LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)
Jeddah – kingdom of Saudi Arabia

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A Saudi Joint Stock Company) Jeddah – kingdom of Saudi Arabia

Financial statements for the year ended December 31, 2024

CONTENTS	PAGE
INDEPENDENT AUDITOR’S REPORT	1-4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 – 31

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.elayouty.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY** ("the Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended December 31, 2024, and the notes 1 to 31 thereon, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

An Independent Member Firm of Moore Global Network Limited - Member Firms in principal cities throughout the world.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters

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

Key audit matter	How the matter addressed in our audit
Revenue recognition	
During the year ended December 31, 2024, the Company recognized total net revenue of SR 46.6 million (2023: SR 44.4 million). Revenue is one of the Company's performance indicators and its susceptibility to the inherent risk of overstatement of revenue. Refer Note 4.3 for the accounting policy relating to revenue recognition and Note 18 for the relevant disclosure.	Our audit procedures performed included, among other audit procedures, the following: • Assessed the appropriateness of the Company's accounting policies related to revenue considering the requirements of the relevant International Financial Reporting Standards that are endorsed in the kingdom of Saudi Arabia. • Evaluated key contractual arrangements by referring to relevant documents and agreements with customers. • Assessed the design and implementation of the controls that relevant to revenue recognition • Tested the supporting documents for a sample of the revenue transactions. • Tested a sample of the revenue transactions that are being performed prior and beyond the year end to assess whether revenue is recorded in the correct accounting period. • Assessed the adequacy of the disclosure in the Company's financial statements in accordance with the requirements of the relevant International Financial Reporting Standards.

Other information

Management is responsible for the other information. Other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs as endorsed in the Kingdom Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and By-laws and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no choice of an appropriate alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing (ISAs) 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 risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence is sufficient and appropriate to provide a basis for our audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)
JEDDAH – KINGDOM OF SAUDI ARABIA

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FOR EL SAYED EL AYOUTY & CO.

A. Balamesh

Abdullah Ahmed Balamesh
Certified Public Accountant
License No. (345)

Jeddah: March 26, 2025
Ramadan 26,1446H

السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون
س.ت رقم ٤٠٣٠٢٩١٢٤٥
EL SAYED EL AYOUTY & CO.
CERTIFIED PUBLIC ACCOUNTANTS
C.R. No. 4030291245

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A Saudi Joint Stock Company)

Statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

		As at December 31,	
	Notes	**2024**	2023
Assets			
Non-current assets			
Property and equipment	5	**5,359,328**	3,641,919
		5,359,328	3,641,919
Current assets			
Trade receivables	6	**23,525,357**	16,124,900
Contract assets	7	**2,820,751**	6,713,115
Investment at FVPL	8	**8,192,505**	1,696,900
Due from related parties	16.2	**5,800,763**	13,819,452
Prepayments and other receivables	9	**752,191**	1,840,828
Cash and cash equivalents	10	**4,475,024**	4,305,825
Total current assets		**45,566,591**	44,501,020
Total assets		**50,925,919**	48,142,939
Equity and liabilities			
Equity			
Share capital	11	**25,000,000**	25,000,000
Statutory reserve	12	**90,000**	90,000
Retained earnings		**15,902,277**	10,000,789
Total equity		**40,992,277**	35,090,789
Non-current liabilities			
Employees' defined benefit obligations	13	**3,392,128**	5,858,949
Current liabilities			
Trade payables		**295,803**	422,694
Due to related parties	16.4	**1,972,167**	1,895,301
Accruals and other payables	14	**3,161,263**	3,723,429
Provision for zakat	15.1	**1,112,281**	1,151,777
Total current liabilities		**6,541,514**	7,193,201
Total liabilities		**9,933,642**	13,052,150
Total equity and liabilities		**50,925,919**	48,142,939

The financial statements were approved by the Company's Board of Directors and signed by the following on behalf of the Board:

Abdullah Saleh Binladin	Petros Emmanouil	Rizwan Babar Nasrullah
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 31 form an integral part of these financial statements.

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Statement of profit or loss and other comprehensive income

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the year ended December 31, 2024	2023
Contract revenue	18	**46,585,200**	44,432,851
Contract costs	19	**(26,497,408)**	(19,566,688)
Gross profit		**20,087,792**	24,866,163
General and administrative expenses	20	**(9,680,451)**	(7,774,376)
Expected credit losses on trade receivables and contract assets	21	**(510,521)**	(721,719)
Operating profit		**9,896,820**	16,370,068
Other income, net	22	**3,766,865**	152,264
Fair value gain on investment, net	8.1 & 8.2	**2,979,999**	331,362
Profit before zakat		**16,643,684**	16,853,694
Zakat	15.2	**(1,161,707)**	(1,151,777)
Net profit for the year		**15,481,977**	15,701,917
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement income / (loss) on employee defined benefit obligations	13.1	**419,511**	(73,181)
		419,511	(73,181)
Total comprehensive income for the year		**15,901,488**	15,628,736
Basic and diluted earnings per share from the profit of the year	24	**3.10**	3.14

The financial statements were approved by the Company's Board of Directors and signed by the following on behalf of the Board:

Abdullah Saleh Binladin	Petros Emmanouil	Rizwan Babar Nasrullah
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

The accompanying notes from 1 to 31 form an integral part of these financial statements.

Statement of changes in equity
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total
As at January 1, 2023	300,000	90,000	25,332,053	25,722,053
Net profit for the year	-	-	15,701,917	15,701,917
Other comprehensive loss	-	-	(73,181)	(73,181)
Dividend paid (note 28)	-	-	(6,260,000)	(6,260,000)
Capital increase	24,700,000	-	(24,700,000)	-
As at December 31, 2023	25,000,000	90,000	10,000,789	35,090,789
As at January 1, 2024	**25,000,000**	**90,000**	**10,000,789**	**35,090,789**
Net profit for the year	**-**	**-**	**15,481,977**	**15,481,977**
Other comprehensive income	**-**	**-**	**419,511**	**419,511**
Dividend paid (note 28)	**-**	**-**	**(10,000,000)**	**(10,000,000)**
As at December 31, 2024	**25,000,000**	**90,000**	**15,902,277**	**40,992,277**

The financial statements were approved by the Company's Board of Directors and signed by the following on behalf of the Board:

Abdullah Saleh Binladin	Petros Emmanouil	Rizwan Babar Nasrullah
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the year ended December 31, 2024	2023
Cash flows from operating activities:			
Net profit for the year before Zakat		**16,643,684**	16,853,694
Adjustments for:			
Depreciation	5.1	**1,176,334**	748,969
Employees' defined benefit expense	13.2	**736,184**	718,254
Provision for expected credit losses	21	**510,521**	721,719
Realised gain from sale of investment	8.1	**(2,886,243)**	(331,362)
Unrealised gain on revaluation of investment	8.2	**(93,756)**	-
Exchange gain, net	22	**(2,195)**	-
Operating income before changes in working capital		**16,084,529**	18,711,274
Working capital changes:			
Trade receivables		**(8,061,163)**	(6,975,602)
Contract assets		**4,042,549**	(3,672,321)
Due from related parties		**8,018,689**	(1,129,886)
Prepayments and other receivables		**1,088,637**	170,124
Trade payables		**(126,891)**	38,895
Accruals and other payables		**(562,166)**	720,310
Due to related parties		**76,866**	360,220
Cash generated from operating activities		**20,561,050**	8,223,014
Employees' defined benefits paid	13.1	**(2,783,494)**	(1,426,000)
Zakat paid	15.2	**(1,201,203)**	(974,371)
Net cash generated from operating activities		**16,576,353**	5,822,643
Cash flows from investing activities:			
Additions to property and equipment	5	**(2,893,743)**	(2,125,605)
Purchase of investments carried at FVPL	8.1&8.2	**(13,301,904)**	(2,724,112)
Proceeds from disposal of investments carried at FVPL	8.1	**9,786,298**	6,184,824
Net cash (used in) / generated from investing activities		**(6,409,349)**	1,335,107
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividend paid during the year		**(10,000,000)**	(6,260,000)
Net cash used in financing activities		**(10,000,000)**	(6,260,000)
INCREASE IN CASH AND CASH EQUIVALENTS		**167,004**	897,750
Cash and cash equivalents at the beginning of the year		**4,305,825**	3,408,075
Effects of movement in exchange rates on cash and cash equivalents		**2,195**	-
Cash and cash equivalents at the end of the year	10	**4,475,024**	4,305,825
NON-CASH TRANSACTIONS			
End of service benefits transferred to a related party	13.1	**-**	168,524
Increase of capital	11	**-**	24,700,000

The financial statements were approved by the Company's Board of Directors and signed by the following on behalf of the Board:

Abdullah Saleh Binladin	Petros Emmanouil	Rizwan Babar Nasrullah
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

(All amounts in Saudi Riyals unless otherwise stated)

1. General

Leaf Global Environmental Services Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration (‘CR”) number 4030608537 issued in Jeddah on Jamad Thani 12, 1439H (corresponding to 18 February 2018).

On 28 Dhul Qa’dah 1445 (corresponding to 17 June 2023), the shareholders of the Company resolved to change the legal status of the Company from a Saudi Limited Liability Company to “A Saudi Closed Joint Stock Company”. The legal formalities in this respect were completed and the updated Company Registration Certificate was obtained on 29 Dhul Qa’dah 1445H (Corresponding to 18 June 2023).

On 21 June 2023 corresponding to 3 Dhul-Hijjah 1444 (H), the general assembly of the Company decided to offer 30% of the Company's shares in Saudi Stock Exchange's (Tadawul) Nomu - Parallel market through an Initial Public Offering (IPO). Capital Market Authority ('CMA') through its resolution dated 27 March 2024 corresponding to Ramadan 17, 1445 (H), approved the Company's application to offer its shares in the Nomu Parallel market. Subsequent to the approval on 27 June 2024 corresponding to 21 Dhul-Hijjah 1445 (H) the Company's shares were made available to Qualified Investors of Nomu - Parallel market for the purpose of trading. The company amended the By-laws to change its status from Closed Joint Stock Company to Joint Stock Company and updated company registration certificate was obtained during the year.

The Company is engaged in cleaning of oil and other contaminants in land and surface waters and in oceans and seas, including coastal areas, testing and measuring environmental indicators and environmental consulting.

During the year, the Company established a branch in the United Arab Emirates to engage in environmental consultancy, studies, and research activities. The details of the branch are as follows:

Branch Location	CR No.	Date of CR
United Arab Emirates (UAE) – Abu Dhabi	101-2024-200002090	28/06/2024

The Company’s registered office address is 2nd Floor, Bin Commercial Building, Quraish Street, Dist, As Salama, , Jeddah 23719.

2. Basis of preparation

2.1. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) in the Kingdom of Saudi Arabia, the requirements of the Saudi Regulations for Companies and the Company’s Articles of Association in so far as they relate to the preparation and presentation of the financial statements.

2.2. Basis of measurement

The financial statements have been prepared on historical cost basis using the accrual basis of accounting except for employees’ defined benefit obligations which are measured using projected unit credit method, the going concern assumption and Valuation of investments at fair value through profit or loss (FVTPL).

2.3. Functional and presentation currency

The financial statements are presented in Saudi Arabian Riyals (SR), which is the functional and operational currency of the Company.

2.4. Profit or loss and other comprehensive income and statement of cash flows

The Company has elected to present statements of profit or loss and other comprehensive income in a single statement and presents its expenses by function. The Company prepares its statement of cash flows from operating activities using the indirect method.

3. Significant accounting estimates, assumptions and judgments

The preparation of these financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. 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 estimates are revised and in future periods affected.

3.1. Key sources of estimation of uncertainty

The key assumptions relating to the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.1.1. Impairment of non-financial assets

At each reporting date, all non-financial assets are reviewed to determine whether there are any indications that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of comprehensive income.

3.1.2. Impairment of financial assets

The Company’s determination of Expected Credit Losses (“ECL”) in trade receivables and contracts assets requires the Company to take into consideration certain estimates for forward looking factors while calculating the probability of default. These estimates may differ from actual circumstances. Refer note 4.8 for detailed explanations for impairment of financial assets.

3.1.3. Useful lives of plant and equipment

The management determines the estimated useful lives of plant and equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually, and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

3.1.4. Assumptions for employees’ defined benefit obligations

The cost of employees’ defined benefits is the present value of the related obligation, as determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and withdrawal before normal retirement age, mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, employees’ defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. With respect to determining the appropriate discount rate, yield and duration of high-quality bonds obligation, as designated by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the employees’ defined benefit obligation.

3.1.5. Going concern

The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4. Material accounting policies

The significant accounting policies set of below have been applied consistently in these financial statements, unless otherwise stated.

4.1. Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income.

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 restated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income).

4.2. Current versus non-current classification

The Company presents assets and liabilities in the financial statements 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 normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

4.3. Revenue recognition

Revenue is recognized in the Company's statement of profit or loss and other comprehensive income when the control of an asset is passed, either over time or at a point in time to a customer. Control of an asset is defined as the ability to direct the use of and substantially obtain all the benefit from an asset. The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) with customers:
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in a contract:
A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

4. Material accounting policies (continued)

4.3. Revenue recognition (continued)

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 allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation:
The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. The Company recognized as revenue, the amount of the transaction price that is allocated to that performance obligation.

Recognition of contract assets and contract liabilities:
A contract asset is recognized when the Company has a right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract receivable is an amount to be billed for which payment is only a matter of passage of time.

A contract liability is recognized when the Company has an obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

4.4. Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The rates used for the depreciation of property and equipment are as follows:

Category	**Useful life (years)**
Machinery and equipment	2-8
Motor vehicles	4
Office equipment	4-5
Leasehold improvements	6.67

4. Material accounting policies (continued)

4.4. Property and equipment (continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively. On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognized in the statement of comprehensive income and included under “other income”.

4.5. Leases

The Company has adopted IFRS 16 – Leases, presently IFRS 16 has no impact on these financial statements as the Company does not have long term leases.

4.6. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of comprehensive income. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed (other than for goodwill) if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

4.7. Expenses

General and administrative expenses include direct and indirect costs not specifically part of contract costs and are recorded based in function. Allocations between the contract costs and general and administrative expenses, when required, are made consistently.

4.8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company has applied the following classification and measurement requirements for financial instruments.

Recognition of financial instruments

Classification and measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management’s intention in acquiring them. All instruments are measured initially at their fair value including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4. Material accounting policies (continued)

4.8. Financial instruments (continued)

De-recognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire, or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. A financial liability is derecognized from the statement of financial position when the Company has discharged its obligation, or the contract is cancelled or expires.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.8.1. Financial assets

Initial recognition and measurement

The company initially recognizes receivables issued on the date of their inception. and all other financial assets and financial liabilities when the company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financial component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Classification and subsequent measurement

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order 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.

Debt instruments that meet the following conditions are subsequently measured at Fair Value through Other Comprehensive Income ("FVTOCI"):
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are subsequently measured at Fair Value through Profit or Loss ("FVTPL").

Despite the above, the Company may make the following irrevocable election / designation at the initial recognition of a financial asset:
- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. Material accounting policies (continued)

4.8. Financial instruments (continued)

4.8.1. Financial assets (continued)

Investments at FVTPL

Financial assets which are equity instruments of other entity and are subsequently measured at fair value are initially recognized at the fair value of the asset. Net profits or losses, including any benefits or dividends are recognized in the statement of profits or loss.

Loans and receivables

Receivables are initially recognized at the transaction price. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. The losses arising from impairment are recognized in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at banks and cash in hand, all with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and cash at the bank.

Impairment of financial assets

At each reporting date, the Company applies a simplified approach to measure expected credit losses (“ECL”) on financial assets accounted for at amortized cost to which impairment is applicable.

Trade receivables due from related parties and contract assets are the relevant financial assets of the Company which are subject to impairment. Trade receivables are carried at amortized cost less allowances for credit losses. They generally do not contain a significant financing component.

The loss allowance measurement is then determined by applying a simplified approach equaling the lifetime expected credit losses. Under this approach, the tracking of changes in credit risk is not required but instead, the base lifetime expected credit loss at all times is applied. Credit losses are recognized in the statement of profit or loss and reflected in allowances for credit losses. When a subsequent event causes the amount of credit loss to decrease, the decrease in credit loss is reversed through the statement of profit or loss. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of receivables over a suitable period and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the inflation rate of kingdom of Saudia Arabia (the country in which it renders its services) to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the statement of profit or loss. The amount of the reversal is recognized in the statement of profit or loss.

Other financial assets such as employees’ receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

4. Material accounting policies (continued)

4.8. Financial instruments (continued)

4.8.2 Financial liabilities

Initial recognition and measurement
Financial liabilities are classified as fair value through profit or loss and loans and borrowings as appropriate. The Company's financial liabilities include trade payables, due to related parties and accruals and other payables.

Trade payables, due to related parties and accruals and other payables
Liabilities are recognized for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the Company, whether billed by the supplier or not.

4.9. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events it is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect of time value of money is material, provisions are determined by discounting the expected cash flows at a rate that reflects a current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Employees' defined benefit obligations

Employees' defined benefit obligations are calculated in accordance with the Saudi Labor Law. The liability is initially calculated at the current value of the vested benefits to which an employee is entitled, should they be terminated at the financial position date. The Company's end of service benefits qualifies as a defined benefit plan. Defined Benefit Obligation ("DBO"), which is the liability initially calculated, re-measured on a yearly basis using the actuarial assumptions under the projected unit credit method. The actuarial valuation process takes into consideration the provisions of the Saudi Labor Law, Workmen Law as well as the Company policy. All assumptions are reviewed at each reporting date. With respect to its national employees, the Company makes contributions to the General Organization for Social Insurance ("GOSI"), calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

4.10. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the access is available at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date
- Level 2: Inputs other than quoted prices included level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy. then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. Material accounting policies (continued)

4.11. Related party transactions

Transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of a comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold economically to a buyer unrelated to the seller.

4.12. Contingencies and commitments

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

4.13. Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Provision for Zakat for the Company is charged to the statement of comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

(All amounts in Saudi Riyals unless otherwise stated)

5. Property and equipment

	Machinery and equipment	Motor vehicles	Office equipment	Leasehold improvements	Total
Cost:					
At January 1, 2023	1,666,104	1,128,972	345,390	304,762	3,445,228
Additions	1,053,162	917,274	155,169	-	2,125,605
At December 31, 2023	2,719,266	2,046,246	500,559	304,762	5,570,833
At January 1, 2024	**2,719,266**	**2,046,246**	**500,559**	**304,762**	**5,570,833**
Additions	**1,153,227**	**1,149,967**	**553,549**	**37,000**	**2,893,743**
At December 31, 2024	**3,872,493**	**3,196,213**	**1,054,108**	**341,762**	**8,464,576**
Accumulated depreciation:					
At January 1, 2023	365,552	491,930	129,448	193,015	1,179,945
Charge for the year (note 5.1)	256,126	349,136	82,754	60,953	748,969
At December 31, 2023	621,678	841,066	212,202	253,968	1,928,914
At January 1, 2024	**621,678**	**841,066**	**212,202**	**253,968**	**1,928,914**
Charge for the year (note 5.1)	**433,622**	**540,095**	**149,048**	**53,569**	**1,176,334**
At December 31, 2024	**1,055,300**	**1,381,161**	**361,250**	**307,537**	**3,105,248**
Net book value					
At December 31, 2024	**2,817,193**	**1,815,052**	**692,858**	**34,225**	**5,359,328**
At December 31, 2023	2,097,588	1,205,180	288,357	50,794	3,641,919

(All amounts in Saudi Riyals unless otherwise stated)

5. Property and equipment (continued)

5.1. The depreciation charge has been allocated to the statement of profit or loss as follows:

	2024	2023
Contract costs (note 19)	**849,510**	465,553
General and administrative (note 20)	**326,824**	283,416
	1,176,334	748,969

6. Trade receivables

	2024	2023
Contract receivables – Third parties	**14,981,640**	11,045,516
– Related parties (note 16.3)	**8,661,595**	5,340,373
Retention receivables – Third parties	**1,644,135**	960,318
– Related parties	**-**	-
	25,287,370	17,346,207
Allowance for expected credit losses of trade receivables (note 6.1)	**(1,762,013)**	(1,221,307)
	23,525,357	16,124,900

6.1. The movement in allowance for expected credit losses on trade receivables is as follows:

	2024	2023
Balance at beginning of the year	**1,221,307**	700,632
Allowance made during the year	**660,706**	520,675
Written off during the year	**(120,000)**	-
Balance at end of the year	**1,762,013**	1,221,307

6.2. Aging analysis of trade receivables

	2024	2023
0 - 90 days	**14,547,506**	12,577,074
91 - 180 days	**3,883,343**	2,529,678
181 - 270 days	**820,341**	883,513
271 - 365 days	**418,076**	289,900
More than 365 days	**5,618,104**	1,066,042
	25,287,370	17,346,207

7. Contract assets

	2024	2023
Balance at beginning of the year	**6,713,115**	3,241,838
Billed during the year	**(6,713,115)**	(3,241,838)
Unbilled during the year	**2,871,610**	6,914,159
Allowance for expected credit losses of contract assets (note 7.1)	**(50,859)**	(201,044)
Balance at end of the year	**2,820,751**	6,713,115

Contract assets primarily relate to the Company's right to consideration for services rendered but not billed at the reporting date. The same is transferred to trade receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contractual terms of invoicing are primarily on a milestone basis.

(All amounts in Saudi Riyals unless otherwise stated)

7.1. The movement in allowance for expected credit losses on contract assets is as follows:

	2024	2023
Balance as of January 01,	**201,044**	-
(Reversal of provision) / Provision for expected credit losses	**(150,185)**	201,044
Balance as of December 31,	**50,859**	201,044

8. Investment at FVTPL

	2024	2023
Investment in listed companies (note 8.1)	**-**	1,696,900
Investment in Murabaha Fund (note 8.2)	**8,192,505**	-
	8,192,505	1,696,900

8.1. During the year the Company purchases and disposed shares in various companies listed in Saudi Stock Exchange ("Tadawul").

The movement in the investment in listed companies is as follows:

	2024	2023
Balance at beginning of the year	**1,696,900**	4,826,250
Purchased during the year	**5,203,155**	2,724,112
Sold during the year	**(9,786,298)**	(6,184,824)
Realized gains on sale of investments	**2,886,243**	331,362
Balance at the end of the year	**-**	1,696,900

8.2. The movement in investment in Murabaha Fund is as follows:

	2024	2023
Balance at beginning of the year	**-**	-
Purchased during the year	**8,098,749**	-
Sold during the year	**-**	-
Unrealized gains	**93,756**	-
Balance at the end of the year	**8,192,505**	-

8.3. Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Fair value			
	FVTPL	Level 1	Level 2	Level 3	Total
December 31, 2024					
Equity investments	-	-	-	-	-
Murabaha Fund	8,192,505	-	-	8,192,505	8,192,505
December 31, 2023					
Equity investments	1,696,900	1,696,900	-	-	1,696,900
Murabaha Fund	-	-	-	-	-

(All amounts in Saudi Riyals unless otherwise stated)

9. Prepayments and other receivables

	2024	2023
Prepayments	**468,360**	334,085
Advances and deposits	**283,831**	1,506,743
	752,191	1,840,828

10. Cash and cash equivalents

	2024	2023
Cash at banks	**4,423,987**	4,238,892
Cash in hand	**51,037**	66,933
	4,475,024	4,305,825

10.1. At each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating institutions and there has been no history of default with any of the Company's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults is considered to be negligible. Credit ratings are as follows.

Banks	Rating	Rating agency	2024	2023
Banque Saudi Fransi	A-	Fitch	**1,312,019**	2,556,835
Bank Aljazira	A-	Fitch	**3,111,968**	1,682,057
			4,423,987	4,238,892

11. Share capital

The authorized, issued and paid-up share capital of the Company as of December 31, 2024 amounting to SR 25,000,000 (December 31, 2023: SR 25,000,000) is divided into 5,000,000 (December 31, 2023: 5,000,000) shares of SR 5 (December 31, 2022: SR 5) each.

Shareholders of the company passed a resolution on January 01, 2023 (corresponding to Jumada Al Thani 8, 1444H) to increase share capital of the company from SR 300,000 (Three hundred thousand Saudi Riyals) to SR 25,000,000 (Twenty-five million Saudi Riyals). For this purpose, shareholders resolved to utilize the retained earnings balance of SR 24,700,000 (Twenty-four million seven hundred thousand Saudi Riyals) as of 31 December 2022. Legal formalities with respect to capital increase have been completed during the year ended December 31, 2023.

As of December 31, 2023, the Company's total authorized, issued, and paid-up share capital was 5,000,000 shares. This included 3,300,000 shares (66%) were held by Abdullah Saleh Mohammed Binladin, with a par value of SAR 5 per share, totaling SAR 16,500,000. Additionally, 1,700,000 shares (34%) were held by Ghaith Saleh Mohammed Binladin, with a par value of SAR 5 per share, amounting to SAR 8,500,000.

On June 27, 2024, the Company was listed on the Saudi Stock Exchange (Tadawul). As of this date, the Company's total authorized, issued, and paid-up share capital was 5,000,000 shares. This included 3,275,000 shares (65.5%) were held by Abdullah Saleh Mohammed Binladin, with a par value of SAR 5 per share, totaling SAR 16,375,000. A further 225,000 shares (4.5%) were held by Ghaith Saleh Mohammed Binladin, also with a par value of SAR 5 per share, amounting to SAR 1,125,000. The remaining 1,500,000 shares (30%) were held by the qualified investors on the parallel market, with a par value of SAR 5 per share, totaling SAR 7,500,000.

12. Statutory reserve

As at December 31, 2024, the statutory reserve balance was SR 90,000 (December 31, 2023: SR 90,000). According to corporate law and the company's updated Article of Association after aligning with the new company's Act, the company is no longer obligated to make a provision to statutory reserve during the current year.

(All amounts in Saudi Riyals unless otherwise stated)

13. Employees' defined benefit obligations

	2024	2023
Employees' defined benefit obligations	**3,392,128**	5,858,949

13.1. The movement in employees' defined benefit obligations are as follows:

	2024	2023
Balance as at January 1,	**5,858,949**	6,662,038
Current service cost	**510,144**	454,339
Finance cost	**226,040**	263,915
	736,184	718,254
Actuarial re-measurement loss	**(419,511)**	73,181
Transfer to an affiliate	**-**	(168,524)
Payments made during the year	**(2,783,494)**	(1,426,000)
Balance as at December 31,	**3,392,128**	5,858,949

13.2. Employees defined benefit expense recognized in the statement of comprehensive income is as follows:

	2024	2023
Current service cost	**510,144**	454,339
Finance cost	**226,040**	263,915
	736,184	718,254

The following key assumptions used for the valuation;

	2024	2023
Discount rate	**5.51%**	5.06%
Increment rate	**4.50%**	4.50%

13.3. The weighted average duration of the defined benefit obligation is 7 years (2023: 8 years)

13.4. Sensitivity in Employees' defined benefit obligations

		2024	2023
Discount rate	1% Increase	**3,163,938**	5,410,708
	Base	**3,392,128**	5,858,949
	1 % Decrease	**3,636,856**	6,344,465
Salary Increase Rate	1% Increase	**3,636,775**	6,344,324
	Base	**3,392,128**	5,858,949
	1 % Decrease	**3,163,899**	5,410,641

14. Accruals and other payables

	2024	2023
Accrued expenses	**1,128,453**	1,455,386
Contract liabilities	**995,460**	887,851
Value added tax (VAT), net	**737,350**	1,380,192
Allowance for directors' remuneration (note 16.1)	**300,000**	-
	3,161,263	3,723,429

(All amounts in Saudi Riyals unless otherwise stated)

15. Zakat

The Zakat calculated for the year 2024 was done in accordance with the Zakat Collection Regulations issued by Ministerial Resolution No. 1007 issued on Sha'ban 19, 1445H, while the Zakat calculation for the year 2023 was in accordance with the Zakat Regulations issued by Ministerial Resolution No. 2216 issued on Rajab 7, 1440H.

15.1. Calculation of zakat

	2024	2023
Amendment of net income		
Comprehensive income for the year	**16,643,684**	16,853,694
Miscellaneous expenses	**-**	363,211
Penalties	**19,445**	-
Employees defined benefit expense	**-**	718,254
Bonus for key employees	**2,150,000**	1,400,000
Expected credit losses (note 21)	**-**	721,719
Amended net income for the year	**18,813,129**	20,056,878
Zakat base		
Share capital	**25,000,000**	300,000
Statutory reserve	**90,000**	90,000
Retained earnings	**15,927,403**	19,072,053
Adjustment for net income	**2,169,445**	-
Allowance for expected credit loss	**1,812,872**	700,632
Employees defined benefit obligations	**3,392,128**	5,067,514
Others	**-**	3,641,919
Net plant and equipment	**(5,359,328)**	(3,641,919)
Zakat base before amended net income	**43,032,520**	25,230,199
Amended zakat base before amended net income	**44,491,249**	26,014,188
Amended net income for the year	**-**	20,056,878
Zakat base	**44,491,249**	46,071,066
Zakat payable at 2.5%	**1,112,281**	1,151,777

15.2. Movement in provision for zakat is as follows:

	2024	2023
Balance as at January 1,	**1,151,777**	974,371
Provided during the year	**1,112,281**	1,151,777
Zakat relating to prior year	**49,426**	-
	1,161,707	1,151,777
Paid during the year	**(1,201,203)**	(974,371)
Balance as at December 31,	**1,112,281**	1,151,777

15.3. Status of final assessments

The Company has submitted the Zakat return up to the year ended December 31, 2023 to the Zakat, Tax and Custom Authority ("ZATCA") and obtained the Zakat certificate. The company has received a zakat assessment amounting to SR 49,426 for the year 2022 and the company has settled the assessed amount. The Company has not received any zakat assessment from ZATCA for the year ended December 31, 2023.

15.4. Value-added tax

The Company is registered with value-added tax and submits and pays its returns on the specified statutory dates regularly.

(All amounts in Saudi Riyals unless otherwise stated)

16. Related parties' transaction and balances

Related parties include the Company's shareholders, associates and affiliated companies and key management personnel of the Company. Terms and conditions of these transactions are approved by the Company's management. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. Significant related party transactions for the year and balance arising there from are described as under:

Related parties	Relationship	Nature of transactions	Transactions during 2024	Transactions during 2023
HUTA Hegerfeld Saudia	Affiliate	Amount received	**-**	(165,692)
Biohazards Solutions Innovators Company Limited (BIOSI)	Affiliate	Expenses paid on behalf of the Company	**339,221**	(62,634)
		Funds transferred	**144,000**	4,095,000
		Amount received	**(8,499,608)**	(725,000)
Modern Innovative Works Limited	Affiliate	Amount Received	**-**	(37,029)
Alam Thaqafa Limited	Affiliate	Other Income	**-**	86,250
		Amount Received	**-**	(86,250)
Al Fateh Limited	Affiliate	Payments on behalf of the Company	**8,581**	10,347
		Amount Received	**(10,883)**	(10,545)
Bin Limited	Affiliate	Expenses Charged (Rent)	**(213,760)**	(49,759)
		Amount Paid	**213,760**	
Saleh Mohammed Awad Binladin	Related to shareholder	Funds Received	**-**	(1,143,154)
Abdullah Saleh Mohammed Binladin	Shareholder	Dividend Paid	**6,600,000**	3,130,000
		Dividend Declared	**(6,600,000)**	(3,130,000)
Ghaith Saleh Mohammed Binladin	Shareholder	Dividend Paid	**3,400,000**	3,130,000
		Dividend Declared	**(3,400,000)**	(3,130,000)
Huta Hegerfeld Environmental Works Limited	Affiliate	Expenses paid on behalf of Company	**220,458**	1,600
		Transfer of liabilities (EOSB)	**5,465**	-
Ace One Marine Limited	Affiliate	Expenses paid on behalf of Company	**19,536**	14,790
		Invoices against boat rent	**(2,249,170)**	(924,485)
		Amount Paid for invoices	**2,426,845**	1,219,400
		EOSB Transfer	**-**	(150,524)
		Advance Received	**(2,810,547)**	(1,636,864)
		Advance Paid back	**2,310,547**	-
Huta Marine Works Limited	Affiliate	Revenue (Including VAT)	**172,500**	184,000
Modern Building Leaders (MBL)	Affiliate	Revenue (Including VAT)	**7,953,805**	8,015,486
		Amount Received	**(4,636,597)**	(6,415,725)
Saudi Binladin	Affiliate	Revenue (Including VAT)	**579,600**	579,600
		Amount received	**(565,110)**	(744,970)
The Fundamental Installation for Electrical Works (FIRST FIX)	Affiliate	Revenue (Including VAT)	**1,317,647**	2,511,450
		Amount Received	**(1,500,623)**	(2,154,725)

(All amounts in Saudi Riyals unless otherwise stated)

16.1. Transactions with key management personnel

For the purposes of the disclosure requirements contained in IAS 24 Disclosures Related to Related Parties, the phrase "key management personnel" (i.e., those persons who have the authority and responsibility to plan, direct and control the activities of the Company) refers to the board of directors, chief executive officer and other executives of the Company.

The compensation of the senior management personnel includes salaries and other benefits. The amounts disclosed represent the amounts recognised as an expense during the financial year in respect of key management personnel.

Compensation of key management personnel of the Company for the year ended December 31,

Nature of transactions	2024	2023
Salaries and short-term benefits*	**5,712,000**	4,026,383
Employee benefits	**250,333**	274,416
Allowance for directors to attend Board meetings	**300,000**	-
Total	**6,262,333**	4,300,799

* Salaries and short-term employee benefits include bonus paid to key management personnel during the year ended December 31, 2024 amounting to SR 2,150,000 (December 31, 2023: SR 1,400,000).

16.2. Due from related parties

	2024	2023
Biohazards Solutions Innovators Company Limited (BIOSI) (a)	**5,784,997**	13,801,384
Ace Property Limited	**7,266**	7,266
Modern Innovative Works Limited	**6,000**	6,000
Alam Thaqafa	**2,500**	2,500
Al Fateh Limited	**-**	2,302
	5,800,763	13,819,452

a) The balance is secured against the unconditional and irrevocable Joint and several financial guarantee provided by two of the shareholders of the BIOSI.

b) The management estimates the allowance on due from related parties balance at the reporting date at an amount equal to lifetime ECL. No receivable balance from a related party at the reporting date are past due, taking into account the historical default experience and the future prospects, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

16.3. The following parties are classified in trade receivables: (note 6)

	2024	2023
HUTA Marine Works Limited	**356,500**	184,000
Modern Building Leaders (MBL)	**7,291,755**	3,974,547
The Fundamental Installation for Electrical Works (FIRST FIX)	**485,750**	668,726
Saudi Binladen Group	**527,590**	513,100
	8,661,595	5,340,373

16.4. Due to related parties

	2024	2023
HUTA Hegerfeld Environmental Works Limited	**1,307,558**	1,533,481
Ace One Marine Limited	**664,609**	361,820
	1,972,167	1,895,301

(All amounts in Saudi Riyals unless otherwise stated)

17. Commitments and contingencies

The Company's commitments and contingencies are as follows:

	2024	2023
Letters of guarantee	**2,476,969**	944,209
	2,476,969	944,209

18. Contract revenue

The company derives revenue from the transfer of services over time and at a point in time in the following major service lines and geographical regions:

Type of services	**2024**	2023
Environmental services	**33,759,056**	34,792,241
Coral Reef development	**1,725,000**	4,548,175
Mangrove transplantation	**11,101,144**	5,092,435
	46,585,200	44,432,851

Region	**2024**	2023
Western region	**43,676,395**	38,296,451
Central region	**843,028**	1,239,400
Eastern region	**2,065,777**	4,897,000
	46,585,200	44,432,851

18.1. Revenue includes SR 414,031 (2023: SR 382,092) recognized during the year, which was part of the contract liability balance at the beginning of the year.

19. Contract costs

	2024	2023
Subcontract costs	**9,949,187**	7,231,995
Employee costs	**10,850,433**	7,774,980
Direct material	**2,549,144**	1,880,852
Staff welfare	**439,092**	701,357
Travelling	**91,930**	184,480
Depreciation (note 5.1)	**849,510**	465,553
Utilities	**111,291**	133,392
Insurance	**41,578**	24,806
Fuel expenses	**310,833**	265,650
Repair and maintenance	**238,249**	287,279
IT and computer services	**57,548**	116,127
Printing and stationery	**108,528**	148,959
Others	**900,085**	351,258
	26,497,408	19,566,688

(All amounts in Saudi Riyals unless otherwise stated)

20. General and administrative expenses

	2024	2023
Employee costs	**3,852,578**	3,350,269
Bonus for key management personnel (note 16.1)	**2,150,000**	1,400,000
Travelling	**454,819**	485,612
Rent	**606,677**	465,373
Legal and professional fees (note 20.1)	**320,114**	358,001
Depreciation (note 5.1)	**326,824**	283,416
Printing and stationery	**112,244**	133,582
Insurance	**373,208**	403,773
Directors' remuneration	**300,000**	-
IT and computer services	**163,154**	153,698
Fuel expenses	**34,525**	70,225
Penalties	**19,445**	-
Staff welfare	**225,400**	142,236
Utilities	**96,859**	74,726
Others	**644,604**	453,465
	9,680,451	7,774,376

20.1 The audit and semi-annual review fee for the company's financial statements for the year ended December 31, 2024, amounted to SAR 110,000 (2023: SAR 50,000), while the fees for non-audit services for the year ended December 31, 2024, amounted to SAR 15,000 (2023: SAR 75,000).

21. Impairment loss/ (gain) on trade receivables and contract assets

	2024	2023
Expected credit loss on trade receivables (note 6.1)	**660,706**	520,675
Expected credit (gain) / loss on contract assets (note 7.1)	**(150,185)**	201,044
	510,521	721,719

22. Other income, net

	2024	2023
Bad debts recovered during the year	**2,854,994**	-
Exchange gain, net	**2,195**	118,764
Others	**909,676**	33,500
	3,766,865	152,264

23. Segment Information

The Company analyses the financial information of its operations as a whole. Accordingly, segmental analysis of the statement profit and loss and other comprehensive income and statement of financial position is not presented. The Chief Operating Decision Maker considers the Company to be a single operating segment based on the nature of its operations and services as all of the Company's operations. In addition, all of the Company's activities are concentrated in the Kingdom of Saudi Arabia.

24. Earnings per share

Basic earnings per share is calculated based on the weighted average number of outstanding shares during the year. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all diluted potential ordinary shares.

There has been no item of dilution affecting the weighted average number of ordinary shares.

	2024	2023
Net profit for the year	**15,481,977**	15,701,917
Weighted average number of ordinary shares for basic diluted earnings per share	**5,000,000**	5,000,000
Earnings per share - basic	**3.10**	3.14

25. Financial risk management

The Company has various financial assets such as cash and cash equivalents, trade receivables and due from related parties which arise directly from its operations The Company's principal financial liabilities comprise of trade payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s management oversees the management of these risks. The Company’s financial risk activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with Company’s policies and risk appetite. The Management reviews and agrees on policies for managing each of these risks, which are summarised below.

25.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include trade payables of the Company. Market prices comprise of two types of risk: interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company’s financial positions and cash flows. The Company’s income and operating cash flows are substantially independent of changes in market interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company’s transactions are principally in Saudi Riyals. Therefore, the Company is not subject to significant currency risk.

(All amounts in Saudi Riyals unless otherwise stated)

25.2. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are as follows:

	2024	2023
Trade receivables	**25,287,370**	17,346,207
Contract assets	**2,871,610**	6,914,159
Due from related parties	**5,800,763**	13,819,452
Cash at bank	**4,423,987**	4,238,892
	38,383,730	42,318,710

Credit risk on bank balances is limited as same are held with banks with sound credit ratings. For trade receivables, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Further, the expected credit losses also incorporate forward-looking information.

The Company considers the following to be default events, for the purpose of managing credit risk internally because past experience indicates that receivables that meet any of the following criteria are generally unrecoverable.

- When there is a non-compliance with the financial commitments of the counterparty; or
- Information prepared internally or obtained from external sources indicates that the debtor is unlikely to pay its debt (without regard to any collateral held by the Company).

Financial assets are written off only when there is no reasonable expectation of recovery. Where financial assets are written off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, these are recognized as other income in the statement of comprehensive income.

25.3. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The Company's shareholders also agreed to meet the Company's commitments and contingencies as they become due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings from financing facilities. The following analysis shows the Company's financial liabilities into relevant maturity grouping based on the remaining period. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant:

2024	**Carrying amounts**	**Less than 1 year**	**Between 2 and 5 years**
Trade payables	**295,803**	**295,803**	**-**
Due to related parties	**1,972,167**	**1,972,167**	**-**
Accruals and other payables	**3,161,263**	**3,161,263**	**-**
	5,429,233	**5,429,233**	**-**

2023	Carrying amounts	Less than 1 year	Between 2 and 5 years
Trade payables	422,694	422,694	-
Due to related parties	1,895,301	1,895,301	-
Accruals and other payables	3,723,429	3,723,429	-
	6,041,424	6,041,424	-

(All amounts in Saudi Riyals unless otherwise stated)

26. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors its capital using a ratio of net debt to equity. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalent.

	2024	2023
Total liabilities	**9,933,642**	13,052,150
Less: cash and cash equivalent	**(4,475,024)**	(4,305,825)
Net debt (a)	**5,458,618**	8,746,325
Total equity (b)	**40,992,277**	35,090,789
Net debt and equity ratio (a/b)	**0.13**	0.25

27. Standards, Interpretations and Amendments to existing Standards

27.1. New standard issues, standard issued and effective

The accounting policies applied by the company in preparing the financial statements are consistent with those followed in preparing the company's annual financial statements for the year ended December 31, 2024, except for the application of new amendments to standards, which came into effect on January 1, 2024, and apply to financial years beginning on or after January 1, 2024. The amendments are as follows:

Name of standard, amendment, or interpretation	**Effective date**
- IAS 1 Non-current liabilities with covenants - Classification of liabilities as current or non-current	1 January 2024
- IFRS 16 Lease liabilities in sale and leaseback transactions	1 January 2024
- IAS 7 & IFRS 7 Supplier finance arrangements	1 January 2024

27.2. New standard issues, standard issued but not yet effective

There are new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards and assumptions, where applicable when they become effective.

Name of standard, amendment, or interpretation	**Effective date**
- AS 21 Lack of exchangeability of a foreign currency	1 January 2025
- IFRS 9 & IFRS 7 Amendments to the classification and measurement of financial instruments - Disclosures	1 January 2026
- IFRS 18 Presentation and disclosures in financial statements	1 January 2027
- IFRS 19 Subsidiaries without public accountability: Disclosures	1 January 2027

28. Dividends

a) On 12 March 2024 corresponding to 02/09/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 1.36 per share aggregating to SR 6,800,000 (Six Million Eight Hundred Thousand Saudi Riyals). The dividend has been paid on 18 March 2024.

b) On 30 April 2024 corresponding to 21/10/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 0.084 per share aggregating to SR 420,000 (Four Hundred Twenty Thousand Saudi Riyals). The dividend has been paid on 22 May 2024.

c) On 20 June 2024 corresponding to 14/12/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 0.556 per share aggregating to SR 2,780,000 (Two Million Seven Hundred and Eighty Thousand Saudi Riyals). The dividend has been paid on 14 July 2024 and 4 September 2024.

d) Board of Directors resolved to distribute interim cash dividends amounting to Saudi Riyals 6,260,000 (Saudi riyals 1.252 per share), which were paid to the shareholders during the year ended December 31, 2023.

29. Comparative Figures

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

30. Subsequent events

No subsequent event occurred up to and including the date of the approval of these financial statements by the Board of Directors which could materially affect these financial statements and the related disclosures for the year ended December 31, 2024.

31. Approval of the financial statements

These financial statements were approved by the board of directors of the company on March 26, 2025 (corresponding to Ramadan 26, 1446H).