(s) 1339 - 1340, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	23341	Third Party	Riyadh Municipality	29/10/1445H (corresponding to 08/05/2024G)	30/10/1448H (corresponding to 07/04/2027G)
10.	Sadeem Apartments - Phase I	Third Party ¹⁸	Plot of land no.(s) 128-132, Plan no. 3203/I, Al-Safa District, Riyadh, Saudi Arabia	24843	Third Party	Riyadh Municipality	18/11/1445H (corresponding to 26/05/2024G)	18/11/1448H (corresponding to 25/04/2027G)

- 14 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 15 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 16 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 17 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.
- 18 This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al-Rabwa Real Estate Development Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al-Rabwa Real Estate Development Fund upon transfer of title deed ownership to Al-Rabwa Real Estate Development Fund.



No	Project	Title Deed No. and Date	Location	Permit No.	Issued To	Issued By	Issuance Date	Expiry Date
10-	Rayya Al-Nakheel	Third Party ¹⁹	Plot of land no. 133, Plan no. 2113/B, Al-Nakheel District, Riyadh, Saudi Arabia	13596	Third Party	Riyadh Municipality	03/07/1445H (corresponding to 15/01/2024G)	03/07/1448H (corresponding to 12/12/2026G)
11-	Ramz Tharwah	660001277371 dated 10/08/1445H	Plot of land no.(s) 168 and 170 Plan no. 1450/SD, Al-Seef District, Dammam, Saudi Arabia	440711455723	Musharaka Ramz Tharwah Real Estate Company (Unified No. 7035607451)	Al-Sharqia Municipality	08/07/1444H (corresponding to 30/01/2023G)	08/07/1447H (corresponding to 28/12/2025G)
12-	Jawharat Al-Ramz	-	Plot of land in plan no. 310106060900/S/ Amended 2, Riyadh	3204	Ministry of Municipalities and Housing	Riyadh Municipality	01/03/1445H (corresponding to 16/09/2023G)	01/03/1448H (corresponding to 14/08/2026G)
13-	RAFD - Hittin	518510001269 dated 06/09/1444H	Eight Plot of land no.(s) 843 – 845, 1156, 1157, 1256, 1257 and 2080 in plan no. 3057, Hittin, Riyadh, Saudi Arabia	8865	Durrat Al-Markaz Real Estate Company (Unified No. 7024081502)	Riyadh Municipality	19/05/1445H (corresponding to 03/12/2023G)	19/05/1448H (corresponding to 30/10/2026G)
14-	Aykah Villa	562529003590 dated 03/12/1444H	Plot of land. no. 443/12, plan no. 905/2/Q, Al-Nahda District, Buraydah, Saudi Arabia	450112779816	Al Ramz Real Estate Company (Unified No. 7007099612)	Al-Qassim Municipality	15/02/1445H (corresponding to 31/08/2023G)	15/02/1448H (corresponding to 29/07/2026G)

Table (12.29): Details of Off-Plan Sale Licenses Relating to Company Projects

No	Project	License no.	Issued to	Issued by	Issuance Date	Expiry Date
1-	Jawharat Al-Ramz	180/A	Al Ramz Real Estate Company	REGA	07/11/2024G	01/02/2027G
2-	Yousor Village	266	Al Ramz Real Estate Company	REGA	19/11/2024G	01/03/2026G

Table (12.30): Real Estate Activity Licenses / Permits / Certificates

No	License / Permit / Certificate	Document No.	Issued To	Issued By	Issuance Date	Expiry Date
1-	Property Management License ²⁰	2200003170	Al Ramz Real Estate Company JSC (closed)	REGA	08/11/2024G	08/11/2026G
2-	Brokerage and Marketing License ²¹	1200012343	Al Ramz Real Estate Company JSC (closed)	REGA	11/09/2024G	11/09/2027G
3-	Off-Plan Sale and Leasing Qualification Certificate ²²	1480	Al Ramz Real Estate Company JSC (closed)	REGA	04/06/2024G	06/05/2027G
4-	MODON Services Provider Categorization Certificate ²³	2021001500	Al Ramz Real Estate Company (CR no. 1010488618)	MoMAH (Balady)	07/01/2021G	07/10/2025G
5-	Real Estate Brokerage Certificate ²⁴	EJAR_48028200	Al Ramz Real Estate Company JSC (closed)	REGA (EJAR)	02/11/2017G	31/12/2025G

¹⁹ This building permit was issued to a third party who was the title deed owner at the date of the submission of the building permit application. The third party subsequently transferred the relevant title deeds to Al Nakheel Real Estate Fund, and the Fund's special purpose entity is now the registered owner of the relevant title deeds. However, the building permit was not required to be transferred to Al Nakheel Real Estate Fund upon transfer of title deed ownership to Al Nakheel Real Estate Fund.

²⁰ Allows the certificate holder to undertake property management activities.

²¹ Allows the certificate holder to undertake real estate brokerage and marketing activities.

²² Allows the certificate holder to undertake activities related to the sale and leasing of off plan real estate developments .

²³ Allows the Company to provide construction / development services in MODON-regulated industrial zones as a **"second tier"** services provider.

²⁴ Allows certificate holder to undertake leasing brokerage activities on the EJAR platform.



12.7 Material Project Agreements

The Company has entered into several material agreements and contracts with multiple parties. This Section sets out summaries of agreements and contracts that the Company's Board members believe may be material or significant with respect to the Company's business, or that may impact Investors' decision to subscribe for the Offer Shares. The summaries of agreements and contracts referred to below do not include all terms and conditions and cannot be considered as a substitute for the terms and conditions of these agreements. However, they include the conditions that may be material or important in relation to the Company's business, or that may affect the Investors' decision to subscribe for the Offer Shares.

12.7.1 Material Construction Agreements

The total value of Material Construction Agreements set out in this Section is SAR 405,150,175.

Table (12.31): Ramz Tower Project - King Salman Road: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 01/04/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of a commercial office building containing 112 office units in Riyadh
Term	24 months commencing from the issuance of the building permit issued on 07/03/1446H (corresponding to 10/09/2024G)
Payments	6 payments to be paid respectively on each of the following completion milestones: 10%, 30%, 50%, 70%, 90% and 100% + Construction Fee.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.



Table (12.32): Aykah Town Project – Apartments: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 17 residential (apartments) units in Buraidah
Term	01/08/2025G, based on the extension request submitted by ZAT Construction Company
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.

Table (12.33): Aykah Town Project – Town Houses: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 24 residential units (Town Houses) in Buraidah
Term	01/07/2025G, based on the extension request submitted by ZAT Construction Company
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Not specified (i.e. requires counterparty consent)
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.



Table (12.34): Yousor Village Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G

Parties	The Company (as the Owner) and Osus Al-Ramz Contracting Company (as the Contractor)
Subject Matter / Project	Construction of 144 residential apartments in Jeddah
Term	17 months from the issuance of the building permit – handover of project to be on 27/05/2025G.
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.

Table (12.35): Lolia Villa Project: Construction Contract between the Company and ZAT Construction Company dated 23/04/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (as the Contractor)
Subject Matter / Project	Construction of 30 residential villas in Al-Khobar
Term	08/07/2025G, based on the extension request submitted by ZAT Construction Company
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.



Table (12.36): Ramz Tharwah Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 17/12/2023G

Parties	The Company (as the developer) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 174 residential apartments in Dammam
Term	Handover of project to be on 30/11/2024G.
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.

Table (12.37): Jawharat Al-Ramz Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G

Parties	The Company (as the developer) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 521 residential apartments in Riyadh
Term	Handover of project to be on 02/01/2024G.
Payments	5 payments of 20% to be paid respectively on each of the following milestones: (1) on signing of the agreement, (2) on completion of upper floor cementing works, (3) on commencement of tiling works, (4) on completion of roof tiling works, and (5) on project handover.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.



Table (12.38): RAFD Project - Hittin: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 02/01/2024G

Parties	The Company (as the developer) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of a commercial complex containing 98 units, including commercial offices and mixed-use units in Riyadh.
Term	18 months from the issuance of the building permit, with handover of project to be on 03/06/2025G.
Payments	6 payments to be paid respectively on each of the following completion milestones: 10%, 30%, 50%, 70%, 90% and 100% + Construction Fee.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.

Table (12.39): Jadeel Alrimal Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 17/11/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 400 residential floors in Riyadh
Term	15 months from the issuance of the building permit.
Payments	5 payments to be paid respectively upon the completion of each milestone.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.



Table (12.40): Obhur Al-Janoubiyah Project: Construction Contract between the Company and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) dated 20/10/2024G

Parties	The Company (as the Owner) and ZAT Construction Company (formerly, Osus Al-Ramz Contracting Company) (as the Contractor)
Subject Matter / Project	Construction of 75 residential villas in Al-Khobar.
Term	15 months from the issuance of the building permit.
Payments	5 payments to be paid respectively upon the completion of each milestone.
Delay Penalties	SAR 100,000 for a delay of 2 months. SAR 200,000 for a delay of 3 months. SAR 100,000 for each month of delay after the third. Owner may (1) withdraw works from the Contractor and pursue claims for damages against the Contractor if penalties exceed 10% of the Construction Cost, or (2) with the agreement of both Parties, allow the penalties to accumulate in value up to 20% of the Construction Cost, following which the Owner may terminate the agreement.
Termination	The agreement may be terminated by the Parties in mutual agreement or by the Owner in the event of Delay (see row directly above).
Main Warranties	1-year warranty on all works. 10-year warranty on structural works.
Other Key Terms	Owner may increase or decrease the scope of works by 20% without the Contractor's consent, and the Construction Cost would be adjusted on a pro-rata basis based on the agreed pricing.
Assignment and Subcontracting	Requires counterparty consent.
Governing Law	KSA Laws.
Dispute Resolution	KSA Courts.

12.7.2 Material Development Agreements

The total value of Material Development Agreements set out in this section is SAR 1,020,983,426. This does not include the fees of brokerage, performance, development, project operation/maintenance, or other fees, as such fees are calculated as percentages of project revenues, unit sales prices, or others. These fees are not specific amounts; therefore, the total value thereof cannot be calculated.

Table (12.41): Al Ramz Tower Project – King Salman Road: Development Agreement entered into between Riyadh Real Estate Development Fund and the Company on 01/07/2025G

Parties	Riyadh Real Estate Development Fund (represented by Jadat AlMalqa Real Estate Company) (as the Owner) and the Company (as the Developer)
Subject Matter / Project	Development of an office complex with an estimated leasable area of 16,550 sqm on land with a total area of 6,162.94 sqm in Riyadh
Term	30 months from the Owner's approval of the Development Plan.
Payments	The Owner must pay an advance payment of SAR 13,519,249.3 of the Development Cost at the commencement of development works. The Developer must notify the Owner upon completion of the main construction milestones, and shall receive the due payment from the Owner within 21 business days from the date of approval of such notice by the project manager appointed by the Owner.
Termination	The Agreement may be terminated: - By the Parties in mutual agreement, or in the event of insolvency, bankruptcy, restructuring, or similar proceedings with respect to any Party. - By the Owner if (1) the Developer breaches any of its contractual obligations, including delay in commencing works, or if the Owner determines that the Developer will not be able to complete the project on time and the Developer does not take appropriate corrective action within 14 days from the date of notice from the Owner regarding the breach; (2) the Developer commits fraud; or (3) at any time based on the interest and discretion of the Owner.



Confidentiality	Confidential information is any information identified by either Party as confidential or deemed by its nature to be confidential, whether through direct or indirect means, including information relating to technical, design, or engineering know-how, work procedures, financial data, or project execution plans.
Collateral	The Developer must issue to the Owner a promissory note and a bank guarantee equivalent to the Advance Payment.
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires the counterparty's consent. Subcontracting: The Developer has the right to subcontract with the professional/ technical team.
Governing Law	KSA laws.
Dispute Resolution	The Parties must meet within 5 days of notice by either Party in good faith to attempt to resolve the dispute or claim. If the dispute is not resolved amicably within 30 days of notice to the counterparty, the Parties agree to resort to arbitration in Riyadh, Saudi Arabia to resolve the dispute.

Table (12.42): King Khaled Offices Project: Development Agreement between Durrat King Khaled Fund and the Company dated 17/01/2024G

Parties	Durrat King Khaled Fund (represented by Jadat Al-Omran Real Estate Development Co.) (as the Owner) and the Company (as the developer)
Subject Matter / Project	Development of 315 units on a total 54,000 sqm space, including commercial offices and mixed-use units in Riyadh.
Term	30 months from the Owner's acceptance of the Development Plan.
Payments	Owner to make an advance payment of SAR 30,000,000 of the Development Cost at the commencement of development works. Developer must notify the Owner of the completion of construction milestones, and shall be paid by the Owner within 10 business days of such notice being approved by the project manager appointed by the Owner.
Termination	The agreement may be terminated: By the Parties in mutual agreement. By any Party in the event of a breach which continues for thirty (30) days from a notice of breach being issued by the non-breaching Party without being remedied by the breaching party. In the event of insolvency / bankruptcy / restructuring or similar proceedings being taken in respect of the Developer. By the Owner in the event that (1) the Developer is delayed in commencing works or the Owner sees that the Developer will not be able to complete the project in the required time; (2) the Developer does not comply with the required periods or standards in the Development Plan (and failing to remedy such failure within thirty (30) days' notice); or (3) the Developer committing fraud.
Confidentiality	Confidential information is any information provided by either Party as confidential or is understood to be confidential whether through direct or indirect means including designs, technical, engineering information, work procedures, financial data or project execution plans.
Collateral	Developer shall issue to the Owner an order note with a value equivalent to the Advance Payment and such order note shall be valid for the term of the agreement.
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attend a meeting within 5 days of notice from either Party to attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of notice from a counterparty, the Parties may approach the KSA courts for adjudication.



Table (12.43): Sadeem Villas Project – Phase I: Development Agreement between AlAhli AlRabwa Al Ramz Real Estate Fund and the Company Dated 10/07/2024G

Parties	AlAhli AlRabwa Al Ramz Real Estate Fund (represented by AlAhli AlRabwa Al Ramz Real Estate Fund Co.) (as the Owner) and the Company (as the developer)
Subject Matter / Project	Development of 90 residential villas across 4 residential blocks in Riyadh.
Term	20 months from the issuance of the building permit and ending on the submission of the completion certificate to the Owner.
Termination	The agreement may be terminated in the following events: By the Parties in mutual agreement. Impossibility in the event of force majeure events. Breach by the Developer of any of the agreement terms or provisions which continues for thirty (30) days from a notice of breach being issued by the Owner without being remedied by the Developer. Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer, with notice to be issued by the Owner. By the Owner in the event that (1) the Developer is delayed in commencing works or the Owner sees that the Developer will not be able to complete the project in the required time, (2) the Developer committing fraud, (3) the Developer is proved to have paid any sums, provided any benefits, or promised any such benefit in order to secure the entry into the agreement, whether directly or indirectly, (4) the Developer ignores or neglects instructions from the Owner and fails to complete works in accordance with the instructions within 5 days of a notice, (5) the Developer assigns the agreement in whole or in part without the consent of the Owner (subject to the Developer's right to sub-contract to the professional / technical team) and the Developer does not comply with the required milestones or standards in the Development Plan (and failing to remedy such failure within 30 days' notice), or (6) Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer. No right of termination held by the Developer.
Confidentiality	Confidential information is any information provided by either Party as confidential or is understood to be confidential whether through direct or indirect means including designs, technical, engineering information, work procedures, financial data or project execution plans or any documents or information relating to the Fund and / or the Fund Manager. The Parties shall not make any public announcements or press releases without prior consent from the counterparty (unless such is required of the Fund Manager in accordance with its obligations).
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of notice from a counterparty, the Parties may approach the Saudi Center for Commercial Arbitration (SCCA) for adjudication.



Table (12.44): Sadeem Apartments Project – Phase I: Development Agreement between AlAhli AlRabwa Al Ramz Real Estate Fund and the Company dated 10/07/2024G

Parties	AlAhli AlRabwa Al Ramz Real Estate Fund (represented by AlAhli AlRabwa Al Ramz Real Estate Fund Co.) (as the Owner) and the Company (as the developer)
Subject Matter / Project	Development of 120 residential apartments in Riyadh
Term	20 months from the issuance of the building permit and ending on handover of the project.
Termination	The agreement may be terminated in the following events: By the Parties in mutual agreement. Impossibility in the event of force majeure events. Breach by the Developer of any of the agreement terms or provisions which continues for thirty (30) days from a notice of breach being issued by the Owner without being remedied by the Developer. Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer, with notice to be issued by the Owner. By the Owner in the event that (1) the Developer is delayed in commencing works or the Owner sees that the Developer will not be able to complete the project in the required time, (2) the Developer committing fraud, (3) the Developer is proved to have paid any sums, provided any benefits, or promised any such benefit in order to secure the entry into the agreement, whether directly or indirectly, (4) the Developer ignores or neglects instructions from the Owner and fails to complete works in accordance with the instructions within 5 days of a notice, (5) the Developer assigns the agreement in whole or in part without the consent of the Owner (subject to the Developer's right to sub-contract to the professional / technical team) and the Developer does not comply with the required milestones or standards in the Development Plan (and failing to remedy such failure within 30 days' notice), or (6) Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer. No right of termination held by the Developer.
Confidentiality	Confidential information is any information provided by either Party as confidential or is understood to be confidential whether through direct or indirect means including designs, technical, engineering information, work procedures, financial data or project execution plans or any documents or information relating to the Fund and / or the Fund Manager. The Parties shall not make any public announcements or press releases without prior consent from the counterparty (unless such is required of the Fund Manager in accordance with its obligations).
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of notice from a counterparty, the Parties may approach the Saudi Center for Commercial Arbitration (SCCA) for adjudication.

Table (12.45): Rayya Al-Nakheel Project: Development Agreement between Itqan Capital and the Company dated 26/12/2023G

Parties	Itqan Capital (as Fund Manager) and the Company (as the developer)
Subject Matter / Project	Development of 72 residential apartments on a 4,500 sqm Plot of land in Riyadh.
Term	20 months from the issuance of the building permit.
Payments	Developer must notify Itqan Capital of the completion of construction milestones, and shall be paid by Itqan Capital the due payment, within 7 days of such notice being approved by the project manager appointed by Itqan Capital.
Termination	The agreement shall be terminated in the event of a breach by the Developer which continues for 30 days from a notice of breach being issued by Itqan Capital without being remedied by the Developer. Any government decisions to cancel or freeze the project which are deemed out of t Itqan Capital's control. No right of termination held by the Developer.
Confidentiality	All information related to the development agreement is considered confidential and the Developer undertakes to protect the secrecy of such information and not to share such information with third parties.



Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 60 days of the notice, the Parties may approach the KSA courts for adjudication.

Table (12.46): Ramz Tharwah Project: Development Agreement between Musharaka Capital Co. and the Company dated 04/12/2023G

Parties	Musharaka Capital Co. (as Fund Manager of Ramz Tharwah Real Estate Fund) and the Company (as the developer)
Subject Matter / Project	Residential apartment complex
Term	Project handover within 18 months from the date of commencement of fund operations.
Termination	No express termination rights.
Confidentiality	Confidential information is any information provided by either Party as confidential or is understood to be confidential whether through direct or indirect means including designs, technical, engineering information, work procedures, financial data or project execution plans.
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of a counterparty's notice of the dispute, the Parties may approach the KSA courts for adjudication.
Other	This agreement has been entered into pursuant to the Real Estate Fund Establishment Agreement. The terms and conditions under this agreement supersede the terms of the Real Estate Fund Establishment Agreement and are specific to the Ramz Tharwah Project.

Table (12.47): Jawharat Al-Ramz Project: Development Agreement between the National Housing Company and the Company dated 16/04/2023G

Parties	The National Housing Company (as the Owner) and the Company (as the developer)
Subject Matter / Project	Jawharat Al-Ramz – Residential Villas and Buildings
Term	42 months from the signing of the agreement.
Sale of Developed Units and Transfer of Ownership of the Project Land	The Developer shall (1) sell the real estate units off-plan to third parties on behalf of the Owner, and (2) purchase the project land from the Owner after the development works are completed in order to complete the procedures for sorting the residential units sold.
Developer's Rights for its Services	Balance of the project account after the completion of project works; Ownership of the project land after purchase from the Owner, which is to be sold off to third parties by the Developer; Ownership of any residential units which are unsold (in accordance with the terms of the agreement) and subject to the payment of the Owner's Development Fees; Fees from operations / maintenance of the project.
Termination	Owner may terminate the agreement in the following events: It becomes evident that Developer has provided inaccurate information or made misrepresentations in relation to the agreement. Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer, and the Owner believes that the Developer will not be able to perform its obligations. A breach by the Developer that cannot be remedied, or a breach by the Developer which continues for 15 days from a notice of breach being issued by the Owner without being remedied by the Developer. No right of termination held by the Developer.



Delay Penalties	7% of the sale price of the unit(s) divided by 365 for each day of delay in selling / completing the development of any real estate unit before the project completion date.
Confidentiality	Confidential information is any information provided by the Owner to the Developer relating to this agreement, and any information provided by the Owner as confidential or is understood or can be assumed to be confidential by the Developer. The Developer shall only use confidential information for the purposes of performing its obligations under the agreement and may not disclose any of it. The Developer shall continue to comply with this confidentiality provision during and after the term of the agreement.
Collateral	Developer to provide the Owner with a bank guarantee 3 days from the date of handover of the land to the Developer for 10% of the Development Cost, which is to be cancelled by the Owner once project completion reaches 10% in accordance with REGA reports.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of notice from a counterparty, the Parties may approach the KSA courts for adjudication.

Table (12.48): RAFD Project - Hittin: Development Agreement between Riyadh Real Estate Development Fund and the Company dated 30/03/2023G

Parties	Riyadh Real Estate Development Fund (represented by Durrat Al-Markaz Real Estate Company) (as the Owner) and the Company (as the developer)
Subject Matter / Project	Development of Commercial office complex composed of 10 units with a total leasable area of 29,800 sqm in Riyadh.
Term	24 months from the issuance date of the building permit for project works.
Termination	The agreement may be terminated in the following events: By the Parties in mutual agreement. Breach by any Party of the agreement terms which continues for 30 days from a notice of breach being issued without being remedied by the breaching party. Insolvency / bankruptcy / restructuring proceedings being taken in respect of the Developer. By the Owner in the event that (1) the Developer is delayed in commencing works or the Owner sees that the Developer will not be able to complete the project in the required time, (2) the Developer does not comply with the required milestones or standards in the Development Plan (and failing to remedy such failure within 30 days' notice), or (3) the Developer committing fraud.
Confidentiality	Confidential information is any information provided by either Party as confidential or is understood to be confidential whether through direct or indirect means including designs, technical, engineering information, work procedures, financial data or project execution plans.
Costs Exceeding Development Costs	To be borne by the Developer.
Assignment and Subcontracting	Assignment: Requires counterparty consent. Subcontracting: The Developer has the right to sub-contract to the professional / technical team.
Governing Law	KSA Laws.
Dispute Resolution	Parties must attempt to resolve disputes in good faith, and if the Parties fail to do so within 30 days of notice from a counterparty, the Parties may approach the KSA courts for adjudication.



12.7.3 Material Sale and Purchase Agreements

The total value of the material sale and purchase agreements set out in this section amounts to SAR 1,656,910,521.

Table (12.49): Qurtuba Project: Real Estate Sale and Purchase Agreement between Abdulaziz bin Ali bin Omar Al-Shuwaier and the Company dated 06/04/2025G.

Parties	Abdulaziz bin Ali bin Omar Al-Shuwaier (as the Seller) and the Company (as the Owner)
Subject Matter / Project	Purchase of a plot of land with an area of 228,504.17 square meters located in the Qurtuba District, Riyadh, under title deed No. 4/10091 dated 13/01/1422H.
Payments	The purchase price shall be paid in a single installment on 04/06/2025G.
Title deed issuance	Ownership of the land subject to the agreement shall not be transferred until the purchase amount is paid.
Termination	The Seller may terminate the agreement if the Buyer fails to pay the purchase price by 04/06/2025G.
Governing Law	KSA laws.
Dispute Resolution	Not specified. The parties shall refer any unresolved disputes to KSA courts.

Table (12.50): Jeddah front Project: Real Estate Sale and Purchase Agreement between AlWajha AlGharbiyah Real Estate Company and the Company on 24/11/2024G

Parties	AlWajha AlGharbiyah Real Estate Company (as Developer and Seller) and the Company (as Buyer)
Subject Matter / Project	Purchase of off-plan Plot of lands under infrastructure development in Al-Firdous District, Jeddah, under title deed No. 920236001242 (dated 20/11/1443H), for the Company's real estate inventory.
Guarantees	On the date of the agreement, the Buyer issues promissory notes to the Seller amounting to: • 100% of the purchase price as a guarantee in case of non-payment of the full amount • 5% of the purchase price as a guarantee in case the building foundations are not completed within four years from the date of the agreement
Payments	The contract value is to be paid within 60 days of the Seller notifying the Buyer that the land is ready for transfer.
Title Deed Issuance	The ownership of the land subject to the agreement shall not be transferred or the title deed issued in the Buyer's name until the purchase price is fully paid.
Termination	The Seller may terminate the contract if the Buyer fails to pay the contract value within 60 days of notification that the land is ready for transfer.
Confidentiality	The parties must maintain confidentiality of all information relating to the agreement during its term and for an additional five years after its expiration. Disclosure is permitted to professional advisors, for legal compliance, or to employees/representatives/contractors who need to know, provided the receiving party undertakes to maintain confidentiality or with the written consent of the other party.
Governing Law	KSA laws
Dispute Resolution	If any disputes are not resolved within 60 days from a notice of breach sent by one party to the other, the dispute shall be finally resolved by the Saudi Center for Commercial Arbitration in Jeddah.

Table (12.51): Masar Project: Real Estate Sale and Purchase Agreement between Allnma Development II Ltd. and the Company on 13/11/2024G.

Parties	Allnma Development II Ltd. (represented by Umm AlQura for Development and Construction) (as the Seller) and the Company (as Buyer and Developer)
Subject Matter / Project	Purchase of Plot of land No. 136 of plan No. 2A/1442 in the King Abdulaziz Road Project Area in Makkah (Masar Destination), under title deed No. 2941330104108 (dated 26/05/1446H), for the development of a residential tower.
Guarantees	On the date of the agreement, the Buyer issues promissory notes to the Seller amounting to 5% of the purchase price as a guarantee in case the building foundations are not completed within four years from the agreement date.
Payments	Al Ramz Real Estate Company shall pay the purchase price according to the mechanism specified in the agreement.
Title Deed Issuance	The land ownership was transferred and the title deed was issued in the Buyer's name after full payment.
Preemption Rights	If the Company chooses to sell the land at any time after the date of this agreement, Allnma Development II Ltd. shall have preemption rights.
Governing Law	KSA laws
Dispute Resolution	Any dispute arising from the agreement that cannot be resolved amicably shall be referred to the Saudi Center for Commercial Arbitration in Jeddah.



Table (12.52): Masar Project: Real Estate Sale and Purchase Agreement between Allnma Development II Ltd. and the Company on 13/11/2024G.

Parties	Allnma Development II Ltd. (represented by Umm AlQura for Development and Construction) (as the Seller) and the Company (as Buyer and Developer)
Subject Matter / Project	Purchase of Plot of land No. 135 of plan No. 2A/1442 in the King Abdulaziz Road Project Area in Makkah (Masar Destination), under title deed No. 2941330104107 (dated 26/05/1446H), for the development of a residential tower.
Guarantees	On the date of the agreement, the Buyer issues promissory notes to the Seller amounting to 5% of the purchase price as a guarantee in case the building foundations are not completed within four years from the agreement date.
Payments	Al Ramz Real Estate Company shall pay the purchase price according to the mechanism specified in the agreement.
Title Deed Issuance	The land ownership was transferred and the title deed was issued in the Buyer's name after full payment.
Preemption Rights	If the Company chooses to sell the land at any time after the date of this agreement, Allnma Development II Ltd. shall have preemption rights.
Governing Law	KSA laws
Dispute Resolution	Any dispute arising from the agreement that cannot be resolved amicably shall be referred to the Saudi Center for Commercial Arbitration in Jeddah.

Table (12.53): Al Nada Project: Real Estate Sale and Purchase Agreement between the heirs of Suleiman bin Abdulaziz bin Rayes and the heirs of Sarah bint Abdullah Al-Nemer and the Company dated 12/08/2025G.

Parties	The heirs of Suleiman bin Abdulaziz bin Rayes and the heirs of Sarah bint Abdullah Al-Nemer (represented by Abdulaziz bin Suleiman Al-Rayes) (as the Seller) and the Company (as the Buyer)
Subject Matter / Project	Purchase of Plots of land Nos. 3194, 3195, 3196, 3197, 3198, 3199, 3200, 3201, 3202, and 3203 of plan No. 1637 in Al Nada District, Riyadh, under title deed No. 310109013294.
Payments	The Company shall pay SAR 2,250,000 as a non-refundable down payment (except in case of breach by the Seller), which shall be credited against the purchase price that the Buyer undertakes to pay in full within 60 days from the date of the agreement, in accordance with the mechanism specified in the agreement.
Title Deed Issuance	The land ownership shall be transferred and the title deed issued in the Buyer's name after full payment.
Governing Law	KSA laws
Dispute Resolution	Any dispute arising from the agreement that cannot be resolved amicably shall be referred to the competent courts in Riyadh.

12.7.4 Material Services Agreements

Table (12.54): Masar Project – Utilities Services Agreement between Umm AlQura for Development and Construction and the Company dated 13/11/2024G

Parties	Umm AlQura for Development and Construction (as Service Provider) and the Company (as the Beneficiary)
Subject Matter / Project	Umm AlQura for Development and Construction shall be the exclusive provider of cooling, waste management, operations and maintenance, security, and cleaning services within the Masar Destination, with respect to Plot of land No. 136 purchased by the Company.
Governing Law	KSA laws
Dispute Resolution	Any dispute arising from the agreement that cannot be resolved amicably shall be referred to the competent courts in Jeddah.

Table (12.55): Masar Project – Utilities Services Agreement between Umm AlQura for Development and Construction and the Company dated 13/11/2024G

Parties	Umm AlQura for Development and Construction (as Service Provider) and the Company (as the Beneficiary)
Subject Matter / Project	Umm AlQura for Development and Construction shall be the exclusive provider of cooling, waste management, operations and maintenance, security, and cleaning services within the Masar Destination, with respect to Plot of land No. 135 purchased by the Company.
Governing Law	KSA laws
Dispute Resolution	Any dispute arising from the agreement that cannot be resolved amicably shall be referred to the competent courts in Jeddah.



12.8 Real Estate Assets

12.8.1 Title Deeds Relating to the Company's Projects

Table (12.56): The table below sets out the title deeds relating to the Company's Projects as at the date of this Prospectus

No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
1-	Aykah Town	362520002878	29/02/1445H	Plot of land with a total area of 6,327 sqm	Plot of land no. 442/8, Plan no. 905/2/Q, Al-Mabroka District, Buraydah, Saudi Arabia	Al Ramz Real Estate Company (Unified No. 7007099612)	-
2-	Yousor Village	823204002740	26/10/1445H	Six Plot of lands with a combined total area of 8,199.84 sqm	Plot of land no. 106-111, Plan no. 32/B, Al-Salama District, Jeddah, Saudi Arabia	Al Ramz Real Estate Company (Unified No. 7007099612)	A restriction exists relating to the project being sold on an off-plan basis - the land is restricted from being transferred / monetized for purposes other than off-plan sales due to the ongoing off-plan development project on the land. This measure is typically taken to protect off-plan investors and is not related to any omission by the Company or any issues concerning the land.
3-	Lolia Villa	30 Title Deeds: 160002827621, 160002827626, 160002827628, 160002827639, 260002827619, 260002827624, 260002827627, 260002827630, 260002827632, 260002827637, 360002827613, 360002827622, 460002827617, 460002827635, 560002827611, 660002827610, 660002827612, 660002827618, 660002827633, 660002827634, 660002827638, 760002827616, 760002827623, 860002827615, 860002827625, 960002827614, 960002827620, 960002827629, 960002827636, 960002827640.	01/11/1446H	Residential villas, each with an area ranging between 459.49 sqm and 460.24 sqm.	Unit numbers 5233, 5241, 5242, 5250, 5251, 5260, 5261, 5270, 5271, 5280, 5281, 5289, 5290, 5298, 5299, 5307, 5309, 5318, 5319, 5327, 5328, 5336, 5337, 5346, 5347, 5356, 5357, 5366, 5367, and 5376 located on Plot of land No. 609, plan Sh.D/985, Al-Sudfah District, Al Khobar.	Al Ramz Real Estate Company (Unified No. 7007099612)	One residential villa, title deed No. 960002827640, mortgaged to Arab National Bank – SAR 2,335,971.80 One residential villa, title deed No. 860002827625, mortgaged to Arab National Bank – SAR 2,336,631.75 One residential villa, title deed No. 760002827623, mortgaged to Arab National Bank – SAR 2,335,971.73 One residential villa, title deed No. 560002827624, mortgaged to Arab National Bank – SAR 2,336,682.52 The remaining residential villas are mortgaged to Arab National Bank (Unified Number 7000018007) – SAR 2,332,874.70



No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
4-	Obhur Al-Janoubiyah	960026277699	06/04/1446H	A Plot of land with a total area of 7,542.49 sqm.	Plot No. 16/19, Plan No. 216/B/Modified, located in the Obhur Al-Janoubiyah District, Jeddah, Saudi Arabia.	Al Ramz Real Estate Company (Unified No. 7007099612)	-
5-	Obhur Al-Janoubiyah	360026268324	22/03/1446H	A Plot of land with a total area of 8,366.01 sqm.	Plot No. 1/18, Plan No. 577/J/S, located in the Obhur Al-Janoubiyah District, Jeddah, Saudi Arabia.	Al Ramz Real Estate Company (Unified No. 7007099612)	-
6-	Aykah Villas	14 title deeds: 260001425556, 360001425551, 360001425555, 360001425559, 360001425561, 460001425557, 460001425560, 560001425552, 660001425550, 660001425554, 760001425553, 760001425562, 960001425558, and 562529003590.	Title deed no. 562529003590 dated 03/12/1444H All other title deeds dated 15/02/1446H	14 residential villas with total areas ranging between 293.31 sqm and 378.83 sqm	Plot of land. no. 443/12, plan no. 905/2/Q, Al-Nahda District, Buraydah, Saudi Arabia	Al Ramz Real Estate Company (Unified No. 7007099612)	-
7-	Jadeel Alrimal Project	18 title deeds: 393563001372, 393563001441, 399074011232, 399074011237, 399074011239, 399074011240, 399074011241, 399074011245, 493563001371, 493563001374, 499074011235, 499074011238, 799074011234, 799074011243, 993563001440, 999074011233, 999074011236.	Title deed Nos. 393563001372, 493563001371, and 493563001374 dated 14/07/1446H. Title deed Nos. 393563001441 and 993563001440 dated 15/07/1446H. All other title deeds are dated 10/08/1446H.	Plots of land, each ranging in area from 312.5 sqm to 398.75 sqm.	Plots of land numbered 705-722 in Block 48 of Plan No. 3966, Alrimal District, Riyadh.	Al Ramz Real Estate (Unified Number 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.
8-	Jadeel Alrimal Project	18 title deeds: 293563001367, 393563001370, 393563001381, 393563001389, 393563001391, 393563001393, 393563001399, 393563001400, 493563001386, 493563001437, 593563001384, 693563001387, 793563001382, 793563001397, 993563001364, 993563001366, 993563001390, 993563001395.	Title Deed No. (S) 493563001437 dated 15/07/1446H All other title deeds are dated 14/07/1446H.	Plots of land with a total area ranging from 312.18 sqm to 375 sqm.	Plots numbered 768-785 in Block 49 of Plan No. 3966, Alrimal District, Riyadh.	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.



No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
9-	Jadeel Alrimal Project	18 title deeds: 293563001376, 393563001377, 393563001443, 399074011251, 399074011254, 399074011262, 399074011614, 493563001449, 499074011252, 499074011613, 693563001378, 699074011249, 793563001445, 799074011246, 799074011248, 993563001447, 999074011250, 999074011259.	Title Deed Nos. 399074011614 and 499074011613, dated 06/09/1446H. Title Deed Nos. 293563001376, 393563001377, and 693563001378, dated 14/07/1446H. Title Deed Nos. 393563001443, 493563001449, 793563001445, and 993563001447, dated 15/07/1446H. All other title deeds are dated 10/08/1446H.	Plots of land with a total area ranging from 312.5 sqm to 393.8 sqm.	Plots numbered 741-758 in Block 50 of Plan No. 3966, Alrimal District, Riyadh.	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.
10-	Jadeel Alrimal Project	20 title deeds: 293563001451, 299074011618, 393563001402, 393563001403, 393563001405, 393563001450, 393563001453, 399074011616, 399074011622, 399074011639, 399074011640, 399074011641, 499074011619, 499074011643, 699074011621, 799074011642, 993563001452, 999074011615, 999074011617, 999074011620	Title Deed Nos. 293563001451, 393563001450, 393563001453, and 993563001452 dated 15/07/1446H. Title Deed Nos. 399074011639, 399074011640, 399074011641, 499074011643, and 799074011642 dated 10/09/1446H. Title Deed Nos. 393563001402, 393563001403, and 393563001405 dated 14/07/1446H. All other title deeds dated 06/09/1446H.	Each plot has a total area of either 312.5 sqm, 3`37.5 sqm, or 375 sqm	Plots of land, each ranging in area from 312.5 sqm to 375 sqm.	Al Ramz Real Estate (Unified Number 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.



No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
11-	Jadeel Alrimal Project	18 title deeds: 399074011659, 399074011662, 499074011646, 499074011664, 593563001438, 693563001409, 699074011648, 793563001448, 799074011645, 799074011654, 799074011656, 799074011666, 899074011649, 993563001410, 999074011651, 999074011652, 999074011660, 999074011668.	Title Deed Nos. 593563001438 and 793563001448 dated 15/07/1446H. Title Deed Nos. 693563001409 and 993563001410 dated 14/07/1446H. All other title deeds dated 10/09/1446H.	Total area ranging from 312.5 sqm to 399.76 sqm	Plots numbered 833–850 in Block 55 of Plan No. 3966, Alrimal District, Riyadh	Al Ramz Real Estate (Unified Number 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000
12-	Jadeel Alrimal Project	18 title deeds: 299074011681, 393563001510, 399074011661, 399074011667, 399074011676, 399074011677, 493563001433, 493563001509, 599074011674, 793563001508, 799074011665, 799074011669, 893563001408, 899074011657, 899074011672, 899074011675, 899074011679, 999074011680.	Title Deed Nos. 393563001510, 493563001509, and 793563001508, dated 21/07/1446H. Title Deed No. 493563001433, dated 15/07/1446H. Title Deed No. 893563001408, dated 14/07/1446H. All other title deeds are dated 10/09/1446H.	Plots of land each with a total area of either 306.25 sqm, 312.5 sqm or 375 sqm	Plot of land no. 896 - 913, in Block 56 of plan 3966, Alrimal District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.
13-	Jadeel Alrimal Project	18 title deeds: 293563001415, 293563001514, 393563001398, 393563001416, 393563001418, 393563001439, 399074011650, 399074011655, 493563001368, 493563001419, 593563001515, 599074011647, 693563001388, 699074011653, 793563001385, 793563001442, 793563001517, 993563001518.	Title Deed Nos. 293563001514, 593563001515, 793563001517, and 993563001518, dated 21/07/1446H. Title Deed Nos. 393563001439 and 793563001442, dated 15/07/1446H. Title Deed Nos. 399074011650, 399074011655, 599074011647, and 699074011653, dated 10/09/1446H. All other title deeds are dated 14/07/1446H.	Plots of land ranging in area from 312.5 sqm to 400 sqm.	Plots numbered 869–886 in Block 57 of Plan No. 3966, Alrimal District, Riyadh.	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.



No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
14-	Jadeel Alrimal Project	18 title deeds: 293563001444, 393563001406, 393563001411, 393563001414, 393563001417, 393563001434, 393563001504, 393563001513, 593563001407, 693563001507, 793563001412, 793563001505, 793563001511, 993563001413, 993563001436, 993563001446, 993563001506, 999074011263.	Title Deeds 393563001504, 3563001513, 693563001507, 793563001505, 793563001511, and 993563001506 dated 21/07/1446H. Title Deeds 293563001444, 393563001434, 993563001436, and 993563001446 dated 15/07/1446H. Title Deed 999074011263 dated 10/08/1446H. All remaining Title Deeds are dated 14/07/1446H.	Plots of land, ranging in area from 312.5 sqm to 393.75 sqm.	Plots of land no. 860 – 868 and 887-895 in block 58 of plan 3966, Alrimal District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Saudi First Bank (Unified Number 7000018668) – SAR 330,983,000.
15-	Ramz 40	560001250892	27/06/1445H	Plots of land with a combined total area of 1,500 sqm	Plot of land no. 465, plan 3069, Al-Malqa District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Arab National Bank (unified no. 7000018007) – SAR 100,000,000
16-	Ramz 25 Project	718510000943	06/04/1446H	Residential unit with a total area of 99.92 sqm	Plot of land in Plan No. 3019, Al-Yasmeen District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	-
17-	Ramz Masar Project	794133010766	24/11/1446H	Plot of land with a total area of 3,270.75 sqm Plot No. 135, Plan No. A/2/1442	King Abdulaziz Road Project District, Makkah	Al Ramz Real Estate (Unified Number 7007099612)	-
18-	Ramz Masar Project	994133010767	24/11/1446H	Plot of land with a total area of 2,736.56 sqm	Plot No. 136, Plan No. A/2/1442, King Abdulaziz Road Project District, Makkah	Al Ramz Real Estate Company (Unified No. 7007099612)	-
19-	Rawdah Project	3218508403700000	03/06/1446H	Plot of land with a total area of 900 sqm	Plot No. 948, Plan No. 631, Rawdah District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	-
20-	Jeddah Front Project (First Batch)	6 title deeds: 981652002071, 381652002072, 381652002070, 481652002069, 381652002067, 981652002068	22/12/1446H	Plots of land, each ranging in area from 945 sqm to 1,203.68 sqm	Plots Nos. 70, 85–87, 89, and 95, Plan No. 583 J/S, Al-Firdous District, Jeddah	Al Ramz Real Estate Company (Unified No. 7007099612)	-



No.	Project	Title Deed No.	Title Deed Date	Description of Property	Location	Ownership	Restrictions
21-	Jeddah Front Project (Second Batch)	16 Title Deeds	15/03/1447H	Plots of land each ranging in area from 932.49 sqm to 1630.82 sqm	Plots Nos. 71 – 75, 88, 96 – 100, 106, 107, and 109 – 111, Plan No. 583 J/S, Firdous District, Jeddah	Al Ramz Real Estate Company (Unified No. 7007099612)	-
		281652002218					
		281652002222					
		381652002216					
		381652002219					
		381652002223					
		381652002224					
		381652002225					
		381652002226					
		481652002212					
		481652002221					
		781652002217					
		981652002213					
		981652002220					
		981652002214					
		981652002227					
		981652002228					
22-	Rented Property (Alrabea Project)	393057000490	24/01/1443H	Residential unit – plot of land with a total area of 1,222 sqm	Plot of land in Plan No. 1637/K, Al-Rabi District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	-
23-	Rented Property	530127007037	17/11/1444H	Plot of land with a total area of 906.76 sqm	Plot of land no. 787, plan 1003/SD, Al Qusoor District, Dammam	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Arab National Bank (Unified Number 7000018007) – SAR 65,625,000.
24-	Rented Property	530121005174	17/11/1444H	Plot of land with a total area of 920.27 sqm	Plot of land no. 786, plan 1003/SD, Al Qusoor District, Dammam	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Arab National Bank (Unified Number 7000018007) – SAR 65,625,000.
25-	Rented Property	430128001962	17/11/1444H	Plot of land with a total area of 900 sqm	Plot of land no. 785, plan. 1003/SD, Al Qusoor, Dammam	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Arab National Bank (Unified Number 7000018007) – SAR 65,625,000.
26-	Rented Property	960001250879	27/06/1445H	Plot of land with a total area of 1,980 sqm	Plot No. 5, Plan No. 3359, Al-Ezdihar District, Riyadh	Al Ramz Real Estate Company (Unified No. 7007099612)	Mortgaged to Arab National Bank (Unified Number 7000018007) – SAR 100,000,000.

Source: the Company

12.8.2 Leases

Table (12.57): The table below sets out a summary of the provisions of the main leases entered into by the Company:

No.	Description of Leased Premises	Location	Lessor	Lessee	Commencement Date	Expiry Date	Renewal
1-	Wadi Hajar Lease (EJAR no. 20379928548) 2 commercial showrooms with a combined total area of 100 sqm	Wadi Hajar, Riyadh, Saudi Arabia	Othman bin Mohamed bin Othman Al-Sently	Al Ramz Real Estate Company (CR no. 1010488618)	01/11/2022G	31/10/2025G	Mutual agreement



2-	Wadi Waj Lease (EJAR no. 20800781505 / 1) 10 commercial office units with a combined total area of 2,297.9 sqm	Wadi Waj, Riyadh, Saudi Arabia	Romoz Holding Company	Al Ramz Real Estate Company (CR no. 1010488618)	01/01/2024G	31/12/2028G	Mutual agreement
3-	Al-Khobar Lease (EJAR no. 20894751658 / 1) 1 commercial showroom with a total area of 360 sqm	Prince Turki Road, Al- Khobar, Saudi Arabia	Faa and Meem Real Estate Company	Al Ramz Real Estate Company (CR no. 1010488618)	01/11/2023G	31/10/2026G	Mutual agreement
4-	Riyadh (EJAR no. 20445778761/1-0) Land designated for commercial use	Omar Bin AlKhattab Road, Saudi Arabia	AWJ Real Estate Development and Investment Company (One person Company)	Al Ramz Real Estate Company (CR no. 1010488618)	01/10/2024G	30/09/2029G	Mutual agreement

12.9 Transactions and Contracts with Related Parties

The Directors confirm that none of the contacts with Related Parties described under this section contain preferential conditions and have been concluded in accordance with laws and regulations on suitable and fair arm's length basis. Except as disclosed in this section of the Prospectus, the Directors confirm that the Company is not bound by any transactions, agreements, commercial relations or real estate transactions with a Related Party.

Moreover, the Directors acknowledge their intention to comply with Articles (27) and (71) of the Companies Law and Article (44) of the Corporate Governance Regulations issued by the CMA in relation to contracts with Related Parties.

The total value of Related Party Transactions amounted to SAR 11,890,614; SAR 131,568; SAR 47,251,474; and SAR 58,920,869 for the Financial Years Ended 31 December 2022G, 31 December 2023G, and 31 December 2024G, respectively.

12.9.1 Contracts with Related Parties

The nature of the Company's Related Party Transactions involves contracts for the supply of electrical equipment, sale of concrete products, provision of legal services and transfer of lands' ownership.



Table (12.58): Details of Related Party Transactions

No.	Related Board Member	Nature of Transaction	Interested Party	Nature of Relationship	Value of Transaction during FY2022G (SAR)	Value of Transaction during FY2023G (SAR)	Value of Transaction during the Nine-Month Period Ended 30/09/2024G (SAR)
1-	Rasheed Al-Rasheed, Harun Al-Rasheed and Abdulmalik Al-Rasheed	2021G: Sale of 6 rest houses and villas by the Company to Romoz Holding. 2023G: Sale of office property by the Company to Romoz Holding - Three-Month Period Ended 31 March 2024G: Office premises lease contract and purchase of two residential villas by the Company to Romoz Holding	Romoz Holding Company	Rasheed Al-Rasheed owns 80% of the Company, Harun Al-Rasheed and Abdulmalik Al-Rasheed are managers at the Company and have a partial ownership of no more than 5% of Romoz Holding Company's capital	N/A	44,001,588	18,350,000
2-	Rasheed Al-Rasheed	2023G: Supply of electrical equipment by Meshkati to the Company. - Three-Month Period Ended 31 March 2024G: Supply of electrical equipment by Meshkati to the Company.	Meshkati Trading Company	Majed Al-Rasheed is member of Meshkati Trading Company's Board and is the brother of the Chairman of the Board, Rasheed Al-Rasheed.	N/A	3,134,886	21,080
3-	Rasheed Al-Rasheed	Concrete products sale by Tfwed For Building Materials Company.	Tfwed For Building Materials Company	Nasser Al-Rasheed, is a member of Tfwed For Building Materials Company's Board and has an ownership percentage in the Company.	131,568	N/A	N/A
4-	Rasheed Al-Rasheed	Contract for the provision of legal services by Majed Abdulrahman Al-Rasheed Company for Professional Consultation to the Company concerning a dispute related to one of the Company's properties	Majed Abdulrahman Al-Rasheed Company for Professional Consultation LLC	Majed Al-Rasheed is an Executive at Majed Abdulrahman Al-Rasheed Company for Professional Consultation LLC, has an ownership percentage in the Company and is the brother of the Chairman of the Board Rasheed Al-Rasheed.	N/A	115,000	80,500

Source: the Company



12.10 Credit Facilities and Loans

Table (12.59): Current Facilities between Bank AlJazira and the Company dated 18 July 2022G as Amended by Annex No. 1 to the Facilities Agreement Dated 20 December 2023G

Type of Facilities / Purpose / Amount	1- Deferred Sale leading to Tawarruq (Dinar Program) – revolving – to finance the acquisition of land for the development of the King Salman tower project. - Limit: SAR 100,000,000 - Profit margin: SAIBOR + 1.75% annually - Purpose: to finance the acquisition of residential or commercial land for the purpose of project construction. 2- Project finance (governmental or semi-governmental) approved by the bank - (revolving) 2.1 - Letters of guarantee (Performance Guarantee (PG) and Advance Payment Guarantee (APG)) - Sub limit: SAR 100,000,000 - Cash margin: 5% - issuance fee: SAMA tariff - Commission rate: 0.25% (for PG) and 0.75% (for APG) - Purpose: to finance projects approved by the bank, having their proceeds assigned to the bank. 2.2 - Letters of guarantee (Preliminary Guarantee) - Sub limit: SAR 10,000,000 - Cost of issuance: SAMA tariff Purpose: to finance new projects approved by the bank.
Amounts Drawn Down	Outstanding indebtedness: SAR 10,990,971.000 as at 02/06/2025G
Term	The Bank AlJazira Facility Agreement is open ended, and it is still outstanding.
Covenants	The Company also undertakes, pursuant to the agreement with Bank AlJazira, the following: • To provide the Bank with a quarterly report detailing the status of the projects whose lands are financed or developed under the granted financing. • To notify the Bank in writing of all allocations and mortgages on any existing or future assets. • To provide any additional guarantees requested by the Bank from time to time. • To assign receivables related to the sale of the property/project in an amount equal to 100% of the amount utilized from the facilities. • To provide a real estate mortgage covering 125% of the total value of the facilities.
Security and other Collateral	Real estate mortgage(s) dated 18 July 2022 (Title Deed Nos. 630109021978 and 217815005626) to secure an amount of SAR 54,604,287; Promissory note in the amount of SAR 330,000,000 (dated 20/12/2023).



Table (12.60): Current Facilities between Riyadh Bank and the Company dated 3 May 2023G and 25 September 2023G

Type of Facilities / Purpose / Amount	SAR 150,000,000 Islamic facility agreement 1- Tawarruq (revolving) Limit: SAR 100,000,000 Profit rate: SAIBOR + 1.65% annually Purpose: to finance the purchase of real estate plots. 2- Tawarruq (revolving) Limit: SAR 50,000,000 Profit rate: SAIBOR + 1.65% annually Purpose: to finance the development upon purchase of the real estate plots. SAR 100,000,000 Islamic facility agreement Tawarruq (revolving) – to finance the acquisition and lands and development of King Khaled project. Limit: SAR 100,000,000 Profit rate: SAIBOR + 2.5% annually Purpose: to finance the purchase of real estate plots.
Amounts Drawn Down	100,000,000 as at 19 December 2024G
Term	Expires on 25 September 2026G.
Covenants	The facilities agreement entered into with Riyadh Bank includes certain restrictions or material covenants, including: • Notifying the Bank in writing of all allocations and mortgages on any existing or future assets. • The Company shall not be permitted to mortgage or sell any of its assets until all dues owed to the Bank are settled and prior written approval is obtained from Riyadh Bank.
Security and other Collateral	SAR 161,250,000 order note by the Company in favor of Riyadh Bank dated 3 May 2023G. Real estate mortgage of the plots to be purchased covering 140% of the total facilities limit, such cover shall increase to not less than 150% of the total facilities amount upon development. On 10/05/1446H, AlMajd Real Estate Development and Investment Company mortgaged Title Deed No. 382111000325 as a real estate mortgage in favor of Riyadh Bank to secure an amount of SAR 28,350,000 from the amounts due by the Company to Riyadh Bank. A joint and several guarantee for SAR 150,000,000 dated 3 May 2023G by Mr. Rasheed bin Abdulrahman Al-Rasheed to Riyadh Bank. Pledge of account dated 28 May 2024G by the Company in favor of Riyadh Bank, where the Company has pledged certain shares and/or units in (a) Riyadh Real Estate Development Fund Durrat – 9095; (b) Riyadh Real Estate Development Fund – Al Ramz – 093; and (c) Riyadh Real Estate Development Fund – Durrat – 00101.



Table (12.61): Current Facilities between Riyadh Bank and the Company dated 7 July 2025G

Type of Facilities / Purpose / Amount	SAR 603,320,000 Islamic Facilities Agreement 1- Profit Rate Swap Limit: SAR 49,320,000 2- Tawarruq Limit: SAR 100,000,000 Profit Rate: SAIBOR + 2.5% annually 3- Tawarruq (part of multi-purpose facility) Additional facilities related to the acquisition and development of lands for the King Salman project Limit: SAR 218,000,000 Profit Rate: SAIBOR + 2% annually 4- Tawarruq (part of multi-purpose facility) Limit: SAR 336,000,000 Profit Rate: SAIBOR + 2% annually Purpose: To purchase lands on King Salman Road 5- Multi-purpose Facility Limit: SAR 554,000,000
Amounts Drawn Down	No amount has been withdrawn as of 26 August 2025G.
Term	Expired on 07/07/2032G.
Covenants	The facilities agreement entered into with Riyadh Bank includes certain restrictions or material covenants, including: - Assigning project rental proceeds and depositing them into the Company's account with Riyadh Bank. - Notifying the Bank in writing of all allocations and mortgages on any existing or future assets. - Prohibiting the Company from mortgaging or selling any of its properties until all dues to the Bank are settled, without prior written approval from Riyadh Bank. - Providing alternative guarantees in the event that the coverage ratio of the acquired lands is less than 120% (relating to the financing of lands on King Salman Road). - Depositing proceeds from the listing on the Main Market (TASI) into the Company's account with Riyadh Bank. - Approving partial release of Riyadh Residential Fund units mortgaged against the general limit of SAR 100 million, with your share estimated at SAR 51 million where the Fund exited by 82% of its capital estimated at SAR 41.77 million, subject to the following: - Coverage ratio not less than 140% during the financing period, - Concentrating deposits with Riyadh Bank in line with current exposure size, - Concentrating deposits with Riyadh Bank in line with current exposure size, in addition to opening partners' personal accounts with the Company and enhancing their balances.
Security and other Collateral	Promissory note amounting to SAR 875,000,000 dated 07/07/2025G. Mortgage over the acquired land plots with a coverage ratio not less than 120%, increasing to 150% after property development. Joint and several guarantee amounting to SAR 853,320,000 dated 07/07/2025G issued by Mr. Rasheed bin Abdulrahman Al-Rasheed in favor of Riyadh Bank. Assignment of project rental proceeds and deposit into the Company's account with Riyadh Bank. Regarding guarantees for the general limit of SAR 100 million: Continuing partial mortgage over Al Ramz + Durrat Hittin Fund units, Continuing Durrat King Fahd Fund units, Explicit coverage ratio not less than 140% during the financing period.

Source: the Company



Table (12.62): Current Facilities between Saudi Awwal Bank and the Company dated 18 July 2024G and Amended on 12 May 2025G

Type of Facilities / Purpose / Amount	SAR 467,233,000 Facility Purpose: to finance the acquisition of lands and the development of the Jadeel Alrimal project. 1-1-1 Term Facility Limit Sub limit: SAR 13,749,999.91 1-2 Combined Limit Sub limit: SAR 317,233,000 1-2-1 Term Finance Facility – Tawarruq Sub limit: SAR 205,000,000 Purpose: to finance the purchase of lands. Profit rate: 1.20% annually over minimum 3-month SAIBOR 1-2-2 Term Finance Facility – Tawarruq Sub limit: SAR 112,233,000 Purpose: to finance the construction of residential villas. Profit rate: 1.20% per annum over minimum 3-month SAIBOR New Murabaha Term Financing Facility Limit – Tawarruq Sub-limit: SAR 150,000,000 Purpose: To finance the purchase of units in the SNB Al Ramz Qurtuba Real Estate Fund Profit Rate: 1.50% per annum over 3-month SAIBOR, minimum
Amounts Drawn Down	SAR 368,273,760 as at 02 June 2025G.
Term	Termination Date is three years starting from the first drawdown date and five years for the new limit starting from the date of the first drawdown.
Covenants	The facilities agreement entered into with Saudi First Bank includes certain restrictions or material covenants, including: - Restricting sales proceeds and prohibiting the use of financing amounts without prior written approval from Saudi First Bank, and providing the Bank with semi-annual progress reports on the project. - Providing the Bank with copies of the regulatory permits for the financed lands and residential buildings. - Injecting funds in the event that sales do not proceed in accordance with the agreed sales plan and covering any excess project-related expenses. - Valuing any land proposed for mortgage by appraisers approved by the Bank's committee, and revaluation in the event of any occurrence that may affect the land's value. - Assigning the proceeds from project sales. - Providing a first-ranking floating mortgage on the land at not less than 125% upon land purchase, and 145% upon completion of the first phase, to cover the total facilities. - Assignment and first-ranking pledge over insurance proceeds. - Maintaining a debt service coverage ratio (EBITDA to debt service) of no less than 1.25 for each relevant period. - Repaying at least 65% of the loan value prior to the final installment. - Transferring 50% of the Company's annual proceeds to its account with the Bank. - Ensuring coverage of not less than 130% of the facilities, to be completed within 15 days. - Transferring the financing amount directly to the judicial officer. - Assigning the Rabwa contract on proceeds from the SAR 74 million sale.
Security and other Collateral	- Personal Guarantee for SAR 467,233,000 from Mr. Rasheed bin Abdulrahman Al-Rasheed. - SAR 467,233,000 order note issued by the Company in favor of Saudi Awwal Bank.

Source: the Company



Table (12.63): Current Facilities between Arab National Bank and the Company dated 05 December 2024G

Type of Facilities / Purpose / Amount	SAR 356,135,000 Facilities to finance the acquisition of lands and the development of the Ramz 40 and Al-Rayyan – Lolia Villas projects a- Tawarruq Financing (one time) - Limit No. (i) - Facility Limit: The limit has been renewed and reduced to the outstanding balance of SAR 22,500,000 (sub-limit). - Margin: SAIBOR (six months) + 2.5%. - Purpose: to finance the Company's private sector investment and ongoing project financing. b- Tawarruq Financing (one time) - Limit No. (ii) - Facility Limit: The limit has been renewed and reduced to the outstanding balance of SAR 50,434,678 (sub-limit). - Margin: SAIBOR + 2% annually. - Purpose: to finance the Company's private sector investment and ongoing project financing. c- Tawarruq Financing (one time) - Limit No. (iii) - Facility Limit: SAR 273,000 000 (sub-limit). - Margin: SAIBOR + 2% annually. - Purpose: To finance 55% of a new real estate development project (Single Frontage – currently owned by Al Arabi Fund).
Amounts Drawn Down	SAR 70,000,000 as at 19 December 2024G.
Term	31 August 2025G
Covenants	The facilities agreement entered into with Arab National Bank includes certain restrictions or material covenants, including: • Depositing the following amounts into the Company's account with the Bank: (a) Not less than 65% of the proceeds from the sale of residential units financed under the agreement upon completion of construction; failure to comply will result in a 0.5% fee on the total value of the facilities granted, (b) A portion of the annual rental income from real estate investment projects in the amount of SAR 2,500,000, and (c) All proceeds from projects financed by the Bank. • The Company shall not be permitted to distribute dividends or repay any partner loans in the event of a default. • Providing any other guarantees the Bank may request from time to time.
Security and other Collateral	• Personal Guarantee dated 05 December 2024G for SAR 356,135,000 from Mr. Rasheed bin Abdulrahman Al-Rasheed. • SAR 356,135,000 order note dated 05 December 2024G issued by the Company in favor of Arab National Bank, guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed. • Real estate mortgage in favor of the Bank over title deed(s) covering 120% of Limit No. (i). • Real estate mortgage in favor of the Bank over title deed(s) covering 90% of Limit No. (ii). • Real estate mortgage in favor of the Bank over title deed(s) covering 120% of Limit No. (iii).

Table (12.64): Current Facilities Between the Company and AlMajd Real Estate Development and Investment Company dated 17 November 2024G

Type of Facilities / Purpose / Amount	Internal loan in the amount of SAR 28,350,000 to finance the Mushayyid Al Ramz Project.
Final Maturity Date	6 November 2025
Amounts Drawn Down	SAR 28,350,000
Profit Amount	SAR 1,938,887.68
Security and other Collateral	Real estate mortgage dated 10/05/1446H (Title Deed No. 382111000325) in favor of Riyadh Bank to secure an amount of SAR 28,350,000 from the amounts due by the Company to Riyadh Bank.



Table (12.65): Current Facilities Between the Company and Alinma Bank dated 02 July 2025G

Type of Facilities / Purpose / Amount	SAR 3000,000,000 Facilities Deferred Sale Financing (Flexible Murabaha) – On Demand • Limit: SAR 300,000,000 • Profit Rate: SAIBOR (six months and up to a maximum of twelve months) + 1.2% annually • Purpose: To finance and/or refinance the Company at 66% of the land purchase price and/or development cost
Amounts Drawn Down	No amount has been withdrawn as of 26 August 2025G.
Term	30 June 2028G
Covenants	• The facilities agreement and flexible Murabaha agreement entered into with Alinma Bank include certain material restrictions or undertakings, among them: • Depositing the Company's share of no less than 34% of the financing amount in a reserve account with Alinma Bank and/or providing the Bank with proof of payment to the property owner/beneficiary. • The Company undertakes to open a collection account with the Bank under its management for the purpose of depositing the proceeds of the projects financed by the Bank, • If the Company uses the available facilities and the value of the collateral decreases, the Bank may request to increase it or provide additional collateral within the period specified in the Bank's notice to the Company. • The Company undertakes to comply with the financial terms and covenants: - The leverage ratio shall not exceed 1:2. - The current ratio shall not be less than 1:1 throughout the validity of the facilities, - Notifying the Bank of any force majeure circumstances that may disrupt the progress of the project. - Immediate notification in the event of a default or potential default. • Cooperating with the Bank in evaluating the mortgaged properties every two years or as required in accordance with the Bank's property valuation policy. • If the customer wishes to obtain insurance services/products, the Company must notify the Bank and request a quotation from the Bank or from Al Durr Al Arabi Cooperative Insurance Company, and the Company must obtain the insurance services/products from Al Durr Al Arabi Cooperative Insurance Company if its quotation is equal to or lower than the best offers from other insurance service providers, provided that Al Durr Al Arabi Cooperative Insurance Company submits the quotation within seven days from the date the Company notifies it of the best offers submitted by other insurance service provider. • The Company undertakes not to create any disposition such as mortgage, contract, lien, right, or otherwise over its movable or immovable assets already provided as security to the Bank without obtaining the Bank's written approval, and undertakes to notify the Bank in writing of all mortgages, liens, and rights that may be created in the future over them or over its other assets, whether currently existing or created in the future. • The Company undertakes that it has not previously entered into events of default in payment with banks or other financial institutions and does not expect to enter into such events during the validity of the facilities. • Assignment of the proceeds of the financed project so that the proceeds are deposited in the collection account for revenues with the Bank, provided that this account is managed by the Bank.
Security and other Collateral	• Promissory note in the amount of SAR 300,000,000 issued by the Company guaranteed by Mr. Rashid bin Abdulrahman Al-Rasheed. • Personal guarantee in the amount of SAR 300,000,000 issued by Mr. Rashid bin Abdulrahman Al-Rasheed. • Real estate mortgage in favor of the Bank over real estate title deed(s) covering 150% of the total facility value in the event the financing is used for the purchase of the land and/or refinancing of the land purchase only, such mortgage to be perfected upon completion of the project. • Assignment of the proceeds of the financed project so that the proceeds are deposited in the collection account for revenues with the Bank, provided that this account is managed by the Bank.



Table (12.66): Current Facilities Between the Company and Banque Saudi Fransi dated 14 May 2025.

Type of Facilities / Purpose / Amount	Tawarruq Facilities in the amount of SAR 383,122,251.40 for the purpose of financing the acquisition and development of a plot of land related to the Masar Makkah Project: - Acquisition financing limit: SAR 253,901,442 (sub-limit) - Development financing limit: SAR 129,220,810 (sub-limit) - Profit margin: SAIBOR + 2.75%, semi-annually
Amounts Drawn Down	SAR 253,901,442 until 02 June 2025G.
Term	30 June 2028G
Covenants	The facilities agreement with Banque Saudi Fransi includes certain restrictions or material covenants, including: - Undertaking to maintain a mortgage coverage ratio of not less than 125% of the financing amount at all times, and 150% upon project completion. - Applying any sales and/or rental proceeds toward repayment of the outstanding debt. - Submitting a third-party cost assessment for the development before drawing down the development-related financing. - Maintaining a debt-to-equity ratio of 7:3. - Assigning project sales proceeds to Banque Saudi Fransi upon project completion.
Security and other Collateral	- Promissory note in the amount of SAR 383,122,252 issued by the Company and guaranteed by Mr. Rasheed bin Abdulrahman Al-Rasheed. - Personal guarantee in the amount of SAR 383,122,252 issued by Mr. Rasheed bin Abdulrahman Al-Rasheed. - Real estate mortgage in favor of the Bank over title deed(s) covering 125% of the facility amount, to be registered within 15 days from the acquisition financing drawdown date.

12.11 Insurance

The Company maintains insurance policies covering different types of risks to which it may be exposed. The following table sets out the key details of the insurance policies held by the Company:

Table (12.67): Details of Insurance Policies

Type	Policy Number	Insurer	Duration	Sum Insured (SAR)	Coverage
All risk property insurance	P-C01-25-20030-181018	Wala'a Cooperative Insurance Company	From 24/09/1446H (corresponding to 24/03/2025G) until 14/10/1447H (corresponding to 23/03/2026G)	SAR 46,028.75	Accidental loss of property, destruction, or damage to the insured property during the insurance period.
Group Medical Expenses Insurance	44821052	AlTawuniya	From 28/09/1446H (corresponding to 24/03/2025G) until 28/10/1447H (corresponding to 27/03/2026G)	SAR 1,400,471.15	In/Out-Patient
Vehicle Insurance Warranty/ Kafalah Certificate	P/40032/B/MT/PTI/24/685792	ALETIHAD Co-operative Insurance	From 10/02/1446H (corresponding to 14/08/2024G) until 19/02/1447H (corresponding to 13/08/2025G)	SAR 10,000,000	Third Party Liability – Individual
Motor Insurance Policy	40444250	AlTawuniya	From 04/03/1446H (corresponding to 08/09/2024G) until 14/03/1447H (corresponding to 07/09/2025G)	SAR 10,000,000	Comprehensive Motor Insurance



Type	Policy Number	Insurer	Duration	Sum Insured (SAR)	Coverage
Motor Insurance Policy	P/219/5515/24/79646225/00	Allied Cooperative Insurance Group (ACIG)	From 23/11/1445H (corresponding to 31/05/2024G) until 03/12/1446H (corresponding to 30/05/2025G)	SAR 10,000,000	Bodily damages, including blood money, estimated amounts for injuries and medical expenses, and material damages together for each accident and in total during the period of the insurance policy's validity.
Inherent Defect Insurance Policy	180272	Malath Cooperative Insurance Company	From 01/08/1446H (corresponding to 31/01/2025G) until 21/11/1456H (corresponding to 31/01/2035G)	Structural Work: SAR 1,492,580 Equipment fixtures and fittings: SAR 1,033,050 Envelope: SAR 179,550 Design and professional fees: SAR 50,000.00 TIS Fees: SAR 35,376.30 Non-structural work: SAR 2,419,370 External work: SAR 175,300 Taxes: SAR 802,477.50 Estimated Full Rebuilding Cost of the Premises: SAR 6,187,704	Ramz Al-Rayyan 2 Project
Inherent Defect Insurance Policy	181166	Malath Cooperative Insurance Company	From 14/09/1446H (corresponding to 14/03/2025G) until 14/01/1457H (corresponding to 14/03/2035G)	Structural Work: SAR 4,182,700 Equipment fixtures and fittings: SAR 687,450 Envelope: SAR 331,000 Design and professional fees: SAR 50,000 TIS Fees: SAR 60,646.68 Non-structural work: SAR 3,739,370 External work: SAR 181,000 Taxes: SAR 1,375,728 Estimated Full Rebuilding Cost of the Premises: SAR 10,607,895	Qassim Town House Project



Type	Policy Number	Insurer	Duration	Sum Insured (SAR)	Coverage
Inherent Defect Insurance Policy	168992	Malath Cooperative Insurance Company	From 29/02/1446H (corresponding to 02/09/2024G) until 19/06/1456H (corresponding to 02/09/2034G)	Structural Work: SAR 2,648,150 Equipment fixtures and fittings: SAR 571,245 Envelope: SAR 436,100 Design and professional fees: SAR 60,000 TIS Fees: SAR 44,231.90 Non-structural work: SAR 3,739,370 External work: SAR 181,000 Taxes: SAR 1,003,370 Estimated Full Rebuilding Cost of the Premises: SAR 7,736,737	AlQassim Buraydah 1 Project
Inherent Defect Insurance Policy	158236	Malath Cooperative Insurance Company	From 24/10/1445H (corresponding to 03/05/2024G) until 14/02/1456H (corresponding to 03/05/2034G)	Structural Work: SAR 2,642,610 Equipment fixtures and fittings: SAR 1,816,994 Envelope: SAR 1,275,000 Design and professional fees: SAR 60,000 TIS Fees: SAR 69,555.39 Non-structural work: SAR 3,520,015 External work: SAR 1,219,155 Taxes: SAR 1,577,816 Estimated Full Rebuilding Cost of the Premises: SAR 12,166,145	Al-Narjes 2 Project



Type	Policy Number	Insurer	Duration	Sum Insured (SAR)	Coverage
Inherent Defect Insurance Policy	136755	Malath Cooperative Insurance Company	From 19/06/1445H (corresponding to 01/01/2024G) until 10/10/1455H (corresponding to 01/01/2034G)	Structural Work: SAR 2,803,500 Equipment fixtures and fittings: SAR 592,765 Envelope: SAR 600,450 Design and professional fees: SAR 30,000 TIS Fees: SAR 46,795 Non-structural work: SAR 3,520,015 External work: SAR 86,200 Taxes: SAR 1,061,524 Estimated Full Rebuilding Cost of the Premises: SAR 8,185,143	Al-Aqeeq Project
Inherent Defect Insurance Policy	110862	Malath Cooperative Insurance Company	From 12/09/1444H (corresponding to 03/04/2023G) until 03/01/1455H (corresponding to 03/04/2033G)	Structural Work: SAR 2,123,046 Equipment fixtures and fittings: SAR 355,450 Envelope: SAR 479,184 Design and professional fees: SAR 20,000 TIS Fees: SAR 21,229 Non-structural work: SAR 650,420 External work: SAR 14,054 Taxes: SAR 50,000 Estimated Full Rebuilding Cost of the Premises: SAR 3,713,383	Al-Malqa Offices Project



Type	Policy Number	Insurer	Duration	Sum Insured (SAR)	Coverage
Inherent Defect Insurance Policy	188253	Malath Cooperative Insurance Company	From 03/12/1446H (corresponding to 30/05/2025G) until 22/03/1457H (corresponding to 30/05/2035G)	Structural Work: SAR 9,430,565 Equipment fixtures and fittings: SAR 1,036,220 Envelope: SAR 2,937,962 Design and professional fees: SAR 50,000 TIS Fees: SAR 162,792.67 Non-structural work: SAR 9,059,622 External work: SAR 2,104,560 Taxes: SAR 3,692,839 Estimated Full Rebuilding Cost of the Premises: SAR 28,474,561	Lolia Project
Inherent Defect Insurance Policy	133047	Malath Cooperative Insurance Company	From 03/12/1446H (corresponding to 02/08/2023G) until 22/03/1457H (corresponding to 02/08/2033G)	Structural Work: SAR 3,200,000 Equipment fixtures and fittings: SAR 1,472,765 Envelope: SAR 600,450 Design and professional fees: SAR 30,000 TIS Fees: SAR 63,661.70 Non-structural work: SAR 4,650,000 External work: SAR 86,200 Taxes: SAR 1,032,302 Estimated Full Rebuilding Cost of the Premises: SAR 11,135,379	Qurtuba 3 Project

Source: the Company

12.12 Intellectual Property

12.12.1 Trademarks

The Company has registered 8 trademarks in the Kingdom of Saudi Arabia. The Company capitalizes on these trademarks for the success of its business and to support its competitive position in the market. Therefore, the Company's inability to protect its trademarks, or its need to take legal action to preserve the trademark, would materially and adversely affect its ability to use it, which would, in turn, impact its operations and the Company's results of operations. Please refer to Section 2.1.14 ("**Risks Related to the Protection of the Company's Trademarks**").



The following table sets out the main details of all the Company's registered trademarks in the Kingdom of Saudi Arabia that it currently uses:

Table (12.68): Details of the Company's Registered Trademarks

No.	Country of Registration	Trademark Number	Expiry Date	Classification	Logo
1-	Saudi Arabia	1444044256	15/12/1454H (corresponding to 16/03/2033G)	36	 فاسيلات FASEELAH SQUARE By Alramz
2-	Saudi Arabia	1445001083	12/01/1455H (corresponding to 12/04/2033G)	36	STONE COMPLEX ستون كومبليكس
3-	Saudi Arabia	TM-01-00-11478-24	16/09/1455H (corresponding to 08/12/2033G)	36	زات للتشييد Zat Construction
4-	Saudi Arabia	TM-01-00-06285-24	04/08/1455H (corresponding to 27/10/2033G)	36	Jadeel Floors  By Alramz
5-	Saudi Arabia	TM-01-00-06282-24	04/08/1455H (corresponding to 27/10/2033G)	36	رافد RAFED
6-	Saudi Arabia	1441014624	16/05/1451H (corresponding to 25/09/2029G)	36	
7-	Saudi Arabia	1443000927	30/12/1452H (corresponding to 22/04/2031G)	36	الرمز  Alramz
8-	Saudi Arabia	1444006640	16/02/1454H (corresponding to 25/05/2032G)	35	الرمز  Alramz
9-	Saudi Arabia	TM-01-00-06283-24	04/08/1455H (corresponding to 27/10/2033G)	36	أيكة تاون Aykah Town
10-	Saudi Arabia	TM-01-00-09529-24	25/08/1455H (corresponding to 17/11/2033G)	36	رَبَّا النخيل Rayya Alnakheel

Source: the Company



12.12.2 Other Intellectual Property Rights

The Company has registered several Internet domains in its name. The following table provides details of the Internet domains registered in the Company's name:

Table (12.69): Details of the Internet Domain Names

Internet Domain Name	Expiry Date
Al Ramzre.com.sa	24/11/2025G
Al Ramzre.sa	24/11/2025G
Al Ramzre.com	13/06/2027G
Al Ramzre.net	30/08/2025G
الرمز.com	29/07/2025G
Zatcc.net	25/03/2025G
Zatcc.com	25/03/2028G
Zatcc.co	25/03/2027G
Zatcc.info	25/03/2028G
Zatcc.org	25/03/2028G

Source: the Company

12.13 Litigation

As at the date of this Prospectus, the Company is not a party to any material litigation that is occurring or likely to occur (i.e. litigation with a value of not less than SAR 6,109,358 million, which is equivalent to approximately 1% of the Company's total revenue as disclosed in the audited Financial Statements for the period ended 31 December 2024G).

12.14 The Zakat Status of the Company

The Company is subject to the laws of ZATCA in the Kingdom. Zakat is provided on an accrual basis and is computed and charged based on Zakat base (in accordance with the regulations of ZATCA). Adjustments, if any, are made to the Zakat provision when the final assessments are obtained from ZATCA.

The members of the Company's Board of Directors hereby acknowledge that, as at the date of this Prospectus, the Company does not have any existing Zakat or tax disputes with ZATCA, and that the Company has an adequate Zakat provision to cover any shortfall upon receiving the final Zakat assessment from ZATCA. The current shareholders undertake to bear any additional claims (in the event they exceed the amount of the provision recorded in the Company's books) that may arise from Zakat assessments by the Zakat, Tax and Customs Authority for the fiscal years prior to the Company's listing on the Saudi Exchange Main Market.

For further information about the risks related to Zakat, please refer to Section 2.2.18 ("**Risks Related to Zakat**"), and Section 2.2.20 ("**Risks Related to VAT**") of this Prospectus.

12.15 VAT

The Company has filed all its VAT returns since its registration by the statutory deadlines and has paid all its liabilities.

For further information about the risks related to VAT, please refer to Section 2.2.21 ("**Risks Related to VAT**") of this Prospectus.

12.16 Summary of the Bylaws

The following is a summary of the Company's Bylaws. It should be noted that under the Company's Bylaws, internal regulations, policies, and procedures, members of the Board of Directors or the CEO may not participate in the voting on their remuneration or on any contract or proposal in which they have an interest. Additionally, the Board members and Senior Executives may not borrow funds from the Company.



12.16.1 Company's Name

Al Ramz Real Estate Company (a Saudi closed joint stock company).

12.16.2 Head Office of the Company

The head office of the Company shall be in the city of Riyadh. The Company may establish branches within and outside the Kingdom by decision of the Board of Directors.

12.16.3 Objectives of the Company

The objectives for which the Company was established include:

- 1- Building construction
- 2- Construction of roads and railways
- 3- Construction of utility projects
- 4- Demolition
- 5- Site preparation
- 6- Electrical installations
- 7- Plumbing, heating, and air-conditioning
- 8- Building completion and finishing
- 9- Other specialized construction activities
- 10- Short-term accommodation activities
- 11- Real estate activities with owned or leased property
- 12- Real estate activities on a fee or contract basis
- 13- Integrated facilities support activities
- 14- Professional membership organizations activities

The Company shall undertake its objectives in accordance with the relevant laws and after obtaining the necessary approvals from the competent authorities, if any.

12.16.4 Duration of the Company

The duration of the Company is indefinite.

12.16.5 Participation and Interest in Companies

The Company may participate in other companies, and may establish companies on its own (limited liability, closed joint-stock, or simplified joint-stock companies). Further, the Company may have a shareholding interest in other going concern companies, or merge therewith, as well as participate with others in the establishment of companies after fulfilling the requirements set forth under the relevant laws and instructions. The Company may also dispose of said stake or shares provided that such actions do not include any brokerage activities.

12.16.6 Capital of the Company

The capital of the Company shall be three hundred million Saudi Riyals (SAR 300,000,000), divided into 30,000,000 Shares of equal value, and the nominal value of each Share shall be SAR 10 each, all of which are Ordinary Shares in exchange for cash contributions, with the total amount paid in cash being three hundred million Saudi Riyals (SAR 300,000,000).



12.16.7 Share Subscription

The Shareholders have subscribed in all of the issued capital Shares totaling three hundred million Saudi Riyals (SAR 300,000,000), which have been fully paid up.

12.16.8 Issuance of Shares

- 1- Shares shall be nominal and may not be issued at a value less than their nominal value; however, they may be issued at a value higher than the nominal value. In this latter case, the difference in value shall be added to a separate item within Shareholders' equity, yet it may not be distributed as dividends thereto. A Share is indivisible with respect to the Company. If a Share is owned by multiple individuals, they must select one of them to represent them in exercising the rights associated such Share. Moreover, these individuals shall be jointly liable for obligations arising from the ownership of the Share.
- 2- The nominal value of each Share shall be ten Saudi Riyals (SAR 10), and all Company Shares are Ordinary Shares of a single class.
- 3- Subject to the guidelines set by the competent authority, Shares may be divided into Shares with a lower nominal value, or combined to represent Shares with a higher nominal value.

12.16.9 Share Trading

The Company's Shares shall be traded by being recorded in the Shareholders Register, and the transfer of their ownership shall not be valid vis-à-vis the Company or third parties prior to the date of said entry.

12.16.10 Sale of Non-Paid up Shares

- 1- The Shareholder undertakes to pay the value of shares within the dates specified for that purpose. Failure to do so will give the Board of Directors the right, after notifying the Shareholder through a registered letter or by any means of technology, of its intention to sell the Shares at public auction or through the Capital market, as the case may be. Other Shareholders shall be given priority to purchase the Shares of the defaulting Shareholder.
- 2- The Company shall collect the amounts due thereto from the sale Proceeds and return the remaining to the Shareholder. If the sale proceeds are insufficient to cover the Company's entitlements, then the Company may recover the balance from all assets owned by the relevant Shareholder.
- 3- Rights associated with the Shares shall be suspended upon failure to pay the value thereof upon the expiration of the specified deadline, until their sale or the payment of the due amount in accordance with the provision of Clause (1) of this Article. These rights include the entitlement to a share of the net profits to be distributed and the right to attend meetings and vote on decisions thereat. However, the delinquent shareholder may, until the day of sale, pay the outstanding amount, including the expenses incurred by the Company in this regard. In such a case, the Shareholder shall have the right to request the receipt of dividends to be distributed.
- 4- The Company shall revoke the Shares sold under this Article and provide the purchaser with new Shares bearing the serial numbers of the cancelled Shares, with a note of said sale and the data of the new Shareholder indicated in the Shareholders Register.

12.16.11 Shareholders' Register and Share Certificates

- 1- The Company shall maintain a dedicated Shareholders' register, which includes the names, nationalities, personal information, places of residence, and professions of the Shareholders, along with the number of Shares owned by each, Share numbers, and the amount paid for each. The Company may contract out the preparation of said register, which is to be kept within the Kingdom.
- 2- The Company is required to provide the Commercial Register with the details from the register described in Clause (1) of this Article, as well as any amendments made thereto, within fifteen (15) days from the date the Company is registered in the Commercial Register or from the date of the amendment, as applicable.
- 3- The Company shall issue a paper or electronic certificate proving the Shareholder's ownership of the Share.



12.16.12 Purchase by the Company of Its Own Shares or Pledging, Mortgaging, or Selling Treasury Shares

- 1- The Company may purchase or pledge its own shares in accordance with the Companies Law, its Implementing Regulations, and the controls set by the competent authority in this regard. Shares purchased by the Company shall not have voting rights in shareholders' assemblies.
- 2- The Company may purchase its own shares for the purpose of allocating them to employees under an employee stock program, in accordance with the Companies Law, its Implementing Regulations, and the controls set by the competent authority in this regard.
- 3- The Company may sell treasury shares in a single or multiple stages in accordance with the Companies Law, its Implementing Regulations, and the controls set by the competent authority in this regard.

12.16.13 Capital Increase

- 1- The Extraordinary General Assembly may resolve to increase the Company's capital, provided that the capital has been fully paid. However, full payment of the capital is not required if the unpaid portion pertains to Shares issued in exchange for converting debt instruments or Sukuk into Shares, where the conversion period has not yet expired.
- 2- The Extraordinary General Assembly may, in any case, allocate the newly issued Shares or part thereof upon increasing the capital to the employees of the Company or its subsidiaries, or both. Shareholders do not have the right of preemption when the Company issues Shares designated for employees.
- 3- A Shareholder who owns Shares at the time of the Extraordinary General Assembly's resolution to approve the capital increase has priority in subscribing to the new Shares issued for cash contributions. Shareholders are notified of their priority, if applicable, by registered mail to the address recorded in the Shareholder Register, or through means of technology. The notification shall include the decision to increase capital, the subscription terms, the process, and the start and end dates, taking into account the type and class of Shares held by each Shareholder.
- 4- The Extraordinary General Assembly has the right to suspend Shareholder preemptive rights to subscribe to a capital increase in exchange for cash contributions or to grant such rights to non-Shareholders in cases deemed beneficial to the Company.
- 5- A Company Shareholder may sell or transfer the preemptive right, either for compensation or without, in accordance with the regulations.
- 6- Subject to Clause (4) above, the new Shares shall be allocated to preemptive rights holders who have requested subscription in proportion to their ownership of preemptive rights relative to the total rights resulting from the capital increase, provided that their allocation does not exceed the number of new shares requested thereby. The remaining new Shares shall be allocated to preemptive rights holders who requested more than their share, based on their ownership proportion of preemptive rights relative to the total, provided they do not receive more than they requested. Any remaining Shares may then be offered to third parties, unless otherwise determined by the Extraordinary General Assembly or stipulated under the Capital Market Law.

12.16.14 Decrease of Capital

- 1- The Extraordinary General Assembly may resolve to reduce the Company's capital if it proves to be in excess of the Company's needs or if the Company sustains losses. In the latter case only, the Company's capital may be reduced below the limit prescribed under Article 59 of the Companies Law. A capital decrease decision shall be issued only when a statement prepared by the Board of Directors is read before the General Assembly, outlining the reasons necessitating the reduction, the Company's obligations, and the impact of the reduction on fulfilling said obligations. Such statement shall be accompanied by a report from the Company's Auditor regarding this matter.
- 2- If the capital reduction is due to it being in excess of the Company's needs, then the Company's creditors must be invited to express their objection thereto, if applicable, at least 45 days prior to the date set for convening the Extraordinary General Assembly to issue the reduction decision, provided that the invitation shall be accompanied by a statement clarifying the amount of capital before and after the reduction, the date of the Assembly meeting, and the date on which the reduction will take effect. Should any creditor object and present to the Company evidentiary documents within the time limit set above, then the Company shall pay such debt, if already due, or present an adequate guarantee of payment if the debt is due on a later date.
- 3- Shareholders holding Shares of the same type and class shall be treated equally when reducing capital.



12.16.15 Company's Management

- a- The Company shall be managed by a Board of Directors composed of six (6) members, who shall be natural persons elected by the Ordinary General Assembly for a term not exceeding four years.
- b- The modus operandi of the Board of Directors is defined as follows:

Meetings quorum shall be achieved with the presence of at least 50% of Board members.

Decisions shall be passed with the approval of at least 75% of the members.

Members of the Board may delegate others to attend meetings.

12.16.16 Expiration of the Term of the Board of Directors, Retirement or Dismissal of its Members, or Vacancy of Membership

Board membership shall expire at the end of its term or upon the expiration of the member's eligibility under any laws or instructions in force in the Kingdom. The General Assembly (upon recommendation from the Board of Directors) may terminate the membership of any member who has been absent for three consecutive meetings or five separate meetings during their membership term without a valid excuse acceptable to the Board of Directors.

12.16.17 Powers of the Board of Directors

Without prejudice to the powers vested in the General Assembly, the Board of Directors shall be vested with full powers to manage the Company to achieve its objectives. The Board of Directors is required to obtain the approval of the General Assembly when selling assets whose value exceeds fifty percent (50%) of the value of total assets, whether the sale is made through one or several transactions. In the case of multiple transactions, the transaction that results in the percentage exceeding fifty percent (50%) of the value of the assets shall require the approval of the General Assembly. This percentage shall be calculated from the date of the first transaction that took place during the previous twelve (12) months. The Board of Directors may, within the limits vested thereto, delegate one or more of its members or a third party to carry out a specific task(s).

12.16.18 Remuneration of Board Members

- 1- The remuneration of the Board consists of a percentage of the net profits, benefits in kind, an attendance allowance for sessions, a certain amount, or whatever is determined by the Ordinary Assembly.
- 2- The report submitted by the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a detailed account of all the amounts Board members received or were entitled to receive during the fiscal year in the form of remuneration, attendance allowances, expense allowances, and other benefits.

The report shall also include an account of the amounts received by Board members in their capacity as employees or executives, or in exchange for technical, administrative, or consulting services as well as an account of the number of board meetings and the number of meetings attended by each member.

12.16.19 Powers of the Chairman, Vice Chairman, Managing Director and Secretary

At its first meeting, the Board of Directors shall appoint from among its members a Chairman, and may also appoint a Vice Chairman and a Managing Director. The Board shall appoint a Chief Executive Officer (CEO) from among its members or third parties, and may also appoint a Secretary. Each of which shall be responsible for the powers vested thereto in the Company's Bylaws to achieve the Company's objectives. The Chairman may delegate some of his powers (by way of written resolution) to other board members or others to carry out one or more powers that fall within his scope of powers. The Vice Chairman of the Board of Directors shall replace the Chairman of the Board of Directors in his absence in cases where the Board of Directors has a Vice Chairman.

12.16.20 Expiration of the Term of the Board of Directors, Retirement or Dismissal of its Members, or Vacancy of Membership

- 1- The Board of Directors must, before the end of its term, call the Ordinary General Assembly to convene to elect a new Board of Directors. If it is not possible to hold the election and the term of the current Board term has ended, its members will continue to perform their duties until a Board of Directors is elected for a new term, provided that the term of office of the Board members whose term has ended does not exceed the period specified by the implementing regulations of the Companies Law.



- 2- If the Chairman and members of the Board of Directors resign, they must call for the Ordinary General Assembly to convene to elect a new Board of Directors. The resignation shall not be effective until the new Board is elected, provided that the duration of the resigned Board shall not exceed the period specified in the implementing regulations of the Companies Law.
- 3- A member of the Board of Directors may resign from the Board membership by written notification addressed to the Chairman of the Board. If the Chairman of the Board resigns, the notification must be addressed to the remaining members of the Board and the Secretary of the Board. The resignation shall be effective - in both cases - from the date specified in the notification.
- 4- If the position of a member of the Board of Directors becomes vacant due to the death or retirement of any of its members and this vacancy does not result in a breach of the conditions necessary for the validity of the Board's meeting due to the number of its members being less than the minimum number set forth in the Companies Law or these Bylaws, the Board may appoint a temporary member to the vacant position from among those who have the experience and competence and must notify the Commercial Register within fifteen (15) days from the date of appointment and present the appointment to the Ordinary General Assembly at its first meeting. The new member shall complete the term of his predecessor.
- 5- If the conditions necessary for the validity of the Board of Directors' meeting are not met due to an insufficient number of members below the minimum specified in the Companies Law or these Bylaws, the remaining members must call for an Ordinary General Assembly meeting within sixty (60) days to elect the required number of members.

12.16.21 Remuneration of Board Members

- 1- The remuneration of Board members consists of benefits in kind, a percentage of the net profits, an attendance allowance for sessions, a certain amount, or whatever is determined by the Ordinary Assembly.
- 2- The report submitted by the Board of Directors to the Ordinary General Assembly at its annual meeting shall include a detailed account of all the amounts Board members received or were entitled to receive during the fiscal year in the form of remuneration, meeting allowances, expense allowances, and other benefits. The report shall also include an account of the amounts received by Board members in their capacity as employees or executives, or in exchange for technical, administrative, or consulting services as well as an account of the number of board meetings and the number of meetings attended by each member.

12.16.22 Meetings of the Board of Directors

- 1- The Board of Directors shall convene at least four times a year upon a call by its Chairman. Each member shall be notified of the meeting by written notice, registered mail, in person, fax, email, any means of technology, or any other form of communication, at least four (4) days prior to the scheduled meeting date. The invitation shall include the date, time, venue of the meeting, agenda, and any other relevant information. The Chairman of the Board must call a meeting whenever requested in writing by any Board member to discuss one or more topics.
- 2- The Board of Directors shall determine the location of its meetings, and meetings may be held using means of technology.

12.16.23 Board Quorum and Decisions

- 1- Board meetings shall only be valid if attended by at least 3 members, whether in person or by proxy. A Board member may appoint another member as their proxy to attend Board meetings under the following conditions:
 - a- The proxy member shall not exceeds one delegation.
 - b- The proxy authorization must be documented in writing and specific to a particular meeting.
 - c- The proxy member may not vote on decisions where the appointing member is restricted from voting by law.
- 2- Decisions of the Board of Directors are issued by at least the majority vote of the members present in person or by proxy. In the event of a tie, the Chairman shall cast the deciding vote.
- 3- Board decisions become effective from the date of issuance unless specified to take effect at a different time or upon the fulfillment of certain conditions.

12.16.24 Board Deliberations

- 1- Deliberations and decisions of the Board of Directors shall be recorded in minutes prepared by the Board Secretary and signed by the meeting Chairman, attending Board members, and the Board Secretary.
- 2- Minutes shall be recorded in a special register signed by the Chairman of the Board and the Secretary.
- 3- Means of technology may be used to obtain signatures, record deliberations and decisions, and prepare meeting minutes.



12.16.25 Issuing Board Decisions on Urgent Matters

The Board of Directors may issue decisions on urgent matters by circulation to all members, unless a member submits a written request for a Board meeting to deliberate such matters. The decisions shall be passed by the majority vote of members and shall be presented to the Board of Directors at its first subsequent meeting to be recorded in the minutes of said meeting.

12.16.26 Calling for the Convening of Assemblies

- 1- General and special meetings shall be convened by the Board of Directors, which shall convene the Ordinary General Assembly within 30 days from the date of the request of the Auditor or one or more Shareholders representing at least 10% of the Company's voting rights. The Auditor may also call for the convening of the Ordinary General Assembly if the Board fails to issue the invitation within 30 days from the date of the Auditor's request.
- 2- The request referred to in Clause (1) of this Article shall specify the matters on which the Shareholders are required to vote.
- 3- The notice for convening the meeting shall be sent at least 21 days prior to the specified date in accordance with the provisions of the Law, subject to the following:
 - a- Notifying the Shareholders by registered mail to their addresses listed in the Shareholders Register, or announcing the invitation through means of technology.
 - b- Sending a copy of the invitation and the agenda to the Commercial Register, as well as a copy to the CMA if the Company is listed on the capital market on the date of the announcement.
- 4- The invitation to the General Assembly meeting shall, at a minimum, include the following:
 - a- The conditions entitling Shareholders to attend the meeting and their right to delegate persons other than Board members, as well as Shareholders' right to discuss the matters listed on the agenda of the meeting, raise questions, and the manner by which to exercise voting rights.
 - b- Location, date, and time of the meeting.
 - c- Type of meeting, whether it is a general or special assembly.
 - d- Agenda of the meeting, including items that require voting by Shareholders.

12.16.27 Voting at Assemblies

Cumulative voting shall be used when electing the Board of Directors, and members of the Board of Directors may not participate in voting on Assembly decisions pertaining to business and contracts in which they have a direct or indirect interest, or that involve a conflict of interest.

12.16.28 Drafting Assembly Minutes

Assembly meeting minutes shall be drafted to indicate the number of Shareholders in attendance, whether in person or by proxy; the number of Shares held thereby, whether personally or by proxy; the number of votes assigned thereto; the decisions made; the number of consenting and dissenting votes; and an adequate summary of meeting deliberations. The minutes shall be regularly recorded after every meeting in a special register signed by the Assembly's Chairman, Secretary, and Canvassers.

12.16.29 Shareholders' General Assembly Meeting

- 1- The General Assembly meeting shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice Chairman, or in their absence, by a person delegated by the Board of Directors from among its members. If this is not possible, the General Assembly shall be chaired by a person appointed through voting by the shareholders from among Board members or others.
- 2- Every shareholder shall have the right to attend the General Assembly meeting and may appoint another person to represent them, provided such person is not a member of the Board of Directors.
- 3- The General Assembly meeting may be held, and shareholders may participate in deliberations and vote on resolutions through means of technology.



12.16.30 Quorum of the Extraordinary General Assembly Meeting

- 1- An Extraordinary General Assembly meeting shall be deemed valid only if attended by Shareholders representing at least half of the Company's voting Shares.
- 2- If the quorum required for an Extraordinary General Assembly meeting is not satisfied as stipulated in Clause (1) of this Article, a call shall be made for a second meeting to be held under the same conditions stipulated in Article 91 of the Companies Law. However, the second meeting may be held one hour after the end of the period set for the first meeting, provided that the invitation for the first meeting provides for the possibility of holding a second meeting. In all cases, the second meeting shall be deemed valid if attended by shareholders representing at least a quarter of the Company's voting shares.
- 3- If the quorum required for the second meeting is not satisfied, a call shall be made for a third meeting to be held under the same conditions stipulated in Article 91 of the Companies Law. The third meeting shall be deemed valid regardless of the number of voting shares represented thereat.

12.16.31 Assembly Decisions

- 1- Decisions of the Ordinary General Assembly shall be adopted by the majority of voting rights represented at the meeting.
- 2- Decisions of the Extraordinary General Assembly shall be adopted with the approval of two-thirds of the voting rights represented at the meeting, unless the decision relates to increasing or decreasing the Company's capital, extending the Company's duration, dissolving the Company before the expiration of its term as specified in its bylaws, its merger with another company, or dividing it into two or more companies. In such cases, the decision shall not be valid unless adopted by three-fourths of the voting rights represented at the meeting.

12.16.32 Assembly Deliberations

Each Shareholder shall have the right to discuss the items listed in the General Assembly's agenda and to ask questions in respect thereof to the members of the Board of Directors and the Auditor. The members of the Board or the Auditors shall answer the Shareholders' questions to the extent that doing so does not harm the interests of the Company. If the Shareholder deems the answer unsatisfactory, then said Shareholder may refer the issue to the General Assembly whose decision in this regard shall be binding.

12.16.33 Appointment, Dismissal and Resignation of the Company's Auditor

- 1- The Company shall have one or more auditors selected from among those licensed in the Kingdom of Saudi Arabia, appointed and the compensation, term, and scope of work thereof fixed by the General Assembly. The Auditor may be reappointed provided that the appointment term thereof does not exceed the duration specified by law.
- 2- The General Assembly may resolve to dismiss the Auditor. The Chairman of the Board of Directors shall then inform the competent authority of said dismissal and reasons therefor within a period not exceeding five (5) days from the date of the decision.
- 3- The Auditor may resign from their task by submitting a written notice to the Company. Their task ends on the date of submission or on a later date specified in the notice, without prejudice to the Company's right to compensation for any incurred justifiable damages. Upon submitting the notice, the resigning Auditor shall provide the Company and the competent authority with a statement of the reasons for their resignation. The Board of Directors shall call the General Assembly to convene in order to consider the reasons for the resignation, appoint a new Auditor, and determine the compensation, term, and scope of work thereof.

12.16.34 Auditor's Powers

The Auditor shall at all times have the right to access the Company's books, records, and other documents. The Auditor may also request data and explanations as deemed necessary thereby and may also verify the Company's assets and liabilities, as well as other matters falling within the Auditor's scope of work. The Board of Directors shall enable the Auditor to perform its duties, and when the Auditor encounters difficulties in that regard, the latter shall document the same in a report to be submitted to the Board of Directors. Failure of the Board to facilitate the work of the Auditor shall result in the latter requesting that the Board calls for a meeting of the Ordinary General Assembly to discuss the matter. The Auditor may call for the meeting if the Board of Directors fails to do so within thirty (30) days from the Auditor's request in that regard.



12.16.35 Financial Year

The Company's Financial Year shall be twelve Gregorian calendar months, starting on the 1st day of January and ending on the 31st day of December.

12.16.36 Financial Documents

- 1- At the end of each Financial Year, the Board of Directors shall prepare the Company's Financial Statements together with a report on its business and financial position for the ended Financial Year. This report shall include the proposed method for distributing profits. The Board of Directors shall place such documents at the disposal of the Auditor at least 45 days prior to the date set for convening the meeting of the Ordinary General Assembly.
- 2- The Chairman of the Board, Executive Director, and CFO, if applicable, shall sign the documents referred to in Clause (1) of this Article, with a copy thereof placed at the Company's head office at the disposal of Shareholders.
- 3- The Chairman of the Board shall sign and provide Shareholders with the Company's Financial Statements, Board of Directors' report, and Auditor's report, if applicable, unless they are published by any means of modern technology at least 21 days prior to the date set for convening the annual Ordinary General Assembly meeting. The Chairman shall also deposit a copy thereof in accordance with the applicable provisions of the Implementing Regulations of the Companies Law.

12.16.37 Distribution of Profits

- 1- When determining the share of profits for distribution, the Ordinary General Assembly may decide to create reserves to serve the Company's interests or to ensure the distribution of stable dividends to Shareholders as much as possible. The Assembly may also allocate portions of net profits for social purposes benefiting the Company's employees.
- 2- The General Assembly, based on the Board of Directors' recommendation, shall determine the percentage of net profits to be distributed to Shareholders after deducting any reserves, if applicable.
- 3- After meeting the requirements set by the competent authority, the Company may distribute interim dividends (semi-annually or quarterly) from the profits available for distribution to Shareholders.

12.16.38 Entitlement to Dividends

A Shareholder shall be entitled to dividends pursuant to a decision issued by the General Assembly in that regard. The decision shall indicate the eligibility and distribution dates. Shareholders registered in the Shareholders Register by the end of the eligibility date shall be eligible to receive dividends. The Board of Directors shall implement the General Assembly's decision regarding the distribution of dividends to Shareholders.

12.16.39 Termination of the Company

The Company shall terminate by one of the reasons specified in Article 243 of the Companies Law. Upon termination, it shall enter into liquidation in accordance with the provisions of Chapter Twelve of the Companies Law. If the Company is terminated and its assets are insufficient to cover its debts or if it is insolvent under the Bankruptcy Law, it must apply to the competent judicial authority to initiate one of the liquidation procedures under the Bankruptcy Law.

12.16.40 Final Provisions

- 1- The Company shall be subject to the laws in effect in the Kingdom of Saudi Arabia.
- 2- Any provision set forth herein that contradicts the provisions of the Companies Law shall be deemed null and void, and the provisions stipulated in the Companies Law shall be applicable in that regard. Any matter not provided for herein shall be governed by the Companies Law and Implementing Regulations thereof.

12.16.41 Liability Action

- 1- The Company has the right to file a claim against members of the Board of Directors for violating the provisions of the Companies Law or these Bylaws, for their commission of any mistake, negligence, or shortcomings in performing their duties, resulting in damages to the Company. The General Assembly shall resolve to file such claim and appoint a representative for the Company to initiate it. If the Company is undergoing liquidation, the liquidator shall file the claim. In the event that any liquidation procedures are initiated against the Company under the Bankruptcy Law, the claim shall be filed by the individual legally representing it.



- 2- One or more Shareholders representing five percent (5%) of the Company's capital may file the liability action on behalf of the Company if the latter fails to do so, provided that the primary objective of the claim is to serve the Company's interests, that the claim is founded on a valid basis, and that the claimant is acting in good faith and was a Shareholder at the time the claim was filed.
- 3- To initiate the claim mentioned in Clause (2) of this Article, the Board of Directors must be notified of the intention to file the claim at least fourteen (14) days prior to the filing date.
- 4- A Shareholder may file a personal claim against the Board members if their error causes specific harm to the Shareholder.

12.17 Shareholders' Rights

12.17.1 Voting Rights

Each Subscriber shall have one vote for every Share represented thereby at General Assemblies. The cumulative voting method shall be used in electing Board members in accordance with the Corporate Governance Regulations issued by CMA and any amendments thereto made from time to time.

12.17.2 Rights to Dividends

Under Article 107 of the Companies Law, a Shareholder is vested with all rights attached to Shares, including, in particular, the right to receive a share in the dividends declared for distribution, to receive a share of the Company's assets surplus upon liquidation, to attend the General Assemblies, to participate in its deliberations, to vote on its decisions, to dispose of the Shares, to request access to the Company's books and documents, to monitor the work of the Board of Directors, to file a liability claim against the Directors, and to challenge the validity of the decisions of the General Assembly in accordance with the conditions and restrictions contained in the Companies Law and the Bylaws.

Each Shareholder or representative thereof, shall have the right to discuss the matters listed in the agenda of the General Assembly and direct questions thereon to the Directors and the Auditor. The Board of Directors or the Auditor shall answer said questions to an extent that does not harm the Company's interests. If the Shareholder deems the answer unsatisfactory, then said Shareholder may refer the issue to the General Assembly whose decision in this regard shall be binding.

12.17.3 Right to Repurchase Shares

According to Article 114 of the Companies Law, the Company may repurchase its Shares in accordance with the controls set by the competent authority, provided that the repurchased Shares shall have no voting rights in Shareholder Assemblies.

12.17.4 Rights to Surplus Assets in Cases of Liquidation and Amendment of Shareholder Rights

The Company's Bylaws may be amended under a decision of the Extraordinary General Assembly. Decisions of the Extraordinary General Assembly shall be adopted by a two-thirds (2/3) majority of the Shares represented at the meeting. However, if the decision to be adopted is related to increasing or decreasing the capital, extending the Company's term, dissolving the Company prior to the expiry of its term specified in the Bylaws, or merging the Company with another company, then such decision shall be valid only if adopted by at least a three-quarter (3/4) majority of the Shares represented at the meeting. The following rights are based on the Companies Law and may not be amended:

- 1- Receiving a share of the profits to be disbursed.
- 2- Receiving a share of the Company's surplus assets upon its liquidation.
- 3- Attending Shareholder General Assemblies, participating in deliberations and voting on the decisions thereof.
- 4- Disposing of shares as stipulated in the Companies Law.

Requesting access to the Company's books and documents; monitoring Board business; filing liability claims against Board members; and challenging the validity of General Assembly decisions (in accordance with the terms and conditions specified in the Companies Law and the Bylaws).



12.17.5 Amendment of Shareholder Rights

Shareholder rights relating to receiving a share of the dividends declared for distribution, the right to receive a share of the Company's surplus assets upon liquidation, the right to attend general assemblies, participate in deliberations and vote on resolutions thereat, the right to dispose of shares, the right to request access to the Company's records and documents, the right to monitor the activities of the Board of Directors, to initiate derivative actions against Board members, and to challenge the validity of General Assembly resolutions (subject to the terms and restrictions set out in the Companies Law and the Bylaws) are derived from the Companies Law and, therefore, cannot be changed. Amending the mechanism for voting and quorum requirements in general assemblies requires an amendment to the Bylaws, and the Bylaws may only be amended by a resolution of the Extraordinary General Assembly.

12.17.6 Rights of Holders of Ordinary Shares

Pursuant to Article 107 of the Companies Law, each shareholder shall have all the rights associated with shares, in particular: the right to receive a share of the dividends declared for distribution, the right to receive a share of the Company's assets upon liquidation, the right to attend general assemblies, participate in their deliberations, vote on their resolutions, the right to dispose of shares, the right to request access to the Company's records and documents, the right to monitor the activities of the Board of Directors, to initiate derivative actions against Board members, and to challenge the validity of General Assembly resolutions, all subject to the terms and restrictions set out in the Companies Law and the Bylaws. Any shareholder may discuss the items included on the agenda of the General Assembly and direct related questions to Board members and the auditor. The Board of Directors or the auditor shall respond to the shareholders' questions to the extent that does not undermine the Company's interests. If a shareholder deems a response to be unsatisfactory, he may refer the matter to the Assembly, whose decision shall be final.



13

Underwriting





13. UNDERWRITING

The Company and the Underwriter (SNB Capital) have entered into an Underwriting Agreement dated [.]H corresponding to [.]G (the “**Underwriting Agreement**”) pursuant to which the Underwriter has agreed, subject to certain terms and conditions contained in the Underwriting Agreement, to fully underwrite the Offering of twelve million eight hundred fifty-seven thousand one hundred forty-three (12,857,143) Ordinary Shares. The name and address of the Underwriter are set out below:

Table (13.1): Underwriter

Underwriter
SNB Capital King Saud Road, SNB Regional Building P.O. Box: 22216, Riyadh 11495 Kingdom of Saudi Arabia Tel: + 966 92 0000232 Fax: +966 11 4060052 Website: www.alahlicapital.com Email: snbc.ipo@alahlicapital.com



Source: the Company

The agreed principal terms of the Underwriting Agreement are set out below:

13.1 Summary of the Underwriting Agreement

Under the terms and conditions of the Underwriting Agreement:

- The Company undertakes to the Underwriter to perform the following actions on the first Business Day following the allocation of the Offer Shares upon the closing of the Offering Period:
 - Issue and allocate the Offer Shares to the Participating Parties or the Individual Subscribers whose subscription applications have been accepted by the Receiving Entities.
 - Issue and allocate the Offer Shares that have not been subscribed to in the Offering by Individual Subscribers or Participating Parties to the Underwriter.
- The Underwriter undertakes to the Company to purchase any Offer Shares that are not subscribed for by Individual Subscribers or Participating Parties, as follows:

Table (13.2): Underwritten Shares

Underwriter	No. of Underwritten Offer Shares	Percentage of Underwritten Offer Shares
SNB Capital	12,857,143 Shares	100%

Source: the Company



14

Underwriting Costs



14. UNDERWRITING COSTS

The Company will pay to the Underwriter the underwriting fees based on the total value of the Offering and the costs and expenses in connection with the Offering, in accordance with the contract concluded in this regard.



15

Expenses



15. EXPENSES

The Company shall bear all the expenses and costs associated with the Offering, estimated at approximately (SAR 36,000,000) thirty-six million Saudi Riyals. Such expenses include the fees of the Financial Advisor, Lead Manager, Bookrunner, Underwriter, Legal Advisors, Independent Auditors, Market Study Consultant, and other Advisors, in addition to the fees of marketing, printing, and distribution expenses, as well as other related expenses. These expenses will be deducted from the Offering Proceeds. The Current Shareholders will not bear any expenses related to the Offering.



16

Company's Post-
Listing Undertakings



16. COMPANY'S POST-LISTING UNDERTAKINGS

Post-Listing, the Company undertakes to:

- Fill out form 8 (regarding the observance of Corporate Governance Regulations). The Company shall provide the relevant justifications if it fails to meet any of the requirements set out in the Corporate Governance Regulations.
- Inform the Capital Market Authority of the date of the first post-Listing General Assembly meeting, so that representatives thereof can attend said meeting.
- Immediately after Listing, comply with all mandatory provisions set out in the Corporate Governance Regulations.
- Comply with the provisions of the OSCOs and the Listing Rules regarding the Company's ongoing obligations immediately after Listing.
- Submit to the General Assembly for approval, all works and contracts in which any Director has a direct or indirect interest (in accordance with the Companies Law, the Corporate Governance Regulations, and the regulatory controls and procedures issued in implementation of the Companies Law); provided that the Director with such interest shall be prohibited from participating in voting on decisions issued in this regard by the Board of Directors and General Assembly.

Accordingly, once Listing is approved, Directors undertake to:

- Record all resolutions and deliberations in written meeting minutes signed by the Board Chairman and Secretary.
- Disclose the details pertaining to any Related Party transactions in accordance with the Companies Law and the Corporate Governance Regulations.
- Call for an Extraordinary General Assembly to update the Company's Bylaws and Commercial Register immediately after listing.



17

Waivers





17. WAIVERS

The Issuer has obtained a waiver from the CMA for the disclosure of certain information in the Prospectus under Paragraph (E) of Article 32 of the Rules on the Offer of Securities and Continuing Obligations (OSCOs) in relation to information that the Issuer believes disclosure would cause undue prejudice to the Company and its ability to compete while it is unlikely that not disclosing such information would mislead investors as to facts and circumstances that are necessary for the valuation of the Company's shares. The following are the details of the requirements that the Company has submitted to the CMA requesting a waiver in accordance with the above:

- a- Disclosure requirements in accordance with Subparagraph (3) of Subparagraph (19) of Appendix 12 of the Rules on the Offer of Securities and Continuing Obligations (OSCOs), which requires the issuer to disclose a summary of all material contracts. The following items have not been disclosed in this prospectus:
 - Value of material project agreements.
 - The identities of the Company's top five (5) suppliers.



18

Subscription Terms
and Conditions



18. SUBSCRIPTION TERMS AND CONDITIONS

The Company has submitted an application to the CMA for the registration and Offer of the securities, and an application to the Exchange for Listing of the Shares in accordance with the OSCOs and Listing Rules.

All Subscribers must carefully read the Subscription Terms and Conditions before filling out their Subscription Application Form. Execution of a Subscription Application Form and submission thereof to any Receiving Entities is deemed as a pledge of acceptance and approval of said Subscription Terms and Conditions.

18.1 Subscription to Offer Shares

The Offering process consists of the issuance of twelve million eight hundred fifty-seven thousand one hundred forty-three (12,857,143) New Ordinary Shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per Ordinary Share at an Offer Price of seventy Saudi Riyals (SAR 70) per share with a total offering value of nine hundred million ten Saudi Riyals (SAR 900,000,010). The Offer Shares represent 30% of the Company's capital after the capital increase.

The Offering is restricted to the following two groups of Investors:

Tranche (A): Participating Parties:

This tranche comprises the parties eligible to participate in the Book-Building process in accordance with the Book-Building Instructions. The number of Offer Shares to be initially allocated to Participating Parties effectively participating in the book-building process is twelve million eight hundred fifty-seven thousand one hundred forty-three (12,857,143) Ordinary Shares of the Offering, representing 100% of the total Offer Shares. In the event there is sufficient demand by Individual Subscribers for the Offer Shares, then the Lead Manager has the right to reduce the number of Shares initially allocated to Participating Parties to ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares, representing 80% of the total Offer Shares. The number and percentage of Offer Shares to be allocated to Participating Parties shall be determined as deemed fit by the Financial Advisor, in coordination with the Company. It is possible not to allocate Shares to some Participating Parties, as deemed appropriate by the Company and the Financial Advisor. Initially, (3,857,143) Ordinary Shares will be allocated to public funds, representing (30%) of the total number of Offer Shares in the event of sufficient demand by the public funds, noting that if there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of Shares allocated to public funds to (3,085,714) Ordinary Shares as a minimum, representing (24%) of the total number of Offer Shares, after completion of subscription by the Individual Subscribers.

Tranche (B): Individual Subscribers:

This tranche includes natural Saudi nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit in her name and in the names of her minor children, on the condition that she provides proof that she is a divorcee or widow and the mother of her minor children, in addition to any natural non-Saudi national who is a resident and any GCC national who has an investment account and an active portfolio with one of the Receiving Entities. Subscription by a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature has been proved to have occurred, then the laws shall be enforced against such person. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of two million five hundred seventy-one thousand four hundred twenty-nine (2,571,429) Ordinary Shares, representing 20% of the total Offer Shares, shall be allocated to Individual Subscribers. In the event that Individual Subscribers do not subscribe in full for the Offer Shares allocated thereto, the Lead Manager has the right to reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed for thereby.

18.2 Book-Building for Participating Parties

- a- The price range will be determined during the Book Building and will be made available to all Participating Parties by the Company.
- b- Participating Parties may participate in the Book-Building process by filling out Bid Forms. Participating Parties may amend or cancel their applications at any time during the Book-Building Period, provided that said applications are amended by submitting a modified Application Form or an appendix Application Form (where applicable) before the Offer Price determination process that will take place before the Offering Period begins. The number of Offer Shares for each of the Participating Parties shall not be less than fifty thousand (50,000) Shares, and no more than two million one hundred forty-two thousand eight hundred fifty-six (2,142,856) Shares, and in relation to public funds only, not exceeding the maximum limit for each participating public fund that is determined in accordance with the Book Building Instructions, and the number of requested shares shall be allocatable. The Lead Manager shall notify the Participating Parties regarding the Offer Price and the



number of Offer Shares initially allocated thereto.

- c- Once the Book-Building process for Participating Parties is completed, the Bookrunner shall announce the coverage percentage by Participating Parties.
- d- The Bookrunner, in coordination with the Company, shall have the authority to determine the Offer Price as dictated by supply and demand, provided that it does not exceed the price specified in the Underwriting Agreement, and that the subscription price be aligned with the price change units applied by Tadawul.

18.3 Subscription by Individual Subscribers

Each Individual Subscriber must subscribe for a minimum of ten (10) Offer Shares and a maximum of two hundred and fifty thousand (250,000) Offer Shares. Changes to or withdrawal of the Individual Subscription Application Form shall not be permitted once submitted.

Subscription Application Forms will be available during the Offering Period through the websites of the Receiving Entities. The said forms are to be completed as per the instructions below. Individual Subscribers can subscribe electronically, phone banking, or ATMs provided by the Receiving Entities that provide all or some of these services to their clients, provided that:

- 1- The Individual Subscriber has an account with a Receiving Entity that offers such services;
- 2- There have been no changes to the personal information of the Individual Subscriber since their subscription in a recent IPO;

The Individual Subscriber's signature of the Subscription Application Form and its submission to the Receiving Entities constitute a binding agreement between the Company and the relevant Individual Subscriber.

Individual Subscribers may obtain a copy of this Prospectus and Subscription Application Forms from the following Receiving Entities' websites, websites of the CMA and the Company's Financial Advisors:

Table (18.1): Receiving Entities

Receiving Entities	
BSF Capital King Fahd Road 8092 4th Floor, Legend Tower P.O. Box 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Telephone: +966 (11) 282 6666 Fax: +966 (11) 282 6723 Website: www.bsfcapital.sa Email: sfc-supportcenter@bsfcapital.sa	
Al Rajhi Capital Head Office, King Fahd Road, Al Murooj District P.O. Box 5561 Riyadh 11432 Kingdom of Saudi Arabia Telephone: +966 92 000 5856 Fax: +966 (11) 460 0625 Website: www.alrajhi-capital.com Email: investmentbankingteam@alrajhi-capital.com	
Alawwal Invest Company (SAB Invest) Olaya Main Street P.O. Box 1467 Riyadh 11431 Kingdom of Saudi Arabia Telephone: 8001242442 Fax: +966 (12) 216 9102 Website: www.sabinvest.com Email: customercare@sabinvest.com	



Receiving Entities

Alinma Capital

Al Anoud Tower 2, King Fahd Road
P.O. Box 55560, Riyadh 11544
Kingdom of Saudi Arabia
Telephone: +966 (11) 218 5999
Fax: +966 (11) 218 5970
Website: www.alinmainvestment.com
Email: Info@alinmainvest.com

الإنماء المالية
alinma capital



Riyad Capital Company

2414 - Al Shuhada District, Unit No. 69
P.O. Box 13241, Riyadh 7279
Kingdom of Saudi Arabia
Telephone: +966 (11) 486 5649
Fax: +966 (11) 486 5908
Website: www.riyadcapital.com
Email: ask@riyadcapital.com

الرياض المالية
Riyad Capital



AlJazira Capital

King Fahd Branch Road, Al Rahmaniyah
P.O. Box 20438, Riyadh 11455
Kingdom of Saudi Arabia
Telephone: +966 (11) 225 6000
Fax: +966 (11) 225 6182
Website: www.aljazaracapital.com.sa
Email: contactus@aljazaracapital.com.sa

الجزيرة كابيتال
ALJAZIRA CAPITAL الجزيرة للأسواق المالية



Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)

King Fahad Branch Road
P.O. Box 6888, Riyadh 11452
Kingdom of Saudi Arabia
Telephone: +966 (11) 254 7666
Fax: +966 (11) 489 6253
Website: www.icap.com.sa
Email: WebEcare@icap.com.sa

الاستثمار كابيتال
Alistithmar Capital



AlBilad Investment Company

King Fahd Road, Olaya, Riyadh - 12313 - 3701
Kingdom of Saudi Arabia
Telephone: 800116002
Fax: +966 (11) 290 6299
Website: www.albilad-capital.com
Email: investmentbanking@albilad-capital.com

البلاد المالية
Albilad Capital



ANB Capital

King Faisal Street
ANB Capital Building
P.O. Box 220009, Riyadh 11311
Kingdom of Saudi Arabia
Telephone: +966 (11) 406 2500
Fax: +966 (11) 406 2548
Website: www.anbcapital.com.sa
Email: Investment.Banking@anbcapital.com.sa

anb capital



Receiving Entities

SNB Capital

King Saud Street, Al-Murabba District - Building No. 7347
P.O. Box 2575 Riyadh 12624
Kingdom of Saudi Arabia
Telephone: +966 920000232
International Call Center: +966 (11) 4060052
Website: www.alahlicapital.com
Email: snbc.ipo@alahlicapital.com



Derayah Financial

Riyadh - Al-Takhassusi Street - Prestige Center - Third Floor
Kingdom of Saudi Arabia
Telephone: +966 (11) 299 8000
Fax: +966 (11) 419 5498
Website: www.derayah.com
Email: support@derayah.com



Yaqeen Capital

ANB Capital Building
Al Worood District - Al Olaya Road - Riyadh
P.O. Box 884 Riyadh 11421
Kingdom of Saudi Arabia
Telephone: +966 800 429 8888
Fax: +966 (11) 205 4827
Website: www.yaqeen.com
Email: addingvalue@yaqeen.sa



AlKhabeer Capital

Madinah Road, Jeddah
P.O. Box 128289 Jeddah 21362
Kingdom of Saudi Arabia
Telephone: +966 (12) 612 9345
Fax: +966 (12) 685 6663
Website: www.alkhabeer.com
Email: info@alkhabeer.com



Sahm Capital Financial Company

King Abdullah Financial District - Tower 305
Riyadh 13519
Kingdom of Saudi Arabia
Telephone: +966 (11) 414 5260
Website: www.sahmcapital.com
Email: info@sahmcapital.com



GIB Capital

Granada Business & Residential Park - Building B1
Eastern Ring Road
P.O. Box 89589, Riyadh 11692
Kingdom of Saudi Arabia
Telephone: +966 800 1240121
Website: www.gibcapital.com
Email: customercare@gibcapital.com





Receiving Entities

Musharaka Financial Company

Al-Khobar – Prince Turki Bin Abdulaziz Road – Adair Tower – 13th Floor

P.O. Box 712, Al-Khobar 31952

Kingdom of Saudi Arabia

Telephone: +966 920006811

Fax: +966 13 881 8412

Email: receiving-entity@musharaka.sa

Website: www.musharaka.sa



EFG Hermes KSA

3rd Floor, Northern Tower, Sky Towers

King Fahd Road, Olaya, Riyadh

P.O. Box 300189, Riyadh 11372

Kingdom of Saudi Arabia

Telephone: +966 (11) 2938048

Fax: +966 (11) 2938032

Website: www.efghermesksa.com

Email: kSAR eipo@efg-hermes.com



Awaed Financial Assets

AlUrubah Road 2163, AlMathar Ash Shamali 12334

Home Offices, Riyadh

Kingdom of Saudi Arabia

Telephone: 8001111870

Website: www.awaed.capital

Email: ipo_awaed@awaed.co



The Receiving Entities will commence receiving Subscription Application Forms on their websites as of Sunday, 16/06/1447H (corresponding to 07/12/2025G) and ending at 3:00 p.m. on Tuesday, 18/06/1447H (corresponding to 09/12/2025G). Once the Subscription Application Form is signed and submitted, the relevant Receiving Entity receiving it, will stamp it and provide the Individual Subscriber with a copy of the completed Subscription Application Form. In the event that the information provided in the Subscription Application Form is incomplete or inaccurate, or not stamped by the Receiving Entity, the Subscription Application Form will be considered void. The Individual Subscriber does not have the right to claim any compensation for the damages incurred due to such cancellation.

Individual Subscribers shall be required to specify the number of Offer Shares applied for in the Subscription Application Form, where the total subscription amount shall be the number of Offer Shares applied for multiplied by the Offer Price of seventy Saudi Riyals (SAR 70) per Share.

Subscriptions by an Individual Subscribers for less than ten (10) Shares or fractions of Shares will not be accepted, and any subscription to Shares above the said number must be in multiple thereof, noting that the maximum subscription for Individual Subscribers is two hundred and fifty thousand (250,000) Offer Shares.

Subscription Application Forms shall be submitted during the Offering Period and accompanied, where applicable, with the following documents, provided that the Receiving Entities shall verify all copies against the originals and return the originals to the relevant Individual Subscriber:

- 1- The original and copy of the national civil identification card or residency identification card (for Individual Subscribers, including natural Saudi nationals, citizens of GCC countries and foreign residents);
- 2- The original and copy of the family register (when subscribing on behalf of family members);
- 3- The original and copy of a power of attorney (when subscribing on behalf of others);
- 4- The original and copy of certificate of guardianship (when subscribing on behalf of orphans);
- 5- The original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi woman);
- 6- The original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman); and
- 7- The original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman).



In the event that a Subscription Application Form is submitted on behalf of an Individual Subscriber (applies to parents and children only), the person signing on behalf of the Individual Subscriber should state their name and attach an original and copy of a valid power of attorney. The power of attorney shall be issued by a notary public for Individual Subscribers or legally apostilled. As for Individual Subscribers residing outside the Kingdom, their power of attorney shall be legalized through a Saudi embassy or consulate in the relevant country. The relevant official at the Receiving Entity shall compare the copies with the original and return the original to the Subscriber.

It shall suffice to fill out one Subscription Application Form for the primary Individual Subscriber and family members appearing on their family identification card if the family members are applying for the same number of Offer Shares as the primary Individual Subscriber. In such case:

- All Offer Shares allocated to the primary Individual Subscriber and dependent Individual Subscribers will be registered in the primary Individual Subscriber's name;
- The primary Individual Subscriber will receive any refund in respect of amounts not allocated and paid for by themselves or on behalf of dependent Individual Subscribers; and
- The primary Individual Subscriber will receive all dividends distributed in respect of the Offer Shares allocated to themselves and dependent Individual Subscribers (in the event the Shares are not sold or transferred).

Separate Subscription Application Forms are to be used if:

- The Subscriber wishes to register the Offer Shares to be allocated in a name other than the name of the primary Individual Subscriber;
- The amount of Shares the primary Individual Subscriber intends to apply for differs from that of the dependent Individual Subscribers;
- If a wife wishes to subscribe in her name and for the allocated Offer Shares to be registered to her account, she shall complete a Subscription Application Form for herself separate from that of the primary Individual Subscriber. In this case, any application made by her husband on her behalf shall be cancelled and the wife's separate Subscription Application Form shall be processed by the Receiving Entity.

A Saudi female divorcee or widow who has minor children from a marriage to a non-Saudi husband can subscribe in her name and on behalf of her minor children, provided she submits proof of motherhood. A subscription for Offer Shares made by a person in the name of his divorced wife shall be deemed invalid and the applicant shall be subject to the sanctions prescribed by law.

During the Offering Period, only a valid Iqama will be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates will not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as primary Individual Subscribers. The maximum age for non-Saudi dependents to be included with their mother is 18. Any documents issued by a foreign government must be legalized through a Saudi embassy or consulate in the relevant country.

Each Individual Subscriber agrees to subscribe for and purchase the number of Offer Shares specified in their Subscription Application Form, multiplied by the Offer Price of seventy Saudi Riyals (SAR 70) per Share. Each Individual Subscriber is deemed to have acquired the number of Offer Shares allocated thereto upon:

- Delivery by the Individual Subscriber of the Subscription Application Form to any of the Receiving Entities;
- Payment in full to the Receiving Entity of the value of the total number of Shares subscribed for;
- Submission by the Receiving Entity to the Individual Subscriber of the Allocation letter that determines the number of Shares allocated thereto; and
- Listing the Company's Shares on the Exchange and depositing the Shares allocated to the Individual Subscriber in the investment portfolio thereof.

The total value of the Offer Shares shall be paid in full to the Receiving Entities, by debiting the account of the Individual Subscriber at the Receiving Entity where the Subscription Application Form was submitted. If a submitted Subscription Application Form is not in accordance with the Subscription terms and conditions, such application may be rejected in full. The Individual Subscriber shall accept any number of Offer Shares allocated thereto, unless the allocated Shares exceed the number of Offer Shares applied for thereby.



18.4 Allocation and Refunds

The Lead Manager shall open and operate an escrow account, for the purpose of depositing and keeping subscription monies collected from Participating Parties and Receiving Entities (on behalf of Individual Subscribers). Subscription monies shall be transferred to the Company only after Listing and following the deduction of certain fees and expenses. Details of the escrow account shall be specified in the subscription forms. In addition, each Receiving Entity shall deposit all amounts received from the Individual Subscribers into the escrow account, the details of which shall be specified in the Individuals' Subscription Application Form.

The Lead Manager or the Receiving Entities (as applicable) shall notify Subscribers informing them of the final number of Offer Shares allocated thereto, together with the amounts to be refunded to Subscribers.

Excess subscription monies (if any) will be refunded to the Subscribers in whole without any commissions or deductions, and will be deposited in the Subscribers' account as specified in the Subscription Application Form.

The announcement of the final allocation shall be made by no later than Monday, 24/06/1447H (corresponding to 15/12/2025G) and refund of excess subscription monies, if any, shall be made by no later than Tuesday, 25/06/1447H (corresponding to 16/12/2025G). (for further details, see Page (xvii) ("**Key Dates and Subscription Procedures**") of this Prospectus). Subscribers should communicate with the Lead Manager or the Receiving Entity where they submitted their Subscription Application Form (as applicable) for any further information.

18.4.1 Allocation of Offer Shares to Participating Parties

The Financial Advisor, in coordination with the Company, shall determine the allocation of Offer Shares for the Participating Parties as they see fit, after the allocation of Offer Shares to Individual Subscribers is completed, provided that the number of Offer Shares initially allocated to Participating Parties shall not be less than twelve million eight hundred fifty-seven thousand one hundred forty-three (12,857,143) Ordinary Shares representing 100% of the total Offer Shares, and provided that the final allocation for Participating Parties shall not be less than ten million two hundred and eighty-five thousand seven hundred and fourteen (10,285,714) Ordinary Shares representing 80% of the total Offer Shares. It is possible not to allocate Shares to some Participating Parties, as deemed appropriate by the Company and the Financial Advisor. Initially, (3,857,143) Ordinary Shares will be allocated to public funds, representing (30%) of the total number of Offer Shares in the event of sufficient demand by the public funds, noting that if there is sufficient demand by Individual Subscribers to subscribe to the Offer Shares, the Lead Manager may reduce the number of Shares allocated to public funds to (3,085,714) Ordinary Shares as a minimum, representing (24%) of the total number of Offer Shares, after completion of subscription by Individual Subscribers.

18.4.2 Allocation of Offer Shares to Individual Subscribers

The Financial Advisor, in consultation with the Company, shall determine the allocation of Offer Shares to be allocated to Individual Subscribers as they see fit. There will be an allocation of a maximum of two million five hundred seventy-one thousand four hundred twenty-nine (2,571,429) Ordinary Shares, representing 20% of the total Offer Shares, to Individual Subscribers, noting that the minimum allocation per Individual Subscriber is ten (10) Shares. The balance of the remaining Offer Shares, if any, will be allocated on a pro-rata basis of each Individual Subscriber's application in proportion to the total number of requested Shares. In the event that the number of Individual Subscribers exceeds two hundred and fifty-seven thousand one hundred and forty-three (257,143) Individual Subscribers, the Company will not guarantee the minimum allocation of Offer Shares, and the allocation will be made as proposed by the Company and the Financial Advisor. The surplus (if any) would be refunded to Individual Subscribers without any commissions or deductions by the Receiving Entities.

18.5 Circumstances in which Listing may be Suspended or Cancelled

18.5.1 Power to Suspend or Cancel Listing

- a- The CMA may suspend Share trading or cancel the Listing at any time as it deems fit, in any of the following circumstances:
 - 1- The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
 - 2- The Issuer fails, in a manner that the CMA considers material, to comply with the Capital Market Law or its implementing regulations.
 - 3- The Issuer does not pay any fees due to the CMA or the Exchange, or penalties due to the CMA on time.
 - 4- If it considers that the Issuer or its business, the level of its operations or its assets is no longer suitable to warrant the continued Listing of Shares in the Exchange.



- 5- When the reverse takeover announcement does not contain sufficient information about the proposed transaction. In the event that the Company has given sufficient information regarding the target entity and the CMA is satisfied, following the announcement by the Company, that sufficient public information is available on the proposed transaction or the reverse takeover, the CMA may decide not to suspend trading at that stage.
 - 6- When information about the proposed transaction of reverse takeover is leaked and the Issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly.
 - 7- Upon filing a request for commencing financial reorganization procedures before the court under the Bankruptcy Law, for an Issuer whose accumulated losses amounted to 50% or more of the capital thereof.
 - 8- Upon filing a request for commencing Issuer liquidation procedures or administrative liquidation procedure before the court under the Bankruptcy Law.
 - 9- Upon issuance of a final court ruling to end Issuer financial reorganization procedures and initiation of liquidation procedures or the administrative liquidation procedures under the Bankruptcy Law.
 - 10- Upon issuance of a final court ruling to commence Issuer liquidation procedures or administrative liquidation procedures under the Bankruptcy Law.
- b- Lifting of trading suspension, as per Paragraph (A) above is subject to the following:
- 1- The Issuer adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of investors.
 - 2- Lifting the suspension is unlikely to affect the normal activity of the Exchange.
 - 3- The Issuer complies with any other conditions that the CMA may require.
 - 4- Upon the issuance of a final court ruling requiring the opening of a procedure involving the Issuer's financial reorganization under the Bankruptcy Law, unless such Issuer was suspended from conducting its activities by the relevant competent authority, in the event that the suspension was in accordance with Subparagraph 7 of Paragraph (A) above.
 - 5- Upon the issuance of the final court ruling rejecting the opening of the liquidation procedure or the administrative liquidation procedure under the Bankruptcy Law, unless such Issuer's activities were suspended by the relevant competent authority, in the event of a suspension in accordance with Subparagraph 8 of Paragraph (A) above.
- c- The Exchange shall suspend the trading of the securities of the Company in any of the following cases:
- 1- When the Issuer does not comply with the deadlines for the disclosure of its periodic financial information, in accordance with the applicable implementing regulations.
 - 2- When the Auditor's report on the financial statements of the Issuer contains an opposing opinion or an abstention from expressing opinion.
 - 3- If the liquidity requirements of Chapter 2 of the Listing Rules are not met after the time limit set by the Exchange for the Issuer to rectify its conditions, unless the CMA agrees otherwise.
 - 4- The issuance of a decision by an Extraordinary General Assembly of the Issuer to reduce its capital for the two trading days following the issuance of the decision.
- d- The Exchange shall lift the suspension referred to in Subparagraphs (1) and (2) of Paragraph (C) above, one trading session after the reason for such suspension has been removed. If the trading of the Issuer's Shares is authorized outside the platform, the Exchange shall lift the suspension within a period not exceeding five trading sessions following the absence of any reason for suspension.
- e- The Exchange may ask the CMA, at any time, to suspend the trading of any listed securities or to cancel the listing altogether, if any of the cases mentioned in Paragraph (A) above is likely to occur.
- f- The Issuer whose securities are subject to trading suspension, must continue to comply with the Capital Market Law, its implementing regulations and the Listing Rules.
- g- If the suspension of trading of securities continues for a period of 6 months, without any appropriate measures taken by the Issuer to remedy said suspension, the CMA may cancel the Listing of the Issuer's securities.
- h- When the Issuer completes a reverse acquisition, the Issuer's Shares shall be delisted. If the Issuer wishes to re-list its Shares, it must submit an application to list its Shares in accordance with the Listing Rules and fulfill the relevant requirements stipulated in the OSCOs rules.
- i- This Paragraph shall not prejudice the suspension of trading or the cancellation of listing resulting from the Issuer's losses, based on the relevant implementing regulations and Listing Rules.



18.5.2 Voluntary Cancellation of Listing

- a- The Company, after it is listed on the Exchange, may not cancel the Listing of its securities without the prior approval of the CMA. To obtain the CMA approval, the Company must provide the cancellation application to the CMA along with a simultaneous notice to the Exchange. The application shall include the following:
 - 1- Specific reasons for the cancellation request;
 - 2- A copy of the disclosure referred to in Paragraph (D) below.
 - 3- A copy of the relevant documentation and a copy of each related communication to Shareholders, if the cancellation is to take place as a result of an acquisition or other corporate action by the Company; and
 - 4- Names and contact information of the Financial Advisor and Legal Advisor appointed according to the relevant implementing regulations.
- b- The CMA may, at its discretion, approve or reject the cancellation request.
- c- Once approval from the CMA has been obtained for the cancellation of Listing, the Company must obtain the consent of its Extraordinary General Assembly.
- d- Where cancellation is made at the Company's request, the Company must disclose that to the public as soon as possible. The disclosure has to include at least the reason for the cancellation, the nature of the event resulting in the cancellation, and how it affects the Issuer's activities.

18.5.3 Temporary Trading Suspension

- a- The Company may request the Exchange to implement a temporary trading suspension upon the occurrence of an event that occurs during trading hours that requires immediate disclosure under the Capital Market Law, its implementing regulations, or the Exchange rules, where the Company cannot maintain the confidentiality of this information until the end of the trading period. In such case, the Exchange suspends trading of the securities of the Issuer as soon as the former receives the request.
- b- Where a temporary trading suspension is made at the Company's request, the Company must disclose to the public as soon as possible the reason for the trading suspension, the anticipated period of the trading suspension, the nature of the event leading thereto, and the extent it affects the Company's activities.
- c- The CMA may impose a temporary trading suspension without a request from the Company, where the CMA becomes aware of information or circumstances affecting the Company's activities that the CMA considers would be likely to interrupt the operation of the Exchange or jeopardize the protection of investors. The Company, once its securities are subject to temporary trading suspension, must continue to comply with the Capital Market Law, its implementing regulations and Exchange rules.
- d- The Exchange may recommend to the CMA to practice its powers in accordance with the above Paragraph (C), if it discovers any information or circumstances that might affect the Company's activities, thus affecting the market's activities or investors' protection.
- e- A temporary trading suspension shall be lifted following the elapse of the disclosure period referred to in the above Paragraph (B), unless the CMA or the Exchange decide otherwise.

18.5.4 Lifting of Suspension

Lifting of trading suspension, as per Paragraph (A) of Section 18.5.1 ("**Power to Suspend or Cancel Listing**") of this Prospectus, is subject to the following:

- Adequately addressing the conditions that led to the suspension and the lack of the need to continue the suspension for the protection of investors;
- Lifting the suspension is unlikely to affect the normal activity of the Exchange.
- The Company complies with any other conditions that the CMA may require.
- In the event that the suspension is due to the Issuer's accumulated losses of 50% or more of its capital before the court under the Bankruptcy Law, then the suspension shall be lifted upon the issuance of the final court ruling on the commencement of a financial restructuring procedure for the Issuer in accordance with the law issued by the competent authority and governing the Issuer's activities.
- In the event that the suspension was due to an Issuer liquidation procedure or administrative liquidation procedure before the court under the Bankruptcy Law, the suspension shall be lifted upon the issuance of the final court ruling rejecting the commencement of liquidation procedures or administrative liquidation procedures under the Bankruptcy Law, unless suspended from the practice of its activities by the relevant competent authority.

In the event that the listing suspension continues for six (6) months with no appropriate procedure made by the Company to correct such suspension, the CMA may cancel the Listing of securities of the Issuer.



18.5.5 Re-Listing of Cancelled Securities

If the Company wishes to re-list its Shares after the cancellation thereof, it must submit a new application to list its Shares in accordance with the Listing Rules, and fulfil the relevant requirements stipulated in the OSCOs and the Listing Rules.

18.6 Approvals and Decisions under which the Offer Shares are Offered and Listed

The following are the decisions and approvals under which the Offer Shares are offered:

- The General Assembly resolution approving the Public Offering of the Company's Shares dated 11/06/1446H (corresponding to 12/12/2024G);
- The Company's Board of Directors resolution approving the Public Offering of the Company's Shares dated 02/06/1446H (corresponding to 03/12/2024G);
- The Saudi Stock Exchange (Tadawul)'s conditional Listing approval to the listing of Shares dated 20/09/1446H (corresponding to 20/03/2025G).
- The CMA's announcement approving the Offering dated 05/01/1447H (corresponding to 30/06/2025G).

18.7 Lock-Up Period

The Substantial Shareholder (Mr. Rasheed Abdulrahman Nasser Al-Rasheed) referred to on page (xiii) of this Prospectus may not dispose of any of his Shares, for a period of twelve (12) months from the date on which trading of the Company's Shares commences on the Exchange.

18.8 Shares' Record and Trading Arrangements

The Depository Center (Edaa) shall keep a Shareholders' record containing their names, nationalities, addresses, professions, the Shares held thereby, and the amounts paid for these Shares.

18.9 Saudi Stock Exchange

In 1990G, full electronic trading in the Kingdom was introduced. The Tadawul System was founded in 2001G as the successor to the Electronic Securities Information System. Trading in shares occurs on the "**Tadawul**" system through a fully integrated trading system covering the entire trading process from execution of the trade transaction through settlement thereof. Trading occurs on each Business Day of the week between 10:00 a.m. and 3:00 p.m. from Sunday to Thursday, during which orders are executed. However, during other than those times, orders can be entered, amended or cancelled from 9:30 a.m. to 10:00 a.m. The said times are subject to change during the month of Ramadan or in other months, and they are announced by the Saudi Exchange. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders place at a price limit), provided that if several orders are generated at the same price, they are executed according to the time of entry. The Tadawul System distributes a comprehensive range of information through various channels, including in particular the Saudi Exchange website (Tadawul) and the Saudi Exchange Information Link, which supplies trading data in real time to the information providers, such as Reuters. Exchange transactions are settled on a T+2 basis, meaning that shares ownership transfer takes two working days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information that are important for the investors via the Saudi Exchange. Surveillance and monitoring are the responsibility of the Saudi Exchange as the operator of the mechanism through which the market operates in order to ensure fair and smooth trading in Shares.

Securities Depository Center (Edaa)

Securities Depository Center Company (Edaa) was established in 2016G, in accordance with the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H. It is a closed joint-stock company fully owned by the Saudi Exchange (Tadawul) Group, with a capital of SAR 400,000,000 divided into 40,000,000 shares, with a nominal value of ten Saudi Riyals (SAR 10) per share.

The establishment was based on CMA Board's approval of Tadawul's Board of Directors request in relation to conversion of the Securities Depository Center into a joint-stock company in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H.



The activities of Edaa are to conduct businesses related to depositing, registering, transferring, settling, and clearing securities, and recording any ownership restrictions on the deposited securities. Further, it deposits and manages the records of the issuers of securities, and organizes issuers' general assemblies, including the remote voting services (e-Voting), reporting, notifications, and information, as well as providing other related services that Edaa may provide in accordance with CML and its implementing regulations.

18.10 Trading in the Company's Shares

It is expected that trading in the Company's Shares will commence after the final allocation of Shares and the Saudi Exchange announcement of the start date of trading of the Shares. Saudi nationals, KSA residents holding valid residency permits, GCC nationals, as well as Saudi and GCC companies, banks, and investment funds will be permitted to trade in the Offer Shares once they are traded on the Exchange. Moreover, QFIs will be permitted to trade in the Company's Shares in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities. Foreign non-Saudi individual investors residing outside the Kingdom and institutions registered outside the Kingdom will also have the right to invest indirectly to acquire economic benefits in the Shares, by entering into swap agreements with a Capital Market Institution licensed by the CMA, and to acquire and trade in the Shares on the Exchange on behalf of non-GCC Foreign Investors. The Capital Market Institution shall be deemed the legal owner of the Shares under the swap agreements.

Furthermore, the Offer Shares can only be traded after allocated Offer Shares have been credited to Subscribers accounts at Edaa, the Company has been registered, and its Shares listed on the Exchange before trading. Company Shares cannot be traded before trading. Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

18.11 Miscellaneous

The Subscription Application Form and all related terms, conditions, provisions, covenants, and undertakings shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned and delegated by any of the parties to the subscription, without the prior written consent of the other party.

These instructions, the items and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom.

This Prospectus has been issued in Arabic and English. Only the Arabic Prospectus is approved by the CMA. In the event of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

The distribution of this Prospectus and the sale of the Offer Shares to any person in any country other than the Kingdom are expressly prohibited, except for foreign Participating Parties, taking into account the relevant laws and instructions regulating the same. The Company, Financial Advisor, Lead Manager, and Underwriter require all recipients of this Prospectus to inform themselves of any regulatory restrictions on the Offer Shares and the sale of Offer Shares and to observe all such restrictions.



19

Acknowledgements
by Subscribers



19. ACKNOWLEDGMENTS BY SUBSCRIBERS

By completing and submitting the Subscription Application Form, each Subscriber:

- Agrees to subscribe to the number of Offer Shares specified in the submitted Subscription Application Form;
- Warrants that they have read and carefully examined this Prospectus and understood all its content;
- Agrees to the Company's Bylaws and all Offering instructions and terms and conditions set out in this Prospectus, the Subscription Application Form, and the electronic subscription application, and subscribes in the Shares accordingly;
- Declares that neither they personally nor any of their family members included in the Subscription Application Form have previously subscribed to the Company's Shares and accepts that the Company has the right to reject any or all duplicate applications.
- Accepts the number of Offer Shares allocated thereto (to the maximum of the amount subscribed for) as per the Subscription Application Form; and
- Warrants not to cancel or amend the Subscription Application Form after submitting it to the Lead Manager or the Receiving Entity.

(For further details about the allocation process and surplus refund, please refer to Section 18.4 ("**Allocation and Refunds**") hereof).



20

Documents Available
for Inspection



20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the Company's head office, between 8:00 a.m. and 4:00 p.m. from 21/05/1447H (corresponding to 12/11/2025G) until 18/06/1447H (corresponding to 09/12/2025G) for a period of no less than 20 days prior to the end of the Offering Period:

- Copy of the CMA's announcement of the approval of the Offering.
- The Company's Board of Directors resolution approving the Public Offering and Listing of the Company's Shares on the Exchange dated 02/06/1446H (corresponding to 03/12/2024G).
- The Company's General Assembly's resolution approving the Public Offering and Listing of the Company's Shares on the Exchange 11/06/1446H (corresponding to 12/12/2024G);
- Company's Bylaws, any amendments thereto, and any other constitutional documents.
- Company's commercial registration certificate issued by MoC.
- The Company's audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023 and 31 December 2024G, as well as the accompanying notes thereto, which have been prepared in accordance with the International Financial Reporting Standards applicable in KSA (IFRS-KSA) with the Interim condensed consolidated financial statements for the Six-Month Period Ended 30 June 2025G, and Nine-Month Period Ended 30 September 2025G prepared in accordance with International Accounting Standard (34).
- Market Study prepared by the Market Study Consultant.
- Written letters of consent from each of:
 - 1- The Financial Advisor, Lead Manager, Bookrunner, and Underwriter (SNB Capital) for the inclusion of its name, logo, and declarations, if any, in this Prospectus.
 - 2- The Legal Advisor (Baker McKenzie), for the inclusion of its name, logo, and declarations, if any, in this Prospectus.
 - 3- The Legal Advisor to the Financial Advisor, Lead Manager, Bookrunner, and Underwriter Zeyad Sameer Khoshaim Company (Professional Limited Liability Company), for the inclusion of its name, logo, and declarations, if any, in this Prospectus.
 - 4- The Financial Due Diligence Advisor (PricewaterhouseCoopers (PwC) - Chartered Accountants) for the inclusion of its name, logo, and declarations, if any, in this Prospectus.
 - 5- Ibrahim Ahmed AlBassam & Co. Chartered Accountants (AlBassam & Co.) - PKF for the inclusion of its name, logo, and reports in this Prospectus as the Company's Independent Auditor for the Company's Financial Statements prepared for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G, which have been prepared in accordance with the International Financial Reporting Standards applicable in KSA (IFRS-KSA).
 - 6- Market Study Consultant (Professional Real Estate Company - Colliers (one person Company)) for the inclusion of its name, logo, and declarations, if any, in this Prospectus.
- Contracts and agreements declared in Section 12.6 ("**Material Project Agreements**") of this Prospectus.
- Agreements and transactions disclosed in Table 5.9 ("**Details of Related Parties' Agreements and Transactions in which a Board Member has an Interest**") of this Prospectus.
- Underwriting Agreement.
- All reports, letters, and other documents, estimates of value and statements prepared by any expert or any part thereof that is included or referred to in this Prospectus.
- Document explaining the mechanism used to determine the price range used in the Book-Building process.
- Document summarizing some forward-looking statements regarding the Company's projected future financial performance.



21

**Financial Statements and
Auditors' Report to the
Receiving Entities**



21. FINANCIAL STATEMENTS AND AUDITORS' REPORT TO THE RECEIVING ENTITIES

This Section contains the Company's audited Financial Statements for the Financial Years Ended 31 December 2022G, 31 December 2023G and 31 December 2024G, as well as the accompanying notes thereto, including a summary of significant accounting policies, which were prepared in accordance with IFRS-KSA with the Interim condensed consolidated financial statements for the Six-Month Period Ended 30 June 2025G, and Nine-Month Period Ended 30 September 2025G prepared in accordance with International Accounting Standard (34).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022
With the Independent Auditor's Report



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT OF THE CONSOLIDATED FINANCIAL STATEMENTS	-
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONSOLIDATED STATEMENT OF CASH FLOWS	4
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	5-36



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF /
AL RAMZ REAL ESTATE COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Al Ramz Real Estate Company (the "Company") as at 31 December 2022, 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 issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the Group, which comprise of the following:

- The consolidated statement of financial position as at 31 December 2022;
- The consolidated statement of other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and the Regulations for Companies and the Company's Bylaws 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF /

AL RAMZ REAL ESTATE COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF /

AL RAMZ REAL ESTATE COMPANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

For Al-Bassam & Co.

Ahmed A. Mohandis
Certified Public Accountant
License No: 477
Riyadh: 4 Dhul-Qidah 1444H
Corresponding to: 24 May 2023

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AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
(All amounts in SAR)

	Note	31 December 2022	31 December 2021
ASSETS			
Non-Current Assets			
Properties and equipment, net	5	1,279,575	753,700
Intangible assets, net	6	513,936	50,000
Investment property, net	7	39,782,001	90,614,440
Investments carried at fair value through other comprehensive income (FVOCI)	8	1,550,000	1,550,000
Investments carried at Fair value through statement of income (FVTPL)	9	132,140,328	-
Total Non-Current Assets		175,265,840	92,968,140
Current Assets			
Cash and Banks	10	73,086,333	8,993,083
Trade receivables, net	11	10,727,362	566,559
Prepayments and other receivables	12	40,153,385	11,578,903
Real Estate under development	13	247,501,987	356,948,599
Real Estate inventory	14	87,293,639	2,357,716
Total Current Assets		458,762,706	380,444,860
TOTAL ASSETS		634,028,546	473,413,000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	300,000,000	300,000,000
Reserves	17	24,177,055	10,194,890
Actuarial reserve		(43,779)	(23,515)
Retained earnings		188,638,929	92,799,447
TOTAL EQUITY		512,772,205	402,970,822
LIABILITIES			
Non-Current Liabilities			
Employee end-of-service benefit obligation	19	237,381	130,780
Non-current portion from long-term borrowings	18	33,004,808	37,152,585
Total Non-Current Liabilities		33,242,189	37,283,365
Current Liabilities			
Trade payables		16,641,377	5,433,407
Due to related parties	15	-	1,871,887
Accrued expenses and other payable	20	17,942,647	2,258,482
Advance payments clients	21	10,598,832	2,366,558
Zakat provision payable	25	7,396,070	4,288,486
Current portion from long-term borrowings	18	35,435,225	16,939,993
Total Current Liabilities		88,014,152	33,158,813
TOTAL LIABILITIES		121,256,341	70,442,178
TOTAL EQUITY AND LIABILITIES		634,028,546	473,413,000

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from 1 to 30 an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022
(All amounts in SAR)

	Note	For the year ended 31 December 2022	For the year ended 31 December 2021
Revenue	22	633,252,604	343,372,130
Cost of revenue	23	(467,659,718)	(248,798,512)
Gross profit		165,592,885	94,573,618
General and administrative expenses	24	(13,471,991)	(4,788,702)
Selling and marketing expenses		(4,832,076)	(1,934,655)
Other income		1,698,707	158,182
Operating income		148,987,525	88,008,443
Finance cost and bank facilities	18	(1,769,808)	(522,512)
Net profit for the year before zakat		147,217,717	87,485,931
Zakat	25	(7,396,070)	(4,346,460)
Net profit for the year		139,821,648	83,139,471
<u>Other comprehensive income</u>			
<i>Items that will not be reclassified to the consolidated statement of income in subsequent years:</i>			
Actuarial losses on end-of-service benefits	19	(20,264)	(33,418)
Total comprehensive income for the year		139,801,384	83,106,053

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from 1 to 30 an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

(All amounts in SAR)

	Share Capital	Additional capital	Statutory Reserve	Actuarial reserve	Retained Earnings	Total Equity
Balance as at 1 January 2022	300,000,000	-	10,194,890	(23,515)	92,799,447	402,970,822
Net profit for the year	-	-	-	-	139,821,648	139,821,648
Other comprehensive income	-	-	-	(20,264)	-	(20,264)
Total comprehensive income for the year	-	-	-	(20,264)	139,821,648	139,801,384
Transferred to statutory reserve	-	-	13,982,165	-	(13,982,165)	-
Dividends payable (Note 28)	-	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2022	300,000,000	-	24,177,055	(43,779)	188,638,930	512,772,206
Balance as at 1 January 2021	50,000,000	236,100,943	1,880,943	9,903	29,615,270	317,607,059
Net profit for the year	-	-	-	-	83,139,471	83,139,471
Other comprehensive loss	-	-	-	(33,418)	-	(33,418)
Total comprehensive income for the year	-	-	-	(33,418)	83,139,471	83,106,053
Additional capital	-	2,257,710	-	-	-	2,257,710
Transferred to capital (Note 16)	250,000,000	(238,358,653)	-	-	(11,641,347)	-
Transferred to statutory reserve	-	-	8,313,947	-	(8,313,947)	-
Balance as at 31 December 2021	300,000,000	-	10,194,890	(23,515)	92,799,447	402,970,822

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes from 1 to 30 an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022
(All amounts in SAR)

	31 December 2022	31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year before zakat	147,217,718	87,485,931
Depreciation of properties and equipment	223,785	59,000
Depreciation of investment properties	1,052,070	2,153,692
Provision for employee end-of-service benefits	107,680	73,192
Finance transaction costs	2,315,417	1,591,778
Gains on disposal of investment property	(24,469,631)	-
ECL provision	315,948	-
Amortization of intangible assets	71,335	-
Changes in working capital items:		
Trade receivables	(10,476,751)	1,782,441
Due from related parties	-	26,203
Prepayments and other receivables	(28,574,482)	(9,151,221)
Real Estate under development	109,446,612	(202,063,129)
Real Estate Inventory	(84,935,923)	74,136,633
Trade payables	11,207,970	2,444,487
Due to related parties	(1,871,887)	566,844
Advance payments clients	8,232,274	(17,458,227)
Accruals and other payables	15,684,165	1,094,179
Finance transaction costs paid	(2,781,534)	(729,200)
Cash generated from / (used in) operations	142,764,766	(57,987,397)
End-of-service benefits provision charged	(21,344)	-
Zakat paid during the year	(4,288,486)	(2,318,780)
Net cash generated from / (used in) operating activities	138,454,936	(60,306,177)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of properties and equipment	(749,659)	(832,646)
Payments for investments carried at FVOCI	-	(1,550,000)
Payments for purchase of intangible assets	(535,271)	-
Payments for investments carried at FVTPL	(132,140,328)	-
Proceeds from disposal of investment properties	74,250,000	7,505,213
Net cash (used in) / generated from investing activities	(59,175,258)	5,122,567
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term borrowings received	45,543,572	53,230,000
Dividends paid	(30,000,000)	-
Borrowings paid	(30,730,000)	-
Capital additions received	-	2,257,710
Net cash (used in) / generated from financing activities	(15,186,428)	55,487,710
Net change in cash and cash equivalents	64,093,250	304,100
Cash and cash equivalents at beginning of the year	8,993,083	8,688,983
Cash and cash equivalents at end of the year	73,086,333	8,993,083
Non-cash transactions:		
Additional contributions from additional capital to capital	-	236,100,943
Transferred to statutory reserve	14,010,730	-
Transfer from retained earnings to capital	-	11,641,347
Actuarial losses on end-of-service benefits	(20,264)	(33,418)


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes from 1 to 30 an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

1- ORGANIZATION AND ACTIVITIES

Al Ramz Real Estate Company (the “Company”) is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia, and the company carries out its activities in accordance with commercial Register number 1010488618 dated 29 Dhul-Qidah 1437 AH (corresponding to 1 September 2016).

The Company’s activities include general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals, and hotels, renovations of residential and non-residential buildings, preparing and preparing sites, including drilling, settlement, and pouring of foundations and bases, finishing buildings, buying and selling land and properties, dividing it, and off-plan sales activities, managing and Leasing owned or leased (residential) properties, managing and leasing owned or leased (non-residential) properties.

On 6 December 2021, the Company's Board of Directors held a meeting to discuss the Extraordinary General Assembly's recommendation to approve an increase in the Company's capital from SAR 50,000,000 to SAR 300,000,000 by capitalizing the additional capital account at SAR 238,358,653 and capitalizing a portion of the Company's retained earnings at SAR 11,641,347.

On 19 December 2021, the Extraordinary General Assembly held a meeting to approve increasing the company's capital from SAR 50,000,000 to SAR 300,000,000 (Note 16).

During the year ended 31 December 2022, the Group’s Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3 Rabi' al-Awwal 1444 AH. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the “Holding Company”) will exercise control over Asos Al Ramz Contracting Company and will be accounted for as a subsidiary.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the “Holding Company”), and its directly owned company (“Subsidiary”):

Subsidiary	Incorporation country	Legal Form	Effective Ownership Percentage (Direct)
Osos Al Ramz Contracting Company	KSA	LLC	100%

(1) Osos Al Ramz Contracting Company ("the Company") is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 AH, corresponding to 9 March 2022.

2- BASIS OF PREPARATION

2-1 Statement of compliance

These consolidated financial statements have been prepared for the Group as at and for the year ended 31 December 2022, in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

2-2 Basis of consolidation

The consolidated financial statements encompass the consolidated financial statements of Al Ramz Real Estate Company and its subsidiary (the “Group”), as described in Note (1).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

2- BASIS OF PREPARATION (CONTINUED)

2-2 Basis of consolidation (Continued)

The consolidated financial statements include the consolidated financial statements of the Holding Company and its subsidiaries as at 31 December 2022. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. when the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant information and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other voting holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if information and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of comprehensive income,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2-3 Basis of measurement

These consolidated financial statements have been prepared on a historical cost except the investments carried at FVSI & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

Certain comparative figures have been reclassified to conform with the current year presentation.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2-4 Functional and presentation currency

These consolidated financial statements are presented in SAR, which is the Company's functional and presentation currency.

3- New standards and amendments to standards and interpretations

Amendments

A number of new amendments to the standards, described below, are effective during the current year but have no material impact on the company's financial statements, except as indicated below.

New amendments to the standards issued and adopted in 2022

Amendments to Standard	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. These amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.
IFRS 16, IFRS 9, IAS 41 and IFRS 1	Annual Amendments to IFRS 2018–2020	1 January 2022	IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements. IFRS 9: The amendment clarifies that in applying the '10 percent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender. The amendment is to be applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. IAS 41: The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. IFRS 1: The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation difference.
IAS 16	Property, and Equipment: Proceeds before intended use	1 January 2022	The amendments prohibit deducting from the cost of an item of property and equipment any proceeds from selling items produced before that asset is available for use. Additionally, the amendments also clarify the meaning of 'testing whether an asset is functioning properly'.
IFRS 3	Financial reporting Conceptual Framework	1 January 2022	The amendment updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

3- New standards and amendments to standards and interpretations (continued)

New standards and amendments to IFRS revised issued but are not yet effective

The company has not adopted the new and revised IFRS and the following amendments to IFRS that have been issued but are not yet effective.

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IFRS 17	Insurance Contracts	1 January 2023	This is comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005.
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their consolidated financial statements
IAS 8	Amendment to definition of accounting estimate	1 January 2023	These amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Income taxes	1 January 2023	This amendment deals with clarification regarding accounting of deferred tax on transactions such as leases and decommissioning obligations
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires management to make estimates and judgments and assumptions that may affect the disclosed amounts of assets, liabilities, income and expenses, accompanying disclosure and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed if the revision affects only that period or in the period of the revision and future periods affected.

Information regarding material aspects of estimates, estimation uncertainties, and significant estimates employed in the application of accounting policies (which have a significant impact on the amounts recognized in the consolidated financial statements) specifically includes the following:

4-1 Significant accounting Judgments

In applying the Group's accounting policies, management has made the following significant accounting judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Zakat Provision payable

When estimating the current zakat payable by the company, management takes into account applicable laws and decisions / Judgments of the Zakat, Tax and Customs Authority on some previous issues.

Fulfillment of performance obligation

The Group exercises its judgment in determining whether the performance obligation(s) included in contracts for the sale of property inventory or properties under development have been fulfilled at a particular point in time or over time. This includes careful consideration of the relevant terms in each sales agreement to assess whether:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance.
- The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The company's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When any of the aforementioned standards are fulfilled, the company recognize revenue over time.

The Company has assessed that, based on the sale and purchase agreements concluded with customers and the Judgments of the relevant laws and regulations under which the contracts were concluded, under these circumstances, the Company recognizes revenues at a certain point in time.

Transfer of control in contracts with customer

If the Company determines that performance obligations have been fulfilled at a certain point in time, revenue is recognized when control is transferred to the customer. Regarding contracts for the sale of property inventory, this usually occurs when the unit is delivered to the customer.

Determination of the transaction price

The Company is required to explicitly determine the transaction price in all of its contracts with customers. When making accounting judgment, the Group assesses the impact of any variable consideration in the contract, such as discounts or penalties, the existence of any significant financing component in the contract, and any non-cash considerations in the contract. The Group employs the "weighted sum" approach outlined in IFRS (15) "Revenues from Contracts with Customers" to assess the impact of variable consideration. This method involves determining the transaction price by considering a single weighted amount from a range of potential considerations.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-1 Significant accounting Judgments (continued)

Financing component

The Company does not expect to have contracts in which the period between the transfer of the promised goods or services to the customer and the customer's payment exceeds one year. As a result, the Company does not adjust any transaction prices for the time value of money.

Classification of real estate leases

The Company has entered into commercial real estate leases with interested individuals. After evaluating the terms and conditions of these agreements, the Company has concluded that the lease term is not a significant portion of the economic useful life of the leased property. Additionally, the present value of the minimum lease payments does not accurately reflect the full fair value of the leased property, which retains significantly all risks and benefits related to the ownership of these properties, and the Company accounts for these contracts as operating leases.

4-2 Estimates and assumptions

Estimation of defined benefit obligations

Actuarial valuations are used to assess the cost of defined benefit obligations and the present value of the obligation. Furthermore, a particular obligation necessitates the consideration of certain assumptions on future outcomes, which primarily include an increase in salaries and benefits, as well as the discount rate used to transfer future cash flows into the present value. Any changes in these assumptions will have an impact on the carrying amount of the liability. All assumptions are reviewed at the end of each financial year.

Useful lives of property, equipment and investment property

The Company's management determines the estimated useful lives of its property, equipment, and investment property for the purpose of calculating depreciation. This estimate is determined after considering the expected use of the asset. Management periodically reviews the estimated useful lives and depreciation method to ensure that the depreciation method and term are consistent with the expected pattern of economic benefits derived from these assets.

Realizable value of property inventory

Inventories are stated at the lower of cost or net realizable value. Management estimates the net realizable values of property inventories, by considering the most dependable evidence available at the time of making the estimates. Market-driven changes may impact the future realizable value of the inventory by potentially decreasing future selling prices.

Warranty and maintenance provision

The warranty and maintenance provision on units sold during the year is recognized based on previous experience of the level of repairs and returns. These costs are expected to be incurred in the following financial year. The assumptions used to calculate the warranty and maintenance provision were based on current sales levels and currently available information on returns based on the warranty period of all units sold.

Realizable values of development properties

Management estimates the net realizable values of development properties by considering the most reliable evidence available at the time of making the estimates. Market-driven changes may have an impact on the future realizable value of inventory by potentially decreasing future selling prices.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-2 Estimates and assumptions (continued)

Fair value measurement

Management utilizes valuation techniques to assess the fair value of financial instruments (when active market prices are not available). This requires making estimates and assumptions that are consistent with how market participants would price the instrument. Management relies on observable statements whenever possible, although they may not always be readily available. In this case, management uses the best information available. The estimated fair values may vary from the actual prices that would be realized in an arm's length transaction occurred at the reporting date.

Non-cash distributions, if applicable, are measured at the fair value of the assets to be distributed, with the remeasurement of such fair value recognized directly in equity. Upon distribution of the non-cash assets, any difference between the carrying amount of the liabilities and the carrying amount of the assets distributed is recognized in the statement of profit or loss and other comprehensive income.

4-3 Classification of assets and liabilities into current or non-current

The Company presents assets and liabilities in the statement of financial position based on current or non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the Group's normal operating cycle.
- It is held primarily for the purpose of trading.
- Expected to be realized within 12 months after the statement of financial position date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the statement of financial position date.

All other assets are classified as non-current assets. A liability is current when:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be settled within 12 months after the statement of financial position date, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

The Company classifies all other liabilities as non-current liabilities.

Tax assets and liabilities are classified as non-current assets and liabilities.

4-4 Financial instruments

A financial instrument represents contracts that result in financial assets for one entity and financial liabilities or equity instrument for another entity.

4-4-1 Financial assets

IFRS 9 includes three main categories for classifying financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). The Group generally classifies its financial assets based on the business model in which the financial assets are managed and their contractual cash flows.

1- Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual periods of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-4 Financial instruments (continued)

4-4-1 Financial assets (continued)

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and the information is provided to the Management.

2- Fair value through other comprehensive income (FVOCI):

Debt instruments

Debt instruments are measured at FVOCI if they meet both of the following conditions and are not designated at FVTPL:

- It is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition, for an investment in an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in the statement of profit or loss and other comprehensive income. This election is made on an investment-by-investment basis.

3- Financial assets at fair value through profit or loss (FVTPL):

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may designate a financial asset as measured at fair value through profit or loss if it does not meet the requirements for classifying it as a financial instrument at amortized cost or at fair value through other comprehensive income, if doing so eliminates or significantly reduces an accounting mismatch that may arise in other matters.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the company changes its business model for managing the financial assets.

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets

The company's impairment model is based on the "ECL" model outlined in IFRS 9 "Financial Instruments".

Expected credit losses are included in the relevant loss provisions in an amount equal to:

12-month ECL (the expected credit losses that may arise from defaults on financial instruments within 12 months of the reporting date); or

Lifetime expected credit losses of a financial instrument (the expected credit losses arising from all defaults over the life of the financial instrument).

An impairment loss provision is recognized for lifetime ECL on the financial instrument if the credit risk for the financial instrument has increased significantly since initial recognition. This includes contractual assets and trade receivables that lack significant financing components. The company also recognizes lifetime ECL on contractual assets and trade receivables that have significant financing components in accordance with IFRS 9.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-4 Financial instruments (continued)

4-4-1 Financial assets (continued)

Impairment of financial assets (continued)

The Group employs practical approaches in estimating lifetime ECL on the financial instrument. Lifetime ECL are calculated for trade receivables by assessing the recoverability of the total carrying amount for each customer.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) where:

- the rights to receive cash flows from the asset have expired, or
- the company 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, or (a) the company has transferred substantially all of the risks and rewards of the asset or (b) neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangements), it assessed whether, and to what extent, it has retained the risks and rewards of ownership, has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the company's continuing involvement in the asset. In that case, the company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount that the Company could be required to repay.

4-4-2 financial liabilities

The company classifies its financial liabilities, other than financial guarantees and borrowings obligations, as liabilities measured at amortized cost. The amortized cost is calculated by taking into account any discounts or premiums for obtaining financing, and the costs of obtaining financing form an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 a replacement or modification is accounted for as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

4-4-3 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4-5 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, which includes any costs directly attributable to restoring the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Subsequently, these assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-5 Property, plant and equipment (continued)

When major different components of an item of property, plant and equipment have varying useful lives, they are accounted for as single items of property, plant and equipment.

Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The following are the estimated depreciation rates for the depreciable assets:

<u>Item</u>	<u>Rate</u>
Vehicles	25%
Computers	25%
Office equipment and building improvements	The lower of 20% or the lease term

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized, if any, for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets under construction, which are not yet available for their intended use, are not depreciated.

Repair and maintenance expenses are charged to the consolidated comprehensive income statement. Repair and maintenance expenses that increase the value of assets or substantially extend their useful life are capitalized.

The depreciation method, residual value estimates and estimated useful lives are reviewed annually.

Items of property, plant, equipment, along with any significant components initially recognized, are derecognized at disposal or when there are no expected future economic benefits from their use or disposal. Any gains or losses on derecognition (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) are recorded in the statement of profit or loss and other comprehensive income. the carrying amount of an asset is immediately reduced to its recoverable amount if the carrying amount exceeds the estimated recoverable amount.

4-6 Intangible assets

Intangible assets acquired separately are initially measured at their cost. Intangible assets acquired through a business combination are valued at their fair value on the acquisition date. Intangible assets are recognized at cost, net of accumulated amortization and impairment losses, following the initial recognition. Internally developed intangible assets are not capitalized, except for development costs that are capitalized. Expenditures are recognized in the consolidated statement of comprehensive income in the period when incurred. The useful lives of intangible assets are subject to assessment and are classified as either finite or indefinite.

Intangible assets that have a finite useful life are amortized over their economic useful lives and are assessed for impairment. When there is any evidence indicating that the intangible assets may be subject to impairment. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset to adjust the period or method of amortization as appropriate, are taken into account and considered as changes in accounting estimates.

Amortization expense for intangible assets with finite useful lives is recognized in the statement of comprehensive income within the expenses category consistent with the function of the intangible assets. The Group's intangible assets comprise computer software, with an estimated useful life of five years.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-6 Intangible assets (continued)

The following are the estimated amortization rate for the assets:

<u>Item</u>	<u>Rate</u>
Software	25%

4-7 Investment Properties, net

Properties held for lease or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives:

<u>Item</u>	<u>Depreciation rate</u>
Land	-
Buildings	3.03%
Electrical equipment, Furniture and Fixtures	15%

The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from these assets.

Properties are not transferred from investment properties to property inventory when and only when, there is a change in use, evidenced by the commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the transfer date.

The company determines at each financial statements date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of comprehensive income. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property less related costs while value in use is the present value of estimated future cash flows expected to arise from continuing use of the investment property and from its disposal at the end of its useful life.

4-8 Real Estate under development

Properties acquired, constructed, or in the process of construction and development for the purpose of sale are categorized as Properties under development and are reported at the lower of cost or net realizable value. The cost of short-term Properties under development typically encompass the expenses associated with land acquisition, construction, and other costs involved in preparing the properties for sale. Net realizable value represents the projected selling price in the regular course of business, taking into account market prices at the reporting date, after deducting completion costs and selling expenses.

Management conducts annual reviews of the carrying amounts of Properties under development.

According to the Properties under development operating cycle, most properties are typically sold within 14 to 16 months from the reporting date. Properties under development are classified as current assets by management at each reporting date. Properties under development are transferred to property inventory as soon as they are completed.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-9 Real Estate inventory

The property inventory is reported at the lower of its cost or net realizable value. Costs represent the expenses incurred to bring each product to its current location and condition, calculated on the following basis:

Cost of Property under development	The expenses associated with preparing properties for sale, such as the cost of land, construction, and other related expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less any expected costs of completion and the expected costs necessary to make the sale.

4-10 Impairment of non-financial assets

The Group annually evaluates whether there are any indicators of impairment in its assets. If such indicators exist, the recoverable amount is estimated to compare it with the carrying amount. If it is difficult to estimate the recoverable value, the company will estimate the recoverable value of the smallest unit of cash generation to which the asset is allocated and generates the company's cash inflows from continuous use and is largely independent of the company's cash inflows from assets or other cash generating units.

The recoverable amount of an asset or cash-generating unit is the higher of value in use or the fair value less costs to sell. When estimating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money. Asset-specific risks: If the recoverable amount of the asset (or cash-generating unit) is estimated at less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss.

Impairment losses recognized in previous years are evaluated at the reporting date to verify whether there are indications of impairment losses or that they no longer exist. Impairment losses are reversed when the estimates used to determine the recoverable value change. Impairment losses are also reversed to the extent that the carrying amount of the assets does not exceed their previously identifiable carrying amount less depreciation or amortization if the impairment loss is not recognized.

4-11 Cash and Banks

For the purposes of the statement of cash flows, cash and cash equivalent consists of cash on hand, current accounts, bank deposits, and other short-term high liquidity investments having an original maturity of three months or less from the acquisition date. These investments can be readily converted into cash and have a minimal risk of change in value. They are also available for the company's use.

4-12 employee benefits

4-12-1 Short-term obligations

Liability for wages and salaries, including non-cash benefits, Accumulated leave and travel tickets expected to be paid in full within 12 months after the end of the period in which the employees provide the related services, is recognized based on the services provided by the employees until the end of the period for preparing the consolidated financial statements, and measured by amounts expected to be paid when the liabilities are settled. The liability is presented as current employee benefit obligations in accrued expenses in the consolidated statement of financial position.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-12 employee benefits (continued)

4-12-2 Other obligations related to long-term employee benefits

The liability or asset of defined benefits is recognized in the statement of financial position. The employee end-of-service benefit obligations are the present value of the defined benefit obligations in the reporting year, and the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligations is calculated by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms close to terms of the related liability.

Defined benefit costs are categorized as follows:

Service Cost

Service costs include current service costs and past service costs which are recognized immediately in the statement of profit or loss.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest Cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations. This cost is included in employee benefits expense in the statement of profit or loss.

Remeasurement profits or Losses

Remeasurement profits or losses on adjustments and changes in actuarial assumptions are recognized in the year in which they occur, immediately under consolidated other comprehensive income.

4-13 Provisions

Provisions are recognized when the Company has a current legal or constructive obligation 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 obligation amount. If the effect of time value of money is material, provisions are estimated by expected future cash flows discounted at a current pre-tax rate, which reflects current market assessments of time value of money and liability-specific risks. Provisions are reviewed at each statement of financial position date and adjusted to reflect the best current estimates.

4-14 Contingencies

All contingencies arising from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the company or all current liabilities arising from past events but are not recognized for the following reasons: (1) it isn't probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(2) A reliable estimate can't be made of the obligation amount, they should all be assessed at each financial position date and disclosed in the Company's consolidated financial statements under the contingencies.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-15 Revenue recognition

Revenues represent sales of completed properties, revenues from construction of property developments, rentals of residential properties and land sales. The company recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15:

- Step 1:** Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- Step 2:** Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that identifies the amount of consideration the company expects to be entitled in exchange for fulfilling each performance obligation;
- Step 5:** Recognize revenue when (or as) the Company satisfies a performance obligation.

If the amount to be paid in the contract includes a variable amount, the company estimates the amount the company is entitled to in exchange for transferring promised goods or services to a customer.

The amount of the promised consideration may vary if the company's entitlement to the consideration is conditional on the occurrence or non-occurrence of a future event. The amount of consideration may vary due to discounts, rebates, refunds, credits, incentives, penalties or other similar items. The variance related to the consideration promised by the customer, if any, is explicitly stated in the contract. Accordingly, the company estimates the variable consideration using the most probable amount according to the contract terms.

With regard to contracts concluded with customers for the sale of property, in addition to the five-step model, the company fulfills the performance obligation and recognizes revenues over a period of time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs; or
2. The company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the aforementioned conditions is not met, revenue is recognized at the time when the performance obligation is satisfied.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-15 Revenue recognition (continued)

When the company satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

Unit sales revenue

It includes the sale of units in residential projects. These developments typically take an operational cycle to completion. Revenue related to the sale of these units is recognized through the contractual terms and conditions of each arrangement.

Revenue is recognized at a certain point in time only when the conditions for control are satisfied in accordance with IFRS 15 Paragraph 38. Control is usually exercised by customers when they are able to obtain economic benefits from the properties, this is usually when the properties are delivered. In order for properties to be ready for delivery, all individual promises in the contract must be complete, and this will include properties that require units to be available for operational readiness.

Lease revenue

Lease revenue is recognized on a straight-line basis over the relevant lease term. The initial direct costs incurred or incentives are added in the negotiation and the operating lease arrangement is considered an integral part of the carrying amount of the lease and is recognized on a straight-line basis over the lease term.

Other project revenue

Revenues from contracting and development are recognized according to the percentage of completion in accordance with the terms of the entitlement of payments for contracts concluded with customers, after taking all the documents supporting the performance and the service provided.

4-16 Cost of revenue

Cost of revenue includes the cost of land, development costs and other related service costs. Cost of revenue is proportional to units sold and is based on the cost incurred to date to the estimated total costs for each project. The cost of hospitality business revenues, services and lease revenue is calculated on the basis of the actual cost of providing the services. Contracting costs include all costs incurred in fulfilling the performance under the contract.

4-17 Expenses

Selling, marketing, general and administrative expenses include both direct and indirect costs that do not specifically represent part of the cost of revenue. Selling and marketing expenses encompass the costs incurred by the company in its sales and marketing departments. General and administrative expenses include all costs, except financial charges and impairment losses. Allocations of shared expenses between the cost of revenue, selling and marketing expenses, and general and administrative expenses, as applicable, are made on a consistent basis.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

4- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4-18 Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”), the company is subject to zakat. The Company’s zakat provision is recognized and charged to the statement of profit or loss and other comprehensive income. Additional zakat liabilities, if any, related to assessments for previous years are calculated by the ZATCA in the period in which the final assessments are issued.

Taxes are recognized by the company on certain transactions with residents and non-residents in the Kingdom of Saudi Arabia (if any), in accordance with the tax regulations in the Kingdom of Saudi Arabia.

The company is primarily eligible to pay zakat only. Since the reversal of timing differences, if any, is not anticipated to have a significant impact on zakat amount in the foreseeable future, no deferred tax liabilities or assets have been recognized in these consolidated financial statements.

4-19 Foreign currency transactions and balances

Foreign currency transactions are translated into SAR at the exchange rates ruling at the time of the transaction. Foreign exchange profits and losses resulting from translation and the re-measurement of monetary items denominated in foreign currency are recognized in the statement of profit or loss and other comprehensive income at year-end exchange rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are (translated using the exchange rate as at the date of the initial transaction) and are not subsequently retranslated at year end, except for non-monetary items measured at fair value that are translated using the exchange rates at the date when the fair value was determined.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

5- PROPERTIES AND EQUIPMENT, NET

	Vehicles	Office Equipment & building improvements	Computers	Capital Works in Progress - Transferred to Intangible Assets	Total
<u>Cost:</u>					
Balance as at 1 January 2022	411,200	732,564	108,957	50,000	1,302,721
Additions	-	457,395	292,265	685,502	1,435,162
Disposals	(411,200)	-	-	(150,231)	(561,431)
Transfers to intangible assets	-	-	-	(585,271)	(585,271)
Balance as at 31 December 2022	-	1,189,959	401,222	-	1,591,181
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2022	411,200	85,552	2,269	-	499,021
Depreciation for the year	-	187,749	36,036	71,335	295,120
Disposals	(411,200)	-	-	-	(411,200)
Transfers to intangible assets	-	-	-	(71,335)	(71,335)
Balance as at 31 December 2022	-	273,301	38,305	-	311,606
<u>Net Book Value:</u>					
As at 31 December 2022	-	916,658	362,917	-	1,279,575
	Vehicles	Office Equipment	Computers	Capital Works in Progress	Total
<u>Cost:</u>					
Balance as at 1 January 2021	411,200	58,875	-	-	470,075
Additions	-	673,689	108,957	50,000	832,646
Disposals	-	-	-	(50,000)	(50,000)
Balance as at 31 December 2021	411,200	732,564	108,957	-	1,252,721
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2021	402,371	37,650	-	-	440,021
Depreciation for the year	8,829	47,902	2,269	-	59,000
Balance as at 31 December 2021	411,200	85,552	2,269	-	499,021
<u>Net Book Value:</u>					
As at 31 December 2021	-	647,012	106,688	-	753,700

- Depreciation for the year was charged to general and administrative expenses.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

6- INTANGIBLE ASSETS, NET

	Software & Networks	Capital Works in Progress - Transferred to Intangible Assets	Total
<u>Cost:</u>			
Balance as at 1 January 2022	-	50,000	50,000
Additions	685,502	-	685,502
Transferred from projects in progress during the year	50,000	(50,000)	-
Disposals	(150,231)	-	(150,231)
Balance as at 31 December 2022	585,271	-	585,271
<u>Accumulated Amortization:</u>			
Balance as at 1 January 2022	-	-	-
Amortization for the year	71,335	-	71,335
Balance as at 31 December 2022	71,335	-	71,335
<u>Net Book Value:</u>			
As at 31 December 2022	513,936	-	513,936

7- INVESTMENT PROPERTIES, NET

	Land	Buildings	Electrical Equipment	Furniture & Fixtures	Total
<u>Cost:</u>					
Balance as at 1 January 2022	46,400,000	51,278,582	724,850	363,500	98,766,932
Disposals	-	-	-	-	-
Transferred to property inventory	(24,600,000)	(29,078,582)	(724,850)	(363,500)	(54,766,932)
Balance as at 31 December 2022	21,800,000	22,200,000	-	-	44,000,000
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2022	-	7,473,484	466,967	212,041	8,152,492
Depreciation for the year	-	980,955	47,362	23,752	1,052,069
Disposals	-	(4,236,439)	(514,330)	(235,793)	(4,986,562)
Balance as at 31 December 2022	-	4,218,000	-	-	4,217,999
<u>Net Book Value:</u>					
As at 31 December 2022	21,800,000	17,982,000	-	-	39,782,001



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

7- INVESTMENT PROPERTIES, NET (CONTINUED)

	Land	Buildings	Electrical Equipment	Right of use	Furniture & Fixtures	Total
<u>Cost:</u>						
Balance as at 1 January 2021	49,050,000	55,510,000	724,850	3,000,000	363,500	108,648,350
Disposals	(2,650,000)	(4,231,418)	-	(3,000,000)	-	(9,881,418)
Balance as at 31 December 2021	46,400,000	51,278,582	724,850	-	363,500	98,766,932
<u>Accumulated Depreciation:</u>						
Balance as at 1 January 2021	-	6,439,288	358,239	1,419,962	157,516	8,375,005
Depreciation for the year	-	1,657,106	108,728	333,333	54,525	2,153,692
Disposals	-	(622,910)	-	(1,753,295)	-	(2,376,205)
Balance as at 31 December 2021	-	7,473,484	466,967	-	212,041	8,152,492
<u>Net Book Value:</u>						
As at 31 December 2021	46,400,000	43,805,098	257,883	-	151,459	90,614,440

Investment properties are recorded at their original cost, net of accumulated depreciation and any impairment losses. The fair value of investment properties reached SAR 45,079,100 as at 31 December 2022. The valuation was conducted by an independent valuer, Wasm Valuation Company, (Independent valuers accredited by the Saudi Authority for Accredited Valuers) and specialized in the valuation of these types of investment properties.

Investment properties were valued using the fair value method, specifically the income capitalization approach, which relies on significant unobservable inputs and using the cost method. As a result, these investments are classified within Level 3 of the fair value hierarchy. Significant inputs to consider are:

- **The capitalization rates** are determined by considering inputs such as the specific location, size, and quality of the properties, as well as the market data on the valuation date. (Appraisers typically use a rate of 7% - 8% for their calculations).
- **Assessing projected vacancy rates** considering the prevailing and anticipated market conditions following the conclusion of any existing lease term.
- **Maintenance costs**, which encompass the investments required to uphold the operational efficiency of the property over its estimated useful life.

Please refer to the Fair Value Note for further information regarding fair value.

As at 31 December 2022, the Group's management has used investment properties with a net book value of SAR 39,782,001 as collateral for Facility (1), Note (18).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

8- INVESTMENTS CARRIED AT FVOCI

	Note	As at 31 December 2022	As at 31 December 2021
Watheeq PropTech Venture Fund	8-1	1,200,000	1,200,000
Al-Dalal Al-Jadid Information Technology Holding Company	8-2	350,000	350,000
		1,550,000	1,550,000

8-1 This investment is in 300,000 units of the Watheeq PropTech Venture Fund (the "Fund"). The Fund is the first Closed-Ended Venture Capital Fund in the Middle East that focuses on property technologies (PropTech). It is Sharia compliant and licensed by the Capital Market Authority in the Kingdom of Saudi Arabia and.

The Watheeq PropTech Venture Fund seeks to invest in recently established technology companies, whether local or international. The Fund is managed by Watheeq Financial Services Company.

8-2 This investment is in Al-Dalal Al-Jadid Information Technology Holding Company (the "Company"), a platform that caters to all property management needs. It offers a unified control panel, performance measurement standards for properties, property offers and rentals, and operating expense control services.

8-3 Please refer to the Fair Value Note for further information regarding fair value.

9- INVESTMENTS CARRIED AT FVTPL

	31 December 2022	31 December 2021
Investment in Al Ramz Residential Fund	59,666,983	-
Investment in Riyadh Real Estate Development Fund - Al Ramz	72,473,345	-
	132,140,328	-

10- CASH AND BANKS

	31 December 2022	31 December 2021
Bank balances – current accounts	73,086,333	8,993,083
	73,086,333	8,993,083

11- TRADE RECEIVABLES, NET

	31 December 2022	31 December 2021
Trade receivables	11,043,310	566,559
Provision for doubtful debts	(315,948)	-
	10,727,362	566,559

The following is an analysis of the ages of accounts receivables as of the date of preparation of the consolidated financial statements:

	31 December 2022	31 December 2021
Less than 30 days	11,043,310	566,559
Between 31 and 180 days	-	-
More than 180 days	-	-
	11,043,310	566,559

- Please refer to Note (25-2) for further details regarding to methodology and movement of the provision



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

12- PREPAYMENTS AND OTHER RECEIVABLES

	<u>31 December 2022</u>	<u>31 December 2021</u>
Accrued contracting revenue	19,700,482	-
VAT Recoverable*	15,390,000	10,389,482
Suppliers - advance	4,389,757	291,822
Employees' advances and covenant	485,823	41,227
Prepayments	187,323	856,372
	<u>40,153,385</u>	<u>11,578,903</u>

* As at 31 December 2022, the company had a certificate that allows for the recovery of taxes incurred from real estate development. The company has filed tax recovery claims for the year, still pending review by the Zakat, Tax and Customs Authority (ZATCA).

13- REAL ESTATE UNDER DEVELOPMENT

	<u>31 December 2022</u>	<u>31 December 2021</u>
Beginning balance of the year	356,948,599	154,885,470
Additions during the year	348,283,418	372,879,750
Costs of real estate under development sold	(195,484,848)	-
Transferred to real estate inventory	(262,245,182)	(170,816,621)
	<u>247,501,987</u>	<u>356,948,599</u>

Additions during the year include capitalizing a financing cost of SAR 2,095,655 (31 December 2021: SAR 1,591,778). Note 18.

As at 31 December 2021, the Group pledged real estate under development amounting to SAR 105,019,710, comprising land and related construction costs owned by the Group, in favor of a local bank against Facility No. 1 (Note 18).

On 28 July 2022, the above-mentioned mortgage was released, and real estate under development amounting to SAR 26,662,148, comprising land and related construction costs, were pledged in favor of a local bank against Facility No. 1 (Note 18).

During 2022, the Group also pledged real estate under development amounting to SAR 69,317,183 in favor of a local bank against Facility No. 3 (Note 18).

During 2022, the Group also pledged real estate under development amounting to SAR 61,271,205 in favor of a local bank against Facility No. 4 (Note 18).

14- REAL ESTATE INVENTORY

	<u>31 December 2022</u>	<u>31 December 2021</u>
Beginning balance of the year	2,357,716	76,494,349
Transferred from real estate under development during the year	262,245,182	170,816,621
Transferred from investment property during the year	49,780,871	-
Transfer to cost of revenue attributable to properties sold during the year	(227,090,130)	(244,953,254)
	<u>87,293,639</u>	<u>2,357,716</u>



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

15- RELATED- PARTIES TRANSACTIONS AND BALANCES

Related parties include the shareholders of the company, key management personnel, and the entities owned or managed by these parties, and any other entities controlled, jointly controlled, or significantly influenced by them. In the ordinary course of the Group's activities, related-party transactions are carried out through contracts that have been approved by management. The following is a summary of significant transactions that the company entered into with the related parties during the year, along with a breakdown of the net related-party balances:

Related-Parties Balances:

	Nature of Relationship	Nature of Transactions	As at 31 December 2022 Debit / (Credit)	As at 31 December 2021 Debit / (Credit)
Authorization for the building materials industry Co.	Affiliate 1	operating	-	(131,568)
Rasheed Abdul Rahman	Principal shareholder	financing	-	(1,271,219)
Nasser Al Rasheed	Shareholder 1	operating	-	(150,500)
Harun Rasheed Al Rasheed	Shareholder 2	operating	-	(318,600)
Abdul Malek Rasheed Al Rasheed			-	(1,871,887)

Related-Parties Transactions:

	Nature of Relationship	Nature of Transactions	Amount of transaction for the year ended	
			31 December 2022	31 December 2021
Authorization for the building materials industry Co.	Affiliate 1	operating	131,568	(4,206,611)
Romoz Holding Co.	Affiliate 2	operating	-	(7,684,003)
Rasheed Abdul Rahman	Principal shareholder	financing	(1,295,468)	-
Nasser Al Rasheed	Shareholder 1	operating	(150,500)	-
Harun Rasheed Al Rasheed	Shareholder 2	operating	(318,600)	-

Benefits, remunerations and compensations to key management personnel:

Key management personnel of the company include key management personnel, who exercise authority and responsibility in planning, directing and controlling the company's activities.

	31 December 2022	31 December 2021
Salaries and compensations	1,048,861	495,615
Remunerations	1,017,268	1,701,057
	2,066,129	2,196,672

16- SHARE CAPITAL

The Extraordinary General Assembly convened a meeting on 19 December 2021, to approve the increase of the Group's share capital from SAR 50,000,000 to SAR 300,000,000 by capitalizing the additional capital account in the amount of SAR 238,358,653 and capitalizing part of the company's retained earnings in the amount of SAR 11,641,347.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

16- SHARE CAPITAL (CONTINUED)

The equity shares have been apportioned among the shareholders as follows:

Name	Number of Shares	Value Per Share SAR	Total Value SAR	Shareholding %
Rasheed Abdul Rahman	24,000,012	10	240,000,120	80%
Nasser Al Rasheed				
Harun Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Abdul Malek Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Rakan Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500,000	2.5%
Haya Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Modi Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Sarah Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
	30,000,000		300,000,000	100%

17- RESERVES

In accordance with the Company's Bylaws and Regulations for the Companies in Kingdom of Saudi Arabia, the Company is required to transfer 10% of net profits to a statutory reserve, the Ordinary General Assembly may resolve to cease deduction until such reserve equals 30% of paid-up capital. This reserve is not distributable.

18- LONG – TERM BORROWINGS

Non-Current Liabilities	31 December 2022	31 December 2021
Non-current portion from long-term borrowings	33,004,808	37,152,585
Current Liabilities	31 December 2022	31 December 2021
Current portion from long-term borrowing	35,435,225	16,939,993
	31 December 2022	31 December 2021
Facility (1)	35,000,000	35,000,000
Facility (2)	18,230,000	18,230,000
Facility (3)	25,000,000	-
Facility (4)	20,543,572	-
	98,773,572	53,230,000
Add: Financing transaction costs, net	396,461	862,578
Paid during the year	(30,730,000)	-
Balance at the end of the year	68,440,033	54,092,578

Facility (1):

On 23 May 2021, the Group entered into an Islamic Tawarruq credit facility agreement with a local bank for a limit of SR 40 million to finance the Company's operating activities. As at 30 June 2022, the utilized balance of the facility represented the outstanding amount related to the construction of villa and apartment projects. The facility will be repaid in semi-annual installments over a period of four years, commencing on 31 May 2022.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

18- LONG – TERM BORROWINGS (CONTINUED)

Facility (1): (continued)

The Group mortgaged land and related construction costs amounting to SAR 105,019,710, classified under properties under development, in favor of a local bank.

On 28 July 2022, the aforementioned mortgage was released. Investment properties with a total cost of SAR 44,000,000, classified under investment properties (Note 5), were remortgaged, in addition to properties under development amounting to SAR 26,662,148, in favor of the local bank.

Facility (2):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local finance company on 17 May 2021. This agreement will expire on 28 April 2026. It is for financing The Group's operating activities, amounting to SAR 18.2 million. The Group has entirely utilized the loan amount Until 30 June 2022 and is currently in the process of repaying the financing in 2 annual payments over a 5-year period. The agreement involves the sale of the land to a local company, followed by a lease agreement contingent upon meeting the facility terms, with the commitment of a donation. The Group mortgaged properties under development of SAR 40,889,820 million with the finance company. During the period ended 30 June 2022, the Group entirely fulfilled its financial obligations to the finance company. On 28 July 2022, the mortgage was released, due to repayment of entire financing amount, and the land ownership was transferred to Al Ramz Real Estate Company in consideration of its commitment to settle the outstanding financing.

Facility (3):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 25 August 2021. The agreement provides a financing limit of SAR 25 million, specifically for financing the Group's operating activities purposes. On 14 August 2022, the Group mortgaged properties under development amounting to SAR 69,317,183 in favor of a local bank.

Facility (4):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 18 July 2022. The agreement provides a financing limit of SAR 100 million specifically for financing the Group's operating activities purposes only SAR 20.5 million of the facility had been utilized for the period ended 31 December 2022. The Group mortgaged properties under development amounting to SAR 61,271,205 in favor of a local bank.

Long-Term Borrowings:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Balance at the beginning of the year	53,230,000	-
Withdrawals / new credit facility additions during the year	45,543,572	53,230,000
	98,773,572	53,230,000
Borrowings paid during the year	(30,730,000)	-
Add: Financing transaction costs, net	396,461	862,578
Balance at the end of the year	68,440,033	54,092,578
Less: Current portion from long-term borrowing	(35,435,225)	(16,939,993)
Non-current portion from long-term borrowings	33,004,808	37,152,585



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

18- LONG – TERM BORROWINGS (CONTINUED)

The following is a breakdown of the movements in Financing transaction costs:

	31 December 2022	31 December 2021
Balance at the beginning of the year	862,578	-
Additions during the year	2,315,417	1,591,778
Finance costs paid during the year	(2,781,534)	(729,200)
Balance at the end of the year	396,461	862,578

For further information on maturity dates of borrowings, please refer to Note (27).

19- EMPLOYEE END-OF-SERVICE BENEFIT OBLIGATIONS

The Group provides end-of-service benefits to its employees in accordance with the labor law applicable in the Kingdom of Saudi Arabia. These benefits represent an unfunded type of defined benefit plan.

The retirement schemes provide benefits that are primarily determined by the years of service and the employee compensation. Scheme funding is tailored to meet local requirements. Obligations are vulnerable to demographic, legal, and economic risks. Unforeseen changes in commodity and capital markets, along with fluctuations in the discount rate used for calculating defined benefit obligations, are the main factors contributing to economic risks.

Principal Actuarial Assumptions:

	% per annum	
	31 December 2022	31 December 2021
Financial assumptions:		
- Net discount rate	4.50	3.00
- Salary increment rate	3.00	2.00

The movements in the present value of defined benefit obligations:

	31 December 2022	31 December 2021
Opening balance - the present value of defined benefit obligations	130,780	24,170
Current service cost	104,078	72,448
Interest cost	3,602	744
Benefit payments	(21,344)	-
Actuarial losses on the obligation	20,264	33,418
Ending Balance - The present value of defined benefit obligations	237,380	130,780

Sensitivity analysis is as follows:

	31 December 2022	31 December 2021
Principal assumptions:		
Discount rate +1%	216,555	118,633
Discount rate -1%	262,073	145,287
Salary increment rate +1%	263,473	145,998
Salary increment rate -1%	215,035	117,831



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

20- ACCRUED EXPENSES AND OTHER PAYABLE

	31 December 2022	31 December 2021
Remunerations and incentives payable	6,067,198	394,610
VAT	5,436,467	-
Accrued business expenses	4,911,729	-
Warranty and maintenance provision	874,761	1,137,651
Accrued Salaries	263,950	-
Real estate transaction tax	150,908	163,858
Unit lease insurances	141,744	409,700
Other accrued expenses	95,890	152,663
Total	17,942,647	2,258,482

21- ADVANCE PAYMENTS CLIENTS

	31 December 2022	31 December 2021
Revenue of development contracts collected in advance	9,957,948	1,248,980
leases collected in advance	640,884	1,117,578
Total	10,598,832	2,366,558

22- REVENUE

The following is a detailed breakdown of the revenue:

	31 December 2022	31 December 2021
Unit sales revenue	273,596,983	313,405,710
projects under development sales revenue	224,195,745	-
Investment property sales revenue	74,250,000	-
Real estate development revenue for others	57,043,530	-
Lease revenue	2,824,890	8,658,610
Land Sales Revenue	-	21,307,810
Construction and Contracting Revenue	1,341,455	-
Total	633,252,603	343,372,130

23- COST OF REVENUE

	31 December 2022	31 December 2021
Cost of projects under development sold	196,285,974	-
Cost of units sold	181,165,323	226,136,254
Cost of investment properties sold	45,924,807	-
Cost of real estate development contracts for others	39,699,488	1,093,586
Completion expenses attributable to finished projects	1,921,086	18,817,000
Depreciation of investment property	1,052,069	2,153,692
Warranty and maintenance provision	886,546	535,814
Lease expenses	724,425	62,166
Total	467,659,718	248,798,512



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

24- GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2022</u>	<u>31 December 2021</u>
Salaries, remunerations and equivalents	3,568,651	2,732,837
Remunerations and incentives	3,332,054	-
Flotation charges *	2,405,387	-
Professional consultations and fees	1,089,415	860,853
Systems and Networks Expenses	508,145	-
Government charges	454,556	318,729
Doubtful debts	315,948	-
Depreciation of property and equipment	295,120	59,000
Social insurance	240,383	166,396
Leases	188,693	197,546
Medical insurance	185,639	-
Hospitality and cleaning expenses	155,890	-
Digital services subscription charges	127,039	-
End-of-service benefits	107,681	73,192
Stationery and prints	99,153	34,529
Training and recruitment	88,471	-
Telephone and internet expenses	58,077	12,263
Bank commissions	13,651	-
Others	238,038	333,357
Total	13,471,991	4,788,702

* The flotation charges paid by the group are in exchange for flotating its file in the Nomu market.

25- ZAKAT PROVISION

25-1 Zakat base:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Adjusted Net Profit	158,089,295	87,485,931
Add:		
Share capital	300,000,000	50,000,000
Statutory Reserve	10,194,890	1,880,943
Retained Earnings	62,799,447	29,615,270
Provisions at Beginning of the Period	109,437	24,170
Other Additions	28,616,558	92,968,140
Less:		
Property and Equipment, Net	(1,279,575)	(803,700)
Investment Properties and Properties Under Development	(270,500,731)	(90,614,440)
others	(1,102,347)	(1,550,000)
Zakat base	286,926,974	169,006,314
Zakat is calculated at 2.5% of the zakat base or the adjusted net profit, whichever is higher.	7,396,070	4,288,486



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

25- ZAKAT PROVISION (CONTINUED)

25-2 The movements in zakat provision:

	31 December 2022	31 December 2021
Balance at the Beginning of the year	4,288,486	2,260,806
Charged during the year	7,396,070	4,346,460
Paid during the year	(4,288,486)	(2,318,780)
Balance at the end of the year	7,396,070	4,288,486

25-3 Zakat assessment:

The Group has successfully filed zakat returns up to the year ended 31 December 2021 and received a provisional zakat certificate from the Zakat, Tax, and Customs Authority (ZATCA), which is valid until 30 April 2023. Final zakat assessments have not yet been received from ZATCA for those years.

26- FINANCIAL RISK MANAGEMENT

The company's main financial liabilities consist of trade payables, due to related parties, and advances from customers. The Company's primary financial assets include cash and cash equivalents, trade and other receivables, due from related parties, and investments carried at FVOCI & FVSI. The primary financial risks that arise from the Company's financial instruments include market risk (such as foreign exchange risk), credit risk, and liquidity risk. Management carefully evaluates and aligns policies to effectively manage these risks.

26-1 Market risk

It is the risk of fluctuation in the value of a financial instrument due to changes in market rates, such as price risk and foreign exchange rates, which affect the company's income or the value of its holdings of financial instruments. Market risk management aims to manage and control market risk exposures within acceptable parameters, while maximizing returns. There has been no change in the company's market exposures or the way they are managed or measured.

26-1-1 Price risk

The company is exposed to market price risk due to fluctuations in the fair value of financial assets held at fair value caused by fluctuations in market indices.

The following table provides a sensitivity analysis in response to fluctuations in market prices:

	31 December 2022	31 December 2021
Net asset value of units + 10%	13,369,032	155,000
Net asset value of units - 10%	(13,369,032)	(155,000)

26-1-2 Foreign currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when future transactions, assets and liabilities are recognized in a currency other than SAR. The company's management believes that foreign currency exposures are minimal, as SAR is pegged to the US dollar.

The management monitors foreign exchange rate fluctuations and believes that the company has no significant exposure to exchange rate changes.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

26- FINANCIAL RISK MANAGEMENT (CONTINUED)

26-2 Credit risk

Credit risk is the potential financial losses that may arise if a counterparty fails to fulfill their obligations. The company does not have undue concentration of credit risk. Cash and cash equivalents are deposited with local banks that have high credit ratings. Trade and other receivables are mainly due from customers in the local market and are stated at their estimated recoverable amount. The company has policies in place to minimize its credit risk. The maximum credit risk exposure at the reporting date is outlined below:

	<u>31 December 2022</u>	<u>31 December 2021</u>
Cash and cash equivalents	73,086,333	8,993,083
Trade receivables	10,724,462	566,559
Investments carried at FVOCI	1,550,000	1,550,000
Investments carried at FVSI	132,140,328	-
Prepayments and other receivables	40,153,385	11,578,903
	<u>257,654,508</u>	<u>22,688,545</u>

Cash is placed with banks that have a high credit rating. Thus, an impairment test was made using a 12-month expected loss model. The management's impairment test indicates that no material provision is required for these balances for all the years presented.

Trade receivables, other receivables and due from related parties:

The company utilizes the simplified IFRS 9 approach for measuring ECL, employing a lifetime ECL provision for receivables, other receivables, and due from related parties.

Receivables:

	<u>0-30 days</u>	<u>31-90 days</u>	<u>91-120 days</u>	<u>121-365 days</u>	<u>Total</u>
Trade receivables	10,727,362	-	-	-	10,727,362

Liquidity risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with financial instruments. Liquidity risk may result from the failure to sell a financial asset quickly at a value close to its fair value. Regular monitoring ensures that the Group has sufficient liquidity to fulfill its financial obligations. The Group's approach to managing liquidity is to guarantee that it will have sufficient funds to fulfill its obligations as due, even in regular and stable circumstances, without having significant losses or risking damage to its reputation.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

26- FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

The following table provides a summary of the Company's financial liabilities, grouped by their maturity profile. It shows the remaining period from the statement of financial position date to the contractual maturity date. The figures in the table represent the undiscounted contractual cash flows.

31 December 2022	Carrying Amount	Less than 1 year	1-5 years	More than 5 years
Trade payables	16,641,376	16,641,376	-	-
Due to related parties	-	-	-	-
Accruals and other payables	17,942,647	17,942,647	-	-
Customers - advance	10,598,832	10,598,832	-	-
Long - term borrowings	68,440,032	35,435,225	33,004,808	-
	113,622,887	80,618,080	33,004,808	-
31 December 2021	Carrying Amount	Less than 1 year	1-5 years	More than 5 years
Trade payables	5,433,407	5,433,407	-	-
Due to related parties	1,871,887	1,871,887	-	-
Accruals and other payables	2,258,482	2,258,482	-	-
Customers - advance	2,366,558	2,366,558	-	-
Long - term borrowings	54,092,578	16,939,993	37,152,585	-
	66,022,912	28,870,327	37,152,585	-

Commission risk

Commission rate exposure involves dealing with the potential risks that arise from fluctuations in commission rates and how they can impact the Company's consolidated statement of financial position and cash flows. The Company regularly monitors commission rate schedules for commission-bearing financial instruments to manage commission rate risk. The Group's special commission-bearing liabilities, primarily consisting of bank borrowings, are susceptible to floating rates and may be re-priced. Management closely monitors fluctuations in commission rates and believes that any potential impact on the fair value and cash flows of the Company is insignificant.

Financial assets that carry a finance cost comprise of short-term Murabaha deposits at fixed interest rates. Thus, it is not susceptible to the commission risk for cash flows and fair value.

The following is a breakdown of the commission rates for the Company's commission-bearing financial instruments, as reported to the Company's management:

	31 December 2022	31 December 2021
Long - term borrowings	68,440,032	54,092,578
	68,440,032	54,092,578

Profit or loss is affected by commission expense (Increase / decrease) on borrowings as a result of changes in interest rates. The following table shows the sensitivity to any possible reasonable change in the commission rate of the company's profits, through the effect of the borrowings rate with all other variables remain constant:



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

26- FINANCIAL RISK MANAGEMENT (CONTINUED)

Commission risk (Continued)

	Increase / decrease in basis points (bps) related to commission rates	Impact on the income for the year
Commission rate increase	+100	684,400
Commission rate decrease	-100	(684,400)

27- FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Management has determined that the fair values of cash and cash equivalents, trade receivables, investments carried at FVOCI, other current assets, trade payables, borrowings and other current liabilities are a close approximation of their carrying amounts. This is primarily because these financial instruments have short-term maturity.

The following table outlines the fair value of financial instruments and investment properties as disclosed at year-end:

<u>31 December 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments carried at FVOCI	-	-	1,550,000	1,550,000
Investments carried at FVSI	-	-	132,140,328	132,140,328
Investment property, net	-	-	39,782,001	39,782,001
	-	-	173,472,329	173,472,329
<u>31 December 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments carried at FVOCI	-	-	1,550,000	1,550,000
Investments carried at FVSI	-	-	-	-
Investment property, net	-	-	90,614,440	90,614,440
	-	-	92,164,440	92,164,440



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022
(All amounts in SAR)

28- DIVIDENDS

On 21 March 2022, the General Assembly approved the distribution of cash dividends to shareholders for the year ended 31 December 2021, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the par value of the share.

Subsequently, on 17 Sha'ban 1444, corresponding to 9 March 2023, the company's Board of Directors recommended, at the General Assembly meeting, the distribution of profits amounting SAR 30 million for the year ended 31 December 2022.

29- COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

30- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the company's Board of Directors on 17 Sha'ban 1444 AH corresponding to 9 March 2023.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023
With the Independent Auditor's Report



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT OF THE CONSOLIDATED FINANCIAL STATEMENTS	-
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONSOLIDATED STATEMENT OF CASH FLOWS	4
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	5-41



INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(CLOSED JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA**

(1/3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Al Ramz Real Estate Company (the "Company") and its subsidiary (together "the Group") as at 31 December 2023, 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 issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

We have audited the consolidated financial statements of the Group, which comprise of the following:

- The consolidated statement of financial position as at 31 December 2023;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and the Regulations for Companies and the Company's Bylaws 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(CLOSED JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA

(2/3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of Group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT

TO THE / SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(CLOSED JOINT STOCK COMPANY)
RIYADH, SAUDI ARABIA

(3/3)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

For PKF Al-Bassam Chartered
Accountants

Ahmed A. Mohandis
Certified Public Accountant
License No.: 477
Riyadh: 21 Dhu'l-Hi 1445 AH
Corresponding to: 27 June 2024



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AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(All amounts in SAR)

	Note	31 December 2023	31 December 2022
ASSETS			
Non-Current Assets			
Properties and equipment, net	5	1,827,830	1,279,575
Intangible assets, net	6	429,481	513,936
Investment Properties, net	7	39,305,315	39,782,001
Investment carried at fair value through other comprehensive income (FVOCI)	8	2,950,000	1,550,000
Investments carried at Fair value through statement of income (FVSI)	9	314,345,704	132,140,328
Total Non-Current Assets		358,858,330	175,265,840
Current Assets			
Cash and Banks	10	24,199,911	73,086,333
Trade receivables, net	11	110,302,347	10,727,362
Prepayments and other receivables	12	43,719,193	40,153,385
Real Estate under development	13	288,965,427	247,501,987
Real Estate inventory	14	105,438,633	87,293,639
Due from related parties	15	24,001,588	-
Total Current Assets		596,627,099	458,762,706
TOTAL ASSETS		955,485,429	634,028,546
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	300,000,000	300,000,000
Reserves	17	37,670,775	24,177,055
Actuarial reserve		4,824	(43,779)
Retained earnings		271,744,044	188,638,929
TOTAL EQUITY		609,419,643	512,772,205
LIABILITIES			
Non-Current Liabilities			
Employee end-of-service benefit obligations	19	467,741	237,381
Non-current portion from long-term borrowings	18	229,679,094	33,004,808
Total Non-Current Liabilities		230,146,835	33,242,189
Current Liabilities			
Trade payables		38,857,521	16,641,377
Due to related parties		361,094	-
Accrued expenses and other payable	20	14,591,988	17,942,647
Advance payments clients	21	34,096,624	10,598,832
Zakat provision payable	26	5,239,938	7,396,070
Current portion from long-term borrowing	18	22,771,786	35,435,225
Total Current Liabilities		115,918,951	88,014,152
TOTAL LIABILITIES		346,065,786	121,256,341
TOTAL EQUITY AND LIABILITIES		955,485,429	634,028,546


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023
(All amounts in SAR)

	<u>Note</u>	<u>For the year ended 31 December 2023</u>	<u>For the year ended 31 December 2022</u>
Revenue	22	531,909,124	633,252,604
Cost of revenue	23	(404,306,555)	(467,659,718)
Gross profit		127,602,569	165,592,885
General and administrative expenses	24	(17,037,260)	(13,471,991)
Selling and marketing expenses		(9,624,033)	(4,832,076)
Other income	25	4,917,571	1,698,707
Gains on investments at FVTPL		28,240,295	-
Operating income		134,099,142	148,987,525
Finance cost and bank facilities		(2,360,429)	(1,769,808)
Net income for the year before zakat		131,738,713	147,217,717
Zakat	26	(5,139,878)	(7,396,070)
Net income for the year		126,598,835	139,821,648
<u>Other comprehensive income / (loss)</u>			
<i>Items that will not be reclassified to the consolidated statement of income in subsequent years:</i>			
Actuarial gain / (loss) on end-of-service benefits	19	48,603	(20,264)
Total comprehensive income for the year		126,647,438	139,801,384

Chief Financial Officer

Chief Executive Officer

Chairman

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AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023
(All amounts in SAR)

	Share Capital	Statutory Reserve	Actuarial reserve	Retained Earnings	Total Equity
Balance as at 1 January 2023	300,000,000	24,177,055	(43,779)	188,638,929	512,772,205
Net income for the year	-	-	-	126,598,835	126,598,835
Other comprehensive income	-	-	48,603	-	48,603
Total comprehensive income for the year	-	-	48,603	126,598,835	126,647,438
Transferred to statutory reserve	-	13,493,720	-	(13,493,720)	-
Dividends payable (Note 29)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2023	300,000,000	37,670,775	4,824	271,744,044	609,419,643
Balance as at 1 January 2022	300,000,000	10,194,890	(23,515)	92,799,447	402,970,822
Net income for the year	-	-	-	139,821,648	139,821,648
Other comprehensive loss	-	-	(20,264)	-	(20,264)
Total comprehensive income for the year	-	-	(20,264)	139,821,648	139,801,384
Transferred to statutory reserve	-	13,982,165	-	(13,982,165)	-
Dividends payable (Note 29)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2022	300,000,000	24,177,055	(43,779)	188,638,929	512,772,205

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(All amounts in SAR)

	<u>31 December 2023</u>	<u>31 December 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before zakat	131,738,713	147,217,717
Depreciation of Properties and equipment	413,605	223,785
Depreciation of investment Properties	676,686	1,052,070
Provision for employee end-of-service benefits	339,949	107,680
Finance transaction costs	9,633,461	2,315,417
Gains on disposal of investment properties	-	(24,469,631)
ECL provision	-	315,948
Amortization of intangible assets	161,715	71,335
Changes in working capital items:		
Trade receivables	(99,574,985)	(10,476,751)
Due from related parties	(24,001,588)	-
Prepayments and other receivables	(3,565,808)	(28,574,482)
Real Estate under development	(41,463,440)	109,446,612
Real Estate Inventory	(18,144,994)	(84,935,923)
Trade payables	22,216,145	11,207,970
Due to related parties	361,094	(1,871,887)
Advance payments clients	23,497,792	8,232,275
Accruals and other payables	(3,350,659)	15,684,165
Finance transaction costs paid	(3,829,043)	(2,781,534)
Cash used in operations	<u>(4,891,357)</u>	<u>142,764,766</u>
End-of-service benefits provision charged	(60,986)	(21,344)
Zakat paid during the year	(7,296,010)	(4,288,486)
Net cash used in operating activities	<u>(12,248,353)</u>	<u>138,454,936</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of properties equipment	(961,860)	(749,659)
Additions of investment properties	(200,001)	-
Payments for investments carried at FVOCI	(1,400,000)	-
Payments for purchase of intangible assets	(77,260)	(535,271)
Payments for investments carried at FVTPL	(175,461,427)	(132,140,328)
Proceeds of investments carried at FVTPL	21,496,345	-
Unrealized gains on investments carried at FVTPL	(28,240,294)	-
Proceeds from disposal of investment properties	-	74,250,000
Net cash generated from / (used in) investing activities	<u>(184,844,497)</u>	<u>(59,175,258)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term borrowings received	209,456,428	45,543,572
Dividends paid	(30,000,000)	(30,000,000)
Borrowings paid	(31,250,000)	(30,730,000)
Net cash generated from financing activities	<u>148,206,428</u>	<u>(15,186,428)</u>
Net change in cash and cash equivalents	<u>(48,886,422)</u>	<u>64,093,250</u>
Cash and cash equivalents at beginning of the year	73,086,333	8,993,083
Cash and cash equivalents at end of the year	<u>24,199,911</u>	<u>73,086,333</u>



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts in SAR)

1. ORGANIZATION AND ACTIVITIES

Al Ramz Real Estate Company (the “Company”) is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia under commercial registration number 1010488618 dated 29 Thul Qidah 1437 AH (corresponding to 1 September 2016).

The activities are general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals, and hotels, renovations of residential and non-residential buildings, preparing and preparing sites, including drilling, settlement, and foundation work, finishing buildings, management of maintenance and operation activities in buildings and their facilities, buying and selling land and properties, dividing it, and off-plan sales activities, managing and Leasing owned or rented (residential) properties, managing and leasing owned or rented (non-residential) properties, real estate brokerage, and property management activities for a commission.

During the year ended 31 December 2022, the Group’s Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3-3-1444 AH. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the “Holding Company”) will exercise control over Asos Al Ramz Contracting Company and will be accounted for as a subsidiary.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the “Holding Company”), and its directly owned company (“Subsidiary”):

Subsidiary	Incorporation country	Legal Form	Effective Ownership Percentage (Direct)
Osos Al Ramz Contracting Company	KSA	LLC	100%

(1) Osos Al Ramz Contracting Company ("the Company") is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 AH, corresponding to 9 March 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared for the Group as at and for the year ended 31 December 2023, in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

2.2 Basis of consolidation

The consolidated financial statements encompass the consolidated financial statements of Al Ramz Real Estate Company and its subsidiary (the “Group”), as described in Note (1).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

The consolidated financial statements include the consolidated financial statements of the Holding Company and its subsidiaries as at 31 December 2022. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of comprehensive income,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.3 Basis of measurement

These consolidated financial statements have been prepared on a historical cost except the investments carried at FVTPL & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

Certain comparative figures have been reclassified to conform with the current year presentation.

2.4 Functional and presentation currency

These consolidated financial statements are presented in SAR, which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires management to make estimates and judgments and assumptions that may affect the disclosed amounts of assets, liabilities, income and expenses, accompanying disclosure and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed if the revision affects only that period or in the period of the revision and future periods affected.

Information regarding material aspects of estimates, estimation uncertainties, and significant estimates employed in the application of accounting policies (which have a significant impact on the amounts recognized in the consolidated financial statements) is outlined below:

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the Company's normal operating cycle.
- It is held primarily for the purpose of trading.
- Expected to be realized within 12 months after the statement of financial position date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the statement of financial position date.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the Company's normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the statement of financial position date, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

The Company classifies all other liabilities as non-current liabilities.

Tax assets and liabilities are classified as non-current assets and liabilities.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments

A financial instrument is any contract that results in a financial asset for one party and a financial liability or equity instrument for another party.

3.2.1 Financial assets

IFRS 9 includes three main categories for classifying financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). The Group generally classifies its financial assets based on the business model in which the financial assets are managed and their contractual cash flows.

1. Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and the information is provided to the Management.

2. Fair value through other comprehensive income (FVOCI):

Debt instruments

Debt instruments are measured at FVOCI if they meet both of the following criteria and are not designated at FVTPL:

- It is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in the statement of profit or loss and other comprehensive income. This election is made on an investment-by-investment basis.

3. Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing the financial assets.

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (Continued)

3.2.1 Financial assets (Continued)

Impairment of financial assets

The Group's impairment model is based on the "ECL" model outlined in IFRS 9 "Financial Instruments".

The relevant loss allowance includes the expected credit losses "ECL":

12-month ECL (the expected credit losses that may arise from defaults on financial instruments within 12 months of the reporting date); or

Lifetime ECL (the expected credit losses arising from all defaults over the life of the financial instrument).

An impairment allowance is recognized for lifetime ECL on the financial instrument if the credit risk for the instrument has increased significantly since initial recognition. This includes contractual assets and trade receivables that lack significant financing components. The Group also recognizes lifetime ECL on contractual assets and trade receivables that have significant financing components in accordance with IFRS 9.

The Group employs practical approaches in estimating lifetime ECL on the financial instrument. Lifetime ECL are calculated for trade receivables by assessing the recoverability of the total carrying amount for each customer.

3.2.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) where:

- 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, or (a) the Group has transferred substantially all of the risks and rewards of the asset or (b) neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), it assessed whether, and to what extent, it has retained the risks and rewards of ownership, has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

In this case, the continuing involvement in the transferred asset is assessed based on the lower of initial carrying amount of the asset or the maximum payment that the Group may be required to make.

The Group classifies its financial liabilities, excluding financial guarantees and loan commitments, as liabilities measured at amortized cost. Amortized cost is calculated by considering any discounts or premiums on obtaining finance. Finance cost forms an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced or modified by the same lender with different terms or substantially different terms, it is accounted for as a derecognition of the original liability and a recognition of the new liability. The difference between the respective carrying amounts is recorded in the statement of profit or loss and other comprehensive income.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (Continued)

3.2.3 Offsetting

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

3.3 Properties, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost, which includes any costs directly related to restoring the assets to their intended condition and location for proper operation as determined by the Group's management. The assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

When major different components of an item of property, plant and equipment have varying useful lives, they are accounted for as single items of property, plant and equipment.

Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The following are the estimated depreciation rates for the depreciable assets:

<u>Item</u>	<u>Rate</u>
Vehicles	25%
Computers	25%
Office equipment and building improvements	The lower of 20% or the lease term

Non-current assets are reviewed for impairment to determine if their carrying amount is recoverable, based on any relevant events or changes in circumstances. Impairment loss, if any, is recognized when the carrying amount of the asset is higher than its recoverable amount. The recoverable amount of an asset is the higher of the fair value less cost to sell or its value in use.

Assets under construction that are not yet ready for their intended use are not depreciable.

Repair and maintenance expenses are charged to the statement of comprehensive income. Repair and maintenance expenses that would significantly increase the value of assets or their useful life are capitalized.

These factors are reviewed on an annual basis: the depreciation method, residual value estimates, and estimated useful lives.

Items of property, plant, equipment, along with any significant components initially recognized, are derecognized at disposal or when there are no expected future economic benefits from their use or disposal. Any gains or losses on derecognition (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) are recorded in the statement of profit or loss and other comprehensive income. If the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately reduced to its recoverable amount.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Intangible assets

Intangible assets acquired separately are initially measured at their cost. Intangible assets acquired through a business combination are valued at their fair value on the acquisition date. Intangible assets are recognized at cost, net of accumulated amortization and impairment losses, following the initial recognition. Internally developed intangible assets are not capitalized, except for development costs that are capitalized. Expenditures are recognized in the statement of comprehensive income in the period when incurred. The useful lives of intangible assets are subject to assessment and are classified as either finite or indefinite.

Intangible assets that have a finite useful life are amortized over their economic useful lives and are assessed for impairment. Intangible assets with finite useful lives undergo a review of their amortization period and method at the end of each reporting period. Adjustment to the amortization period or method, as applicable, may be made to reflect changes in the expected useful life or pattern of consumption of future economic benefits embedded in the asset. These adjustments are considered changes in accounting estimates.

Amortization of intangible assets with finite useful lives are charged to the statement of comprehensive income, specifically within expenses that aligns with the function of the intangible asset. The Company's intangible assets comprise of software. The estimated useful life is 4 years.

The following are the estimated amortization rate for the assets:

<u>Item</u>	<u>Rate</u>
Software	25%

3.5 Investment property, net

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives:

<u>Item</u>	<u>Depreciation rate</u>
Land	-
Buildings	3.03%
Electrical equipment, Furniture and Fixtures	15%

The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from these assets

Properties are not transferred from investment properties to property inventory when and only when, there is a change in use, evidenced by the commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the transfer date.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Investment Properties, net (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property less related costs while value in use is the present value of estimated future cash flows expected to arise from continuing use of the investment property and from its disposal at the end of its useful life.

3.6 Investments in subsidiaries

A subsidiary is an entity over which the Group has significant influence and which it does not control or have joint control over. Significant influence is the ability of the Group to participate in the financial and operating decisions and policies of the investee, and is not control or joint control over those policies.

Factors to consider when determining significant influence involve maintaining a portion of the voting rights of the investee, having representation on the board of directors or similar governing bodies, participating in policy-making, and being involved in decisions regarding dividends or other distributions. Significant transactions, transfer of management personnel, or sharing of fundamental technical details.

3.7 Investments by Cost method

Investments in subsidiaries are initially recognized at acquisition cost, including any direct costs attributable to the acquisition. These assets are subsequently measured at cost less accumulated impairment losses, if any.

3.8 Development property

Properties acquired, constructed, or in the process of construction and development for the purpose of sale are categorized as development properties and are reported at the lower of cost or net realizable value. Short-term development properties typically encompass the expenses associated with land acquisition, construction, and other costs involved in preparing the properties for sale. Net realizable value represents the projected selling price in the regular course of business, taking into account market prices at the reporting date, after deducting completion costs and selling expenses.

Management conducts annual reviews of the book values of development properties.

According to the real estate operating cycle, most properties are typically sold within 14 to 16 months from the reporting date. Development properties are classified as current assets by management at each reporting date. Development properties are transferred to property inventory as soon as they are completed.

3.9 Property inventory

The property inventory is reported at the lower of its cost or net realizable value. Expenses are calculated based on the costs incurred to bring each product to its current location and condition as follows:

Cost of Development Property	The expenses associated with preparing properties for sale, such as the cost of land, construction, and other related expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less any expected costs of completion and the expected costs necessary to make the sale.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent consists of cash on hand, current accounts, bank deposits, and other short-term high liquidity investments having an original maturity of three months or less from the acquisition date. These investments can be readily converted into cash and have a minimal risk of change in value. They are also available for the Group's use.

3.11 Trade receivables

They represent amounts due from private and public sector customers for supplies in the normal course of the Company's activity, and the receivables do not carry interest. When credit exceeds the usual credit terms, receivables are calculated at amortized cost using the effective interest rate method. At the end of each reporting period, the carrying amounts of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are unrecoverable. In this case, the impairment loss is recognized immediately in the statement of profit or loss.

3.12 Employee end-of-service benefit obligations

3.12.1 Short-term obligations

Liability for wages and salaries, including non-cash benefits, accrued leave and travel tickets expected to be paid in full within 12 months after the end of the period in which the employees provide the related services, is recognized based on the services provided by the employees until the end of the reporting period of financial statements, and measured by amounts expected to be paid when the liabilities are settled. The liability is presented as current employee benefit obligations in accrued expenses in the statement of financial position.

3.12.2 Long-term employee benefits and other related obligations

The liability or asset of defined benefits is recognized in the statement of financial position. The employee end-of-service benefit obligations are the present value of the defined benefit obligations in the reporting year, and the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligations is calculated by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms close to terms of the related liability.

Defined benefit costs are categorized as follows:

Service Cost

Service costs include current service costs and past service costs which are recognized immediately in the statement of profit or loss.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest Cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations. This cost is included in employee benefits expense in the statement of profit or loss.

Remeasurement Gains or Losses

Remeasurement gains or losses on adjustments and changes in actuarial assumptions are recognized in the year in which they occur, immediately under other comprehensive income.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Borrowings

Borrowings are initially recorded at their fair value, which represents the amount received. After deducting any transaction costs, if applicable. After being initially recognized, long-term borrowings are measured at amortized cost using the effective interest rate method. Any variance between the proceeds (after deducting transaction costs) and the redemption amount is accounted for in the consolidated statement of profit or loss throughout the borrowings term, employing the effective interest rate method. Loan transaction costs include fees paid on loan facilities, which are recognized if it is likely that the facility will be utilized. Under these circumstances, the fees are not immediately charged, but rather deferred until the facilities are actually utilized. These fees are then accounted for as prepayments for liquidity services, as long as there is no indication that the facility will be withdrawn. They are gradually paid off over the facility term.

Borrowings are derecognized in the consolidated statement of financial position when the obligation is charged, canceled or expires. The difference between the carrying amount of financial liabilities derecognized or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit and loss under other income or finance costs.

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 financial reporting year.

Borrowing cost

General and specific borrowings directly related to the purchase, construction or production of assets eligible for capitalization are capitalized during the time period required to complete and prepare the asset for its intended use or sale, as appropriate. Eligible assets are assets that necessarily take a significant period of time to become ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings until spent on qualifying assets is deducted from borrowing costs eligible for capitalization.

Other borrowing costs are recognized as expenses in the year in which they are incurred in the consolidated statement of profit or loss.

3.14 Trade payables

Trade payables are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.15 Provisions

Provisions are recognized when the Company has a current legal or constructive obligation 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 obligation amount. If the effect of time value of money is material, provisions are estimated by expected future cash flows discounted at a current pre-tax rate, which reflects current market assessments of time value of money and liability-specific risks. Discounting impact is recognized as finance cost in the statement of profit or loss.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”), the Group is subject to zakat. The Company’s zakat provision is recognized and charged to the statement of profit or loss and other comprehensive income. Additional zakat liabilities, if any, related to assessments for previous years are calculated by the ZATCA in the period in which the final assessments are issued.

Taxes are recognized by the Group on certain transactions with residents and non-residents in the Kingdom of Saudi Arabia (if any), in accordance with the tax regulations in the Kingdom of Saudi Arabia.

The Group is primarily eligible to pay zakat only. Since the reversal of timing differences, if any, is not anticipated to have a significant impact on zakat amount in the foreseeable future, no deferred tax liabilities or assets have been recognized in these consolidated financial statements.

3.17 VAT

Expenses and assets are recognized after deducting the VAT amount, except for:

- When the VAT incurred in connection with the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognized as part of the cost of the purchase of the assets or as part of the item expense, where applicable, and/or
- When receivables and payables are stated including VAT amount

The net amount of VAT recoverable from/or due to the tax authority is included either as part of prepaid expenses and other current assets or accrued expenses and other current liabilities in the statement of financial position.

3.18 Remeasurement gains or losses

Remeasurement gains or losses arising from adjustments or changes in actuarial assumptions are recognized in the year in which they occur directly in the statement of comprehensive income.

3.19 Contingencies

All contingencies arising from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the Group or all current liabilities arising from past events but are not recognized for the following reasons: (1) it isn’t probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

- (2) A reliable estimate can’t be made of the obligation amount, they should all be assessed at each financial position date and disclosed in the Company’s consolidated financial statements under the contingencies.

3.20 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leased properties (i.e., leases with a term of 12 months or less from the commencement date that do not include a purchase option) and also applies the recognition exemption to leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition

Revenues represent sales of completed properties, revenues from construction of property developments, rentals of residential properties and land sales. The Group recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15:

- Step 1:** Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- Step 2:** Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that identifies the amount of consideration the Group expects to be entitled in exchange for fulfilling each performance obligation;
- Step 5:** Recognize revenue when (or as) the Company satisfies a performance obligation.

If the amount to be paid in the contract includes a variable amount, the Group estimates the amount the Group is entitled to in exchange for transferring promised goods or services to a customer.

The amount of the promised consideration may vary if the Group's entitlement to the consideration is conditional on the occurrence or non-occurrence of a future event. The amount of consideration may vary due to discounts, rebates, refunds, credits, incentives, penalties or other similar items. The variance related to the consideration promised by the customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the variable consideration using the most probable amount according to the contract terms.

With regard to contracts concluded with customers for the sale of property, in addition to the five-step model, the Group fulfills the performance obligation and recognizes revenues over a period of time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the aforementioned conditions is not met, revenue is recognized at the time when the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Revenue recognition (Continued)

Unit sales revenue

It includes the sale of units in residential projects. These developments typically take an operational cycle to completion. Revenue related to the sale of these units is recognized through the contractual terms and conditions of each arrangement.

Revenue is recognized at a certain point in time only when the conditions for control are satisfied in accordance with IFRS 15 Paragraph 38. Control is usually exercised by customers when they are able to obtain economic benefits from the properties, this is usually when the properties are delivered. In order for properties to be ready for delivery, all individual promises in the contract must be complete, and this will include properties that require units to be available for operational readiness.

Lease revenue

Lease revenue is recognized on a straight-line basis over the relevant lease term. The initial direct costs incurred or incentives are added in the negotiation and the operating lease arrangement is considered an integral part of the carrying amount of the lease and is recognized on a straight-line basis over the lease term.

Other project revenue

Revenues from contracting and development are recognized according to the percentage of completion in accordance with the terms of the entitlement of payments for contracts concluded with customers, after taking all the documents supporting the performance and the service provided.

3.22 Cost of revenue

Cost of revenue includes the cost of land, development costs and other related service costs. Cost of revenue is proportional to units sold and is based on the cost incurred to date to the estimated total costs for each project. The cost of hospitality business revenues, services and lease revenue is calculated on the basis of the actual cost of providing the services. Contracting costs include all costs incurred in fulfilling the performance under the contract

Zakat provision

When calculating the current zakat payable by the Group, the management considers the relevant regulations and decrees / rulings of the Zakat, Tax and Customs Authority regarding certain past cases.

3.23 Expenses

Selling, marketing, general and administrative expenses include both direct and indirect costs that do not specifically represent part of the cost of revenue. Selling and marketing expenses encompass the costs incurred by the Group in its sales and marketing departments. General and administrative expenses include all costs, except financial charges and impairment losses. Allocations of shared expenses between the cost of revenue, selling and marketing expenses, and general and administrative expenses, as applicable, are made on a consistent basis.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Estimates and assumptions

Estimation of defined benefit obligations

Actuarial valuations are used to assess the cost of defined benefit obligations and the present value of the obligation. Furthermore, a particular obligation necessitates the consideration of certain assumptions on future outcomes, notably the anticipated increment in salary and benefits, as well as the discount rate employed to transform future cash flows into the present value. Adjustments to these assumptions will have an impact on the carrying amount of the liability. Every assumption is reviewed at the end of each financial year.

Useful lives of property, equipment and investment property

The Group's management determines the estimated useful lives of its property, equipment, and investment property for the purpose of calculating depreciation. This estimate is determined after considering the expected use of the asset. Management periodically reviews the estimated useful lives and depreciation method to ensure that the depreciation method and term are consistent with the expected pattern of economic benefits derived from these assets.

Realizable value of property inventory

Inventories are stated at the lower of cost or net realizable value. Management estimates the net realizable values of property inventories, by considering the most dependable evidence available at the time of making the estimates. Market-driven changes may impact the future realizable value of the inventory by potentially decreasing future selling prices.

Warranty and maintenance provision

Provision for warranty and maintenance is established for units sold during the year, taking into account past data on the frequency of repairs and returns. These expenses are anticipated to be accrued in the upcoming year. The warranty and maintenance provision calculations were made using estimates derived from the current sales levels and the available information on returns during the warranty term for all units sold.

Realizable value of development property

Management calculates the net realizable values of development properties by considering the most reliable evidence available at the time of making the estimates. Market-driven changes may have an impact on the future realizable value of inventory by potentially decreasing future selling prices.

Fair value measurement

Management utilizes valuation techniques to assess the fair value of financial instruments in cases where active market prices are not readily accessible. This requires making estimates and assumptions that align with how market participants value the instrument. Management relies on observable statements whenever possible, although they may not always be readily available. In this case, management relies on the most accurate and up-to-date information. The estimated fair values may vary from the actual prices that would be realized in an arm's length transaction occurred at the reporting date.

Non-cash distributions, if applicable, are valued based on the fair value of the assets to be distributed. Any fair value remeasurement are immediately recognized in equity. When non-cash assets are distributed, any difference between the carrying amount of the liabilities and the carrying amount of the distributed assets is recognized in the statement of profit or loss and other comprehensive income.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.24 Estimates and assumptions (Continued)

Fulfillment of performance obligation

The Group makes its judgment to assess whether the contractual performance obligations for the sale of property inventory or development properties have been fulfilled at a certain point in time or over time. This requires meticulous evaluation of the pertinent clauses in every sales agreement to determine whether:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

When any of the aforementioned conditions are fulfilled, the Group recognizes revenue over time.

Based on the purchase and sale agreements with customers and the applicable rules and regulations, the Group has determined that it will recognize revenue at a certain point in time.

Transfer of control in contracts with customer

If the Group determines that performance obligations have been fulfilled at a certain point in time, revenue is recognized when control is transferred to the customer. Regarding contracts for the sale of property inventory, this usually occurs when the unit is delivered to the customer.

Determination of the transaction price

The Group is required to explicitly determine the transaction price in all of its contracts with customers. When making accounting judgment, the Group assesses the impact of any variable consideration in the contract, such as discounts or penalties, the existence of any significant financing component in the contract, and any non-cash considerations in the contract. The Group employs the "weighted sum" approach outlined in IFRS (15) "Revenues from Contracts with Customers" to assess the impact of variable consideration. This method involves determining the transaction price by considering a single weighted amount from a range of potential considerations.

Financing component

The Group does not expect any contracts when the time between delivering the promised goods or services to the customer and receiving payment from the customer is longer than one year. Consequently, the Group does not make any changes to transaction prices to account for the time value of money.

Classification of real estate leases

The Group has entered into commercial real estate leases with interested individuals. After evaluating the terms and conditions of these agreements, the Group has concluded that the lease term is not a significant portion of the economic useful life of the leased property. Additionally, the present value of the minimum rental payments does not accurately reflect the full fair value of the leased property, which retains significantly all risks and rewards of these properties' ownership, and the Group accounts for these leases as operating leases.

3.25 Impairment of non-financial assets

The Group annually evaluates whether there are any indicators of impairment in its assets. If such indicators exist, the recoverable amount is estimated to compare it with the carrying amount. If the estimation of the recoverable amount proves to be challenging, the Group will instead estimate the recoverable amount of the lowest cash-generating unit that has been identified. Assigning the asset to it results in cash inflows to the Company from its ongoing use, which is mostly independent from the Company's cash inflows from other assets or cash-generating units.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.25 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of value in use or the fair value less costs to sell. When estimating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money. Asset-specific risks: If the recoverable amount of the asset (or cash-generating unit) is estimated at less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss.

At the reporting date, impairment losses that were previously recorded are assessed to determine if there are any indicators that the losses have decreased or no longer exist. Impairment losses are reversed in the event of a change in the estimates used to calculate the recoverable amount. Impairment losses can be reversed if the carrying value of the assets does not exceed the previously estimated carrying amount, less depreciation or amortization if no impairment loss was recognized.

3.26 Foreign currency transactions and balances

Foreign currency transactions are translated into SAR at the exchange rates ruling at the time of the transaction. Foreign exchange gains and losses resulting from translation and the re-measurement of monetary items denominated in foreign currency are recognized in the statement of profit or loss and other comprehensive income at year-end exchange rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently retranslated at year end, except for non-monetary items measured at fair value that are translated using the exchange rates at the date when the fair value was determined

4. NEW AMENDMENTS TO STANDARDS ISSUED

4.1 New and amended IFRSs issued and applied effective 2023:

The following amendments to standards relevant to the Group are effective for the annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group adopted these standards and / or amendments, however, there is no significant impact of these on the financial statements



AL RAMZ REAL ESTATE COMPANY
 (Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

4. NEW AMENDMENTS TO STANDARDS ISSUED (CONTINUED)

4.1 New and amended IFRSs issued and applied effective 2023 (Continued):

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IFRS 9 (Amendments to IFRS 4)	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	1 January 2023	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
IFRS 17	Insurance Contracts and its amendments	1 January 2023	This is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. Once effective, IFRS 17 (along with its subsequent amendments) will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005.
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023	This amendment deals with assisting entities to decide which accounting policies to disclose in their financial statements.
IAS 8	Amendment to definition of accounting estimate	1 January 2023	This amendments regarding the definition of accounting estimates to help entities to distinguish between accounting policies and accounting estimates.
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	These amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
IAS 12	International tax reform (pillar two model rules)	1 January 2023	These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

4. NEW AMENDMENTS TO STANDARDS ISSUED (CONTINUED)

4.2 New and amended IFRSs issued but not yet effective:

The Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 1	Classification of liabilities as current or non-current	1 January 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	1 January 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IAS 21	Lack of Exchangeability	1 January 2024	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Group in the period of their initial application.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

5. PROPERTIES AND EQUIPMENT, NET

	Vehicles	Office Equipment & Building Improvements	Computers	Total
<u>Cost:</u>				
Balance as at 1 January 2023	-	1,189,959	401,222	1,591,181
Additions	362,608	331,822	267,430	961,860
Disposals	-	-	-	-
Balance as at 31 December 2023	362,608	1,521,781	668,652	2,553,041
<u>Accumulated Depreciation:</u>				
Balance as at 1 January 2023	-	273,301	38,305	311,606
Depreciation for the year	56,017	253,287	104,301	413,605
Disposals	-	-	-	-
Balance as at 31 December 2023	56,017	526,588	142,606	725,211
<u>Net Book Value:</u>				
As at 31 December 2023	306,591	995,193	526,046	1,827,830

	Vehicles	Office Equipment	Computers	Capital Work in Process - Transferred to Intangible Assets	Total
<u>Cost:</u>					
Balance as at 1 January 2022	411,200	732,564	108,957	50,000	1,302,721
Additions	-	457,395	292,265	685,502	1,435,162
Disposals	(411,200)	-	-	(150,231)	(561,431)
Transfers to intangible assets	-	-	-	(585,271)	(585,271)
Balance as at 31 December 2022	-	1,189,959	401,222	-	1,591,181
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2022	411,200	85,552	2,269	-	499,021
Depreciation for the year	-	187,749	36,036	-	223,785
Disposals	(411,200)	-	-	-	(411,200)
Balance as at 31 December 2022	-	273,301	38,305	-	311,606
<u>Net Book Value:</u>					
As at 31 December 2022	-	916,658	362,917	-	1,279,575

- Depreciation for the year was charged to general and administrative expenses.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

6. INTANGIBLE ASSETS, NET

	Software & Networks
<u>Cost:</u>	
Balance as at 1 January 2023	585,271
Additions	77,260
Disposals	-
Balance as at 31 December 2023	662,531
<u>Accumulated Amortization:</u>	
Balance as at 1 January 2023	71,335
Amortization for the year	161,715
Balance as at 31 December 2023	233,050
<u>Net Book Value:</u>	
As at 31 December 2023	429,481
	Software & Networks
<u>Cost:</u>	
Balance as at 1 January 2022	-
Additions	-
Transferred from projects in process during the year	585,271
Balance as at 31 December 2022	585,271
<u>Accumulated Amortization:</u>	
Balance as at 1 January 2022	-
Amortization for the year	71,335
Balance as at 31 December 2022	71,335
<u>Net Book Value:</u>	
As at 31 December 2022	513,936



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

7. INVESTMENT PROPERTIES, NET

	Land	Buildings	Electrical Equipment	Furniture & Fixtures	Total
<u>Cost:</u>					
Balance as at 1 January 2023	21,800,000	22,200,000	-	-	44,000,000
Additions during the year	-	200,001	-	-	200,001
Transferred to property inventory	-	-	-	-	-
Balance as at 31 December 2023	21,800,000	22,400,001	-	-	44,200,001
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2023	-	4,218,000	-	-	4,218,000
Depreciation for the year	-	676,686	-	-	676,686
Balance as at 31 December 2023	-	4,894,686	-	-	4,894,686
<u>Net Book Value:</u>					
As at 31 December 2023	21,800,000	17,505,315	-	-	39,305,315
	Land	Buildings	Electrical Equipment	Furniture & Fixtures	Total
<u>Cost:</u>					
Balance as at 1 January 2022	46,400,000	51,278,582	724,850	363,500	98,766,932
Disposals	-	-	-	-	-
Transferred to property inventory	(24,600,000)	(29,078,582)	(724,850)	(363,500)	(54,766,932)
Balance as at 31 December 2022	21,800,000	22,200,000	-	-	44,000,000
<u>Accumulated Depreciation:</u>					
Balance as at 1 January 2022	-	7,473,484	466,967	212,041	8,152,492
Depreciation for the year	-	980,955	47,362	23,752	1,052,069
Disposals	-	(4,236,439)	(514,330)	(235,793)	(4,986,562)
Balance as at 31 December 2022	-	4,218,000	-	-	4,218,000
<u>Net Book Value:</u>					
As at 31 December 2022	21,800,000	17,982,000	-	-	39,782,001

Investment properties are recorded at their original cost, net of accumulated depreciation and any impairment losses. The fair value of investment properties reached SAR 45,611,000 as at 31 December 2023. The valuation was conducted by an independent valuer, Wasm Valuation Company, which is accredited by the Saudi Authority of Accredited Valuers. They specialize in appraising investment properties of this nature.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

7. INVESTMENT PROPERTIES, NET (CONTINUED)

Investment properties were valued using the fair value method, specifically the income capitalization approach, which relies on significant unobservable inputs and using the cost method. As a result, these investments are classified within Level 3 of the fair value hierarchy. Significant inputs to consider are:

- The capitalization rates are determined by considering inputs such as the specific location, size, and quality of the properties, as well as the market data on the valuation date. Appraisers typically use a rate of 7% - 8% for their calculations.
- Assessing projected vacancy rates considering the prevailing and anticipated market conditions following the conclusion of any existing lease term.
- Maintenance costs, which encompass the investments required to uphold the operational efficiency of the property over its estimated useful life.

As at 31 December 2023, the Group's management has used investment properties with a net book value of SAR 39,305,315 as collateral for Facility (6), Note (18).

8. INVESTMENTS CARRIED AT FVOCI

	Note	As at 31 December 2023	As at 31 December 2022
Watheeq PropTech Venture Fund	8.1	2,100,000	1,200,000
Al-Dalal Al-Jadid Information Technology Holding Company	8.2	350,000	350,000
AL Deyar Travel and Tourism	8.3	500,000	-
		2,950,000	1,550,000

8.1 This investment is in 300,000 units of the Watheeq PropTech Venture Fund (the "Fund"). The Fund is the first Closed-Ended Venture Capital Fund in the Middle East that focuses on property technologies (PropTech). It is Sharia compliant and licensed by the Capital Market Authority in the Kingdom of Saudi Arabia and.

The Watheeq PropTech Venture Fund seeks to invest in recently established technology companies, whether local or international. The Fund is managed by Watheeq Financial Services Company.

8.2 This investment is in Al-Dalal Al-Jadid Information Technology Holding Company (the "Group"), a platform that caters to all property management needs. It offers a unified control panel, performance measurement standards for properties, property offers and rentals, and operating expense control services.

8.3 This investment is in AL Deyar Travel and Tourism Company, amounting to SAR 500,000.

For further information on fair value, please refer to the Fair Value Note.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts in SAR)

9. INVESTMENTS CARRIED AT FVTPL

	Note	31 December 2023	31 December 2022
Investment in Al Ramz Residential Fund	9.1	102,056,703	59,666,983
Investment in Riyadh Real Estate Development Fund - Al Ramz	9.2	60,129,000	72,473,345
Investment in Riyadh Real Estate Development Fund- Durrat King Khalid	9.3	100,000,000	-
Investment in Ramz Tharwa Real Estate Fund	9.4	10,000,000	-
Investment in Riyadh Real Estate Development Fund - Durrat Hittin	9.5	42,160,001	-
		314,345,704	132,140,328

9.1 Al Ramz Residential Fund (The “Fund”) is a Closed-Ended Private Real Estate Investment Fund managed by BLOMINVEST Company. The Fund’s objective is to generate capital by acquiring and developing lands in Sadafah Dist., Al Khubar and Sadafah Dist., Dammām. These lands are designated for the development of residential units, such as villas and apartments. Then sell the properties generating the highest return to shareholders.

9.2 Riyadh Real Estate Development Fund - Al Ramz (the “Fund”) is a Closed-Ended Private Real Estate Investment Fund established in the Kingdom of Saudi Arabia in accordance with the Investment Fund Regulations and the regulations governing Special Purpose Vehicles

This Fund’s investment objective is capital appreciation over the short term by acquiring 5 development properties for construction, planning to construct 4 residential projects in Riyadh and only one project in Al Khubar. The Fund is divested by selling residential units, either off-plan or to other parties upon completion. The Fund has a three-year term, extendable by two additional one-year periods. The commencement date for the Fund is 1 December 2022.

9.3 Riyadh Real Estate Development Fund - Durrat King Khalid Road is a Closed-Ended Real Estate Investment Fund focused on developing a high-quality office project in Riyadh, spanning an area of 27,000 m2. The project encompasses a collection of office buildings and commercial facilities, featuring modern designs that harmonize with the historical legacy and mirror the utmost urban architectural standards. The project stands out due to its strategic location on King Khalid Road, near Prince Mohammed bin Salman Road.

9.4 Ramz Tharwa Real Estate Fund is a Closed-Ended Private Shariah Compliant Real Estate Investment Fund, established in the Kingdom of Saudi Arabia in accordance with the Investment Fund Regulations and the regulations governing Special Purpose Vehicles

This Fund’s main objective is to generate capital gains by channeling investments into the construction of residential units on the property in the Tharwa plan located in Dammām. The Fund’s term lasts for one and a half years.

9.5 Riyadh Real Estate Development Fund - Durrat Hittin (the “Fund”), is a Closed-Ended Private Real Estate Investment Fund, focused on the development of a multi-purpose project in the Hittin Dist., Riyadh, spanning an area exceeding 27,000 m2.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

9. INVESTMENTS CARRIED AT FVTPL (CONTINUED)

31 December 2023	Units (In Numbers)	Value Per Unit	Cost	Market Value
Investment in Al Ramz Residential Fund	85,105	1,000	85,105,410	102,056,703
Investment in Riyadh Real Estate Development Fund - Al Ramz	5,100,000	10	51,000,000	60,129,000
Investment in Riyadh Real Estate Development Fund- Durrat King Khalid	10,000,000	10	100,000,000	100,000,000
Investment in Ramz Tharwa Real Estate Fund	1,000,000	10	10,000,000	10,000,000
Investment in Riyadh Real Estate Development Fund - Durrat Hittin	4,000,000	10	40,000,000	42,160,001
			286,105,410	314,345,704
31 December 2022	Units (In Numbers)	Value Per Unit	Cost	Market Value
Investment in Al Ramz Residential Fund	59,667	1,000	59,666,983	59,666,983
Investment in Riyadh Real Estate Development Fund - Al Ramz	7,247,335	10	72,473,345	72,473,345
			132,140,328	132,140,328

The following are the movements in investments carried at FVTPL:

	31 December 2023	31 December 2022
Beginning balance of the year	132,140,328	59,666,983
Additions during the year	175,461,427	72,473,345
Disposals during the year	(21,496,345)	-
Unrealized gains	28,240,294	-
Ending balance of the year	314,345,704	132,140,328

10. CASH AND BANKS

	31 December 2023	31 December 2022
Bank balances – current accounts	24,199,911	73,086,333
	24,199,911	73,086,333



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

10. CASH AND BANKS (CONTINUED)

At the reporting date, and for the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Bank balances – current accounts	24,199,911	73,086,333
Less: restricted bank balances	(17,127,134)	-
Cash and cash equivalents	7,072,777	73,086,333

As at 31 December 2023, cash at bank comprises bank balances held in restricted guarantee accounts, totaling SAR 17,127 million with a local bank. Withdrawals from those accounts are restricted to covering development costs of the off-plan sale project (Jawharat Al Ramz Project) and settling the amounts due to the National Housing Company for the subsidized project lands.

11. TRADE RECEIVABLES, NET

	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade receivables	110,618,295	11,043,310
Provision for expected credit losses	(315,948)	(315,948)
	110,302,347	10,727,362

12. PREPAYMENTS AND OTHER RECEIVABLES

	<u>31 December 2023</u>	<u>31 December 2022</u>
Margin of letters of guarantee	25,161,029	-
Earned construction revenue	-	19,700,482
VAT receivable *	12,241,223	15,390,000
Suppliers - advance	806,024	4,389,757
Employee receivables and covenant	547,568	485,823
Prepaid expenses	4,963,349	187,323
	43,719,193	40,153,385

* As at 31 December 2023, the Group had a certificate that allows for the recovery of taxes incurred from real estate development. The Group has filed tax recovery claims for the year, still pending review by the Zakat, Tax and Customs Authority (ZATCA).

13. REAL ESTATE UNDER DEVELOPMENT

	<u>31 December 2023</u>	<u>31 December 2022</u>
Balance at the beginning of the year	247,501,987	356,948,599
Additions during the year	269,452,631	348,283,418
Cost of Real estate under development sold	(45,027,364)	(195,484,848)
Transferred to property inventory	(182,961,827)	(262,245,182)
	288,965,427	247,501,987



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts in SAR)

13. REAL ESTATE UNDER DEVELOPMENT(CONTINUED)

- As at 31 December 2023, the Group's management had pledged Real Estate under development with a present value of SAR 40,882,753 , as a security for credit facility (3), Note (18), with a local bank.
- As at 31 December 2023, the Group's management had pledged Real Estate under development with a present value of SAR 192,023,603, as a security for credit facility (4), (5), Note (18), with a local bank.
- As at 31 December 2023, the Group's management had pledged Real Estate under development with a present value of SAR 11,539,600 , as a security for credit facility (7), Note (18), with a local bank.

14. REAL ESTATE INVENTORY

	31 December 2023	31 December 2022
Beginning balance of the year	87,293,639	2,357,716
Transferred from Real estate under development during the year	182,961,703	262,245,182
Transferred from investment property during the year	-	49,780,871
Transfer to cost of revenue attributable to properties sold during the year	(164,816,709)	(227,090,130)
	105,438,633	87,293,639

15. RELATED-PARTIES TRANSACTIONS AND BALANCES

Related parties include the shareholders of the Group, key management personnel, and the entities owned or managed by these parties, and any other entities controlled, jointly controlled, or significantly influenced by them. In the ordinary course of the Group's activities, related-party transactions are carried out through contracts that have been approved by management. The following is a summary of significant transactions that the Group entered into with the related parties during the year, along with a breakdown of the net related-party balances:

Related-Parties Balances:

	Nature of Relationship	Nature of Transactions	As at 31 December 2023 Receivable / (Payable)	As at 31 December 2022 Receivable / (Payable)
RMZ Holding Co.	Affiliate 2	Operations	24,001,588	-
Meshkati Trading Co.	Affiliate	Operations	(361,094)	-

Related-Parties Transactions:

	Nature of Relationship	Nature of Transactions	Amount of transaction for the year ended	
			31 December 2023	31 December 2022
Authorization for the building materials industry Co.	Affiliate 1	Operations	-	131,568
Rumoz Holding Company	Affiliate 2	Operations	44,001,588	-
Rasheed Abdul Rahman	Principal shareholder	Finance	-	(1,295,468)
Nasser Al Rasheed	Shareholder 1	Operations	-	(150,500)
Harun Rasheed Al Rasheed	Shareholder 2	Operations	-	(318,600)
Abdul Malek Rasheed Al Rasheed	Affiliate	Operations	3,134,886	-
Meshkati Trading Co.	Affiliate	Operations	115,000	-
Majed Abdul Rahman Al Rasheed				
Professional services Co.				



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

15. RELATED-PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Benefits, remunerations and compensations to key management personnel:

Key management personnel of the Group include key management personnel, who exercise authority and responsibility in planning, directing and controlling the Group's activities.

	<u>31 December 2023</u>	<u>31 December 2022</u>
Salaries and compensations	1,310,602	1,048,861
Remunerations	102,756	1,017,268
	<u>1,413,358</u>	<u>2,066,129</u>

16. SHARE CAPITAL

The Extraordinary General Assembly convened on 19 December 2021, to approve the increase of the Group's share capital from SAR 50,000,000 to SAR 300,000,000 via transferring SAR 238,358,653 from Additional Paid-In Capital and SAR 11,641,347 from Retained Earnings to Share Capital.

The equity shares have been apportioned among the shareholders as follows:

<u>Shareholder</u>	<u>Shares in Numbers</u>	<u>Value Per Share SAR</u>	<u>Total Value SAR</u>	<u>Shareholding %</u>
Rasheed Abdul Rahman Nasser Al Rasheed	24,000,012	10	240,000,120	80%
Harun Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Abdul Malek Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Rakan Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500,000	2.52%
Haya Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Modi Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Sarah Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
	<u>30,000,000</u>		<u>300,000,000</u>	<u>100%</u>

17. RESERVES

In accordance with the Company's Bylaws and Regulations for the Companies in Kingdom of Saudi Arabia, the Company is required to transfer 10% of net income to a statutory reserve, the Ordinary General Assembly may resolve to cease deduction until such reserve equals 30% of paid-up capital. This reserve is not distributable.

18. LONG – TERM BORROWINGS

	<u>31 December 2023</u>	<u>31 December 2022</u>
Non-Current Liabilities		
Non-current portion from long-term borrowings	229,679,094	33,004,808
Current portion from long-term borrowings	22,771,786	35,435,225



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

18. LONG – TERM BORROWINGS (CONTINUED)

	31 December 2023	31 December 2022
Facility (1)	26,250,000	35,000,000
Facility (2)	-	18,230,000
Facility (3)	21,250,000	25,000,000
Facility (4)	20,543,572	20,543,572
Facility (5)	79,456,428	-
Facility (6)	100,000,000	-
Facility (7)	30,000,000	-
	277,500,000	98,773,572
Add: Finance costs, net	6,200,880	396,461
Paid during the year	(31,250,000)	(30,730,000)
Ending balance of the year	252,450,880	68,440,033

Facility (1):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 23 May 2021. The agreement provides a financing limit of SAR 40 million to support the Group's operating activities. The facility will be repaid semi-annually over a 4-year period, beginning on 31 May 2022.

On 28, July 2022, the mortgage mentioned earlier was paid off. Investment properties with a book value of SAR 39,305,315 were then remortgaged. These properties were included under investment property (Note 6). Additionally, development property, which includes lands and construction costs, were also mortgaged with the local bank. Throughout the year, the loan amount of SAR 26,250,000 was paid off, and the mentioned properties were used as collateral for Facility (7).

Facility (2):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local finance company on 17 May 2021. This agreement will expire on 28 April 2026. It is for financing The Group's operating activities, amounting to SAR 18.2 million. The Group has entirely utilized the loan amount Until 30 June 2022 and is currently in the process of repaying the financing in 2 annual payments over a 5-year period. The agreement involves the sale of the land to a local company, followed by a lease agreement contingent upon meeting the facility terms, with the commitment of a donation. The Group mortgaged development properties of SAR 40,889,820 million with the finance company. During 2022, the Group entirely fulfilled its financial obligations to the finance company. On 28 July 2022, the mortgage was paid off, due to repayment of entire loan amount, and the land ownership was transferred to Al Ramz Real Estate Company as a result of meeting loan amount obligation.

Facility (3):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 25 August 2021. The agreement provides a financing limit of SAR 25 million, specifically for operating purposes. During the year ended 31 December 2022, the Group mortgaged development properties of SAR 69,317,183. In the year ended 31 December 2023 the Group discharged the previous mortgage made against properties in 2022 and remortgaged development properties of SAR 40,882,753 with the local bank, dated 27 May 2023. During the year SAR 5,000,000 was repaid.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

18. LONG – TERM BORROWINGS (CONTINUED)

Facility (4), (5):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 18 July 2022. The agreement provides a financing limit of SAR 100 million, specifically for operating purposes. During the year ended 31 December 2022, SAR 20.5 million was utilized.

The Group mortgaged development properties with a present value of SAR 192,023,603 as at 31 December 2023, with a local bank. SAR 79.5 million was utilized, representing the amount remaining in the outstanding facility, and there is potential to secure more facilities in the future.

Facility (6):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 9 October 2023. The agreement provides a financing limit of SAR 100 million, specifically for operating purposes. The Group mortgaged subscription units in Riyadh Real Estate Development Fund - Durrat King Khalid, valued at SAR 100 million, with the local bank.

Facility (7):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 10 December 2023. The agreement provides a financing limit of SAR 130 million, specifically for operating purposes. SAR 30 million was utilized during the period until 31 December 2023. The Group secured a mortgage of SAR 50,844,915, allocated to investment properties of SAR 39,305,315 and development properties of SAR 11,539,600, with the local bank.

Long-Term Borrowings:

	31 December 2023	31 December 2022
Beginning balance of the year	68,043,572	53,230,000
Withdrawals / new credit facility additions during the year	209,456,428	45,543,572
	277,500,000	98,773,572
Borrowings paid during the year	(31,250,000)	(30,730,000)
Add: Finance costs, net	6,200,880	396,461
Ending balance of the year	252,450,880	68,440,033
Less: Current portion from long-term borrowings	(22,771,786)	(35,435,225)
Non-current portion from long-term borrowings	229,679,094	33,004,808

The following is a breakdown of the movements in finance costs:

	31 December 2023	31 December 2022
Beginning balance of the year	396,461	862,578
Additions during the year	9,633,461	2,315,417
Finance costs paid during the year	(3,829,043)	(2,781,534)
Ending balance of the year	6,200,880	396,461

For further information on maturity profile of borrowings, please refer to Note (27).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

19. EMPLOYEE END-OF-SERVICE BENEFIT OBLIGATIONS

The Group provides end-of-service benefits to its employees in accordance with the labor law applicable in the Kingdom of Saudi Arabia. These benefits represent an unfunded type of defined benefit plan.

The retirement schemes provide benefits that are primarily determined by the length of service and the employee compensation. Scheme funding is tailored to meet local requirements. Obligations are vulnerable to demographic, legal, and economic risks. Unforeseen changes in commodity and capital markets, along with fluctuations in the discount rate used for calculating defined benefit obligations, are the main factors contributing to economic risks.

Principal Actuarial Assumptions:

	% per annum	
	31 December 2023	31 December 2022
<i>Financial assumptions:</i>		
- Net discount rate	4.75	4.50
- Salary increment rate	2.5	3.00

The movements in the present value of defined benefit obligations:

	31 December 2023	31 December 2022
Opening balance - the present value of defined benefit obligations	237,381	130,780
Current service cost	325,324	104,078
Interest cost	14,625	3,602
Benefit payments	(60,986)	(21,344)
Actuarial losses / (gains) on the obligation	(48,603)	20,264
Ending Balance - The present value of defined benefit obligations	467,741	237,380

Sensitivity analysis is as follows:

	31 December 2023	31 December 2022
<i>Principal assumptions:</i>		
Discount rate +1%	341,164	216,555
Discount rate -1%	399,637	262,073
Salary increment rate +1%	401,991	263,473
Salary increment rate -1%	338,689	215,035

20. ACCRUED EXPENSES AND OTHER PAYABLE

	31 December 2023	31 December 2022
Remunerations and incentives payable	2,875,000	6,067,198
VAT	3,592,728	5,436,467
Accrued business expenses	6,408,550	4,911,729
Warranty and maintenance provision	678,471	874,761
Real estate transaction tax (RETT) due to others	29,260	263,950
Security deposits for leasing units	117,744	150,908
Operational petty cash	47,735	141,744
Other accrued expenses	842,500	95,890
Total	14,591,988	17,942,647



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

21. ADVANCE PAYMENTS CLIENTS

	31 December 2023	31 December 2022
Revenue of development contracts collected in advance	20,000,000	9,957,948
Rentals collected in advance	2,049,027	640,884
Unit sale deposits	4,112,020	-
Off-plan sales revenue collected in advance	7,935,577	-
Total	34,096,624	10,598,832

22. REVENUE

The following is a detailed breakdown of the revenue:

	31 December 2023	31 December 2022
Unit sales revenue	250,427,415	273,596,983
Real estate development revenue for others	50,179,466	224,195,745
Investment property sales revenue	-	74,250,000
Development commission revenues for others	218,258,333	57,043,530
Lease revenue	1,892,469	2,824,890
Construction revenue	1,959,885	1,341,455
Off-plan sales revenue - Jawharat AlRamz	9,191,556	-
Total	531,909,124	633,252,603

23. COST OF REVENUE

	31 December 2023	31 December 2022
Cost of development projects sold	45,027,364	196,285,974
Cost of units sold	164,816,709	181,165,323
Cost of investment properties sold	-	45,924,807
Cost of real estate development contracts	187,971,855	39,699,488
Completion expenses attributable to finished projects	4,700,850	1,921,086
Depreciation of investment property	676,785	1,052,069
Warranty and maintenance provision expense	644,802	886,546
Lease expenses	468,190	724,425
Total	404,306,555	467,659,718



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

24. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2023	31 December 2022
Salaries, remunerations and equivalents	6,218,186	3,568,651
Remunerations and incentives	2,554,294	3,332,054
Flotation expenses *	-	2,405,387
Professional consultations and fees	1,208,813	1,089,415
Systems and networks expenses	256,672	508,145
Government charges	608,771	454,556
Doubtful debts	-	315,948
Depreciation of property and equipment	575,190	295,120
Social insurance	606,430	240,383
Rentals	527,282	188,693
Medical insurance	607,101	185,639
Hospitality and cleaning expenses	289,357	155,890
Digital services subscription charges	13,112	127,039
End-of-service benefits	335,926	107,681
Stationery and prints	129,553	99,153
Training and recruitment	130,381	88,471
Telephone, internet and electricity	96,053	58,077
Bank commissions	86,342	13,651
Grants and donations	2,086,700	-
Others	707,101	238,038
Total	17,037,264	13,471,991

25. OTHER INCOME

	31 December 2023	31 December 2022
Income from marketing and brokerage commissions	2,259,079	-
Returns on Islamic placements	399,620	-
Other income	2,258,872	1,698,707
Total	4,917,571	1,698,707

26. ZAKAT PROVISION

26.1 Zakat base

a. Zakat Calculation:	31 December 2023	31 December 2022
Total zakat items	871,530,958	559,809,627
Less: total non-zakat items	(666,599,526)	(272,882,653)
Zakat base	203,861,418	286,926,974
Zakat charge at 2.5% of zakat base	5,139,877	7,396,070



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

26. ZAKAT PROVISION (CONTINUED)

26.2 The movements in zakat provision

	<u>31 December 2023</u>	<u>31 December 2022</u>
Beginning balance of the year	7,396,070	4,288,486
Charged for year	5,139,877	7,396,070
Paid during the year	(7,296,010)	(4,288,486)
Ending balance of the year	5,239,937	7,396,070

26.3 Zakat assessment

The Group has successfully filed zakat returns up to the year ended 31 December 2022 and received a provisional zakat certificate from the Zakat, Tax, and Customs Authority (ZATCA), which is valid until 30 April 2024. Final zakat assessments have not yet been received from ZATCA for those years.

27. COMMITMENTS AND CONTINGENT LIABILITIES

The company is executing many development projects, with the value of unexecuted commitments as of December 31, 2023, amounting to (826,137,368) Saudi Riyals.

28. FINANCIAL RISK MANAGEMENT

The Group's main financial liabilities consist of trade payables, due to related parties, and advances from clients. The Company's primary financial assets include cash and cash equivalents, trade and other receivables, due from related parties, and investments carried at FVOCI & FVTPL. The primary financial risks that arise from the Company's financial instruments include market risk (such as foreign exchange risk), credit risk, and liquidity risk. Management carefully evaluates and aligns policies to effectively manage these risks.

28.1 Market risk

It is the risk of fluctuation in the value of a financial instrument due to changes in market rates, such as price risk and foreign exchange rates, which affect the Group's income or the value of its holdings of financial instruments. Market risk management aims to manage and control market risk exposures within acceptable parameters, while maximizing returns. There has been no change in the Group's market exposures or the way they are managed or measured.

28.1.1 Price risk

The Group is exposed to market price risk due to fluctuations in the fair value of financial assets held at fair value caused by changes in market drivers.

The following table provides a sensitivity analysis in response to fluctuations in market prices.

	<u>31 December 2023</u>	<u>31 December 2022</u>
Net asset value of units + 10%	31,729,570	13,369,032
Net asset value of units - 10%	(31,729,570)	(13,369,032)

28.1.2 Foreign currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when future transactions, assets and liabilities are recognized in a currency other than SAR. The Group's management believes that foreign currency exposures are minimal, as SAR is pegged to the US dollar.

The management monitors foreign exchange rate fluctuations and believes that the Group has no significant exposure to exchange rate changes.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

28.2 Credit risk

Credit risk is the potential financial losses that may arise if a counterparty fails to fulfill their obligations. The Group does not have undue concentration of credit risk. Cash and cash equivalents are deposited with local banks that have high credit ratings. Trade and other receivables are mainly due from customers in the local market and are stated at their estimated recoverable amount. The Group has policies in place to minimize its credit risk. The maximum credit risk exposure at the reporting date is outlined below:

	31 December 2023	31 December 2022
Cash at bank	24,199,911	73,086,333
Trade receivables	110,618,295	11,034,310
Due from related parties	24,001,588	-
	158,819,794	84,120,643

Cash is placed with banks that have a high credit rating. Thus, an impairment test was made using a 12-month expected loss model. The management's impairment test indicates that no material provision is required for these balances for all the years presented.

Trade receivables, other receivables and due from related parties:

The Group utilizes the simplified IFRS 9 approach for measuring ECL, employing a lifetime ECL provision for receivables, other receivables, and due from related parties.

Receivables:

31 December 2023	0-30 days	31-90 days	91-120 days	121-365 days	Total
Trade receivables	33,333,944	56,089,552	9,013,107	11,865,744	110,302,347
31 December 2022	0-30 days	31-90 days	91-120 days	121-365 days	Total
Trade receivables	10,727,362	-	-	-	10,727,362

28.3 Liquidity risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with financial instruments. Liquidity risk may result from the failure to sell a financial asset quickly at a value close to its fair value. Regular monitoring ensures that the Group has sufficient liquidity to fulfill its financial obligations. The Group's approach to managing liquidity is to guarantee that it will have sufficient funds to fulfill its obligations as due, even in regular and stable circumstances, without having significant losses or risking damage to its reputation.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

28.3 Liquidity risk (Continued)

The following table provides a summary of the Company's financial liabilities, grouped by their maturity profile. It shows the remaining period from the statement of financial position date to the contractual maturity date. The figures in the table represent the undiscounted contractual cash flows.

31 December 2023	Carrying Amount	Less than 1 year	1-5 years	More than 5 years
Trade payables	39,218,615	39,218,615	-	-
Accrued expenses and other payable	14,591,988	14,591,988	-	-
Clients - advance	34,096,625	34,096,625	-	-
Long - term borrowings	252,450,880	22,771,786	229,679,094	-
	340,358,108	110,679,014	229,679,094	-
31 December 2022	Carrying Amount	Less than 1 year	1-5 years	More than 5 years
Trade payables	16,641,376	16,641,376	-	-
Accruals and other payables	17,942,647	17,942,647	-	-
Clients - advance	10,598,832	10,598,832	-	-
Long - term borrowings	68,440,032	35,435,225	33,004,808	-
	113,622,887	80,618,080	33,004,808	-

28.4 Commission risk

Commission rate exposure involves dealing with the potential risks that arise from fluctuations in commission rates and how they can impact the Company's consolidated statement of financial position and cash flows. The Group regularly monitors commission rate schedules for commission-bearing financial instruments to manage commission rate risk. The Group's special commission-bearing liabilities, primarily consisting of bank borrowings, are susceptible to floating rates and may be re-priced. Management closely monitors fluctuations in commission rates and believes that any potential impact on the fair value and cash flows of the Company is insignificant.

Financial assets that carry a finance cost comprise of short-term Murabaha deposits at fixed interest rates. Thus, it is not susceptible to the commission risk for cash flows and fair value.

The following is a breakdown of the commission rates for the Company's commission-bearing financial instruments, as reported to the Group's management:

	31 December 2023	31 December 2022
Long - term borrowings	252,450,880	68,440,032
	252,450,880	68,440,032

Interest rate fluctuations result in a corresponding impact on the profit or loss through the commission expense (Increase / Decrease) related to borrowings. The table below sets out the effect on the Group's income of a reasonably possible in commission rates, reflecting such effect on the borrowing rates. The analysis assumes that all other variables remain constant.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

28.4 Commission risk (Continued)

31 December 2023	Increase / decrease in basis points (bps) related to commission rates	Impact on the income for the year
Commission rate increase	+100	2,524,509
Commission rate decrease	-100	(2,524,509)
	Increase / decrease in basis points (bps) related to commission rates	Impact on the income for the year
31 December 2022		
Commission rate increase	+100	684,400
Commission rate decrease	-100	(684,400)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1:** Inputs that are quoted (unadjusted) in active markets for identical instruments.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Management has determined that the fair values of cash and cash equivalents, trade receivables, investments carried at FVOCI, other current assets, trade payables, borrowings and other current liabilities are a close approximation of their carrying amounts. This is primarily because these financial instruments have short-term maturity.

The following table outlines the fair value of financial instruments and investment properties as disclosed at year-end:

31 December 2023	Level 1	Level 2	Level 3	Total
Investments carried at FVOCI	-	-	2,950,000	2,950,000
Investments carried at FVTPL	-	-	314,345,704	314,345,704
	-	-	317,295,704	317,295,704



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts in SAR)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

<u>31 December 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments carried at FVOCI	-	-	1,550,000	1,550,000
Investments carried at FVTPL	-	-	132,140,328	132,140,328
PROPERTIES	-	-	133,690,328	133,690,328

30. DIVIDENDS

On 21 March 2022, the General Assembly approved the distribution of cash dividends to shareholders for the year ended 31 December 2021, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the par value of the share.

On 9 March 2023, the Board of Directors proposed to the General Assembly the distribution of cash dividends to shareholders for the year ended 31 December 2022, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the par value of the share.

On 22 June 2023, the General Assembly approved the distribution of cash dividends to shareholders for the year ended 31 December 2022, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the par value of the share.

31. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

32 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Group's Board of Directors on 5 Dhu al-Hijjah 1445 AH corresponding to June 11 2024



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024
With the Independent Auditor's Report



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	1-3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8-53



PKF Al Bassam
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(SAUDI CLOSED JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

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

We have audited the consolidated financial statements of the Group, which comprise of the following:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the code of professional conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 and the Regulations for Companies and the Company's Bylaws 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(SAUDI CLOSED JOINT STOCK COMPANY)
RIYADH, KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of Group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT

TO THE / SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY
(SAUDI CLOSED JOINT STOCK COMPANY)
RIYADH, SAUDI ARABIA

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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.

For PKF Albassam Chartered Accountants

Ahmed A. Mohandis
Certified Public Accountant
License No : 477
Riyadh, Kingdom of Saudi Arabia
Date: 07 Dhul-Qi'dah 1446 AH
Corresponding to: 05 May 2025



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AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024
(All amounts in SAR)

	Note	31 December 2024	31 December 2023
ASSETS			
Non-Current Assets			
Properties and equipment, net	6	9,589,398	1,827,830
Intangible assets, net	7	270,618	429,481
Investment properties, net	8	38,626,527	39,305,315
Investment carried at fair value through other comprehensive income (FVOCI)	9	6,154,450	2,950,000
Investments in associate companies	10	8,450,000	-
Investments carried at fair value through profit or loss (FVTPL)	11	316,329,269	314,345,704
Right of use assets, net	12	12,208,433	-
Total Non-Current Assets		391,628,695	358,858,330
Current Assets			
Cash at banks	13	52,145,593	24,199,911
Trade receivables, net	14	375,046,137	110,302,347
Prepayments and other receivables	15	45,966,793	43,719,193
Real Estate under development	16	445,216,021	288,965,427
Real Estate Inventory	17	6,810,342	105,438,633
Due from related parties	18	46,969,290	24,001,588
Total Current Assets		972,154,176	596,627,099
TOTAL ASSETS		1,363,782,871	955,485,429
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	300,000,000	300,000,000
Reserves	20	37,670,775	37,670,775
Actuarial reserve		(470,513)	4,824
Retained earnings		403,298,689	271,744,044
TOTAL EQUITY		740,498,951	609,419,643
LIABILITIES			
Non-Current Liabilities			
Employee end-of-service benefit obligation	22	1,548,036	467,741
Lease liabilities - non-current	12	9,412,600	-
Non-current portion from long-term borrowings	21	277,811,303	229,679,094
Total Non-Current Liabilities		288,771,939	230,146,835
Current Liabilities			
Trade payables		53,275,670	38,857,521
Due to related parties	18	300,000	361,094
Accrued expenses and other payable	23	58,817,279	14,591,988
Advance payments clients	24	56,564,282	34,096,624
Lease liabilities - current	12	3,097,965	-
Zakat provision payable	30	11,217,506	5,239,938
Current portion from long-term borrowings	21	151,239,279	22,771,786
Total Current Liabilities		334,511,981	115,918,951
TOTAL LIABILITIES		623,283,920	346,065,786
TOTAL EQUITY AND LIABILITIES		1,363,782,871	955,485,429

 **Chief Financial Officer**
 **Chief Executive Officer**
 **Chairman**

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024
(All amounts in SAR)

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue	25	951,754,644	531,909,124
Cost of revenue	26	(785,128,884)	(404,306,555)
Gross profit		166,625,760	127,602,569
General and administrative expenses	27	(31,355,652)	(17,037,260)
Selling and marketing expenses		(18,290,342)	(9,624,033)
Depreciation expense of right of use assets	12	(3,334,267)	-
Operating income		113,645,499	100,941,276
Finance cost and bank facilities	29	(16,692,267)	(2,360,429)
Financing interest income	18	269,290	-
Other income	28	21,887,976	4,517,951
Unrealized gains from investments at fair value through profit and loss	11	47,828,461	28,240,295
Realized gains from investments at fair value through profit and loss	11	2,012,405	-
Interest income from Islamic deposits		516,089	399,620
Net income for the year before zakat		169,467,453	131,738,713
Zakat	30	(11,117,258)	(5,139,878)
Net income for the year		158,350,195	126,598,835
Other comprehensive income			
<i>Items that will not be reclassified to the consolidated statement of income in subsequent years:</i>			
Gains from revaluation of investments through FVOCI	9	3,204,450	-
Actuarial (loss) / gain on end-of-service benefits	22	(475,337)	48,603
Other comprehensive profits for the year		2,729,113	48,603
Total comprehensive income for the year		161,079,308	126,647,438
Basic earnings per share		5.28	4.22

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024
(All amounts in SAR)

	Share Capital	Reserves	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2023	300,000,000	24,177,055	(43,779)	188,638,929	512,772,205
Net income for the year	-	-	-	126,598,835	126,598,835
Other comprehensive income	-	-	48,603	-	48,603
Total comprehensive income for the year	-	-	48,603	126,598,835	126,647,438
Transferred to statutory reserve	-	13,493,720	-	(13,493,720)	-
Dividends payable (Note 34)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2023	<u>300,000,000</u>	<u>37,670,775</u>	<u>4,824</u>	<u>271,744,044</u>	<u>609,419,643</u>
Balance as at 1 January 2024	300,000,000	37,670,775	4,824	271,744,044	609,419,643
Net income for the year	-	-	-	158,350,195	158,350,195
Other comprehensive income	-	-	(475,337)	3,204,450	2,729,113
Total comprehensive income for the year	-	-	(475,337)	161,554,645	161,079,308
Transferred to statutory reserve	-	-	-	-	-
Dividends payable (Note 34)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 31 December 2024	<u>300,000,000</u>	<u>37,670,775</u>	<u>(470,513)</u>	<u>403,298,689</u>	<u>740,498,951</u>

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024
(All amounts in SAR)

		<u>31 December 2024</u>	<u>31 December 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before zakat		169,467,453	131,738,713
Depreciation of properties and equipment	6	981,869	413,605
Depreciation of investment properties	8	678,788	676,686
Provision for employee end-of-service benefits	22	615,353	339,949
Financing transaction costs	21	23,700,622	9,633,461
Finance cost of end-of-service provision	22	27,656	-
Depreciation of right of use assets	12	3,334,267	-
Finance cost of lease liabilities	12	1,135,865	-
Amortization of intangible assets	7	167,083	161,715
ECL provision	14	3,481,048	-
Unrealized gains on investments at fair value through income statement (FVIS)	11	(47,828,461)	(28,240,294)
Realized gains on investments measured at fair value through income statement (FVIS)	11	(2,012,405)	-
		<u>153,749,138</u>	<u>114,723,835</u>
Changes in working capital items:			
Trade receivables		(268,224,838)	(99,574,985)
Due from related parties		5,651,587	(24,001,588)
Prepayments and other receivables		(2,247,600)	(3,565,808)
Real Estate under development		(156,250,594)	(41,463,440)
Real Estate Inventory		98,628,291	(18,144,994)
Trade payables		14,418,149	22,216,145
Due to related parties		(361,094)	361,094
Advance payments clients		22,467,658	23,497,792
Accrued expenses and other payable		29,225,290	(3,350,659)
Interest paid on lease liabilities		(1,135,864)	-
Financing transaction costs paid		(20,137,223)	(3,829,043)
Cash used in operations		<u>(124,217,100)</u>	<u>(33,131,651)</u>
End-of-service benefits provision charged	22	(38,051)	(60,986)
Zakat paid during the year	30	(5,139,689)	(7,296,010)
Net cash used in operating activities		<u>(129,394,840)</u>	<u>(40,488,647)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of properties equipment		(8,743,437)	(961,860)
Additions of investment properties		-	(200,001)
Payments for investments carried at FVOCI		-	(1,400,000)
Payments for purchase of intangible assets		(8,220)	(77,260)
Payments for investments carried at FVSI	11	(40,642,699)	(175,461,427)
Proceeds from investments carried at FVSI		88,500,000	21,496,345
Payments for investments in associate companies	10	(8,150,000)	-
Net cash generated from / (used in) investing activities		<u>30,955,644</u>	<u>(156,604,203)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term borrowings received		217,254,081	209,456,428
Dividends paid	34	(15,000,000)	(30,000,000)
Borrowings paid		(44,217,777)	(31,250,000)
Lease liabilities paid		(3,032,136)	-
Due from related parties		(28,619,290)	-
Net cash generated from financing activities		<u>126,384,878</u>	<u>148,206,428</u>
Net change in cash and cash equivalents		<u>27,945,682</u>	<u>(48,886,422)</u>
Cash and cash equivalents at beginning of the year		<u>24,199,911</u>	<u>73,086,333</u>
Cash and cash equivalents at end of the year		<u>52,145,593</u>	<u>24,199,911</u>
Non-cash transactions:			
Right of use assets		(15,630,298)	-
Investments in associate		(300,000)	-
Dividends Payable		(15,000,000)	-

Chief Financial Officer

Chief Executive Officer

Chairman

The accompanying notes 1 to 37 form an integral part of these consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

1. ORGANIZATION AND ACTIVITIES

Al Ramz Real Estate Company (the “Company”) is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia under commercial registration number 1010488618 dated 29 Dhul-Qidah 1437 H (corresponding to 1 September 2016).

The Company's registered address is Wadi Waj Street, Al Malqa District, Riyadh, postal code 13521, Kingdom of Saudi Arabia.

The main activity of the company is as follows:

<u>General field of activities</u>	<u>Activity Name</u>
Construction	Building construction
	Construction of roads and railway lines
	Benefit projects
	Demolition
	Site preparation
	Electrical installations
	Plumbing, heating and air conditioning works
	Completion and finishing of buildings
Accommodation and food services activities	Other specialized construction activities
	Short-term accommodation activities
Real Estate activities	Real estate activities in owned or leased property
	Real estate activities based on fees or contracts
Administrative and support services	Integrated facilities support activities
Other service activities	Activities of professional organizations with membership

During the year ended 31 December 2023, the Group’s Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3 Rabi' al-Awwal 1444 H. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the “Holding Company”) will exercise control over Asos Al Ramz Contracting Company and will be accounted for as a subsidiary.

On 4 Ramadan 1445 H corresponding to 14 March 2024, the name of the subsidiary was changed from Asos Al Ramz Contracting Company to Zat Al Emar Contracting Company.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the “Holding Company”), and its directly owned company (“Subsidiary”):

<u>Subsidiary</u>	<u>Incorporation country</u>	<u>Legal Form</u>	<u>Effective Ownership Percentage (Direct)</u>
Zat Al Emar Contracting	KSA	LLC	100%

- (1) Zat Al Emar Contracting Company ("the Company") is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 AH, corresponding to 9 March 2022.

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AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

<u>General Field of Activities</u>	<u>Activity Name</u>
Construction	Building Construction
	Construction of roads and railway lines
	Benefit projects
	Civil Engineering Construction Works
	Demolition
	Site Preparation
	Electrical Installations
	Plumbing, Heating, and Air Conditioning Works
	Completion and finishing of buildings

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of consolidation

The consolidated financial statements encompass Al Ramz Real Estate Company and its subsidiary (the “Group”), as described in Note (1).

The consolidated financial statements include the consolidated financial statements of the Holding Company and its subsidiaries as at 31 December 2024. Subsidiaries are entities which are controlled by the Group. Control is achieved when the Group is exposed to risks or has the right to receive variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure to risks or has the right to receive variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns and when the Group maintains less than the majority of voting or similar rights of an investee.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other voting holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of comprehensive income,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of measurement

These consolidated financial statements have been prepared on a historical cost except the investments carried at FVSI & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

Certain comparative figures have been reclassified to conform with the current year presentation.

2.4 Functional and presentation currency

These consolidated financial statements are presented in SAR, which is the Company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires the Group management to make estimates and judgments that affect the application of accounting policies and the disclosed amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the result of which forms the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed if the revision affects only that period or in the period of the revision and current and future periods affected.

In the process of applying the Group's accounting policies, the Group's management has made the following judgments, which have a significant effect on the amounts recognized in the consolidated financial statements.

3.1 Current versus non-current classification

Classification of assets and liabilities as current or non-current. The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the Company's normal operating cycle, or
- It is held primarily for the purpose of trading, or
- Expected to be realized within 12 months after the statement of financial position date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the statement of financial position date.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Current versus non-current classification (Continued)

All other assets are classified as non-current assets. A liability is current when:

- It is expected to be settled in the Company's normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within 12 months after the statement of financial position date, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the statement of financial position date.

The Company classifies all other liabilities as non-current liabilities.

Tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Financial instruments

A financial instrument is any contract that results in a financial asset for one party and a financial liability or equity instrument for another party.

3.2.1 Financial assets

IFRS 9 includes three main categories for classifying financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). The Group generally classifies its financial assets based on the business model in which the financial assets are managed and their contractual cash flows.

1) Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and the information is provided to the Management.

2) Fair value through other comprehensive income (FVOCI)

Debt instruments

Debt instruments are measured at FVOCI if they meet both of the following criteria and are not designated at FVTPL:

- The asset is held within a business model whose objective is to collect contractual cash flows and sell financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in the statement of profit or loss and other comprehensive income. This election is made on an investment-by-investment basis.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments

3.2.1 Financial assets (Continued)

3) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing the financial assets.

Financial assets that are held for trading, if any, and whose performance is evaluated on a fair value basis are measured and included in financial assets at fair value through profit or loss, because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets

The Group's impairment model is based on the "ECL" model outlined in IFRS 9 "Financial Instruments".

The relevant loss allowance includes the expected credit losses "ECL":

12-month ECL (the expected credit losses that may arise from defaults on financial instruments within 12 months of the reporting date); or

Lifetime ECL (the expected credit losses arising from all defaults over the life of the financial instrument).

An impairment allowance is recognized for lifetime ECL on the financial instrument if the credit risk for the instrument has increased significantly since initial recognition. This includes contractual assets and trade receivables that lack significant financing components. The Group also recognizes lifetime ECL on contractual assets and trade receivables that have significant financing components in accordance with IFRS 9.

The Group employs practical approaches in estimating lifetime ECL on the financial instrument. Lifetime ECL are calculated for trade receivables by assessing the recoverability of the total carrying amount for each customer.

3.2.2 Derecognition

A financial asset (a part of a financial asset or a part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) where:

- 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, or (a) the Group has transferred substantially all of the risks and rewards of the asset or (b) neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it assessed whether, and to what extent, it has retained the risks and rewards of ownership, has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, The Group continues to recognize the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognized liabilities associated with the asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (Continued)

3.2.2 Derecognition (Continued)

The continuing involvement in the transferred asset is assessed based on the lower of initial carrying amount of the asset or the maximum payment that the Group may be required to make.

The Group classifies its financial liabilities, excluding financial guarantees and loan commitments, as liabilities measured at amortized cost. Amortized cost is calculated by considering any discounts or premiums on obtaining finance. Finance cost forms an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced or modified by the same lender with different terms or substantially different terms, it is accounted for as a derecognition of the original liability and a recognition of the new liability. The difference between the respective carrying amounts is recorded in the statement of profit or loss and other comprehensive income.

3.2.3 Offsetting

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

3.3 Property and equipment

Property, plant and equipment are initially recognized at acquisition cost, which includes any costs directly related to restoring the assets to their intended condition and location for proper operation as determined by the Group's management. The assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

When major different components of an item of property, plant and equipment have varying useful lives, they are accounted for as single items of property, plant and equipment.

Depreciation is charged to the statement of profit or loss and other comprehensive income and is calculated on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The following are the estimated depreciation rates for the depreciable assets:

<u>Item</u>	<u>Rate</u>
Vehicles	25%
Computers	25%
Office equipment and building improvements	The lower of 20% or the lease term
Plant and equipment	20%

Non-current assets are reviewed for impairment to determine if their carrying amount is recoverable, based on any relevant events or changes in circumstances. Impairment loss, if any, is recognized when the carrying amount of the asset is higher than its recoverable amount. The recoverable amount of an asset is the higher of the fair value less cost to sell or its value in use.

Assets under construction that are not yet ready for their intended use are not depreciable.

Repair and maintenance expenses are charged to the statement of comprehensive income. Repair and maintenance expenses that would significantly increase the value of assets or their useful life are capitalized.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property and equipment (Continued)

The depreciation method, residual value estimates, and estimated useful lives are reviewed annually.

Items of property, plant, equipment, along with any significant components initially recognized, are derecognized at disposal or when there are no expected future economic benefits from their use or disposal. Any gains or losses on derecognition (calculated as the difference between the net proceeds from disposal and the carrying amount of the asset) are recorded in the statement of profit or loss and other comprehensive income when the asset is derecognized. If the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately reduced to its recoverable amount.

3.4 Intangible assets

Intangible assets acquired separately are initially measured at their cost. Intangible assets acquired through a business combination are valued at their fair value on the acquisition date. Intangible assets are recognized at cost, net of accumulated amortization and impairment losses, following the initial recognition. Internally developed intangible assets are not capitalized, except for development costs that are capitalized. Expenditures are recognized in the statement of other comprehensive income in the period when incurred. The useful lives of intangible assets are subject to assessment and are classified as either finite or indefinite.

Intangible assets that have a finite useful life are amortized over their economic useful lives and are assessed for impairment. Whenever there is any indication that an intangible asset may be impaired, the amortization period and amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Adjustment to the amortization period or method, as applicable, may be made to reflect changes in the expected useful life or pattern of consumption of future economic benefits embedded in the asset. These adjustments are considered changes in accounting estimates.

Amortization of intangible assets with finite useful lives are charged to the statement of comprehensive income, specifically within expenses that aligns with the function of the intangible asset. The Company's intangible assets comprise of software. The estimated useful life is 4 years.

The following are the estimated amortization rate for the assets:

<u>Item</u>	<u>Rate</u>
Software	25%

3.5 Investment property, net

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives:

<u>Item</u>	<u>Depreciation rate</u>
Land	-
Buildings	3.03%

The useful life and depreciation method are reviewed periodically to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from these assets

Properties are not transferred from investment properties to property inventory when and only when, there is a change in use, evidenced by the commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the transfer date



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Investment property, net (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property less related costs while value in use is the present value of estimated future cash flows expected to arise from continuing use of the investment property and from its disposal at the end of its useful life.

3.6 Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date (i.e., the date when the underlying asset becomes available for use). Right-of-use assets are measured at cost less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received and costs of restoring the asset to its original condition. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over their estimated useful life or the lease term, whichever is shorter. If the Group is reasonably certain to exercise the purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. Right-of-use assets are subject to impairment.

Right-of-use assets are initially measured at cost, which includes:

- The initial measurement amount of lease liabilities.
- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred.
- Restoration costs.

Refundable security deposits are not included in the initial measurement of right-of-use assets. However, the difference between the nominal amount of the refundable security deposit and its fair value at the commencement date of the lease represents an additional lease payment made in advance and is therefore added to the initial carrying amount of the right-of-use assets and added to the consolidated statement of profit or loss and other comprehensive income over the lease term as part of the depreciation of the asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

Lease Term

When determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investments in Associates and Joint Ventures

Associates are entities over which the Group has significant influence but does not have control, generally evidenced by holding between 20% and 50% of the voting rights. If an entity holds, directly or indirectly, less than 20% of the voting power of an investee, it is presumed that the entity does not have significant impact on the investee, unless such impact can be clearly demonstrated. Significant impact is usually evidenced in one or more of the following ways:

- (a) Representation on the board of directors or equivalent governing body of the investee;
- (b) Participation in policy-making processes, including decisions about dividends or other distributions;
- (c) Material transactions between the entity and the investee;
- (d) Interchange of managerial personnel; or
- (e) Provision of essential technical information.

A joint venture is a contractual arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. If the ownership interest in an associate or joint venture does not result in significant influence, the Group classifies this investment as a financial asset measured either at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL).

Associates and joint ventures are accounted for using the equity method. Under the equity method, investments are initially recognized at cost and are subsequently adjusted by the Group's share of the investee's profits or losses after the acquisition date, based on the latest available financial statements.

If the ownership interest in an associate or joint venture is reduced but significant influence is retained, the amounts previously recognized in other comprehensive income are not reclassified to the consolidated statement of profit or loss except to the extent of the proportional share when necessary. The Group's share of post-acquisition profits or losses is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, including any other unsecured receivables, The Group does not recognize further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

At each reporting date, the Group assesses whether there is any objective evidence that the investment in the associate or joint venture is impaired. If such evidence exists, the Group calculates the impairment loss as the difference between the recoverable amount of the associate or joint venture and its carrying value, and recognizes the amount in the consolidated statement of profit or loss.

Gains and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of associates and joint ventures are aligned, where necessary, to ensure consistency with the policies adopted by the Group. Reduced gains and losses arising from investments in associates or joint ventures are recognized in the consolidated statement of profit or loss.

3.8 Investments in subsidiaries

A subsidiary is an entity over which the Group has significant influence and which it does not control or have joint control over. Significant influence is the ability of the Group to participate in the financial and operating decisions and policies of the investee, and is not control or joint control over those policies.

Factors to consider when determining significant influence involve maintaining - directly or indirectly - a portion of the voting rights of the investee, having representation on the board of directors or similar governing bodies, participating in policy-making, and being involved in decisions regarding dividends or other distributions. Significant transactions, transfer of management personnel, or sharing of fundamental technical details.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Investments by cost method

Investments in subsidiaries are initially recognized at acquisition cost, including any direct costs attributable to the acquisition. These assets are subsequently measured at cost less accumulated impairment losses, if any.

3.10 Real Estate under development

Properties acquired, constructed, or in the process of construction and development for the purpose of sale are categorized as development properties and are reported at the lower of cost or net realizable value. Short-term development properties typically encompass the expenses associated with land acquisition, construction, and other costs involved in preparing the properties for sale. Net realizable value represents the projected selling price in the regular course of business, taking into account market prices at the reporting date, after deducting completion costs and selling expenses.

Management conducts annual reviews of the book values of development properties.

According to the real estate operating cycle, most properties are typically sold within 14 to 16 months from the reporting date. Development properties are classified as current assets by management at each reporting date. Development properties are transferred to property inventory as soon as they are completed.

3.11 Real Estate Inventory

The Real Estate Inventory is reported at the lower of its cost or net realizable value. Expenses are calculated based on the costs incurred to bring each product to its current location and condition as follows:

Cost of Real Estate under development	The expenses associated with preparing properties for sale, such as the cost of land, construction, and other related expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less any expected costs of completion and the expected costs necessary to make the sale.

3.12 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalent consists of cash on hand, current accounts, bank deposits, and other short-term high liquidity investments having an original maturity of three months or less from the acquisition date. These investments can be readily converted into cash and have a minimal risk of change in value. They are also available for the Group's use.

3.13 Trade receivables

They represent amounts due from private and public sector customers for supplies in the normal course of the Company's activity, and the receivables do not carry interest. When credit exceeds the usual credit terms, receivables are calculated at amortized cost using the effective interest rate method at the end of each reporting period, the carrying amounts of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are unrecoverable. In this case, the impairment loss is recognized immediately in the statement of profit or loss.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee end-of-service benefit obligations

3.14.1 Short-term obligations

Liability for wages and salaries, including non-cash benefits, accrued leave and travel tickets expected to be paid in full within 12 months after the end of the period in which the employees provide the related services, is recognized based on the services provided by the employees until the end of the reporting period of financial statements, and measured by amounts expected to be paid when the liabilities are settled. The liability is presented as current employee benefit obligations in accrued expenses in the statement of financial position.

3.14.2 Long-term employee benefits and other related obligations

The liability or asset of defined benefits is recognized in the statement of financial position. The employee end-of-service benefit obligations are the present value of the defined benefit obligations in the reporting year, and the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligations is calculated by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms close to terms of the related liability.

Defined benefit costs are categorized as follows:

Service Cost

Service costs include current service costs and past service costs which are recognized immediately in the statement of profit or loss.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

Interest Cost

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations. This cost is included in employee benefits expense in the statement of profit or loss.

Remeasurement Gains or Losses

Remeasurement gains or losses on adjustments and changes in actuarial assumptions are recognized in the year in which they occur, immediately under other comprehensive income.

3.15 Borrowings

Borrowings are initially recorded at their fair value, which represents the amount received. After deducting any transaction costs, if applicable. After being initially recognized, long-term borrowings are measured at amortized cost using the effective interest rate method. Any variance between the proceeds (after deducting transaction costs) and the redemption amount is accounted for in the consolidated statement of profit or loss throughout the borrowings term, employing the effective interest rate method. Loan transaction costs include fees paid on loan facilities, which are recognized if it is likely that the facility will be utilized. Under these circumstances, the fees are not immediately charged, but rather deferred until the facilities are actually utilized. These fees are then accounted for as prepayments for liquidity services, as long as there is no indication that the facility will be withdrawn. They are gradually paid off over the facility term.

Borrowings are derecognized in the consolidated statement of financial position when the obligation is charged, canceled or expires. The difference between the carrying amount of financial liabilities derecognized or transferred to another party and the consideration paid, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit and loss under other income or finance costs.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

3.15 Borrowings (Continued)

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 financial reporting year.

Borrowing cost

General and specific borrowings directly related to the purchase, construction or production of assets eligible for capitalization are capitalized during the time period required to complete and prepare the asset for its intended use or sale, as appropriate. Eligible assets are assets that necessarily take a significant period of time to become ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings until spent on qualifying assets is deducted from borrowing costs eligible for capitalization.

Other borrowing costs are recognized as expenses in the year in which they are incurred in the consolidated statement of profit or loss.

3.16 Trade payables

Trade payables are recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

3.17 Provisions

Provisions are recognized when the Company has a current legal or constructive obligation 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 obligation amount. If the effect of time value of money is material, provisions are estimated by expected future cash flows discounted at a current pre-tax rate, which reflects current market assessments of time value of money and liability-specific risks. Discounting impact is recognized as finance cost in the statement of profit or loss.

3.18 Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"), the Group is subject to zakat. The Company's zakat provision is recognized and charged to the statement of profit or loss and other comprehensive income. Additional zakat liabilities, if any, related to assessments for previous years are calculated by the ZATCA in the period in which the final assessments are issued.

Taxes are recognized by the Group on certain transactions with residents and non-residents in the Kingdom of Saudi Arabia (if any), in accordance with the tax regulations in the Kingdom of Saudi Arabia.

The Group is primarily eligible to pay zakat only. Since the reversal of timing differences, if any, is not anticipated to have a significant impact on zakat amount in the foreseeable future, no deferred tax liabilities or assets have been recognized in these consolidated financial statements.

3.19 VAT

Expenses and assets are recognized after deducting the VAT amount, except for:

- When the VAT incurred in connection with the purchase of assets or services is not recoverable from the tax authorities, in which case the VAT is recognized as part of the cost of the purchase of the assets or as part of the item expense, where applicable, and/or
- When receivables and payables are stated including VAT amount

The net amount of VAT recoverable from/or due to the tax authority is included either as part of prepaid expenses and other current assets or accrued expenses and other current liabilities in the statement of financial position.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

3.20 Real Estate Transaction Tax (RETT)

RETT is incurred on the purchase of real estate assets and is not recoverable from the Zakat, Tax and Customs Authority. RETT is recognized as part of the cost of acquiring the real estate assets, as applicable.

3.21 Remeasurement gains or losses

Remeasurement gains or losses arising from adjustments or changes in actuarial assumptions are recognized in the year in which they occur directly in the statement of comprehensive income.

3.22 Contingencies

All contingencies arising from past events that will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the Group or all current liabilities arising from past events but are not recognized for the following reasons: (1) it isn't probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(2) A reliable estimate can't be made of the obligation amount, they should all be assessed at each financial position date and disclosed in the Company's consolidated financial statements under the contingencies.

3.23 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of leased properties (i.e., leases with a term of 12 months or less from the commencement date that do not include a purchase option) and also applies the recognition exemption to leases of low-value assets. Lease payments relating to short-term leases and leases of low-value assets are expensed on a straight-line basis over the lease term.

3.24 Lease Liabilities

Lease contracts are recognized as right-of-use assets and corresponding liabilities at the date the leased asset is made available for use by the group. The right-of-use assets and lease liabilities arising from the lease contract are initially measured at the present value.

Lease liabilities are initially measured at the present value of unpaid lease payments at the commencement date, discounted using the implicit interest rate in the lease. If this rate cannot be easily determined, the group uses its incremental borrowing rate.

The lease payments included in the measurement of lease liabilities consist of the following:

- Fixed lease payments (mainly including fixed payments minus any lease incentives).
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- Amounts expected to be paid by the lessee under guarantees of the residual value.
- The exercise price of purchase options if the lessee is reasonably certain of exercising these options.
- Penalties for terminating the lease, if the lease term reflects the exercise of a termination option.

The group remeasures lease liabilities and adjusts the related right-of-use assets when:

- The lease term changes or there is a change in the assessment of the likelihood of exercising a purchase option. In this case, the lease liability is remeasured by discounting the modified lease payments using the revised discount rate.
- Lease payments change due to changes in an index or rate, or a change in expected payments under a guaranteed residual value. In this case, lease liabilities are remeasured by discounting the modified lease payments using the initial discount rate, unless the lease payments change due to a change in floating interest rates, in which case the revised discount rate is applied.
- The lease agreement is modified, and the modification is not accounted for as a separate lease contract. In this case, lease liabilities are remeasured by discounting the modified lease payments using the discount rates.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

3.25 Revenue recognition

Revenues represent sales of completed properties, revenues from construction of property developments, rentals of residential properties and land sales. The Group recognizes revenue from contracts with customers based on a five-step model as defined in IFRS 15:

- Step 1:** Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- Step 2:** Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that identifies the amount of consideration the Group expects to be entitled in exchange for fulfilling each performance obligation;
- Step 5:** Recognize revenue when (or as) the Company satisfies a performance obligation.

If the amount to be paid in the contract includes a variable amount, the Group estimates the amount the Group is entitled to in exchange for transferring promised goods or services to a customer.

The amount of the promised consideration may vary if the Group's entitlement to the consideration is conditional on the occurrence or non-occurrence of a future event. The amount of consideration may vary due to discounts, rebates, refunds, credits, incentives, penalties or other similar items. The variance related to the consideration promised by the customer, if any, is explicitly stated in the contract. Accordingly, the Group estimates the variable consideration using the most probable amount according to the contract terms.

With regard to contracts concluded with customers for the sale of property, in addition to the five-step model, the Group fulfills the performance obligation and recognizes revenues over a period of time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the aforementioned conditions is not met, revenue is recognized at the time when the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount billed to the customer exceeds the amount of revenue recognized, this gives rise to a contract liability.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL INFORMATION ABOUT ACCOUNTING POLICIES (CONTINUED)

3.25 Revenue recognition (Continued)

Revenue	The nature and timing of fulfilling performance duties
Revenues from the sale of completed units and development property sold during the development stage	The Group enters into contracts with customers for the sale of completed properties, completed residential units or development property that are sold during the development stage. These developments usually take an operational cycle to completion. Revenues related to the sale of these units are recognized by the contractual terms and conditions of each arrangement, at a certain point in time, when the conditions for control are met in accordance with IFRS 15 paragraph 38. The sale of completed units constitutes a single performance obligation that is satisfied at a point in time. The administration reached objective jurisprudence through which it was certain that the indicators of transfer of control are met through customers' acceptance of control over the economic benefits of real estate units, and this is done when they are delivered in accordance with the relevant contractual terms. All individual promises in the contract must be complete, and this includes properties that require units to be available for operational readiness.
Property development revenues for others	The group enters into contracts with clients to develop properties for others. Revenue is recognized over a period of time during which the outcome of the transaction can be reliably estimated, by reference to the stage of completion of the transaction at the financial reporting date. When measuring progress towards meeting performance obligations, the Group uses the output method, where revenue recognition is based on measuring the value of work transferred/completed to date in comparison to the total goods, services or costs to be provided under the contract. The value of work completed to date is based on the consultant's reports. The Group also provides project development services to others ("property funds") according to contracts that include the calculation of development fees based on the cost of the works carried out, excluding some specific elements. Revenue related to these fees is recognized progressively over the period of implementation of the project in accordance with IFRS.
Lease revenue	The Group enters into contracts with customers to lease its investment properties. Lease revenue is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred or incentives are added in the negotiation and an operating lease arrangement is considered an integral part of the carrying amount of the lease and is recognized on a straight-line basis over the lease term.
Revenue from the sale of units under development off-plan	The Group enters into contracts with customers for the sale of off-plan units. Revenue is recognized over a period of time. The group assessed that the group's performance does not result in an asset that results in alternative use. The Group also has an enforceable right to pay for performance completed to date, and is entitled to receive an amount that compensates it at least for the performance completed to date. Costs incurred to date are usually in addition to a reasonable profit margin or completion percentage according to the report of the certified consultant by owning enforceable rights to compensate for the work completed to date in the event of any dispute or termination of the contract. When measuring progress towards meeting performance obligations, the Group uses the output method, where revenue recognition is based on measuring the value of work transferred/performed to date against the total goods, services or costs to be provided under the contract. The value of the work done to date is based on the consultant's reports.
Marketing and Brokerage commission revenues	The group collects a property marketing commission from the sale of residential units, and this commission is calculated as a specific percentage of the value of the sale of the residential unit, in accordance with the terms and conditions of contracts concluded with developers. The revenue generated from these commissions is recognized when the sale is completed and the related payments are received.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.26 Cost of revenue

Cost of revenue includes the cost of land, development costs and other related service costs. Cost of revenue is proportional to units sold and is based on the cost incurred to date to the estimated total costs for each project. The cost of hospitality business revenues, services and lease revenue is calculated on the basis of the actual cost of providing the services. Contracting costs include all costs incurred in fulfilling the performance under the contract

Zakat provision

When calculating the current zakat payable by the Group, the management considers the relevant regulations and decrees / rulings of the Zakat, Tax and Customs Authority regarding certain past cases.

3.27 Expenses

Selling, marketing, general and administrative expenses include both direct and indirect costs that do not specifically represent part of the cost of revenue. Selling and marketing expenses encompass the costs incurred by the Group in its sales and marketing departments. General and administrative expenses include all costs, except financial charges and impairment losses. Allocations of shared expenses between the cost of revenue, selling and marketing expenses, and general and administrative expenses, as applicable, are made on a consistent basis.

3.28 Impairment of non-financial assets

The Group annually evaluates whether there are any indicators of impairment in its assets. If such indicators exist, the recoverable amount is estimated to compare it with the carrying amount. If the estimation of the recoverable amount proves to be challenging, the Group will instead estimate the recoverable amount of the lowest cash-generating unit that has been identified. Assigning the asset to it results in cash inflows to the Company from its ongoing use, which is mostly independent from the Company's cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the higher of value in use or the fair value less costs to sell. When estimating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market estimates of the time value of money. Asset-specific risks: If the recoverable amount of the asset (or cash-generating unit) is estimated at less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss.

At the reporting date, impairment losses that were previously recorded are assessed to determine if there are any indicators that the losses have decreased or no longer exist. Impairment losses are reversed in the event of a change in the estimates used to calculate the recoverable amount. Impairment losses can be reversed if the carrying value of the assets does not exceed the previously estimated carrying amount, less depreciation or amortization if no impairment loss was recognized.

3.29 Foreign currency transactions and balances

Foreign currency transactions are translated into SAR at the exchange rates ruling at the time of the transaction. Foreign exchange gains and losses resulting from translation and the re-measurement of monetary items denominated in foreign currency are recognized in the statement of profit or loss and other comprehensive income at year-end exchange rates.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently retranslated at year end, except for non-monetary items measured at fair value that are translated using the exchange rates at the date when the fair value was determined



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

4. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and the underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognized in the consolidated financial statements:

4.1 Judgements

Information about judgements made in applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3-7: Classification of investees accounted for using the equity method – whether the Group has significant influence over the investee.
- Note 3-22: Lease term – whether the Group is reasonably certain to exercise extension options.
- Note 3-23: Assessment of gross versus net revenue – whether the Group acts as a principal or an agent in a transaction.
- Note 3-23: Assessment of satisfaction of performance obligations.

4.1.1 Selling properties under development off-plan

The Group evaluates its contracts with customers to sell off-plan properties under development to determine whether performance obligations have been met over time or at a specific time.

The Group concludes that the Group's performance does not produce an asset that has an alternative use as the Group is contractually obligated not to redirect property under development to another use during its development, based on sales agreements concluded with customers, whereby Group contracts are concluded to provide specific residential units to the customer.

Also, the Group concluded that it had an enforceable right to reimbursement for performance completed to date, as it was entitled to an amount that at least compensated it for performance completed to date ("usually the costs incurred to date plus a reasonable profit margin").

By obtaining enforceable rights to compensation for work performed to date in the event of any dispute or termination of the contract in accordance with the legal advice obtained by the management.

Accordingly, the Group recognizes revenue from the sale of properties under development over time.

4.1.2 Material influence on associate companies

An associate is a company over which the group has an important influence. Substantial influence is the ability to participate in the financial and operational policy decisions of the investee, but not to control or have joint control over those policies. The group concluded that it exercises an important influence in both Al Majd Building Company for Real Estate Development and Investment, Al Ramz and Asayel Real Estate Development Company.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

4. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.1.3 Considerations of principal versus agent:

Among the important accounting estimates, assumptions and judgments are considerations of principal versus agent. The Group periodically evaluates its contractual arrangements to determine whether it is acting as principal, where it recognizes revenues on a gross basis, or whether it is acting as an agent, which entails recognizing revenues on a net basis. The Group exercises professional discretion when it makes this assessment taking into account the details of the terms of the contract, the nature of the products and services and as determined by International Standard No. 15 on revenue from customer contracts. The Group evaluates the following indicators among other things when determining whether it acts as a principal or agent in transactions:

- The Group is primarily responsible for fulfilling the undertaking to provide the specified goods or services.
- The group bears inventory risks before transferring specified goods or services.
- The group has the right to set the price for the specific good or service.

The Group evaluates different categories of revenue in light of the above indicators, however exercises professional judgment before concluding whether it is acting as a principal or agent.

The group has reached objective judgments and jurisprudence through its contractual arrangements that determine that it is principal in its dealings with off-plan sales contracts, through which it is committed to confronting buyers with all the legal and regulatory obligations imposed on it.

4.1.4 Going concern

The company's management conducted an assessment of the company's ability to continue in accordance with the principle of going concern, and is convinced that the company has sufficient resources to continue its business in the near future. Therefore, management does not have any fundamental doubts about the company's ability to continue, and therefore separate financial statements were prepared on the basis of the principle of going concern.

4.2 Uncertain estimates and assumptions

The following are the estimates made by the Group's management in the process of implementing the Group's accounting policies that have an important influence on the amounts recognized in the consolidated financial statements.

4.2.1 Estimation of defined benefit obligations

Actuarial valuations are used to assess the cost of defined benefit obligations and the present value of the obligation. Furthermore, a particular obligation necessitates the consideration of certain assumptions on future outcomes, notably the anticipated increment in salary and benefits, as well as the discount rate employed to transform future cash flows into the present value. Adjustments to these assumptions will have an influence on the carrying amount of the liability. Every assumption is reviewed at the end of each financial year.

4.2.2 Useful lives of property, equipment and investment property

The Company's management determines the estimated useful lives of its property, equipment, and investment property for the purpose of calculating depreciation. This estimate is determined after considering the expected use of the asset. Management periodically reviews the estimated useful lives and depreciation method to ensure that the depreciation method and term are consistent with the expected pattern of economic benefits derived from these assets.

4.2.3 Realizable value of property inventory

Inventories are stated at the lower of cost or net realizable value. Management estimates the net realizable values of property inventories, by considering the most dependable evidence available at the time of making the estimates. Market-driven changes may impact the future realizable value of the inventory by potentially decreasing future selling prices.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

4. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Uncertain estimates and assumptions (Continued)

4.2.4 Warranty and maintenance provision

Provision for warranty and maintenance is established for units sold during the year, taking into account past data on the frequency of repairs and returns. These expenses are anticipated to be accrued in the upcoming year. The warranty and maintenance provision calculations were made using estimates derived from the current sales levels and the available information on returns during the warranty term for all units sold.

Contracts for the sale of properties under development contain certain warranties after the completion of the properties under development, that is, the properties under development have met the specified operational performance standards. The Group provides warranties relating to ten-year constructional works, electro-mechanical and mechanical works on the spot and is included in other operating expenses. These warranties are considered insurance warranties, which are legally required to be provided, such as quality warranties. Minor maintenance is considered as an expense.

The group recognized the warranty provision related to construction works and electrical and mechanical works in the amount of 1.3 million Saudi riyals. (2023: "644" thousand Saudi riyals).

4.2.5 Provision for completion of projects

A provision for the completion of projects is recognized to cover expected costs that relate to the completion of the project after revenue recognition, such as the installation of glazing, and certain final finishes items. This provision is calculated based on estimates of residual costs, based on past experience and available information about actual costs of similar projects.

The provision is reviewed periodically to update estimates in accordance with actual developments in the project, and costs are deducted from it when the associated work is carried out.

The group recognized the provision for project completion at 2.1 million Saudi riyals in the current fiscal year.

4.2.6 Realizable value of development property

Management calculates the net realizable values of development properties by considering the most reliable evidence available at the time of making the estimates. Market-driven changes may have an influence on the future realizable value of inventory by potentially decreasing future selling prices.

4.2.7 Fair value measurement

Management utilizes valuation techniques to assess the fair value of financial instruments in cases where active market prices are not readily accessible. This requires making estimates and assumptions that align with how market participants value the instrument. Management relies on observable statements whenever possible, although they may not always be readily available. In this case, management relies on the most accurate and up-to-date information. The estimated fair values may vary from the actual prices that would be realized in an arm's length transaction occurred at the reporting date.

Non-cash distributions, if applicable, are valued based on the fair value of the assets to be distributed. Any fair value remeasurement are immediately recognized in equity. When non-cash assets are distributed, any difference between the carrying amount of the liabilities and the carrying amount of the distributed assets is recognized in the statement of profit or loss and other comprehensive income.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

4. ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.2 Uncertain estimates and assumptions (Continued)

4.2.8 Fulfillment of performance obligation

The Group makes its judgment to assess whether the contractual performance obligations for the sale of property inventory or development properties have been fulfilled at a certain point in time or over time. This requires meticulous evaluation of the pertinent clauses in every sales agreement to determine whether:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When any of the aforementioned standards are fulfilled, the Group recognize revenue over time.

Based on the purchase and sale agreements with customers and the applicable rules and regulations, the Group has determined that it will recognize revenue at a certain point in time.

4.2.9 Estimated cost of completion

The Group uses the output method to calculate the percentage of completion in accounting for long-term development contracts. The use of the percentage of completion method by the group requires an estimate of the total contract costs.

These estimates include, among other things, construction costs, change orders and the cost of fulfilling other contractual obligations to customers. These estimates are reviewed at regular periods. Any subsequent changes in the estimated cost of completing the project may affect the results of subsequent periods.

4.2.10 Transfer of control in contracts with customer

If the Group determines that performance obligations have been fulfilled at a certain point in time, revenue is recognized when control is transferred to the customer. Regarding contracts for the sale of property inventory, this usually occurs when the unit is delivered to the customer.

4.2.11 Financing component

The Group does not expect any contracts when the time between delivering the promised goods or services to the customer and receiving payment from the customer is longer than one year. Consequently, the Group does not make any changes to transaction prices to account for the time value of money.

4.2.12 Classification of real estate leases

The Group has entered into commercial real estate leases with interested individuals. After evaluating the terms and conditions of these agreements, the Group has concluded that the lease term is not a significant portion of the economic useful life of the leased property. Additionally, the present value of the minimum rental payments does not accurately reflect the full fair value of the leased property, which retains significantly all risks and rewards of these properties' ownership, and the Group accounts for these leases as operating leases.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

5. NEW AMENDMENTS TO STANDARDS ISSUED

5.1 New and amended IFRSs issued and applied effective 2024:

The following amendments to standards relevant to the Group are effective for the annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group adopted these standards and / or amendments, however, there is no significant impact of these on the financial statements

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

5. NEW AMENDMENTS TO STANDARDS ISSUED (CONTINUED)

5.2 New and amended IFRSs issued but not yet effective:

The Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

Amendments to Standards	Description	Effective for annual periods beginning on or after	Summary of Amendments
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of their initial application.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

6. PROPERTIES AND EQUIPMENT, NET

	2024				Total
	Vehicles	Office Equipment & Leases improvements	Computers	Tools and Equipment	
Cost:					
Balance as at 1 January 2024	362,608	1,521,781	668,652	-	2,553,041
Additions	208,287	6,802,961	1,711,345	20,844	8,743,437
Balance as at 31 December 2024	570,895	8,324,742	2,379,997	20,844	11,296,478
Accumulated Depreciation:					
Balance as at 1 January 2024	56,017	526,588	142,606	-	725,211
Depreciation for the year	101,290	579,678	299,471	1,430	981,869
Balance as at 31 December 2024	157,307	1,106,266	442,077	1,430	1,707,080
Net Book Value:					
As at 31 December 2024	413,588	7,218,476	1,937,920	19,414	9,589,398
2023					
	Vehicles	Office Equipment	Computers		Total
Cost:					
Balance as at 1 January 2023	-	1,189,959	401,222		1,591,181
Additions	362,608	331,822	267,430		961,860
Balance as at 31 December 2023	362,608	1,521,781	668,652		2,553,041
Accumulated Depreciation:					
Balance as at 1 January 2023	-	273,301	38,305		311,606
Depreciation for the year	56,017	253,287	104,301		413,605
Balance as at 31 December 2023	56,017	526,588	142,606		725,211
Net Book Value:					
As at 31 December 2023	306,591	995,193	526,046		1,827,830

- During the year ended 31 December 2024, additions to property and equipment amounted to SAR 8.743 million (for the period ended 31 December 2023: SAR 961 million).
- Depreciation for the year was charged to general and administrative expenses.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

7. INTANGIBLE ASSETS, NET

	Software & Networks 2024	Software & Networks 2023
<u>Cost:</u>		
Balance as at beginning of the year	662,531	585,271
Additions during the year	8,220	77,260
Balance as at end of the year	670,751	662,531
<u>Accumulated Amortization:</u>		
Balance as at beginning of the year	233,050	71,335
Amortization for the year	167,083	161,715
Balance as at end of the year	400,133	233,050
<u>Net Book Value:</u>		
As at end of the year	270,618	429,481

8. INVESTMENT PROPERTIES, NET

	Land	Buildings	Total
<u>Cost:</u>			
Balance as at 1 January 2024	21,800,000	22,400,001	44,200,001
Balance as at 31 December 2024	21,800,000	22,400,001	44,200,001
<u>Accumulated Depreciation:</u>			
Balance as at 1 January 2024	-	4,894,686	4,894,686
Depreciation for the year	-	678,788	678,788
Balance as at 31 December 2024	-	5,573,474	5,573,474
<u>Net Book Value:</u>			
As at 31 December 2024	21,800,000	16,826,527	38,626,527
<u>Cost:</u>			
Balance as at 1 January 2023	21,800,000	22,200,000	44,000,000
Additions	-	200,001	200,001
Balance as at 31 December 2023	21,800,000	22,400,001	44,200,001
<u>Accumulated Depreciation:</u>			
Balance as at 1 January 2023	-	4,218,000	4,218,000
Depreciation for the year	-	676,686	676,686
Balance as at 31 December 2023	-	4,894,686	4,894,686
<u>Net Book Value:</u>			
As at 31 December 2023	21,800,000	17,505,315	39,305,315

- a) The investment properties include five residential buildings that generate income through lease contracts.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

8. INVESTMENT PROPERTY, NET (CONTINUED)

- b) Investment properties were valued using the fair value method, specifically the income capitalization approach, which relies on significant unobservable inputs. As a result, these investments are classified within Level 3 of the fair value hierarchy. Significant inputs to consider are:
- The capitalization rates are determined by considering inputs such as the specific location, size, and quality of the properties, as well as the market data on the valuation date. Appraisers typically use a rate of 8% - 9% for their calculations (2023: 7% - 8%).
 - Assessing projected vacancy rates considering the prevailing and anticipated market conditions following the conclusion of any existing lease term.
 - Maintenance costs, which encompass the investments required to uphold the operational efficiency of the property over its estimated useful life.
- c) The depreciation expense charged for the year has been allocated to cost of revenue.
- d) As at 31 December 2024, the Company's management has used investment properties with a net book value of SAR ("38,626,527") as collateral for Facility (6,7), Note (21).
- e) The following is a statement of the amounts recognized in the statement of profit or loss in relation to investment properties and operating leases related to right-of-use assets.

	<u>2024</u>	<u>2023</u>
leases revenue from operating leases	2,956,990	1,892,469

	<u>2024</u>	<u>2023</u>
lease revenue	(401,979)	(466,580)

There are no direct operating expenses on investment properties that do not generate lease income during 2024 and 2023.

The fair value of the investment properties held by the Group is as follows:

	<u>2024</u>	<u>2023</u>
fair value	46,854,000	45,611,000

The fair values of investment properties have been determined based on the valuation made by the independent evaluator as at 31 December 2024 and it is Wasm Valuation Company (independent evaluators are accredited by the Saudi Authority for Accredited Valuers "Taqeem"), the evaluator has appropriate professional qualifications, previous experience in the site and the type of properties evaluated. The independent evaluator provides the fair value of the Group's investment properties annually.

- f) All investment properties held by the Group are for the purpose of generating lease income and there are no investment properties for unspecified use in the future.
- g) Revenue is generated from a large number of lessors, no single lessor, which represents more than 10% of the group's revenue.
- h) As at 31 December 2024, the Group has no contractual obligation for future repairs and maintenance that have not been recognized as liabilities.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

9. INVESTMENTS CARRIED AT FVOCI

	Note	As at 31 December 2024	As at 31 December 2023
Watheeq PropTech Venture Fund	9.1	3,994,200	2,100,000
Al-Dalal Al-Jadid Information Technology Holding Company	9.2	1,069,000	350,000
Darak Al Deyar	9.3	1,091,250	500,000
		6,154,450	2,950,000

9.1 This investment represents a holding of 210,000 units in the Watheeq PropTech Venture Fund (“the Fund”). The Fund is the first closed-ended venture capital fund in the Middle East specializing in property technologies (PropTech), and is licensed by the Capital Market Authority in the Kingdom of Saudi Arabia. It is also Shariah-compliant.

The Watheeq PropTech Venture Fund aims to invest in newly established technology companies, whether local or international. The Fund is managed by Watheeq Financial Services Company.

9.2 The Group holds equity interests classified as investments measured at fair value through other comprehensive income. As of 13 October 2022, Al Ramz Real Estate Company holds a 10.69% ownership in Al-Dalal Al-Jadid Information Technology Holding Company (“the Investee Company”), which is a company registered on 4 February 2021, with an investment valued at SAR 350,000. The investment was initially made on 1 September 2021 and is considered a venture capital investment.

As of 31 December 2024, the valuation of Al-Dalal Al-Jadid Information Technology Holding Company reached SAR 10 million, according to the latest funding rounds carried out by the company.

Since 1 September 2021, the Group has not received any dividend income; however, it recognized gains in fair value changes amounting to SAR 719,000 in the statement of other comprehensive income as of 31 December 2024.

9.3 The Group holds investments in financial instruments measured at fair value through other comprehensive income. These investments are denominated in US dollars, while the Group’s functional currency is the Saudi Riyal. These are considered venture capital investments.

On 6 June 2022, the Group invested SAR 500,000 in AL Deyar Travel and Tourism Company (“the Investee Company”), a company registered under Commercial Registration number 4030459993. The investment was made through the issuance of convertible instruments that may be converted into equity shares in the company, with a valuation cap of USD 5 million in accordance with the terms of the financing agreement.

As of 6 June 2022, the Group has not received any dividend income; however, it recognized fair value change gains amounting to SAR 591,000 in the statement of other comprehensive income as of 31 December 2024. The ownership percentage at that date was 1.94%.

The movement on investments carried at fair value through the statement of other comprehensive income was as follows:

	31 December 2024	31 December 2023
Balance at the beginning of the year	2,950,000	2,950,000
Revaluation gains	3,204,450	-
Balance at the end of the year	6,154,450	2,950,000

Please refer to the fair value note for further clarification regarding fair value.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

10. INVESTMENTS IN ASSOCIATE COMPANIES

The following is a summary of the associate's details as at 31 December 2024:

	31 December 2024			31 December 2023		
	(%)	Shares in Numbers	Amount	(%)	Shares in Numbers	Amount
Al Majd Building for Real Estate Development & Investment Company	50%	50	8,200,000	-	-	-
Al Ramz & Asayel Real Estate Development Company	50%	250	250,000	-	-	-
Balance at the End of the Year		300	8,450,000			

10.1 On 14 November 2024, Al Majd Building for Real Estate Development & Investment Company was established as a limited liability company (Commercial Registration No. 1009076582), with its activities consisting of the following:

General field of activities	Activity name
Construction	Building construction
Real estate activities	Real estate activities in owned or leased properties Real estate activities based on fees or contracts

10.2 On 5 November 2024, Al Ramz & Asayel Real Estate Development Company was established as a limited liability company (Commercial Registration No. 2051261320), with its activities consisting of the following:

General field of activities	Activity name
Construction	Building construction Demolition Building completion and finishing
Real estate activities	Real estate activities in owned or leased properties Real estate activities based on fees or contracts

* The Group's share in the capital of Al Majd Building for Real Estate Development and Investment Company consists of **SAR 50,000** as share capital and **SAR 8,150,000** as its share in the additional capital, as disclosed in Note18.

Investments paid into associate companies are accounted for under the equity method in the consolidated financial statements. the change in the financial statements from the date of investment (the date of incorporation of the companies) to 31 December 2024 is immaterial to the Group. Accordingly, the summary financial statements of the associate companies were not presented.

11. INVESTMENTS CARRIED AT FVSI

	Note	31 December 2024	31 December 2023
Investment in Al Ramz Residential Fund	11-1	31,003,864	102,056,703
Investment in Riyadh Real Estate Development Fund - Al Ramz	11-2	55,743,000	60,129,000
Investment in Riyadh Real Estate Development Fund- Durrat King Khalid	11-3	115,500,000	100,000,000
Investment in Ramz Tharwa Real Estate Fund	11-4	10,187,800	10,000,000
Investment in Riyadh Real Estate Development Fund - Durrat Hittin	11-5	57,440,000	42,160,001
Al Ahli ALRabwa ALRamz Real Estate Fund	11-6	46,454,605	-
		316,329,269	314,345,704



AL RAMZ REAL ESTATE COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

(All amounts in SAR)

11. INVESTMENTS CARRIED AT FVSI (CONTINUED)

11.1 Al Ramz Residential Fund (The “Fund”) is a Closed-Ended Private Real Estate Investment Fund managed by BLOMINVEST Company. The Fund’s objective is to generate capital by acquiring and developing lands in Sadafah Dist., Al Khubar and Sadafah Dist., Dammam. These lands are designated for the development of residential units, such as villas and apartments. Then sell the properties generating the highest return to shareholders.

11-2 Riyadh Real Estate Development Fund – the “Fund” – is a closed-ended real estate investment fund managed by Riyadh Capital. It is a privately offered fund established in the Kingdom of Saudi Arabia in accordance with the Investment Funds Regulations and related governing rules. The Fund’s investment objective is capital growth through the acquisition and development of five real estate properties under development, by constructing Three residential projects in Riyadh and one project in Al Khobar. Exit from the Fund will be achieved through the sale of residential units off-plan or, upon completion, through sale to third parties. The Fund has a term of three years, extendable twice for an additional one year each. The Fund’s commencement date has been set as 1 December 2022.

11.3 Riyadh Real Estate Development Fund - Durrat King Khalid Road is a Closed-Ended Real Estate Investment Fund managed by Riyadh Capital and focused on developing a high-quality office project in Riyadh, spanning an area of 27,000 square meters. The project encompasses a collection of office buildings and commercial facilities, featuring modern designs that harmonize with the historical legacy and mirror the utmost urban architectural standards. The project stands out due to its strategic location on King Khalid Road, near Prince Mohammed bin Salman Road.

11.4 Ramz Tharwa Real Estate Fund is a Closed-Ended Private Shariah Compliant Real Estate Investment Fund, managed by Musharaka Capital Company, established in the Kingdom of Saudi Arabia in accordance with the Investment Fund Regulations and the regulations governing Special Purpose Vehicles. This Fund’s main objective is to generate capital gains by channeling investments into the construction of residential units on the property in the Tharwa plan located in Dammām. the Fund’s term lasts for one and a half years.

11.5 Riyadh Real Estate Development Fund - Durrat Hittin (the “Fund”), is a Closed-Ended Private Real Estate Investment Fund, managed by Riyadh Capital. focused on the development of a multi-purpose project in the Hittin Dist., Riyadh, spanning an area exceeding 27,000 square meters.

11.6 Al Ahli ALRabwa (ALRamz Real Estate) Fund is a Closed-Ended real estate fund whose units are offered privately and Compliant with Sharia regulations. Managed by Al Ahli Capital.

The main objective of the Fund is to develop capital for unit owners through investment in the residential real estate sector. this includes the acquisition of raw or partially or completely developed lands for infrastructure development, construction, and construction of residential units or buildings. the Fund may sell the land or project in completely or partially before or during Development after approval of the Fund’s Board of Directors.

31 December 2024	Units (In Numbers)	Value Per Unit	Cost	Market Value
Investment in Al Ramz Residential Fund	17,829	1,000	17,829,379	31,003,864
Investment in Riyadh Real Estate Development Fund - Al Ramz	5,100,000	10	51,000,000	55,743,000
Investment in Riyadh Real Estate Development Fund- Durrat King Khalid	10,000,000	10	100,000,000	115,500,000
Investment in Ramz Tharwa Real Estate Fund	10,000	1,000	10,000,000	10,187,800
Investment in Riyadh Real Estate Development Fund - Durrat Hittin	4,000,000	10	40,000,000	57,440,000
Al Ahli ALRabwa ALRamz Real Estate Fund	40,642,698	1	40,642,699	46,454,605
			259,472,078	316,329,269



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

11. INVESTMENTS CARRIED AT FVSI (CONTINUED)

<u>31 December 2023</u>	<u>Units (In Numbers)</u>	<u>Value Per Unit</u>	<u>Cost</u>	<u>Market Value</u>
Investment in Al Ramz Residential Fund	85,105	1,000	85,105,410	102,056,703
Investment in Riyadh Real Estate Development Fund - Al Ramz	5,100,000	10	51,000,000	60,129,000
Investment in Riyadh Real Estate Development Fund- Durrat King Khalid	10,000,000	10	100,000,000	100,000,000
Investment in Ramz Tharwa Real Estate Fund	10,000	1,000	10,000,000	10,000,000
Investment in Riyadh Real Estate Development Fund - Durrat Hittin	4,000,000	10	40,000,000	42,160,001
			<u>286,105,410</u>	<u>314,345,704</u>

The movement on investments carried at fair value through the statement of Profit or loss is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	314,345,704	132,140,328
Additions during the year	40,642,699	175,461,427
Proceeds during the year	(88,500,000)	(21,496,346)
Unrealized gains	47,828,461	28,240,295
Realized gains	2,012,405	-
Balance at the end of the year	<u>316,329,269</u>	<u>314,345,704</u>

- The Group sold 67,276 units in the Al Ramz Residential Fund during the year, for a cash consideration of 88,500,000 SAR, and realized investment gains amounting to 2,012,405 SAR.
- Additionally, the Group invested an amount of SAR 40,642,699 in the Al Ahli Rabwah Al Ramz Real Estate Fund during the year.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, NET

A) On July 28, 2024, the company concluded a lease contract with Rumoz Holding Company, a limited liability company, to lease an open commercial complex (plaza) located in the Al-Malqa neighborhood, Abdul Latif bin Abdul Malik Al Sheikh Road, Riyadh, with an area of 2,300 square meters. The company uses part of this building as its headquarters. The rest of the building is leased to other sub-parties, and the company has leased the complex for 5 years from January 1, 2024 until December 31, 2028, the lease will be paid in semi-annual payments, with a total of 17 million for the full value of the contract over the five years.

B) On October 16, 2023, the company concluded a lease contract to lease an exhibition in an open commercial complex (plaza) in the Yarmouk neighborhood, Prince Turki bin Abdulaziz Road, Al-Khobar, with an area of 360 square meters and the company's business center is located there. The company leased the exhibition. For a period of 3 years, from 1 November 2023 until 31 October 2026, the lease is paid in semi-annual payments A total of 1,728 million for the entire contract value over the three years.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES, NET (CONTINUED)

A) The movement in the right to use assets during the year is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cost		
Balance at the beginning of the year	-	-
Additions during the year	15,542,700	-
Balance at the end of the year	15,542,700	-
Accumulated depreciation		
As at 1 January 2024	-	-
Charged for the year	(3,334,267)	-
As at 31 December 2024	(3,334,267)	-
Balance at the end of the year	12,208,433	-

B) Movement on lease contracts liabilities

	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	-	-
Additions during the year	15,542,700	-
Finance cost	1,135,865	-
Paid during the year	(4,168,000)	-
Balance as at 31 December 2024	12,510,565	-

The above leases are presented in a statement of financial position as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Current portion from lease contracts liabilities	3,097,965	-
Non-Current portion from lease contracts liabilities	9,412,600	-

The amount recognized in the consolidated statement of comprehensive income

	Note	<u>31 December 2024</u>	<u>31 December 2023</u>
Depreciation expenses for the right of use assets		3,334,267	-
Finance cost on lease contracts liabilities	29	1,135,865	-

The amount recognized in the statement of cash flows

	<u>31 December 2024</u>	<u>31 December 2023</u>
Paid liability of lease contracts	4,168,000	-

The following is a statement of the due dates for undiscounted lease contract liabilities.

	<u>31 December 2024</u>	<u>31 December 2023</u>
During the year	3,976,000	-
From one to five years	10,488,000	-
	14,464,000	-



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

12. RIGHT TO USE THE ASSETS AND LIABILITIES OF LEASE CONTRACTS, NET (CONTINUED)

B) Movement on lease contracts liabilities (Continued)

	31 December 2024	31 December 2023
Minimum payments for future lease contracts	14,464,000	-
less: unamortized finance costs	(1,953,435)	-
Present value of lease contracts payments	12,510,565	-
less: current portion for lease contracts accruals	(3,097,965)	-
	<u>9,412,600</u>	<u>-</u>

13. CASH AT BANKS

	31 December 2024	31 December 2023
Bank balances – current accounts	52,145,593	24,199,911
	<u>52,145,593</u>	<u>24,199,911</u>

At the reporting date, and for the purpose of the statement of cash flows, cash at banks are as follows:

	31 December 2024	31 December 2023
Bank balances – current accounts	52,145,593	24,199,911
Less: restricted bank balances	(12,357,955)	(17,127,134)
Cash at banks	<u>39,787,638</u>	<u>7,072,777</u>

As at 31 December 2024, Cash at bank comprises of bank balances held in restricted guarantee account, totaling 12,3 million SAR (2023: 17.1 million SAR) with a local bank. Withdrawals from those accounts are restricted to covering development costs of the off-plan of sale project (Jawharat Al Ramz Project) and (yosr village Project) and settling the amounts due to the National Housing Company.

14. TRADE RECEIVABLES, NET

	31 December 2024	31 December 2023
Trade receivables	378,527,185	110,618,295
Provision for expected credit losses	(3,481,048)	(315,948)
	<u>375,046,137</u>	<u>110,302,347</u>

The analysis of the ages of receivables of external parties as of 31 December 2024 is as follows:

	1-180	181- 365	366 -730	Total
Trade receivables	351,657,326	23,788,744	3,081,115	378,527,185
Less: Provision for expected credit losses	(466,444)	(1,992,450)	(1,022,154)	(3,481,048)
Net receivables	<u>351,190,882</u>	<u>21,796,294</u>	<u>2,058,961</u>	<u>375,046,137</u>

The information related to the impairment of trade receivables and the Group's exposure to credit risk can be found in Note 32.2

The analysis of the ages of receivables of external parties as of 31 December 2023 is as follows:

	1-180	181- 365	366 -730	Total
Trade receivables	98,482,603	11,736,991	398,701	110,618,295
Less: Provision for expected credit losses	-	-	(315,948)	(315,948)
Net receivables	<u>98,482,603</u>	<u>11,736,991</u>	<u>82,753</u>	<u>110,302,347</u>



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

14. TRADE RECEIVABLES (CONTINUED)

The movement on expected credit losses is as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Opening Balance	315,948	315,948
Charged for the year	3,481,048	-
Write-off during the year	(315,948)	-
Ending balance	<u>3,481,048</u>	<u>315,948</u>

15. PREPAYMENTS AND OTHER RECEIVABLES

	<u>31 December 2024</u>	<u>31 December 2023</u>
Margin of letters of guarantee	2,258,051	25,161,029
VAT Recoverable*	25,738,293	12,241,223
Suppliers - advance	606,983	806,024
Employee receivables and covenant	1,224,752	547,568
Prepayments	5,471,811	4,963,349
Business guarantee discount for customers	5,764,659	-
Company offering prepayments	4,902,244	-
	<u>45,966,793</u>	<u>43,719,193</u>

* As at 31 December 2024, the Group had a certificate that allows for the recovery of taxes incurred from real estate development. The Group has filed tax recovery claims for the year, still pending review by the Zakat, Tax and Customs Authority (ZATCA).

16. Real Estate under development

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year		288,965,427	247,501,987
Additions during the year		830,711,991	269,452,631
Cost of Real estate under development sold	17	(103,837,746)	(45,027,364)
Transferred to property inventory		(153,355,473)	(182,961,827)
Transferred to the cost of development contracts for others		(417,268,178)	-
		<u>445,216,021</u>	<u>288,965,427</u>

- As at 31 December 2024, the Company's management had pledged development properties with a present value of SAR 115.5 million, a value of "103.8 million Saudi riyals" also includes a portion of the properties charged to the cost of sales, as a security for credit facility (3), (4), Note (21) with a local bank.
- As at 31 December 2024, the Company's management had pledged development properties with a present value of SAR 77.6 million, as a security for credit facility (6), (7), Note (21), with a local bank.
- As at 31 December 2024, the Group's management had pledged development properties with a present value of SAR 185.4 million, as a security for credit facility (8), Note (21), with a local bank.

17. Real Estate Inventory

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Beginning balance of the year		105,438,633	87,293,639
Transferred from Real estate under development during the year	16	153,355,473	182,961,703
Transfer to cost of revenue attributable to properties sold during the year		(251,983,764)	(164,816,709)
		<u>6,810,342</u>	<u>105,438,633</u>



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

18. RELATED-PARTY TRANSACTIONS AND BALANCES

Related parties include the shareholders of the Group, key management personnel, and the entities owned or managed by these parties, and any other entities controlled, jointly controlled, or significantly influenced by them. In the ordinary course of the Group's activities, related-party transactions are carried out through contracts that have been approved by management. The following is a summary of significant transactions that the Group entered into with the related parties during the year, along with a breakdown of the net related-party balances:

Related-Party Balances:

	Nature of Relationship	Nature of Transactions	As at 31 December 2024 Receivable / (Payable)	As at 31 December 2023 Receivable / (Payable)
Rumoz Holding Company	affiliate	operating	18,350,000	24,001,588
Al Majd Building for Real Estate Development & Investment Company	associate	financing	28,619,290	-
Total due from related parties			46,969,290	24,001,588
Al Majd Building for Real Estate Development & Investment Company	associate	financing	(50,000)	-
Al Ramz & Asayel Real Estate Development Company	associate	financing	(250,000)	-
Meshkati trading company	affiliate	operating	-	(361,094)
Total due to related parties			(300,000)	(361,094)

Related-Party Transactions:

	Nature of Relationship	Nature of Transactions	Amount of transaction for the year ended 31 December 2024	31 December 2023
Rumoz Holding Company	affiliate	Operating - selling units	18,350,000	44,001,588
		Proceeds from previous balances	(24,001,588)	-
		Payments	3,400,000	-
		Operating - lease Offices	(3,400,000)	-
Meshkati trading company	affiliate	Payments	21,080	3,134,886
		Operating - Supplies	(21,080)	-
Majed Abdul Rahman Al Rasheed Professional consulting company	affiliate	Payments	80,500	115,000
		Operating	(80,500)	-
Al Majd Building for Real Estate Development & Investment Company	associate	financing	28,619,290	-
		investing	8,150,000	-
		investing	(50,000)	-
Al Ramz & Asayel Real Estate Development Company	associate	investing	(250,000)	-



AL RAMZ REAL ESTATE COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

(All amounts in SAR)

18. RELATED-PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the year ended 31 December 2024, the group contracted with Rumoz Holding Company, an affiliated company, under a long-term lease contract for a period of 5 years, with a value of "17,000,000" Saudi riyals, in addition to a value-added tax of "2,550,000" Saudi riyals, bringing the total value to "19,550,000" Saudi riyals for a commercial office building with an annual lease of "3,400,000" Saudi riyals.

During the year, the group also contracted to sell residential units to Rumoz Holding Company worth "18,350,000" Saudi riyals.

During the financial year ended in 31 December 2024, the Group provided financing to Al Majd Building Company for Real Estate Development and Investment ("Associate Company") in the value of "28,350,000" Saudi riyals. In accordance with the financing agreement entered into between the Group and Al Majd Building Company for Real Estate Development and Investment, Al Majd Building Company for Real Estate Development and Investment bears the finance charges related to Facility (9). The purpose of the financing is to support the company's business and operational activities and to cover part of the costs of the project ("Al Ramz Builder"). The financing revenues resulting from the financing amounted to 269,290 Saudi riyals, which were recognized as financing interest income.

During the financial year ended in 31 December 2024, the Group added additional capital in Al Majd Building for Real Estate Development and Investment Company ("Associate Company") at a value of SAR 8,150,000.

Benefits, remunerations and compensations to key management personnel:

Key management personnel of the Group include key management personnel, who exercise authority and responsibility in planning, directing and controlling the Group's activities.

	31 December 2024	31 December 2023
Salaries and compensations	4,042,549	1,310,602
Remunerations	859,422	102,756
Remuneration of Board Members and its Subcommittees	1,175,000	891,361

An affiliate company is a company in which the main shareholders of the company have an interest or is managed by one of the senior management employees of the group, thereby creating a relationship with significant influence without full control over its financial or operational policies.

19. SHARE CAPITAL

The issued capital of the company is set at three hundred million Saudi Riyals (300,000,000 SAR), divided into (30,000,000) nominal shares of equal value, each with a value of ten (10) Saudi Riyals. All of these are ordinary shares in exchange for cash contributions. The paid-up capital is three hundred million Saudi Riyals (300,000,000 SAR), and the paid amounts have been deposited with a licensed bank.

The equity shares have been apportioned among the shareholders as follows:

Name	Number of Shares	Share Value SAR	Total Value SAR	Percentage of Ownership %
Rasheed Abdulrahman Nasser Al Rasheed	24,000,012	10	240,000,120	80%
Harun Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Abdulmalik Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Rakan Rasheed Abdulrahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500,000	2.52%
Haya Rasheed Abdulrahman Al Rasheed	583,296	10	5,832,960	1.94%
Modi Rasheed Abdulrahman Al Rasheed	583,296	10	5,832,960	1.94%
Sarah Rasheed Abdulrahman Al Rasheed	583,296	10	5,832,960	1.94%
	<u>30,000,000</u>		<u>300,000,000</u>	<u>100%</u>



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

20. RESERVES

The Ordinary General Assembly may, when determining the share of net profits attributable to the shares, decide to allocate reserves to the extent that serves the Group's interest or ensures the distribution of stable dividends to shareholders as much as possible. The said Assembly may also deduct amounts from the net profits to serve social purposes for the Group's employees.

21. LONG TERM BORROWINGS

	<u>31 December 2024</u>	<u>31 December 2023</u>
Non-Current Liabilities		
Long-term borrowings - non-current portion	277,811,303	229,679,094
Long-term borrowings - current portion	151,239,279	22,771,786
	<u>31 December 2024</u>	<u>31 December 2023</u>
Facility (1)	-	-
Facility (2)	-	16,250,000
Facility (3)	10,271,786	20,543,572
Facility (4)	79,456,427	79,456,428
Facility (5)	100,000,000	100,000,000
Facility (6)	22,500,000	30,000,000
Facility (7)	50,434,978	-
Facility (8)	128,273,112	-
Facility (9)	28,350,000	-
Total	<u>419,286,303</u>	<u>246,250,000</u>
Add Financing transaction costs, net	<u>9,764,279</u>	<u>6,200,880</u>
Balance at the end of the year	<u>429,050,582</u>	<u>252,450,880</u>

Facility (1):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 23 May 2021. The agreement provides a financing limit of SAR 40 million to support the Group operating activities. the financing is paid in semi-annual payments for a period of 4 years starting from 31 May 2022. During the year ended in 31 December 2023, the entire loan amounting to ("26,250,000") Saudi riyals was paid.

Facility (2):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 25 August 2021. The agreement provides a financing limit of SAR 25 million to support the Group operating activities. During the year ended in 31 December 2024, the full financing value was paid in the amount of 16.2 million Saudi riyals, and all related mortgages were released.

Facility (3):

The Company entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 18 July 2022. The agreement provides a financing limit of SAR 100 million, specifically for operating purposes. only an amount of 20.5 million Saudi riyals was used in the year ended in 31 December 2022. this is as a first tranche of the aforementioned facility, and an amount of 10.2 million Saudi riyals was paid during the year 2024 – Continuation of the paragraph in Facility No.4.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

21. LONG TERM BORROWINGS (CONTINUED)

Facility (4):

The group used an amount of 79.5 million riyals as a second and final tranche, which is considered complementary to the rest of the facility specified in Facility No.3. accordingly, the group mortgaged properties under development whose current value as of 31 December 2024 ("115.5 million Saudi riyals") to a local bank, which consists of the lands and the construction cost on them to cover facility tranches No."3" and "4" and also includes What is worth "103.8 million Saudi riyals" is part of the real estate charged to the cost of sales.

Facility (5):

The Group entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 9 October 2023, with a facility limit of SAR 100 million, to finance its operational activities. The Group pledged investment units in the following real estate development funds in favor of the local bank: Riyadh Real Estate Development Fund – Al Ramz, Riyadh Real Estate Development Fund – Durrat King Khalid Road, and Riyadh Real Estate Development Fund – Durrat Hittin, with a total book value of SAR 228 million as of 31 December 2024.

Facility (6):

The Company entered into a credit facility agreement in the form of Islamic Tawarruq with a local bank on 10 December 2023. The agreement provides a financing limit of SAR 130 million, specifically for operating purposes. a value of 30 million Saudi riyals was used during the period 31 December 2023, as the group included the facility coverage in real estate mortgages worth "116.2 million Saudi riyals" for the benefit of a local bank, which consists of investment properties, lands, and the construction cost on them before excluding from them a value of "41.6 million Saudi riyals" to profit and loss accounts, and an amount of 7.5 million Saudi riyals was paid during the year ended in 2024.these mortgages include coverage of Facility No."7" below.

Facility (7):

During the period 31 December 2024, the group signed a facility agreement with a facility limit of "130" million riyals, a value of 60.6 million Saudi riyals was used. divided into two tranches: "15.6" and "45" million. accordingly, the group included the coverage of this facility in real estate mortgages worth "116.2 million Saudi riyals" for the benefit of a local bank, which consist of investment properties, lands, and the construction cost on them before excluding them. Its value is "41.6 million Saudi riyals" to the profit and loss accounts for the benefit of the local bank, and an amount of 10.1 million Saudi riyals was paid during the year ended in 31 December 2024.

Facility (8):

On 18 July 2024, the group signed a credit facility agreement with a facility limit of 331 million Saudi riyals, in order to finance projects under development, two tranches were used, the first amounting to "112.7" million Saudi riyals and the second amounting to "15.5" million Saudi riyals during the period 2024.Accordingly, the group mortgaged properties under development amounting to "185.4" for the benefit of a local bank, which consists of the lands and the construction cost on them as of 31 December 2024.

Facility (9):

On 28 May 2024, the group signed a credit facilities agreement with a facility limit of "150" million Saudi riyals, to finance projects under development and investments. a first tranche amounting to "28.3" million Saudi riyals was used on 11 November 2024 to finance investments in sister companies. the group mortgaged the value of those related investments.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

21. LONG TERM BORROWINGS (CONTINUED)

The movement of long-term borrowings includes the following:

	31 December 2024	31 December 2023
Balance at the beginning of the year	246,250,000	68,043,572
Withdrawals / new credit facility additions during the year	217,254,080	209,456,428
	463,504,080	277,500,000
Borrowings paid during the year	(44,217,777)	(31,250,000)
Add: Financing transaction costs, net	9,764,279	6,200,880
Balance at the end of the year	429,050,582	252,450,880
Less: Current portion from long-term borrowings	(151,239,279)	(22,771,786)
Non-current portion from long-term borrowings	277,811,303	229,679,094

The following is the movements of financing transaction costs:

	31 December 2024	31 December 2023
Balance at the beginning of the year	6,200,880	396,461
Additions during the year	23,700,622	9,633,461
Finance costs paid during the year	(20,137,223)	(3,829,042)
Balance at the end of the year	9,764,279	6,200,880

The finance costs as at 31 December 2024, amounted to SAR 23,700,622. An amount of SAR 13,455,938 was charged to the income statement as financing transaction costs, while an amount of SAR 10,244,684 was capitalized under development property.

For further information on maturity profile of borrowings, please refer to Note (32).

22. EMPLOYEE END-OF-SERVICE BENEFIT OBLIGATIONS

The Group provides end-of-service benefits to its employees in accordance with the labor law applicable in the Kingdom of Saudi Arabia. these benefits represent an unfunded type of defined benefit plan.

The retirement schemes provide benefits that are primarily determined by the years of service and the employee compensation. Scheme funding is tailored to meet local requirements. obligations are vulnerable to demographic, legal, and economic risks. Unforeseen changes in commodity and capital markets, along with fluctuations in the discount rate used for calculating defined benefit obligations, are the main factors contributing to economic risks.

Principal Actuarial Assumptions:

	% per annum	
	31 December 2024	31 December 2023
Financial assumptions:		
- Net discount rate	4.75	4.75
- Salary increment rate	2.5	2.5



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

22. EMPLOYEE END-OF-SERVICE BENEFIT OBLIGATIONS (CONTINUED)

The movements in the present value of defined benefit obligations:

	31 December 2024	31 December 2023
Opening balance - the present value of defined benefit obligations	467,741	237,381
Current service cost	615,353	325,324
Interest cost	27,656	14,625
Benefit payments	(38,051)	(60,986)
Actuarial losses / (gains) on the obligation	475,337	(48,603)
Ending Balance - The present value of defined benefit obligations	1,548,036	467,741

Sensitivity analysis is as follows:

	31 December 2024	31 December 2023
Principal assumptions:		
Discount rate +1%	987,993	341,164
Discount rate -1%	1,146,068	399,637
Salary increment rate +1%	1,152,697	401,991
Salary increment rate -1%	980,697	338,689

23. Accrued expenses and other payable

	31 December 2024	31 December 2023
Dividends payable	15,000,000	-
Remunerations and incentives payable	4,090,892	2,875,000
VAT	2,469,392	3,592,728
Accrued business expenses	31,955,523	6,408,550
Warranty and maintenance provision	1,735,836	678,471
Real estate transaction tax (RETT) due to others	-	29,260
Unit lease insurances	75,997	117,744
Other accrued expenses	1,389,639	890,235
Provision for completing projects	2,100,000	-
Total	58,817,279	14,591,988

24. Advance payments clients

	31 December 2024	31 December 2023
Revenue of development contracts collected in advance	38,089,496	20,000,000
Rentals collected in advance	1,270,560	2,049,027
Unit sale deposits	4,846,184	4,112,020
Off-plan sales revenue collected in advance	12,358,042	7,935,577
Total	56,564,282	34,096,624

The movement in customers – advance payments is as follows:

As at 31 December 2024	Beginning balance	Additions during the year	Transferred to revenue	Ending balance
Revenue of development contracts collected in advance	20,000,000	30,000,000	(11,910,504)	38,089,496
Rentals collected in advance	2,049,027	2,178,523	(2,956,990)	1,270,560
Off-plan sales revenue collected in advance	7,935,577	17,730,543	(13,308,078)	12,358,042



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

25. REVENUE

The following is a detailed breakdown of the revenue:

	31 December 2024	31 December 2023
Unit sales revenue	352,788,163	250,427,415
Real estate development revenue for others	208,459,912	218,258,333
Off-plan sales revenue - Jawharat AlRamz	192,668,970	9,191,556
Development property sales revenue*	172,562,320	50,179,466
Development commission revenues for others	13,613,389	-
Lease revenue	2,956,990	1,892,469
Construction revenue	8,704,900	1,959,885
Total	951,754,644	531,909,124

*Development property sales revenue:

On 25 September 2024, a sale agreement was signed between Al Ramz Real Estate Company (the seller) and Jada Al Malqa Real Estate Company (the buyer) concerning two land plots (No. 2060 and 2061) located in Al Malqa district, Riyadh.

The agreed sale price amounted to SAR 172,562,320, to be paid in kind through the issuance of units at SAR 10 per unit to the seller in an investment fund managed by "Riyad Capital." According to the fund's terms and conditions, the Group is the developer of the fund.

On 18 November 2024, the Capital Market Authority ("the CMA") approved the establishment of the fund, and the development activities related to the fund's primary purpose commenced during the year ended 31 December 2024.

The Group exercised a judgment to consider this transaction as part of its ordinary course of business. Under the agreement, control over the two land plots was transferred, and all risks and rewards of ownership passed to the fund. There is no obligation on the seller to repurchase the land in the future. Based on the nature of the assets and their acquisition / development purpose, this transaction is accounted for under IAS 2 "Inventories." The Group obtained certified work progress reports from the project consultant, including actual completion percentages for the year ended 31 December 2024.

26. COST OF REVENUE

	Note	31 December 2024	31 December 2023
Costs of real estate development contracts for others		262,583,958	176,644,305
Cost of units sold	17	249,883,764	164,816,709
Off-plan sales costs – Jawharat AlRamz		158,275,173	11,327,550
Cost of development projects sold		103,837,746	45,027,364
Completion expenses attributable to finished projects		5,562,386	4,700,850
Warranty and maintenance provision expense		1,323,327	644,802
Provision for completing projects	17	2,100,000	-
Depreciation of investment property	8	678,788	676,686
Other expenses		883,742	468,289
Total		785,128,884	404,306,555



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

27. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Salaries, remunerations and equivalents		11,074,392	6,218,186
Remunerations and incentives		3,413,797	2,554,294
Provision for expected credit losses		3,481,048	-
Professional consultations and fees		2,070,110	1,208,813
Government charges		1,273,053	608,770
Social insurance		1,034,702	606,430
Medical insurance		1,168,059	607,100
Grants and donations		1,044,423	2,086,700
Depreciation of property and equipment	6	981,869	413,605
Amortization of intangible assets	7	167,083	161,715
Hospitality and cleaning expenses		427,553	289,357
Systems and networks expenses		740,213	256,672
End-of-service benefit		615,353	335,926
Stationery and prints		610,412	129,553
Rentals		386,239	527,282
Training and recruitment		347,199	130,381
Telephone, internet and electricity		282,517	96,053
Digital services subscription charges		216,955	13,111
Bank commissions		31,289	86,342
Others		1,989,386	706,970
Total		31,355,652	17,037,260

28. OTHER INCOME

	<u>31 December 2024</u>	<u>31 December 2023</u>
Income from marketing and brokerage commissions	21,541,210	2,259,079
Other income	346,766	2,258,872
Total	21,887,976	4,517,951

29. FINANCE COST

	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Interest expense on borrowings		13,455,938	2,360,429
Interest on lease liabilities	12-B	1,135,865	-
Other financing charges		2,100,464	-
Total		16,692,267	2,360,429

30. ZAKAT PROVISION

30.1 Zakat base

a. Zakat Calculation:	<u>31 December 2024</u>	<u>31 December 2023</u>
Total zakat items	818,237,914	871,530,958
Less: total non-zakat items	(388,127,596)	(666,599,526)
Zakat base	430,110,318	204,931,432
Zakat	11,117,258	5,139,878



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

30. ZAKAT PROVISION (CONTINUED)

30.2 The movements in zakat provision

	31 December 2024	31 December 2023
Balance at the beginning of the year	5,239,938	7,396,070
Charged during the year	11,117,257	5,139,878
Paid during the year	(5,139,689)	(7,296,010)
Balance at the end of the year	11,217,506	5,239,938

30.3 Zakat assessment

The Group has successfully filed zakat returns up to the year ended 31 December 2023 and received a provisional zakat certificate from the Zakat, Tax, and Customs Authority (ZATCA), which is valid until 30 April 2025. Final zakat assessments have not yet been received from ZATCA for those years.

31. COMMITMENTS AND CONTINGENT LIABILITIES

Guarantees:

The Group has contingent liabilities in the form of bank guarantees issued in the ordinary course of business amounting to SAR 2,258,051 as at 31 December 2024 (31 December 2023: SAR 25,161,029).

Commitments:

	31 December 2024	31 December 2023
Capital Commitments for Development Contracts	763,783,902	826,137,368
Total	763,783,902	826,137,368

32. FINANCIAL RISK MANAGEMENT

The Group's main financial liabilities consist of trade payables, due to related parties, lease liabilities, long-term borrowings. The Company's primary financial assets include cash at bank, trade and other receivables, due from related parties, and investments carried at FVOCI & FVTPL. The primary financial risks that arise from the Company's financial instruments include market risk (such as foreign exchange risk), credit risk, and liquidity risk. Management carefully evaluates and aligns policies to effectively manage these risks.

32.1 Market risk

It is the risk of fluctuation in the value of a financial instrument due to changes in market rates, such as price risk and foreign exchange rates, which affect the Group's income or the value of its holdings of financial instruments. Market risk management aims to manage and control market risk exposures within acceptable parameters, while maximizing returns. There has been no change in the Group's market exposures or the way they are managed or measured.

The Company is exposed to the risk of fluctuations in the prices of materials used in real estate development. These materials include, among others, construction materials, concrete, steel, stone, and other key inputs. Their prices are subject to volatility driven by prevailing market conditions, both locally and internationally, and primarily influenced by supply and demand dynamics, which may significantly impact raw material prices. These fluctuations are beyond the Company's control and are inherently unpredictable.

The Company is exposed to market risk arising from the concentration of its revenues in a diversified range of real estate products and services, including sales of completed units, development projects sold during the development phase real estate development for others, rental income, and off-plan sales.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.1 Market risk (Continued)

Revenues generated from contracts related to off-plan sales (the "Jawharat AlRamz Project") represented 21% and 2% of the Company's total revenues for the years ended 31 December 2024 and 2023, respectively. This has resulted in increased revenue concentration in that particular contract.

Revenues generated from real estate development for others for real estate investment funds represented 22% and 41% of the Company's total revenues for the years ended 31 December 2024 and 2023, respectively. Of these, 11% and 19%, respectively, were derived from contracts under the management of a single fund manager ("Riyad Capital"). This has resulted in an increased revenue concentration in such contracts. The Company has a strategy in place to diversify its revenue sources through other projects.

Revenues generated from the sale of development properties accounted for 18% and 9% of total revenues for the years ended 31 December 2024 and 2023.

The Company engages in sale of off-plan development properties activities, where certain residential units are sold at a predetermined price prior to the actual commencement of construction works. Consequently, the Company is exposed to the risk of development costs exceeding the agreed sale prices under Istisna contracts. The inability to adjust sales prices may have a material impact on the Company's operating results, financial performance, profitability, and future prospects. The Company's management continuously monitors forecasted plans and estimated costs and believes that profit margins will not be materially affected by these risks.

The Company is inherently exposed to revenue recognition risks associated with the percentage-of-completion method in recognizing revenue for its development projects. Real estate development generally involves a number of inherent risks, including construction, financing, operational, and other related risks. The Company recognizes revenue from its ongoing real estate development projects for others and off-plan sales based on the percentage-of-completion using the output method. Such approach may result in material delays in construction activities, which in turn may lead to delays in recognizing the related revenues, potentially causing significant fluctuations in the financial results.

32.1.1 Price risk

These factors impact the time required to complete construction activities, including delays in obtaining licenses, permits, approvals, and other requirements related to zoning, land use, construction, development, and occupancy. They also include defaults by main contractors in payments to subcontractors or incurring costs exceeding the amounts included in the estimated budget, which may result in the failure to achieve the targeted return on investment from the project.

The Company's management applies the most appropriate cost estimates by comparing the costs of actual and completed projects with new projects, in order to ensure there are no material differences or indicators in current costs.

The Group is exposed to market price risk due to changes in the fair value of financial assets held at fair value, as a result of fluctuations in market indices.

The following table presents a sensitivity analysis for changes in market prices:

	31 December 2024	31 December 2023
Net asset value of units + 10%	33,093,372	31,729,570
Net asset value of units - 10%	(33,093,372)	(31,729,570)

32.1.2 Foreign currency risk

Foreign Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when future transactions, assets and liabilities are recognized in a currency other than SAR. The Group's management believes that foreign currency exposures are minimal, as SAR is pegged to the US dollar.

The management monitors foreign exchange rate fluctuations and believes that the Group has no significant exposure to exchange rate changes.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Credit risk

Credit risk is the potential financial losses that may arise if a counterparty fails to fulfill their obligations. The Group does not have undue concentration of credit risk. Cash at bank are deposited with local banks that have high credit ratings. Trade and other receivables are mainly due from customers in the local market and are stated at their estimated recoverable amount. The Group has policies in place to minimize its credit risk. The maximum credit risk exposure at the reporting date is outlined below:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash at bank	52,145,593	24,199,911
Trade receivables	375,046,137	110,302,347
Prepayments and other receivables	45,966,793	43,719,193
	<u>473,158,523</u>	<u>178,221,451</u>

Cash is placed with banks that have a high credit rating. Thus, an impairment test was made using a 12-month expected loss model. The management's impairment test indicates that no material provision is required for these balances for all the years presented.

Trade receivables, other receivables and due from related parties:

The Company utilizes the simplified IFRS 9 approach for measuring ECL, employing a lifetime ECL provision for receivables, other receivables, and due from related parties.

Receivables

<u>31 December 2024</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>91-120 days</u>	<u>121-365 days</u>	<u>Total</u>
Trade receivables	115,120,050	220,757,895	15,795,882	26,853,358	378,527,185
Provision for ECL	-	(255,979)	(210,466)	(3,014,603)	(3,481,048)
Average Range of Loss Rates (%)	-	0.12%	1.33%	11.2%	0.92%
<u>31 December 2023</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>91-120 days</u>	<u>121-365 days</u>	<u>Total</u>
Trade receivables	33,333,944	56,089,552	9,013,107	12,181,692	110,618,295
Provision for ECL	-	-	-	(315,948)	(315,948)
Average Range of Loss Rates (%)	-	-	-	2.59%	0.286%

32.3 Liquidity risk

It is the risk that the Group will encounter difficulty in obtaining the financing necessary to meet commitments associated with financial instruments. Liquidity risk may result from the failure to sell a financial asset quickly at a value close to its fair value. Regular monitoring ensures that the Group has sufficient liquidity to fulfill its financial obligations. The Group's approach to managing liquidity is to guarantee that it will have sufficient funds to fulfill its obligations as due, even in regular and stable circumstances, without having significant losses or risking damage to its reputation.

The following table provides a summary of the Company's financial liabilities, grouped by their maturity profile. It shows the remaining period from the statement of financial position date to the contractual maturity date. The figures in the table represent the undiscounted contractual cash flows.



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Liquidity risk (Continued)

31 December 2024	Carrying Amount	Less than one year	More than one year	Undiscounted value
Trade payables	53,275,670	53,275,670	-	53,275,670
Accrued expenses and other payable	58,817,279	58,817,279	-	58,817,279
Lease Liabilities	12,510,565	3,976,000	10,488,000	14,464,000
Long-term borrowings	429,050,582	277,811,303	151,239,279	429,050,582
	553,654,096	393,880,252	161,727,279	555,607,531
31 December 2023	Carrying Amount	Less than one year	More than one year	Undiscounted value
Trade payables	39,218,615	39,218,615	-	39,218,615
Accrued expenses and other payable	14,591,988	14,591,988	-	14,591,988
Long-term borrowings	252,450,880	22,771,786	229,679,094	252,450,880
	306,261,483	76,582,389	229,679,094	306,261,483

32.4 Commission risk

Commission rate exposure involves dealing with the potential risks that arise from fluctuations in commission rates and how they can impact the Group's consolidated statement of financial position and cash flows. The Group regularly monitors commission rate schedules for commission-bearing financial instruments to manage commission rate risk. The Group's special commission-bearing liabilities, primarily consisting of bank borrowings, are susceptible to floating rates and may be re-priced. Management closely monitors fluctuations in commission rates and believes that any potential impact on the fair value and cash flows of the Group is insignificant.

Financial assets that carry a finance cost comprise of short-term Murabaha deposits at fixed interest rates. Thus, it is not susceptible to the commission risk for cash flows and fair value.

The following is a breakdown of the commission rates for the Company's commission-bearing financial instruments, as reported to the Group's management:

	31 December 2024	31 December 2023
Long-term borrowings	151,239,279	252,450,880
	151,239,279	252,450,880

Interest rate fluctuations result in a corresponding impact on the profit or loss through the commission expense (Increase / Decrease) related to borrowings. The following table shows the sensitivity of any reasonable potential change in the commission rate of the Group's profits, through the impact of the borrowing rate with all other variables constant:

	Increase / decrease in basis points (bps) related to commission rates	Impact on the income for the year
31 December 2024		
Commission rate increase	+100	1,512,393
Commission rate decrease	-100	(1,512,393)



AL RAMZ REAL ESTATE COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024
(All amounts in SAR)

32. FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 Commission risk (Continued)

	Increase / decrease in basis points (bps) related to commission rates	Impact on the income for the year
31 December 2023		
Commission rate increase	+100	2,524,509
Commission rate decrease	-100	(2,524,509)

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Management has determined that the fair values of cash and cash equivalents, trade receivables, investments carried at FVOCI, other current assets, trade payables, borrowings and other current liabilities are a close approximation of their carrying amounts. This is primarily because these financial instruments have short-term maturity.

The following table outlines the fair value of financial instruments and investment properties as disclosed at year-end:

31 December 2024	Level 1	Level 2	Level 3	Total
Investments carried at FVOCI	-	-	6,154,450	6,154,450
Investments carried at FVSI	-	-	316,329,269	316,329,269
Investment property, net	-	-	38,626,527	38,626,527
	-	-	361,110,246	361,110,246
31 December 2023	Level 1	Level 2	Level 3	Total
Investments carried at FVOCI	-	-	2,950,000	2,950,000
Investments carried at FVSI	-	-	314,345,704	314,345,704
Investment property, net	-	-	39,305,315	39,305,315
	-	-	356,601,019	356,601,019



AL RAMZ REAL ESTATE COMPANY

(A Saudi Closed Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

(All amounts in SAR)

34. DIVIDENDS

On 9 March 2023, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2022 amounting to ("SAR 30,000,000"), at SAR 1.00 per share, representing ("10%") of the nominal share value.

On 22 June 2023, the General Assembly approved the distribution of a cash dividend to shareholders for the financial year ended 31 December 2022 amounting to ("SAR 30,000,000") at the rate of ("SAR 1.00") per share, representing ("10%") of the nominal share value.

The Company paid dividends for the financial year ended 31 December 2022 in two installments, the first payment of ("20,000,000") on 19 December 2023 and the second payment of ("10,000,000") on 21 December 2023.

On 9 March 2024, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2023 amounting to ("SAR 30,000,000") at the rate of ("1.00") Saudi Riyals per share, representing ("10%") of the nominal share value.

On 27 June 2024, the General Assembly approved the distribution of cash dividends to shareholders for the financial year ended 31 December 2023 amounting to ("SAR 30,000,000") at the rate of ("1.00") Saudi Riyals per share, representing ("10%") of the nominal share value.

The Company disbursed dividends for the fiscal year ending on 31 December 2023 in two installments, the first payment of ("15,000,000") was disbursed on 30 October 2024 and the second payment of ("15,000,000") on 16 January 2025.

35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

36. SUBSEQUENT EVENTS

Management believes that no material subsequent events from the date of the consolidated statement of financial position as at 31 December 2024 until the date of preparation of these consolidated financial statements may have a material impact on the consolidated financial position of the Company.

37. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Group's Board of Directors on 29 Shawwal 1446 AH corresponding to 27 April 2025.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six-month periods ended 30 June 2025
(Unaudited)
With the Independent Auditor's Review Report



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REVIEW REPORT OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	-
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	1
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	4
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5-16



INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF AL RAMZ REAL ESTATE COMPANY

CLOSED JOINT STOCK COMPANY

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Ramz Real Estate Company (the "Company") and its subsidiary (together "the Group") as at 30 June 2025 and the interim condensed consolidated statement of profit or loss and other comprehensive income for the three- and six-month periods then ended, the interim condensed consolidated statement of changes in equity, and the interim condensed consolidated statement of cash flows for the six-month period then ended, together with the related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") 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 International Standard on Review Engagement 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 condensed consolidated 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

For PKF Albassam
Chartered Accountants


Ibrahim Ahmed Albassam
Chartered Public Accountant
License No. 337
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Corresponding to: 24 Sep 2025



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AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

(All amounts in SAR)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Properties and equipment, net	5	10,081,919	9,589,398
Intangible assets, net		186,774	270,618
Investment Properties, net	6	38,287,133	38,626,527
Investment carried at fair value through other			
Comprehensive income (FVOCI)		6,154,450	6,154,450
Investments in associate companies		8,450,000	8,450,000
Investments carried at fair value through profit or loss (FVTPL)	7	690,287,456	316,329,269
Right of use assets, net		10,541,513	12,208,433
Total Non-Current Assets		763,989,245	391,628,695
Current Assets			
Cash at banks	8	41,952,945	52,145,593
Trade receivables, net	9	133,703,823	375,046,137
Prepayments and other receivables		78,277,221	45,966,793
Real Estate under development	10	855,992,849	445,216,021
Real Estate inventory	11	481,241	6,810,342
Due from related Parties	12	33,010,838	46,969,290
Total Current Assets		1,143,418,917	972,154,176
TOTAL ASSETS		1,907,408,162	1,363,782,871
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	300,000,000	300,000,000
Reserves	14	37,670,775	37,670,775
Actuarial reserve		(470,513)	(470,513)
Retained earnings		474,803,086	403,298,689
TOTAL EQUITY		812,003,348	740,498,951
LIABILITIES			
Non-Current Liabilities			
Employee end-of-service benefit obligations		2,378,087	1,548,036
Lease liabilities – non-current		7,768,680	9,412,600
Non-current portion from long-term borrowings	15	710,628,622	277,811,303
Total Non-Current Liabilities		720,775,389	288,771,939
Current Liabilities			
Trade payables		51,110,026	53,275,670
Due to related Parties	12	300,000	300,000
Accrued expenses and other payable		96,647,015	58,817,279
Advance payments clients		78,914,196	56,564,282
Lease liability-current		3,236,466	3,097,965
Zakat provision payable	16	3,756,828	11,217,506
Current portion from long-term borrowings	15	140,664,894	151,239,279
Total Current Liabilities		374,629,425	334,511,981
TOTAL LIABILITIES		1,095,404,814	623,283,920
TOTAL EQUITY AND LIABILITIES		1,907,408,162	1,363,782,871

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

	Note	For the three-month period ended on		For the six-month period ended on	
		30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Revenue	17	89,030,300	131,224,895	222,860,382	286,738,890
Cost of revenue	18	(75,864,401)	(120,738,969)	(186,489,624)	(261,504,316)
Gross profit		13,165,899	10,485,926	36,370,758	25,234,574
General and administrative expenses		(8,560,016)	(5,056,222)	(17,084,204)	(10,361,172)
Selling and marketing expenses		(4,192,015)	(4,913,967)	(7,923,991)	(9,931,286)
Depreciation expense of right of use assets		(814,744)	(837,948)	(1,666,920)	(1,675,894)
Reversal of expected credit loss provision	9	(804,362)	-	843,810	-
Operating income		(1,205,238)	(322,211)	10,539,453	3,266,222
Finance cost and bank facilities		(6,823,497)	(1,480,364)	(10,942,081)	(3,872,344)
Financing interest income	12	490,108	-	974,830	-
Other income		5,977,141	1,821,448	6,662,483	2,472,161
Realized Gains/losses from investments at FVTPL		(588,725)	(239,263)	(726,856)	(118,345)
Unrealized gains from investments at FVTPL		67,516,831	-	67,516,831	-
Net income for the period before zakat		65,366,620	(220,390)	74,024,660	1,747,694
Zakat	16	(383,414)	(96,358)	(2,520,263)	(1,227,034)
Net income for the period		64,983,206	(316,748)	71,504,397	520,660
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		64,983,206	(316,748)	71,504,397	520,660
Basic earnings per share (EPS)		2.17	(0.01)	2.38	0.017

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six-month period ended 30 June 2025
(All amounts in SAR)

	Share Capital	Statutory reserve	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2025 (Unaudited)	300,000,000	37,670,775	(470,513)	403,298,689	740,498,951
Net income for the period	-	-	-	71,504,397	71,504,397
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	71,504,397	71,504,397
Balance as at 30 June 2025 (Unaudited)	300,000,000	37,670,775	(470,513)	474,803,086	812,003,348
	Share Capital	Statutory reserve	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2024 (Audited)	300,000,000	37,670,775	4,824	271,744,044	609,419,643
Net income for the period	-	-	-	520,660	520,660
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	520,660	520,660
Dividends payable	-	-	-	(30,000,000)	(30,000,000)
Balance as at 30 June 2024 (Unaudited)	300,000,000	37,670,775	4,824	242,264,704	579,940,303

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2025

(All amounts in SAR)

	Note	30 June 2025	30 June 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat		74,024,660	1,747,694
<i>Adjustments to reconcile net income before zakat:</i>			
Depreciation of properties and equipment	5	1,199,129	354,656
Depreciation of investment properties	6	339,395	339,395
Depreciation of right of use assets		1,666,920	1,675,894
Financing transaction costs	15	18,950,261	10,503,295
Employee end of service benefits provision		896,277	833,800
Amortization of intangible assets		83,843	83,239
Finance cost of lease liabilities		483,581	599,695
Realized Gains/losses from investments at FVTPL	7	726,856	118,345
Unrealized gains from investments at FVTPL	7	(67,516,831)	-
Reversal of expected credit loss provision	9	(843,810)	-
Changes in working capital items:			
Trade receivables		19,536,705	(91,908,769)
Due from related parties	12	14,933,282	24,001,588
Prepayments and other receivables		(32,310,428)	(7,241,851)
Real Estate under development		(410,776,829)	(106,314,240)
Real Estate inventory		6,329,101	97,181,311
Trade payables		(2,165,643)	13,950,188
Due to related parties	12	-	(279,384)
Advance payments clients		22,349,914	42,698,856
Accrued expenses and other payable		37,829,736	19,785,229
Interest paid on lease liabilities		(483,581)	(599,695)
Financing transaction costs paid	15	(17,286,714)	(12,133,238)
Cash used in operating activities		(332,034,176)	(4,603,992)
End-of-service benefits provision charged		(66,226)	(16,152)
Zakat paid during the period		(9,980,941)	(5,139,691)
Net cash used in operating activities		(342,081,343)	(9,759,835)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(1,691,650)	(4,551,352)
Payments for purchase of intangible assets		-	(8,220)
Payments for investments carried at FVTPL	7	(150,000,000)	(360,182)
Proceeds from disposal of investments carried at FVTPL	7	65,481,207	46,360,181
Net cash used to / generated from investing activities		(86,210,443)	41,440,427
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term borrowings received	15	514,057,600	15,630,969
Repayments of long-term borrowings	15	(93,478,213)	(6,250,000)
Lease liabilities paid		(1,505,419)	(1,580,305)
Dividends paid		-	(30,000,000)
Due from related parties	12	(974,830)	-
Net cash generated from / (used in) financing activities		418,099,138	(22,199,336)
Net change in cash and cash equivalents		(10,192,648)	9,481,256
Cash and cash equivalents at beginning of the period		52,145,593	24,199,911
Cash and cash equivalents at end of the period		41,952,945	33,681,167
Non-cash transactions:			
Dividends payable		-	30,000,000
Investments carried at fair value through profit or loss (FVTPL) against trade receivables	7	222,649,419	-
Accrued finance costs allocated to properties under development		11,339,106	-

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

1. REGULATORY STATUS AND NATURE OF ACTIVITIES

Al Ramz Real Estate Company (the "Company") is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia under commercial registration number 1010488618 dated 29 Dhul-Qidah 1437 H (corresponding to 1 September 2016).

The company's registered address is Wadi Waj Street, Al Malqa District, Riyadh, postal code 13521, Kingdom of Saudi Arabia.

The main activity of the company is as follows:

<u>General field of activities</u>	<u>Activity Name</u>
Construction	Building construction
	Construction of roads and railway lines
	Benefit projects
	Demolition
	Site preparation
	Electrical installations
	Plumbing, heating and air conditioning works
	Completion and finishing of buildings
	Other specialized construction activities
Accommodation and food services activities	Short-term accommodation activities
Real Estate activities	Real estate activities in owned or leased property
	Real estate activities based on fees or contracts
Administrative and support services	Integrated facilities support activities
Other service activities	Activities of professional organizations with membership

During the year ended 31 December 2023, the Group's Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3 Rabi' al-Awwal 1444 H. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the "Holding Company") will exercise control over Asos Al Ramz Contracting Company and will be accounted for as a subsidiary.

On 4 Ramadan 1445 H corresponding to 14 March 2024, the name of the subsidiary was changed from Asos Al Ramz Contracting Company to Zat Al Emar Contracting Company.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the "Holding Company"), and its directly owned company ("Subsidiary"):

<u>Subsidiary</u>	<u>Incorporation country</u>	<u>Legal Form</u>	<u>Effective Ownership Percentage (Direct)</u>
Zat Al-Emmar Contracting Company	KSA	LLC	100%

- (1) Zat Al Emar Contracting Company ("the Company") is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 AH, corresponding to 9 March 2023.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

1. REGULATORY STATUS AND NATURE OF ACTIVITIES (CONTINUED)

The main activity of the Company is as follows:

<u>General field of activities</u>	<u>Activity Name</u>
Construction	Building construction
	Construction of roads and railway lines
	Benefit projects
	Construction works related to other civil engineering projects
	Demolition
	Site preparation
	Electrical installations
	Plumbing, heating and air conditioning works
	Completion and finishing of buildings

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" ("IAS 34") 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") (collectively referred to as "International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia").

The interim condensed consolidated financial statements do not provide all the information and disclosures required for a comprehensive set of annual financial statements. As at 31 December 2024 it should be read in conjunction with the financial statements. Nevertheless, certain explanatory notes have been provided to explain events and transactions that are significant to obtain understanding of the changes in the Company's financial position and performance since the prior annual financial statements. Furthermore, the financial operating results for the period ended 30 June 2025 do not necessarily represent an indicator for the operating results for the financial year ended 31 December 2025.

2.2 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of Al Ramz Real Estate Company and its subsidiary (the "Group"), as described in Note (1).

The condensed consolidated interim financial statements comprise the financial statements of the Parent Company and its subsidiary as at 30 June 2025. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other voting holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of profit or loss,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost except the investments carried at FVSI & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

Certain comparative figures have been reclassified to conform with the current period presentation.

2.4 Functional and presentation currency

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

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended 31 December 2024, except for the amendments that were required to be applied as at 1 January 2024. The Company has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective. Several amendments and interpretations have been applied for the first time in 2024; however, they did not have any impact on the Company's interim condensed consolidated financial statements.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

4. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES

Significant accounting estimates, assumptions and policies

The preparation of the interim condensed consolidated financial statements requires the use of judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying notes. Assumption and estimation uncertainties could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The accounting policies applied to these interim condensed consolidated financial statements were the same as those used for the Company's financial statements for the prior year ended 31 December 2024.

5. PROPERTIES AND EQUIPMENT, NET

- During the period ended 30 June 2025, additions to property and equipment amounted to SAR 1.7 million (for the period ended 30 June 2024: SAR 4.55 million).
- During the period ended 30 June 2025, depreciation expense on property and equipment amounted to SAR 1.2 million (for the period ended 30 June 2024: SAR 354 thousand). Depreciation for the year was charged to general and administrative expenses.

6. INVESTMENT PROPERTIES, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Lands	21,800,000	21,800,000
Buildings	16,487,133	16,826,527
	38,287,133	38,626,527

- During the period ended 30 June 2025, depreciation expenses on investment properties amounted to SAR 339 thousand (for the period ended 30 June 2024: SAR 339 thousand). Depreciation expenses for the year were allocated to the cost of revenue.
- As at 30 June 2025, the Company's management had mortgaged investment properties with a net carrying value of SAR 38,287,133 against facilities No. (4, 5, and 8) as mentioned in Note 15.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Fair Value	46,854,000	46,854,000

The fair values of the investment properties were determined based on a valuation conducted by an independent valuer as at 31 December 2024. The valuation was carried out by Wasm Valuation Company (independent valuers accredited by the Saudi Authority for Accredited Valuers "Taqeem"). The valuer possesses appropriate professional qualifications and prior experience in the location and type of properties being valued. The independent valuer provides the fair value of the Group's investment properties on an annual basis. The Company also conducted an additional independent assessment of the fair value of the investment properties for the period ended 30 June 2025 through an independent accredited valuer which resulted in a valuation of SAR 43,670,000 which is not materially different to the fair value as at 31 December 2024.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

7. Investments carried at fair value through profit or loss (FVTPL)

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Investment in Al Ramz Residential Fund	17,088,836	31,003,864
Investment in Riyadh Real Estate Development Fund – Al Ramz	13,970,661	55,743,000
Investment in Riyadh Real Estate Development Fund - Durrat King Khaled	119,500,000	115,500,000
Investment in Ramz Tharwa Real Estate Fund	11,896,700	10,187,800
Investment in Riyadh Fund (Durrah Al Markaz) – Hatteen Offices	59,360,000	57,440,000
Investment in AlAhli Alrabwa Alramz Real Estate Fund	93,291,976	46,454,605
Investment in Riyadh Real Estate Development Fund – Al Ramz Tower	225,179,283	-
Investment in AlAhli Al Ramz Qurtoba Real Estate Fund	150,000,000	-
	690,287,456	316,329,269

The movements in investments at fair value through profit or loss (FVTPL) are as follows

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	316,329,269	314,345,704
Additions during the period / year	372,649,419	40,642,699
Disposals during the period / year	(65,481,207)	(88,500,000)
Unrealized gains during the period/year	67,516,831	47,828,461
Realized (losses)/gains during the period/year	(726,856)	2,012,405
	690,287,456	316,329,269

During the period ended 30 June 2025, the Company received units in “Al Ramz Tower Fund” and “AlAhli Alrabwa Alramz Real Estate Fund” as a settlement for amounts recognized under receivables.

8. CASH AT BANKS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	41,952,945	52,145,593
Less: Restricted bank accounts	(23,288,978)	(12,357,955)
Total cash and cash equivalents	18,663,967	39,787,638

As at 30 June 2025, cash at banks includes restricted escrow account balances amounting to SR 23.3 million (31 December 2024: SR 12.4 million) held with a local bank. Withdrawals from these accounts are restricted to settling liabilities relating to the development of the off-plan sale projects (“Jawharat Al Ramz Project” and “Yusr Village Project”) and to settling amounts payable to the National Housing Company.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

9. TRADE RECEIVABLES, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	136,341,061	378,527,185
Provision for expected credit losses	(2,637,238)	(3,481,048)
	<u>133,703,823</u>	<u>375,046,137</u>

The aging analysis of trade receivables from external parties is as follows:

	0-180	181-365	366-730	Total
Trade Receivables	100,891,780	16,926,281	18,523,000	136,341,061
Less: Provision for expected credit losses	(885,946)	(1,751,292)	-	(2,637,238)
Net trade receivables	<u>100,005,834</u>	<u>15,174,989</u>	<u>18,523,000</u>	<u>133,703,823</u>

The movement in the expected credit losses is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	3,481,048	315,948
(Reversal) / Charged during the period / year	(843,810)	3,481,048
Write-off during the period/year	-	(315,948)
Ending balance	<u>2,637,238</u>	<u>3,481,048</u>

10. REAL ESTATE UNDER DEVELOPMENT

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	445,216,021	288,965,427
Additions during the period/year	589,593,956	830,711,991
Cost of real estate under development (Note 18)	-	(103,837,746)
Transferred to real estate inventory during the period/year (Note 11)	-	(153,355,473)
Transferred to cost of development contracts for others (Note 18)	(178,817,128)	(417,268,178)
	<u>855,992,849</u>	<u>445,216,021</u>

- As at 30 June 2025, the value of properties under development pledged amounted to SAR 84.9 million (31 December 2024: SAR 77.6 million) in favor of a local bank against facilities No. 4, 5 and 8 (Note 15).
- As at 30 June 2025, the value of properties under development pledged amounted to SAR 366.2 million (31 December 2024: SAR 185.4 million) in favor of a local bank against facilities No. 6 and 9 (Note 15).
- As at 30 June 2025, the value of properties under development pledged amounted to SAR 356 million in favor of a local bank against facility No. 10 (Note 15).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

11. REAL ESTATE INVENTORY

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	6,810,342	105,438,633
Transferred from real estate under development during the period / year	-	153,355,473
Transfer to cost of revenue attributable to properties sold during the period / year (Note 18)	(6,329,101)	(251,983,764)
	<u>481,241</u>	<u>6,810,342</u>

12. RELATED- PARTIES TRANSACTIONS AND BALANCES

Related parties include the Group's shareholders, key management personnel, and the entities owned or managed by these parties, as well as entities over which these parties exercise joint control or significant influence. Transactions with related parties are conducted in the ordinary course of business through contracts approved by management. The following is a summary of the significant transactions between the Group and its related parties during the year, along with a statement of the net balances of the related parties:

Related-Parties Balances:

	Nature of Relationship	Nature of Transactions	As at 30 June 2025 (Unaudited) Debit / (Credit)	As at 31 December 2024 (Audited) Debit / (Credit)
Rumoz Holding Company	affiliate	operating	3,350,000	18,350,000
Al Majd Building for Real Estate Development & Investment Company	associate	Financing	29,594,120	28,619,290
Meshkati trading company	affiliate	operating	66,718	-
Total due from related parties			33,010,838	46,969,290
Al Majd Building for Real Estate Development & Investment Company	associate	Investing	(50,000)	(50,000)
Al Ramz & Asayel Real Estate Development Company	associate	Investing	(250,000)	(250,000)
Total due to related parties			(300,000)	(300,000)

Related-Parties Transactions:

Significant transactions with related parties as at 30 June 2025:

	Nature of Relationship	Nature of Transactions	Amount of transaction for the year ended 30 June 2025 (Unaudited)	30 June 2024 (Audited)
Rumoz Holding Company	affiliate	Proceeds from Previous Balances	15,000,000	24,001,588
		Payments	1,700,000	1,700,000
		Operating	(1,700,000)	(1,700,000)
Al Majd Building Company	associate	Financing	974,830	-

12. RELATED- PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

- 11 -



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

Related-Parties Transactions: (continued)

During the financial year ended 31 December 2024, the group contracted with Rumoz Holding Company, an affiliated company, under a long-term lease contract for a period of 5 years, with a value of SAR "17,000,000", in addition to a value-added tax of SAR "2,550,000", bringing the total value to SAR "19,550,000" for a commercial office building with an annual lease of SAR "3,400,000".

During the year ended 31 December 2024, the Group also contracted to sell residential units to Rumoz Holding with a total value of SAR 18,350,000.

During the financial year ended in 31 December 2024, the Group provided financing to Al Majd Building Company for Real Estate Development and Investment ("Associate Company") in the value of SAR "28,350,000. According to the financing agreement between the Group and Al Majd Building for Real Estate Development and Investment Company, Al Majd Building for Real Estate Development and Investment Company bears the financing obligations related to Facility No. 7. The purpose of the financing is to support the company's business and operational activities and to cover part of the costs of the project ("Al Ramz Builder"). The financing revenues resulting from the financing amounted to SAR 269,290, as at 31 December 2024 and SAR 974,830 as of 30 June 2025, which were recognized as financing interest income.

The Group's key executives consist of senior management members who have the authority and responsibility for planning, directing, and controlling the Company's activities.

	For the six-month period ended 30 June 2025 (Unaudited)	For the six-month period ended 30 June 2024 (Unaudited)
Salaries and compensations of key management personnel	2,681,577	1,305,111
Remunerations of key management personnel	1,520,316	-
Remunerations of the Board of Directors and its sub-committees	987,500	-

13. SHARE CAPITAL

As at 30 June 2025, the Company's share capital is comprised of 30,000,000 shares, at SAR 10 each. The equity shares have been apportioned among the shareholders as follows:

Name	Shares in Numbers	Value Per Share SAR	Total Value SAR	Shareholding %
Rasheed Abdul Rahman Nasser Al Rasheed	24,000,012	10	240,000,120	80%
Harun Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Abdul Malek Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Rakan Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500,000	2.51%
Haya Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Modi Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Sarah Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
	30,000,000		300,000,000	100%



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

14. RESERVES

The Ordinary General Assembly may, when determining the share of net profits attributable to the shares, decide to allocate reserves to the extent that serves the Group's interest or ensures the distribution of stable dividends to shareholders as much as possible. The said Assembly may also deduct amounts from the net profits to serve social purposes for the Group's employees.

15. LONG – TERM BORROWINGS

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Non-current portion from long-term borrowings	15.1	710,628,622	277,811,303
Current portion from long-term borrowings	15.1	140,664,894	151,239,279
		851,293,516	429,050,582

15.1 Long – Term Borrowings	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Facility (1)	-	10,271,786
Facility (2)	-	79,456,427
Facility (3)	100,000,000	100,000,000
Facility (4)	18,750,000	22,500,000
Facility (5)	50,434,978	50,434,978
Facility (6)	218,273,112	128,273,112
Facility (7)	28,350,000	28,350,000
Facility (8)	20,157,600	-
Facility (9)	150,000,000	-
Facility (10)	253,900,000	-
Total facilities	839,865,690	419,286,303
Add: Financing transaction costs, net	11,427,826	9,764,279
Balance at the end of the period/year	851,293,516	429,050,582

The following is a breakdown of the movements in long – term borrowings:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	419,286,303	246,250,000
Withdrawals / new credit facility additions during the period / year	514,057,601	217,254,080
	933,343,904	463,504,080
Borrowings paid during the period / year	(93,478,213)	(44,217,777)
Loan principal balance at the end of the period / year	839,865,690	419,286,303
Add: financing transaction costs, net	11,427,826	9,764,279
	851,293,516	429,050,582
Less: Current portion from long-term borrowings	(140,664,894)	(151,239,279)
Non-current portion from long-term borrowings	710,628,622	277,811,303



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

15. LONG – TERM BORROWINGS (CONTINUED)

The movement in financing transaction costs was as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	9,764,279	6,200,880
Additions during the period / year	18,950,261	23,700,622
Finance costs paid during the period / year	(17,286,714)	(20,137,223)
Balance at the end of the period/year	11,427,826	9,764,279

Financing costs amounted to SAR 18,950,261 as at 30 June 2025. An amount of SAR 7,611,155 was charged to the statement of income as financing transaction costs (31 December 2024: SAR 13,455,938), while an amount of SAR 11,339,106 was capitalized under properties under development (31 December 2024: SAR 10,244,684).

16. ZAKAT PROVISION PAYABLE:

16.1 The movements in zakat provision

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	11,217,506	5,239,938
Charged for the period / year	2,520,263	11,117,257
Paid during the period / year	(9,980,941)	(5,139,689)
Balance at the end of the period/year	3,756,828	11,217,506

16.2 Zakat Status

The Group has successfully filed zakat returns until the financial year ended 31 December 2024 and received a provisional zakat from the Zakat, Tax and Customs Authority valid until 30 April 2026. No final zakat assessments have yet been issued by the Zakat, Tax and Customs Authority for those years.

17. REVENUE

	For the three-month period ended on		For the six-month period ended on	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Real estate development revenue for other	66,530,755	25,209,681	152,694,861	64,330,183
Off-plan sales revenue	14,861,095	37,316,667	49,622,575	70,906,793
Development commission income for others	4,092,370	-	9,586,290	-
Unit sales revenue	2,338,000	67,895,635	9,088,790	149,904,567
Lease revenue	785,362	802,912	1,445,148	1,597,347
Property management commission income for others	422,718	-	422,718	-
Total	89,030,300	131,224,895	222,860,382	286,738,890



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

18. COST OF REVENUE

	For the three-month period ended on		For the six-month period ended on	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Costs of real estate development contracts for others	60,734,531	42,800,864	137,091,987	107,519,909
Off-plan sales costs	12,495,951	28,306,343	41,725,141	45,332,396
Cost of sold units	1,981,450	49,200,711	6,329,101	107,738,237
Leasing expenses	358,769	30,397	745,130	50,734
Depreciation of investment properties	169,697	169,697	339,395	339,395
Completion expenses attributable to finished projects	114,095	150,000	227,224	150,000
Warranty and maintenance provision expense	9,908	80,957	31,646	373,645
Total	75,864,401	120,738,969	186,489,624	261,504,316

19. FINANCIAL RISK MANAGEMENT

Capital Management

The Board's policy is to maintain an efficient capital base to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- to provide an adequate return to shareholders

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted inputs (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Management has determined that the fair values of cash and cash equivalents, trade receivables, investments carried at FVOCI, other current assets, trade payables, borrowings and other current liabilities are a close approximation of their carrying amounts. This is primarily because these financial instruments have short-term maturity.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and six-month periods ended 30 June 2025

(All amounts in SAR)

21. DIVIDENDS

On 23 May 2024, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2023 amounting to ("SAR 30,000,000") at the rate of ("1.00") SAR per share, representing ("10%") of the nominal share value.

On 27 June 2024, the General Assembly approved the distribution of cash dividends to shareholders for the financial year ended 31 December 2023, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the nominal share value.

On 3 June 2025, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2024, amounting to SAR 30,000,000, at SAR 1.00 per share, representing 10% of the nominal value of the share.

22. CAPITAL COMMITMENTS

Guarantees:

The Group has contingent obligations for bank guarantees issued in the ordinary course of its business amounting to SAR 1,258,051 as at 30 June 2025 (31 December 2024: SAR 2,258,051).

Commitments:

	30 June 2025	31 December 2024
Capital commitments for development contracts	578,285,101	763,783,902
Total	578,285,101	763,783,902

23. SIGNIFICANT EVENTS

On 30 June 2025, the Group obtained approval from the Capital Market Authority to register and offer 30% of the Group's total shares for public subscription on the Main Market (Tadawul).

24. SUBSEQUENT EVENTS

In the opinion of management, there have been no subsequent material events since the end of the period that could have a significant impact on the Group's financial position as presented in these interim condensed consolidated financial statements.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Group's management on 17 Rabi Al-Awwal 1447H, corresponding to 9 Sep 2025.



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine-month periods ended 30 September 2025
(Unaudited)
With the Independent Auditor's Review Report



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REVIEW REPORT OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	1
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	6-18



**INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

TO THE SHAREHOLDERS OF AL HAMZ REAL ESTATE COMPANY
CLOSED JOINT STOCK COMPANY

(1/1)

INTRODUCTION

We have reviewed the accompanying 30 September 2025 interim condensed financial statements of Al Runtz Real Estate Company (the "Company") and its subsidiary (together "the Group") which comprises:

- The interim consolidated statement of financial position as at 30 September 2025;
- The interim consolidated statement of profit or loss and other comprehensive income for the three- and nine-month periods then ended;
- The interim consolidated statement of changes in equity for the nine-month period then ended;
- The interim consolidated statement of cash flows for the nine-month period then ended; and
- 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 International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagement 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 condensed consolidated 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

PKF A-Systems
Chartered Accountants

Ibrahim Ahmed Albassam
 Certified Public Accountant
 License No. 337
 Riyadh, Kingdom of Saudi Arabia
 13 Jumada Al-Awwal 1447H
 Corresponding to: 4 November 2025



Итого:

ЛЕСОБРА

AL KHOSBI
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AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

As at 30 September 2025

(All amounts in SAR)

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Properties and equipment, net	5	10,791,136	9,589,398
Intangible assets, net		144,853	270,618
Investment Properties, net	6	31,189,435	38,626,527
Investment carried at fair value through other comprehensive income (FVOCI)		6,154,450	6,154,450
Investments in associate companies		13,450,000	8,450,000
Investments carried at fair value through profit or loss (FVTPL)	7	655,510,407	316,329,269
Right of use assets, net		9,857,018	12,208,433
Total Non-Current Assets		727,097,299	391,628,695
Current Assets			
Cash at banks	8	24,993,894	52,145,593
Trade receivables, net	9	640,773,296	375,046,137
Prepayments and other receivables		99,993,705	45,966,793
Real Estate under development	10	581,158,067	445,216,021
Real Estate inventory	11	481,241	6,810,342
Due from related Parties	12	33,439,613	46,969,290
Total Current Assets		1,380,839,816	972,154,176
TOTAL ASSETS		2,107,937,115	1,363,782,871
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	300,000,000	300,000,000
Reserves	14	37,670,775	37,670,775
Actuarial reserve		(470,513)	(470,513)
Retained earnings		616,229,288	403,298,689
TOTAL EQUITY		953,429,550	740,498,951
LIABILITIES			
Non-Current Liabilities			
Employee end-of-service benefit obligations		2,591,292	1,548,036
Lease liabilities – non-current		6,210,768	9,412,600
Non-current portion from long-term borrowings	15	715,928,508	277,811,303
Total Non-Current Liabilities		724,730,568	288,771,939
Current Liabilities			
Trade payables		56,816,403	53,275,670
Due to related Parties	12	300,000	300,000
Accrued expenses and other payable		122,706,538	58,817,279
Advance payments clients		68,299,842	56,564,282
Lease liability-current		3,294,462	3,097,965
Zakat provision payable	16	11,403,755	11,217,506
Current portion from long-term borrowings	15	166,955,997	151,239,279
Total Current Liabilities		429,776,997	334,511,981
TOTAL LIABILITIES		1,154,507,565	623,283,920
TOTAL EQUITY AND LIABILITIES		2,107,937,115	1,363,782,871

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

		For the three-month period ended on		For the nine-month period ended on	
	Note	30 September 2025	30 September 2024	30 September 2025	30 September 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	17	639,669,546	449,575,825	862,529,928	736,314,715
Cost of revenue	18	(435,907,190)	(346,630,616)	(622,396,814)	(608,134,932)
Gross profit		203,762,356	102,945,209	240,133,114	128,179,783
General and administrative expenses		(8,893,857)	(6,765,879)	(25,978,060)	(17,127,051)
Selling and marketing expenses		(5,711,084)	(5,394,313)	(13,635,075)	(15,325,599)
Depreciation expense of right of use assets		(772,465)	(837,946)	(2,439,385)	(2,513,840)
Reversal of expected credit loss provision	9	-	-	843,810	-
Operating income		188,384,950	89,947,071	198,924,404	93,213,293
Finance cost and bank facilities		(7,478,271)	(2,293,267)	(18,420,352)	(6,165,611)
Financing interest income		506,314	-	1,481,144	-
Other income		(1,408,619)	4,871,208	5,253,864	7,343,369
Realized Gains/losses from investments at FVTPL		-	-	(726,856)	-
(Losses)/gains on Disposal of Capital Assets		(931,247)	-	(931,247)	-
Unrealized gains from investments at FVTPL		-	17,895,817	67,516,832	17,777,472
Net profit / (loss) for the period before zakat		179,073,127	110,420,829	253,097,789	112,168,523
Zakat	16	(7,646,927)	(6,032,110)	(10,167,190)	(7,259,144)
Net profit/(loss) for the period		171,426,200	104,388,719	242,930,599	104,909,379
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		171,426,200	104,388,719	242,930,599	104,909,379
Basic earnings per share (EPS)		5.71	3.48	8.10	3.50

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY
(Closed Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the three and nine-month period ended 30 September 2025
(All amounts in SAR)

	Share Capital	Statutory reserve	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2025 (Unaudited)	300,000,000	37,670,775	(470,513)	403,298,689	740,498,951
Net income for the period	-	-	-	242,930,599	242,930,599
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	242,930,599	242,930,599
Dividends payable (Note 21)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 30 September 2025 (Unaudited)	300,000,000	37,670,775	(470,513)	616,229,288	953,429,550
	Share Capital	Statutory reserve	Actuarial Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2024 (Audited)	300,000,000	37,670,775	4,824	271,744,044	609,419,643
Net income for the period	-	-	-	104,909,379	104,909,379
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	104,909,379	104,909,379
Dividends payable (Note 21)	-	-	-	(30,000,000)	(30,000,000)
Balance as at 30 September 2024 (Unaudited)	300,000,000	37,670,775	4,824	346,653,423	684,329,022

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three and nine-month period ended 30 September 2025

(All amounts in SAR)

	Note	30 September 2025	30 September 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before zakat		253,097,789	112,168,523
<i>Adjustments to reconcile net income before zakat:</i>			
Depreciation of properties and equipment	5	1,876,345	634,624
Depreciation of investment properties	6	484,849	509,092
Depreciation of right of use assets		2,439,385	2,513,840
Financing transaction costs	15	34,844,824	16,711,762
Employee end of service benefits provision		1,174,646	1,043,792
Amortization of intangible assets		125,766	125,160
Finance cost of lease liabilities		694,695	863,613
Realized Gains/losses from investments at FVTPL	7	726,856	-
Unrealized gains on investment at FVTPL	7	(67,516,831)	-
Reversal of expected credit loss provision	9	(843,810)	-
Gains (Losses) on Disposal of Investment Properties		952,244	-
Changes in working capital items:			
Trade receivables		(503,779,325)	(369,158,893)
Due from related parties	12	13,529,677	5,651,588
Prepayments and other receivables		(56,026,912)	2,185,291
Real Estate under development		(135,942,046)	29,696,125
Real Estate inventory		6,329,101	100,766,351
Trade payables		3,540,733	16,893,388
Due to related parties	12	-	(257,669)
Advance payments clients		11,735,560	56,391,898
Accrued expenses and other payable		33,889,260	(11,247,854)
Financing transaction costs paid	15	(27,390,174)	(15,403,084)
Cash used in operating activities		(426,057,368)	(49,912,453)
End-of-service benefits provision charged		(131,391)	(82,837)
Zakat paid during the period		(9,980,941)	(5,139,690)
Net cash used in operating activities		(436,169,700)	(55,134,980)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(3,078,084)	(7,179,081)
Payments for purchase of intangible assets		-	(8,220)
Payments for investments carried at FVTPL	7	(149,961,519)	84,999,999
Proceeds from disposal of investments carried at FVTPL	7	116,466,332	(17,777,472)
Payments for investments in associates		(3,000,000)	-
Proceeds from disposal of investment properties		6,000,000	-
Net cash used to / generated from investing activities		(33,573,271)	60,035,226
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term borrowings received	15	566,823,813	60,630,969
Repayments of long-term borrowings	15	(120,444,541)	(23,750,000)
Lease liabilities paid		(3,788,000)	(3,880,000)
Net cash generated from / (used in) financing activities		442,591,272	33,000,969
Net change in cash and cash equivalents		(27,151,699)	37,901,215
Cash and cash equivalents at beginning of the period		52,145,593	24,199,911
Cash and cash equivalents at end of the period		24,993,894	62,101,126
Non-cash transactions:			
Addition of right-of-use assets and corresponding lease liabilities		-	15,630,298
Dividends payable		30,000,000	30,000,000
Additions to investments carried at fair value through profit or loss (FVTPL) from receivables		238,895,976	-
Addition to investments carried at fair value through other comprehensive income against other receivables		2,000,000	-

Chief Financial Officer

Chief Executive Officer

Chairman

(The notes 1 to 25 form an integral part of these interim condensed consolidated financial statements).



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

1. REGULATORY STATUS AND NATURE OF ACTIVITIES

Al Ramz Real Estate Company (the "Company") is a Saudi Closed Joint Stock Company, established and operates in the Kingdom of Saudi Arabia under commercial registration number 1010488618 dated 29 Dhul-Qidah 1437 H (corresponding to 1 September 2016).

The company's registered address is Wadi Waj Street, Al Malqa District, Riyadh, postal code 13521, Kingdom of Saudi Arabia.

The main activity of the company is as follows:

<u>General field of activities</u>	<u>Activity Name</u>
Construction	Building construction
	Construction of roads and railway lines
	Benefit projects
	Demolition
	Site preparation
	Electrical installations
	Plumbing, heating and air conditioning works
	Completion and finishing of buildings
	Other specialized construction activities
Accommodation and food services activities	Short-term accommodation activities
Real Estate activities	Real estate activities in owned or leased property
	Real estate activities based on fees or contracts
Administrative and support services	Integrated facilities support activities
Other service activities	Activities of professional organizations with membership

During the year ended 31 December 2023, the Group's Board of Directors held a meeting to approve the cancellation of the sub-commercial register of Ramz Al-Asas Contracting Company, as the cancellation took place on 3 Rabi' al-Awwal 1444 H. It was also approved to establish Osos Al Ramz Contracting Company, which is a Limited Liability Company in the Kingdom of Saudi Arabia, Al Ramz Real Estate Company (the "Holding Company") will exercise control over Asos Al Ramz Contracting Company and will be accounted for as a subsidiary.

On 4 Ramadan 1445 H corresponding to 14 March 2024, the name of the subsidiary was changed from Asos Al Ramz Contracting Company to Zat Al Emar Contracting Company.

The consolidated financial statements encompass the accounts of Al Ramz Real Estate Company, (the "Holding Company"), and its directly owned company ("Subsidiary"):

<u>Subsidiary</u>	<u>Incorporation country</u>	<u>Legal Form</u>	<u>Effective Ownership Percentage (Direct)</u>
Zat Al-Emmar Contracting Company	KSA	LLC	100%

- (1) Zat Al Emar Contracting Company ("the Company") is a One-Person Limited Liability Company, formed in accordance with the regulations for companies in the Kingdom of Saudi Arabia and registered in Riyadh under Commercial Register No. 1010787199, dated 6 Shaaban 1443 AH, corresponding to 9 March 2023.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

1. REGULATORY STATUS AND NATURE OF ACTIVITIES (CONTINUED)

The main activity of the Company is as follows:

<u>General field of activities</u>	<u>Activity Name</u>
Construction	Building construction
	Construction of roads and railway lines
	Benefit projects
	Construction works related to other civil engineering projects
	Demolition
	Site preparation
	Electrical installations
	Plumbing, heating and air conditioning works
	Completion and finishing of buildings

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements have been prepared in accordance with International Accounting Standard (34) "Interim Financial Reporting" ("IAS 34") 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") (collectively referred to as "International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia").

The interim condensed consolidated financial statements do not provide all the information and disclosures required for a comprehensive set of annual financial statements. As at 31 December 2024 it should be read in conjunction with the financial statements. Nevertheless, certain explanatory notes have been provided to explain events and transactions that are significant to obtain understanding of the changes in the Company's financial position and performance since the prior annual financial statements. Furthermore, the financial operating results for the period ended 30 September 2025 do not necessarily represent an indicator for the operating results for the financial year ended 31 December 2025.

2.2 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of Al Ramz Real Estate Company and its subsidiary (the "Group"), as described in Note (1).

The condensed consolidated interim financial statements comprise the financial statements of the Parent Company and its subsidiary as at 30 September 2025. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee only when the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. When the Group maintains less than the majority of voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other voting holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses its control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date that the Group obtains control until the date the Group ceases to control over subsidiary.

Profit or loss and each component of consolidated comprehensive income are attributable to shareholders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in consolidated statement of profit or loss,
- Reclassifies the Holding Company's share of components previously recognized in the comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost except the investments carried at FVSI & FVOCI and employee end-of-service benefit obligation, it is measured according to the present value of defined benefit obligations, using the accrual basis of accounting and the going concern concept.

2.4 Functional and presentation currency

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

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies applied in preparing the interim condensed consolidated financial statements are consistent with those used in preparing the Company's annual financial statements for the year ended 31 December 2024, except for the amendments that were required to be applied as at 1 January 2025. The Company has not early adopted any other standard, interpretation, or amendment that has been issued but is not yet effective. Several amendments and interpretations have been applied for the first time in 2025; however, they did not have any impact on the Company's interim condensed consolidated financial statements



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

4. SIGNIFICANT INFORMATION ABOUT ACCOUNTING POLICIES

Significant accounting estimates, assumptions and policies

The preparation of the interim condensed consolidated financial statements requires the use of judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying notes. Assumption and estimation uncertainties could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The accounting policies applied to these interim condensed consolidated financial statements were the same as those used for the Company's financial statements for the prior year ended 31 December 2024.

5. PROPERTIES AND EQUIPMENT, NET

- During the period ended 30 September 2025, additions to property and equipment amounted to SAR 3,08 million (for the period ended 30 September 2024: SAR 7,18 million).
- During the period ended 30 September 2025, depreciation expense on property and equipment amounted to SAR 1,89 million (for the period ended 30 September 2024: SAR 634 thousand). Depreciation for the year was charged to general and administrative expenses.

6. INVESTMENT PROPERTIES, NET

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Lands	18,400,000	21,800,000
Buildings	12,789,435	16,826,527
	<u>31,189,435</u>	<u>38,626,527</u>

- During the period ended 30 September 2025, depreciation expenses on investment properties amounted to 485 thousand SAR (for the period ended 30 September 2024: 676 thousand SAR). Depreciation expenses for the year were allocated to the cost of revenue.
- As at 30 September 2025, the Company's management had mortgaged investment properties with a net carrying value of 31,189,435 SAR against facilities No. (4, 5) as mentioned in Note 15.
- During the period, investment properties were disposed of, consisting of a building located on plot No. 624 of plan No. (2/251) in Ishbiliya District, Al Khobar City. The property had a carrying amount of 6,952,244 SAR and was sold for 6,000,000, resulting in a capital loss of 952,244 SAR.

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Fair Value	39,208,000	46,854,000

The fair values of the investment properties were determined based on a valuation conducted by an independent valuer as at 31 December 2024. The valuation was carried out by Wasm Valuation Company (independent valuers accredited by the Saudi Authority for Accredited Valuers "Taqeem"). The valuer possesses appropriate professional qualifications and prior experience in the location and type of properties being valued. The independent valuer provides the fair value of the Group's investment properties on an annual basis. An amount of SAR 7,646,000 was disposed from the fair value during the period, representing the sale of the building on Plot No. 624 of Plan No. (2/251) in Al Khobar, Ishbiliya district.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

7. Investments carried at fair value through profit or loss (FVTPL)

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Investment in Al Ramz Residential Fund	14,588,836	31,003,864
Investment in Riyadh Real Estate Development Fund – Al Ramz	13,970,661	55,743,000
Investment in Riyadh Real Estate Development Fund - Durrat King Khaled	119,500,000	115,500,000
Investment in Ramz Tharwa Real Estate Fund	11,896,700	10,187,800
Investment in Riyadh Fund (Durrat Al Markaz) – Hatteen Offices	59,360,000	57,440,000
Investment in AlAhli Alrabwa Alramz Real Estate Fund	61,014,927	46,454,605
Investment in Riyadh Real Estate Development Fund – Al Ramz Tower	225,179,283	-
Investment in AlAhli Al Ramz Qurtoba Real Estate Fund	150,000,000	-
	655,510,407	316,329,269

The movements in investments at fair value through profit or loss (FVTPL) are as follows

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	316,329,269	314,345,704
Additions during the period / year	388,857,495	40,642,699
Disposals during the period / year	(116,466,332)	(88,500,000)
Unrealized gains during the period/year	67,516,831	47,828,461
Realized (losses)/gains during the period/year	(726,856)	2,012,405
	655,510,407	316,329,269

8. CASH AT BANKS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	24,993,894	52,145,593
Restricted bank accounts	(12,755,926)	(12,357,955)
cash and cash equivalents available for use	12,237,968	39,787,638

As at 30 September 2025, cash at banks includes restricted escrow account balances amounting to SR 12,76 million (31 December 2024: SR 12.4 million) held with a local bank. Withdrawals from these accounts are restricted to settling liabilities relating to the development of the off-plan sale projects (“Jawharat Al Ramz Project” and “Yusr Village Project”) and to settling amounts payable to the National Housing Company.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

9. TRADE RECEIVABLES, NET

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	643,410,534	378,527,185
Provision for expected credit losses	(2,637,238)	(3,481,048)
	<u>640,773,296</u>	<u>375,046,137</u>

The aging analysis of trade receivables from external parties is as follows:

	0-180	181-365	366-730	Total
Trade Receivables	597,987,934	36,899,600	8,523,000	643,410,534
Less: Provision for expected credit losses	(885,946)	(1,751,292)	-	(2,637,238)
Net trade receivables	<u>597,101,988</u>	<u>35,148,308</u>	<u>8,523,000</u>	<u>640,773,296</u>

As at 31 December 2024

	0-180	181-365	366-730	Total
Trade Receivables	351,657,326	23,788,744	3,081,115	378,527,185
Less: Provision for expected credit losses	(466,444)	(1,992,450)	(1,022,154)	(3,481,048)
Net trade receivables	<u>351,190,882</u>	<u>21,796,294</u>	<u>2,058,961</u>	<u>375,046,137</u>

The movement in the expected credit losses is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Opening balance	3,481,048	315,948
(Reversal) / Charged during the period / year	(843,810)	3,481,048
Write-off during the period/year	-	(315,948)
Ending balance	<u>2,637,238</u>	<u>3,481,048</u>

10. REAL ESTATE UNDER DEVELOPMENT

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	445,216,021	288,965,427
Additions during the period/year	748,955,748	830,711,991
Cost of real estate under development (Note 18)	(360,803,022)	(103,837,746)
Transferred to real estate inventory during the period/year (Note 11)	(10,383,207)	(153,355,473)
Transferred to cost of development contracts for others (Note 18)	(225,685,579)	(417,268,178)
Transferred to cost of land sold (Note 18)	(16,141,894)	-
	<u>581,158,067</u>	<u>445,216,021</u>

- As at 30 September 2025, the value of properties under development pledged amounted to SAR 106.2 million in favor of a local bank against facilities No. 8 (Note 15).
- As at 30 September 2025, the value of properties under development pledged amounted to SAR 371.7 million (31 December 2024: SAR 185.4 million) in favor of a local bank against facilities No. 6 (Note 15).
- As at 30 September 2025, the value of properties under development pledged amounted to 56.2 SAR million in favor of a local bank against facility No. 4 and 5 (Note 15)



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

11. REAL ESTATE INVENTORY

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	6,810,342	105,438,633
Transferred from real estate under development during the period / year	10,383,207	153,355,473
Transfer to cost of revenue attributable to properties sold during the period / year (Note 18)	(16,712,308)	(251,983,764)
	481,241	6,810,342

12. RELATED- PARTIES TRANSACTIONS AND BALANCES

Related parties include the Group's shareholders, key management personnel, and the entities owned or managed by these parties, as well as entities over which these parties exercise joint control or significant influence. Transactions with related parties are conducted in the ordinary course of business through contracts approved by management. The following is a summary of the significant transactions between the Group and its related parties during the year, along with a statement of the net balances of the related parties:

Related-Parties Balances:

	Nature of Relationship	Nature of Transactions	As at 30 September 2025 (Unaudited) Debit / (Credit)	As at 31 December 2024 (Audited) Debit / (Credit)
Rumoz Holding Company	affiliate	operating	3,350,000	18,350,000
Al Majd Building for Real Estate Development & Investment Company	associate	Financing	30,089,613	28,619,290
Meshkati trading company	affiliate	operating	-	-
Total due from related parties			33,439,613	46,969,290
Al Majd Building for Real Estate Development & Investment Company	associate	Investing	(50,000)	(50,000)
Al Ramz & Asayel Real Estate Development Company	associate	Investing	(250,000)	(250,000)
Total due to related parties			(300,000)	(300,000)



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

12. RELATED- PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Related-Parties Transactions:

Significant transactions with related parties as at 30 September 2025:

	Nature of Relationship	Nature of Transactions	Amount of transaction for the year ended	
			30 September 2025 (Unaudited)	30 September 2024 (Audited)
Rumoz Holding Company	affiliate	Proceeds from Previous Balances	15,000,000	24,001,588
		Payments	3,400,000	3,400,000
		Operating	(3,400,000)	18,350,000
Al Majd Building Company	associate	Financing	1,470,323	-

* An affiliate company is an entity in which the major shareholders of the Parent Company hold an ownership interest, or which is managed by one of the Group's key management personnel, thereby establishing a related party relationship that confers significant influence but does not constitute control over its financial or operating policies.

During the financial year ended 31 December 2024, the group contracted with Rumoz Holding Company, an affiliated company, under a long-term lease contract for a period of 5 years, with a value of SAR "17,000,000", in addition to a value-added tax of SAR "2,550,000", bringing the total value to SAR "19,550,000" for a commercial office building with "an annual lease of SAR "3,400,000

During the year ended 31 December 2024, the Group also contracted to sell residential units to Rumoz Holding with a total value of SAR 18,350,000.

During the financial year ended in 31 December 2024, the Group provided financing to Al Majd Building Company for Real Estate Development and Investment ("Associate Company") in the value of SAR "28,350,000. According to the financing agreement between the Group and Al Majd Building for Real Estate Development and Investment Company, Al Majd Building for Real Estate Development and Investment Company bears the financing obligations related to Facility No. 7. The purpose of the financing is to support the company's business and operational activities and to cover part of the costs of the project ("Al Ramz Builder"). The financing revenues resulting from the financing amounted to SAR 1.470.323, as at 30 September 2025, which were recognized as financing interest income.

The Group's key executives consist of senior management members who have the authority and responsibility for planning, directing, and controlling the Company's activities.

	For the nine-month period ended 30 September 2025 (Unaudited)	For the nine-month period ended 30 September 2024 (Unaudited)
Salaries and compensations of key management personnel	3,966,698	2,151,185
Remunerations of key management personnel	1,520,316	725,000
Remunerations of the Board of Directors and its sub-committees	987,500	-
	<u>6,474,514</u>	<u>2,876,185</u>



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

13. SHARE CAPITAL

As at 30 September 2025, the Company's share capital is comprised of 30,000,000 shares, at SAR 10 each. The equity shares have been apportioned among the shareholders as follows:

Name	Shares in Numbers	Value Per Share SAR	Total Value SAR	Shareholding %
Rasheed Abdul Rahman Nasser Al Rasheed	24,000,012	10	240,000,120	80%
Harun Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Abdul Malek Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Rakan Rasheed Abdul Rahman Al Rasheed	1,166,700	10	11,667,000	3.89%
Fatima Abdullah Nasser Al Majid	750,000	10	7,500,000	2.51%
Haya Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Modi Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
Sarah Rasheed Abdul Rahman Al Rasheed	583,296	10	5,832,960	1.94%
	30,000,000		300,000,000	100%

14. RESERVES

The Ordinary General Assembly may, when determining the share of net profits attributable to the shares, decide to allocate reserves to the extent that serves the Group's interest or ensures the distribution of stable dividends to shareholders as much as possible. The said Assembly may also deduct amounts from the net profits to serve social purposes for the Group's employees.

15. LONG – TERM BORROWINGS

	Note	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Non-current portion from long-term borrowings	15.1	715,928,508	277,811,303
Current portion from long-term borrowings	15.1	166,955,997	151,239,279
		882,884,505	429,050,582

15.1 Long – Term Borrowings

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Facility (1)	-	10,271,786
Facility (2)	-	79,456,427
Facility (3)	100,000,000	100,000,000
Facility (4)	15,000,000	22,500,000
Facility (5)	44,809,978	50,434,978
Facility (6)	200,682,433	128,273,112
Facility (7)	28,350,000	28,350,000
Facility (8)	72,923,164	-
Facility (9)	150,000,000	-
Facility (10)	253,900,000	-
Total facilities	865,665,575	419,286,303
Add: Financing transaction costs, net	17,218,929	9,764,279
Balance at the end of the period/year	882,884,505	429,050,582



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

15. LONG – TERM BORROWINGS (CONTINUED)

15.1 Long – Term Borrowings (continued)

The following is a breakdown of the movements in long – term borrowings:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	419,286,304	246,250,000
Withdrawals / new credit facility additions during the period / year	566,823,813	217,254,080
	986,110,117	463,504,080
Borrowings paid during the period / year	(120,444,541)	(44,217,777)
Loan principal balance at the end of the period / year	865,665,576	419,286,303
Add: financing transaction costs, net	17,218,929	9,764,279
	882,884,505	429,050,582
Less: Current portion from long-term borrowings	(166,955,997)	(151,239,279)
Non-current portion from long-term borrowings	715,928,508	277,811,303

The movement in financing transaction costs was as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	9,764,279	6,200,880
Additions during the period / year	34,844,824	23,700,622
Finance costs paid during the period / year	(27,390,174)	(20,137,223)
Balance at the end of the period/year	17,218,929	9,764,279

As at 30 September 2025, finance costs amounted to SAR 34,844,824. An amount of SAR 10,406,772 was charged to the statement of profit or loss as financing transaction costs (31 December 2024: SAR 13,455,938), while an amount of SAR 24,438,052 was capitalized under properties under development (31 December 2024: SAR 10,244,684).

16. ZAKAT PROVISION PAYABLE:

16.1 The movements in zakat provision

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period/year	11,217,506	5,239,938
Charged for the period / year	10,167,190	11,117,257
Paid during the period / year	(9,980,941)	(5,139,689)
Balance at the end of the period/year	11,403,755	11,217,506

16.2 Zakat Status

The Group has successfully filed zakat returns until the financial year ended 31 December 2024 and received a provisional zakat from the Zakat, Tax and Customs Authority valid until 30 April 2026. No final zakat assessments have yet been issued by the Zakat, Tax and Customs Authority for those years.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

17. REVENUE

	For the three-month period ended on		For the nine-month period ended on	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Unit sales revenue	9,885,480	177,664,256	18,974,270	327,568,823
projects under development sales revenue	552,713,000	172,562,320	552,713,000	172,562,320
Real estate development revenue for other	44,814,619	98,472,201	197,509,480	233,709,177
Lease revenue	1,133,029	877,048	3,000,895	2,474,395
Off-plan sales revenue	8,602,102	-	58,224,677	-
Development commissions income for others	3,135,066	-	12,721,356	-
Land sales revenue	19,386,250	-	19,386,250	-
Total	639,669,546	449,575,825	862,529,928	736,314,715

On 26 August 2025, a sale agreement was executed between Al Ramz Real Estate Company (The Seller) and Ramz Al Hejaz Fund (The Buyer) for the sale of plots No. (135) and (136) of Plan No. 1442/2/A, located in the King Abdulaziz .Road Project area in Makkah Al-Mukaromah

The total sale consideration amounted to SAR 552,713,000, comprising a non-cash contribution of SAR 251,804,000, represented by the issuance of 251,804 fund units at a nominal value of SAR 10 per unit, and a cash component of SAR .300,909,000, representing the proceeds from the participation of new investors in the fund

The Ramz Al Hejaz Fund is managed by Al Rajhi Capital Company (the "Fund Manager").

18. COST OF REVENUE

	For the three-month period ended on		For the nine-month period ended on	
	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Costs of real estate development contracts for others	39,635,373	118,481,090	176,727,360	271,333,395
Off-plan sales costs	7,233,078	-	48,958,219	-
Cost of sold units	10,383,207	121,400,986	16,712,308	229,139,223
Leasing expenses	580,907	215,979	1,326,037	266,712
Depreciation of investment properties	145,454	169,696	484,849	509,092
Completion expenses attributable to finished projects	984,255	3,750,802	1,211,479	3,900,802
Warranty and maintenance provision	-	26,618	31,646	400,263
Cost of projects under development sold	360,803,022	102,585,445	360,803,022	102,585,445
Cost of land sold	16,141,894	-	16,141,894	-
Total	435,907,190	346,630,616	622,396,814	608,134,932



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

19. FINANCIAL RISK MANAGEMENT

Capital Management

The Board's policy is to maintain an efficient capital base to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders
- and benefits for other stakeholders
- to provide an adequate return to shareholders

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted inputs (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Management has determined that the fair values of cash and cash equivalents, trade receivables, investments carried at FVOCI, other current assets, trade payables, borrowings and other current liabilities are a close approximation of their carrying amounts. This is primarily because these financial instruments have short-term maturity.

21. DIVIDENDS

On 23 May 2024, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2023 amounting to ("SAR 30,000,000") at the rate of ("1.00") SAR per share, representing ("10%") of the nominal share value.

On 27 June 2024, the General Assembly approved the distribution of cash dividends to shareholders for the financial year ended 31 December 2023, amounting to SAR 30,000,000, at a rate of SAR 1.00 per share, representing 10% of the nominal share value.

On 3 June 2025, the Board of Directors recommended to the General Assembly the distribution of cash dividends to shareholders for the financial year ended 31 December 2024, amounting to SAR 30,000,000, at SAR 1.00 per share, representing 10% of the nominal value of the share. The Ordinary General Assembly approved this resolution.



AL RAMZ REAL ESTATE COMPANY

(Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and nine-month periods ended 30 September 2025

(All amounts in SAR)

22. CAPITAL COMMITMENTS

Guarantees:

The Group has contingent obligations for bank guarantees issued in the ordinary course of its business amounting to SAR 2,037,794 as at 30 September 2025 (31 December 2024: SAR 2,258,051).

Commitments:

	30 September 2025	31 December 2024
Capital commitments for development contracts	494,497,899	763,783,902
Total	<u>494,497,899</u>	<u>763,783,902</u>

23. SIGNIFICANT EVENTS

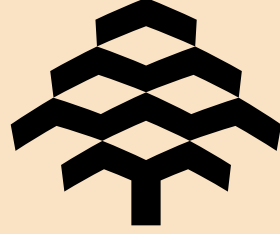
On 30 June 2025, the Group obtained approval from the Capital Market Authority to register and offer 30% of the Group's total shares for public subscription on the Main Market (Tadawul).

24. SUBSEQUENT EVENTS

In the opinion of management, there have been no subsequent material events since the end of the period that could have a significant impact on the Group's financial position as presented in these interim condensed consolidated financial statements.

25. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Group's management on 11/05/1447 H, corresponding to 02/11/2025.



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