ADEER REAL ESTATE COMPANY

(Saudi Closed Joint Stock)

Kingdom of Saudi Arabia

FINANCIAL STATEMENTS
For the year ended December 31, 2024
with
INDEPENDENT AUDITOR'S REPORT

INDEX

INDEPENDENT AUDITOR'S REPORT

82541

To: The shareholders
Adeer Real Estate Company
Saudi Closed Joint Stock
Kingdom of Saudi Arabia

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of **Adeer Real Estate Company – Saudi Closed Joint Stock,** which comprise of the statement of financial position as at December 31, 2024, the statement of income , statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as of December 31, 2024,and its financial performance and its cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) adopted in the Kingdom of Saudi Arabia and other standards and pronouncements issued 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 Auditor's 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 are endorsed in the Kingdom of Saudi Arabia that are 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters that we should communicate in our report.

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برج ناصر سعيد الهاجري - الطابق العاشر،
طريق الملك فهد بن عبدالعزيز، الراكة الجنوبية، الخبر
هاتف: ٩٢٠٠١٣٠٢٢ ٩٦٦+
فاكس: ٨١٤٧٧٢٦ ١٣ ٩٦٦+
ص.ب: ٣١٨٧، الخبر ٣١٩٥٢، المملكة العربية السعودية

Key Audit Matter – Investments in Real Estate Projects	How the matter is addressed in our audit
The company has investments in real estate projects consisting of lands and shares in real estate plans held for the purpose of real estate investment, amounting to SR. 60,403,876 as of December 31, 2024 (December 31, 2023: SR. 60,403,876) and representing significant balances in the statement of financial position as of that date. We have considered this item as a key audit matter due to the materiality of its value in the statement of financial position and the importance of the estimates, assumptions and judgments included in the valuation. Investments in real estate projects are shown in the statement of financial position at cost, and the book value is reviewed annually by the company's management to assess the presence of indicators of impairment by comparing the book value with the recoverable value. The company has engaged external valuers licensed by the Saudi Authority for Accredited Valuers (Taqeem), who carry out the valuation in accordance with international valuation standards to determine the market value. When performing the valuation, generally accepted valuation methods and methodologies are used that rely on substantial judgments and estimates such as the appropriateness of the comparisons used, the discount rate and valuation inputs in general. The objective of valuing investments in real estate projects is to determine the recoverable value and impairment (if any) and to disclose the fair value in the company's financial statements. It is considered judgmental in nature due to, among other factors, the individual nature of each property, the location of the property and the most appropriate valuation method for each. Please refer to note (10) in the financial statements for detailed information on investments in real estate projects, note (3) on significant accounting judgments, estimates and assumptions related to investments in real estate projects and note (4) on material accounting policy information.	We performed the following procedures in relation to the company's assessment of the impairment of investments in real estate projects: -Evaluated the competence, independence and objectivity of the valuers hired by management. -Engaged our real estate valuation expert, where the following procedures were performed: •Evaluated the methodology applied by the valuers to verify the valuation method and methodology used and whether it is appropriate to determine the fair value of investments in real estate projects. •Evaluated the reasonableness of the relevant key assumptions and estimates used in the valuation. -We verified a sample of the valuation inputs used by the valuer and compared them with the accounting records. -Compared the fair value of the real estate projects according to the valure's report with its book balance to verify whether there is an impairment or not or whether there is a previous accumulated impairment that must be reversed. -Evaluated the adequacy of presentation and disclosures and the appropriateness of accounting policies and disclosures related to investments in real estate projects

Key Audit Matter – Revenue Recognition	How the matter is addressed in our audit
During the year ended December 31, 2024, the Company recognized total revenues of SR 121,038,151 (2023: SR 108,360,737). Revenues are a key indicator of performance, which means that there are inherent risks of over-recognizing revenues to increase profitability and earnings. Therefore, revenue recognition was considered a key audit matter, particularly with regard to the following: •Estimating the total costs required to meet performance obligations under contracts concluded with customers. •Analyzing whether contracts include one or more performance obligations. •Determining whether performance obligations are met over time or at a point in time. Please refer to note (17) in the financial statements for detailed information on revenues, note (3) for significant accounting judgments, estimates and assumptions related to revenues, and note (4) for material accounting policy information.	Our audit procedures in relation to this section included, among other things, the following: •Obtaining an understanding of the mechanism and key controls related to the revenue recognition process. •Examining and testing the relevant key controls to determine whether they were designed, implemented and operated effectively throughout the year. •Examining the revenues recognized during the year through a sample of marketing agreements and property management contracts in order to assess whether the revenues recognized under these agreements and contracts were in accordance with the terms of these agreements. •We examined the revenues earned on a sample basis, by examining the manual journal entries posted to the revenue accounts to determine whether there were any unusual items. •Performing validity and completeness assessment procedures to assess that the revenues were recognized in that period. •Evaluating the appropriateness of the accounting policies followed by the company regarding recognition of revenues from real estate marketing and property management and the related disclosures in the financial statements.

Other information:

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

Our opinion on the financial statements does not cover the other information and we do 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 referred to 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 annual report, when it becomes available, if we become aware of a material misstatement therein, we are required to report that fact, and we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) approved in the Kingdom of Saudi Arabia as well as other standards and other pronouncements issued by SOCPA and Companies' regulations and Company's bylaws and for 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 realistic alternative but to do so.

Those charged with governance (board of director) are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs applicable in 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 ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement 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 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 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, then we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent underlying transactions and events in a matter that achieves 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, related safeguards.

From the matters we communicate with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Talal Abu Ghazaleh & Co.
Al-Khobar, Saudi Arabia

Waleed Ahmed Bamarouf
(License No. 408)
26 Sha'ban 1446H
February 25, 2025

طلال أبوغزاله وشركاه
محاسبون قانونيون
ترخيص ٨١
C.R. 2051058782 س.ت
Lic. 81
Public Accountants
TALAL ABU-GHAZALEH & CO.

ADEER REAL ESTATE COMPANY
Saudi Closed Joint Stock
Kingdom of Saudi Arabia
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

EXHIBIT "A"

ASSETS	Note	2024	2023
Current assets		SR.	SR.
Cash and cash equivalents	5	33,006,251	29,802,806
Trade accounts receivable		---	1,601,896
Prepaid expenses and other debit balances	6	2,029,797	671,716
Total current assets		35,036,048	32,076,418
Non-current assets			
Property, plant and equipment	7/a	3,566,901	3,932,027
Intangible assets	8	153,781	307,561
Right-of-use assets	9/a	40,014	280,103
Investments in real-estate projects	10	60,403,876	60,403,876
Total non-current assets		64,164,572	64,923,567
Total assets		99,200,620	96,999,985
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		488,750	1,966,030
Accrued expenses and other credit balances	11	3,310,038	3,265,517
Lease liabilities against right-of-use assets	9/b	---	244,279
Liabilities provision- short term	13/a	---	2,706,844
Zakat provision	12	905,593	1,297,959
Total current liabilities		4,704,381	9,480,629
Non-current liabilities			
Employee benefits obligations	14	4,634,258	3,596,537
Liabilities provision- long term	13/a	---	2,293,156
Total non-current liabilities		4,634,258	5,889,693
Total liabilities		9,338,639	15,370,322
Equity			
Capital	15	50,000,000	50,000,000
Statutory reserve	16	---	6,326,104
Retained earnings		39,861,981	25,303,559
Net equity – Exhibit "D"		89,861,981	81,629,663
Total liabilities and net equity		99,200,620	96,999,985

The accompanying notes from (1) to (27) constitute an integral part of these financial statements.

ADEER REAL ESTATE COMPANY
Saudi Closed Joint Stock
Kingdom of Saudi Arabia
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT "B"

	Note	2024 SR.	2023 SR.
Revenue	17	121,038,151	108,360,737
Cost of revenue	18	(44,168,187)	(41,919,137)
Gross profit		76,869,964	66,441,600
General and administrative expenses	19	(14,385,285)	(14,389,654)
Depreciation and amortization		(963,096)	(983,211)
Income from operation		61,521,583	51,068,735
Other income	20	3,082,356	569,373
Income before zakat		64,603,939	51,638,108
Zakat	12/c	(912,190)	(1,316,392)
Income for the year – Exhibit "C"		63,691,749	50,321,716
Basic and diluted earnings per share from income for the year	21	12/74	10/06

The accompanying notes from (1) to (27) constitute an integral part of these financial statements

ADEER REAL ESTATE COMPANY
Saudi Closed Joint Stock
Kingdom of Saudi Arabia
STATEMENT OF COMPREHESIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT "C"

	2024 SR.	2023 SR.
Income for the year – Exhibit "B"	**63,691,749**	50,321,716
Other Comprehensive loss:		
Items that will not be subsequently reclassified to profit or (loss):		
The effect of re-measurement of defined employee benefits obligations - Note 14/4	**(459,431)**	(171,970)
Total other comprehensive (loss) for the year	**(459,431)**	(171,970)
Total comprehensive income for the year– Exhibit "D"	**63,232,318**	50,149,746

The accompanying notes from (1) to (27) constitute an integral part of these financial statements

ADEER REAL ESTATE COMPANY
Saudi Closed Joint Stock
Kingdom of Saudi Arabia
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT "D"

	Capital	Statutory reserve	Retained earnings	Total
	SR.	SR.	SR.	SR.
Balance at January 1, 2023	50,000,000	6,326,104	50,153,813	106,479,917
Income for the year 2023 – Exhibit "B"	--	--	50,321,716	50,321,716
Effect of re-measurement of defined employee benefits	--	--	(171,970)	(171,970)
Total comprehensive income – Exhibit "C"	--	--	50,149,746	50,149,746
Transferred to reserve	--	--	--	--
Dividend distribution**	--	--	(75,000,000)	(75,000,000)
Balance at December 31, 2023 - Exhibit "A"	50,000,000	6,326,104	25,303,559	81,629,663
Net profit for 2024 – Exhibit "B"	--	--	63,691,749	63,691,749
Effect of re-measurement of defined employee benefits	--	--	(459,431)	(459,431)
Total comprehensive income – Exhibit "C"	--	--	63,232,318	63,232,318
Transferred to retained earnings – Note 16	--	(6,326,104)	6,326,104	--
Dividends distribution*	--	--	(55,000,000)	(55,000,000)
Balance at December 31, 2024 – Exhibit "A"	50,000,000	--	39,861,981	89,861,981

*** In 2024, the Board of Directors resolved on 3 July 2024 and 10 November 2024 to distribute dividends in the amount of SR. 55,000,000 to the Shareholders according to their share in capital.**

**** In 2023, the Board of Directors resolved on 2 February 2023, 8 August 2023 and 1 November 2023 to distribute dividends in the amount of SR. 75,000,000 to the Shareholders according to their share in capital.**

The accompanying notes from (1) to (27) constitute an integral part of these financial statements,

ADEER REAL ESTATE COMPANY
Saudi Closed Joint Stock
Kingdom of Saudi Arabia
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

EXHIBIT "E"

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		SR.	SR.
Income before Zakat		64,603,939	51,638,108
Adjustments for:			
Depreciation of property, plant and equipment	7	809,316	829,431
Obligations of employee benefits charged to expenses	14	616,388	544,135
Depreciation of right-of-use assets	9/a	240,089	200,073
Amortization of intangible assets	8	153,780	153,780
Interest on lease liabilities against right to use assets		6,282	14,664
Zakat provision no longer required		(2,288,595)	--
Changes in operating assets & liabilities:			
Trade accounts receivable		1,601,896	(582,258)
Prepaid expenses and other receivable balances		(1,358,081)	2,540,809
Accounts payable		(1,477,280)	1,966,030
Accrued expenses and other payable balances		44,521	2,183,377
Cash generated from operation		62,952,255	59,488,149
Zakat paid	12	(1,297,959)	(2,066,457)
Paid against zakat assessment	12,13	(2,711,405)	(18,433)
Paid against change in accounting estimates – zakat	12	(6,597)	--
Employee benefits obligation paid	14	(38,098)	(2,000)
Net cash provided by operating activities		58,898,196	57,401,259
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	7	(444,190)	(91,615)
Investments in real-estate projects,		---	(30,003,876)
Net cash (used in) investing activities		(444,190)	(30,095,491)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividend distributions		(55,000,000)	(75,000,000)
Payments of lease liabilities against right of use assets	9/b	(250,561)	(250,561)
Net cash (used in) financing activities		(55,250,561)	(75,250,561)
Net change in cash and cash equivalents		3,203,445	(47,944,793)
Cash and cash equivalents at the beginning of the year		29,802,806	77,747,599
Cash and cash equivalents at the end of the year – Exhibit "A"	5	33,006,251	29,802,806

The accompanying notes from (1) to (27) constitute an integral part of these financial statements,

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Adeer Real Estate Company (the "Company") is a Saudi Closed Joint Stock Company, duly registered under Commercial Registration No, 2051049506 dated 10 Sha'ban, 1433H (June 30, 2012) issued by the Ministry of Commerce and Investment in Dammam (Al-Khobar register). The Company is engaged in the following activities: selling fixed and movable assets; buying, selling and planning lands and properties; off plan sale activities; management and lease of residential properties; management and lease of non-residential properties; management and operation of hotel apartments; brokers' agent activity; real estate management activities in return for a commission. Non-Saudi citizen are not permitted to practice real estate activities in Makkah and Al-Madinah.

These financials statement include the activities of the following branches:

#	Name	C.R. #	Issuance location	Date
1	Adeer Real Estate Company	1010764539	Riyadh	1443/05/08
2	Adeer Real Estate Company	4030445968	Jeddah	1443/05/10
3	Adeer Real Estate Company	4031258693	Makkah	1443/05/11

The accompanying financial statements include the assets and liabilities and business activities for the main C.R. and sub commercial registers mentioned above.

The Company is located at the following address:
Al-Khobar - Sumou Tower
P,O, Box 250
Postal code 31952
Kingdom of Saudi Arabia.

The company obtained the approval of the Capital Market Authority on December 23, 2024, for the company's request to register its shares and offer one million shares representing 20% of its shares in the parallel market- Nomu. The Authority's approval of the request is valid for a period of 6 months from the date of the Authority's Board decision, and the approval is considered void if the offering and listing of the company's shares is not completed during this period.

2. BASIS OF PREPRATION

Statement of compliance with IFRS

These financial statements have been prepared for the fiscal year ending on December 31, 2024 in accordance with the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements approved by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Wherever the term "International Financial Reporting Standards" appears in these notes, it refers to "International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Chartered and Professional Accountants".

The approved international standards are the international standards as issued by the International Accounting Standards Board (IASB) in addition to the requirements and disclosures that SOCPA added to some of these standards, according to what was mentioned in the document of approval of the international financial reporting standards, Standards and other publications are those standards and technical opinions of the Saudi Organization for Chartered and Professional Accountants for topics not covered by international standards such as the subject of Zakat.

Basis of measurement

The financial statements have been prepared on a historical cost basis and accrual basis, unless otherwise noted.

Measuring fair value of financial instruments
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, Within definition of fair value there is an assumption that the Company is going concern since there is no intention or condition to materially reduce its operation or conduct a transaction on negative terms.

A financial instrument is considered listed on an active market if the quoted prices are easily and regularly available from a foreign exchange dealer, broker, industrial group, pricing services or a regulatory body and these prices represent market transaction that occurred effectively and regularly on a commercial basis.

When measuring fair value, the Company uses observable market information whenever possible, Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the use of management's judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosures, at a reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. 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 revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The key judgments estimate and assumptions that have a significant impact on the financial statements of the Company are discussed below:

Judgements

Satisfaction of performance obligations
The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Company has assessed that based on the buying and selling agreements entered into with customers and the provisions of relevant laws and regulations. For contracts to provide real estate assets to clients, the Company does not create an asset with an alternative use to the Company and usually has an enforceable right to payment for performance completed to date. Based on this, the Company recognizes revenue over time, Where this is not the case, revenue is recognized at a point in time.

Classification of investment properties
The Company determines whether a property qualifies as an investment property in accordance with IAS 40 Investment Property, In making its judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by the Company.

Estimations and assumptions

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and employees' turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive parameters are discount rate and future salary increases. In determining the appropriate discount rate, management considers the market yield on high quality corporate bonds. Future salary increases are based on expected future inflation rates, seniority, promotion, demand and supply in the employment market. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes, Further details about employee benefits obligations are provided in Note (14).

Useful lives of property and equipment and investment properties

The Comp any's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company has applied the same material accounting policies as in the previous year except for the new and amended standards set out below:

New and amended accounting standards applied by the Company:

The Company applied the following new and revised IFRSs that became effective on or after January 1, 2024 which had no material impact on the amounts and disclosures in the accompanying financial statements.

Standard or Interpretation	Effective date
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current, and Non-Current Liabilities with Covenants	January 1, 2024
Amendments to IFRS 16: Lease Liabilities in Sale and Leaseback Transactions	January 1, 2024
Amendments to IAS 7 and IFRS 7: Enhancing Disclosures about Supplier Finance Arrangements	January 1, 2024

Standards and Interpretations issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

IFRS or Interpretation	Effective Date
Amendments to International Financial Reporting Standard No. (10) and International Accounting Standard No. (28) Sale or Contribution to Assets between investors and an associate or joint venture	Effective date postponed indefinitely.
IFRS (S1) - General requirements for the disclosure of sustainability-related financial information, and IFRS (S2) - Climate-related disclosures.	January 1, 2024 (The application depends on the regulatory authorities adopting the two standards)
Amendments to International Accounting Standard(21) Lack of exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7: Classification and measurement of financial instruments	January 1, 2026
IFRS 18 – Presentation and disclosure in financial statements	January 1, 2027
IFRS 19 – Disclosures for subsidiaries without public accountability	January 1, 2027

The management of the Company does not expect that these standards will have a material impact on the financial statements when applied in future financial periods.

The following represent the material accounting policy information for the Company:

Foreign currencies

A) Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (functional currency). The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company.

B) Transactions and balances

Transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies other than Saudi Riyals are recognized using the exchange rates prevailing at the yearend in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the transactions.

Cash and bank balances

For the purpose of cash flow statement, cash and cash equivalents comprise cash and balances with banks with less than three months' maturity from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables:

Trade and other receivables are non-derivative financial assets with fixed or determinable payments. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. The carrying amount of these receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income.

Trade receivables from provision of project management services and other similar receivables are subject to the expected credit loss model, The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for these receivables.

These receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on these receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Investment properties

Investment properties include property held for the purpose of achieving an increase in its value or for rental income, or both, and are stated at cost less accumulated depreciation and accumulated impairment losses, if any, Real estate investments also include property that is created or developed for future use as investment properties. In addition, land, if any, held for unspecified use is classified as investment property and is not depreciated. Upon the commencement of development of investment properties, they are classified as "assets under construction" until completion of the development process. They are then transferred to the relevant category and depreciated using the straight-line method at rates calculated to reduce the cost of the asset to its estimated residual value over its useful lives, 4 years to 25 years. The fair value of these investment properties is disclosed in the notes.

Investment in real estate projects

Real estate that is acquired constructed or contributed with other parties or in the process of construction or development for the purpose of sale is classified as development real estate and is stated at cost or net realizable value whichever is lower. The net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.
The fair value of these investments is disclosed in the notes.

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any, Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Property and equipment are depreciated on a straight-line basis over their expected useful lives. The depreciation rates are summarized as follows:

asset	depreciation rate
Building	10%
Office equipment	25%
Furniture and fixtures	25%
Computers	25%
Leasehold improvement	5%-10%
Vehicles	20%

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Intangible asset:

These assets represent software licenses that are acquired separately. These intangible assets have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated at the rate of 20% using the straight line method to allocate the cost of licenses over their estimated useful lives of 5 years assuming no residual values.

Research and development expenses incurred internally are charged to the income statement unless they form part of other assets that satisfy asset recognition criteria

Right-of-use assets

The Company recognizes right-of-use assets on the lease commencement date (The date on which the contract assets becomes available for use). Right-of-use assets are measured at the cost less any accumulated depreciation, any impairment losses and adjusted for any re-measurement in lease obligations. Right-of-use asset would include the following amounts, where relevant: Lease commitments recognized, initial direct costs, and lease payments (made within or before the lease commencement) less any lease incentives received.

Unless the Company is reasonably certain about obtaining ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated according to the straight line method, over its useful life or the lease term stated in the terms of the contracts. Right-of-use assets are subject to impairment.

The Company used an annual discount rate of 3% to 6%.

Lease liabilities against right of use assets

At the inception of a lease, the Company recognizes lease liabilities measured at the present value of lease payments made over the lease term. Lease payments include fixed payments (including actual fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Company and payments of penalties for terminating the lease if the lease reflects the Company exercising the option to terminate. Variable lease payments that are not dependent on an index or rate are recognized as an expense in the period in which the event or condition triggers the payment. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the inception of the lease if the interest rate implicit in the lease cannot be readily determined. After the commencement date of the lease, the amount of the lease liability is increased to reflect interest accretion and reduced by the lease expense paid. In addition, the carrying amount of the lease liability is remeasured if there is a modification or change in the lease term, whether it is a change in the actual fixed lease payments or a change in the valuation of the asset purchased as a result of the lease.

The lease payments are allocated between the principal amount and the finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability each year.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized by finding the difference between the carrying amount of the asset and its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each

Accounts payable and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred, Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Related Parties

Related parties are identified by the Company in accordance with the definition (of IAS 24). A related party transaction include a transfer of resources, services or obligations between the Company and a related party regardless of whether a price is charged. Terms and conditions of these transactions are approved by the Company's management.

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.

A. Financial assets

A financial asset is any asset that is:

- Cash
- A contractual right to receive cash or another financial asset from another entity.
- A contractual right to exchange financial instruments with another entity under conditions are potentially favorable to the entity.
- A non-derivative contract for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments.

A/1 Classification and initial recognition

The Company classifies its financial assets in the following measuring categories:

- Financial assets that are measured subsequently at fair value (either through income statement, or through other comprehensive income), and
- Financial assets that are measured at amortized cost.
  The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
- For assets measured at fair value, gain and losses will either be recorded in income statement or other comprehensive income (OCI), For investment in debt instruments, this will depend on the business model in which investment is held, For investment in equity instruments, this will depend on whether the Entity has made an irrevocable election at the time of initial recognition to account for the equity instruments at fair value through OCI, The entity reclassifies debt instruments when and only when its business model for managing those assets changes.
- At initial recognition, the Entity measures a financial asset at its fair value plus, in the case of financial asset not at fair value through income statement, transaction costs that are directly attributable to the acquisition of the financial asset, Transactions costs of financial assets carried at fair value through income statement are expensed in the Statement of comprehensive income.

A/2 Subsequent measurement

A/2/1 Equity instruments

- The Entity subsequently measures all equity investments at fair value. Where the Entity's management has elected to present fair value gains or losses on equity investments in OCI, there is no subsequent reclassification of fair value gains or losses to income statement. Dividends from such investments continue to be recognized in income statement as other income when the Entity's right to receive payments is established.
- Impairment losses and reversal of impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.
- Changes in the fair value of financial assets at fair value through income statement are recognized in other gain / (losses) in the Statement of comprehensive income as applicable.

A/2/2 Debt instruments

Subsequent measurement of debt instruments depends on the Entity's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Entity classified its debt instruments:

- **Amortized cost:**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt instrument that is measured at amortized cost and is not part of a hedging relationship is recognized in income statement when the asset is de-recognized or impaired, Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):**
  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represents solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognized in income statement. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to income statement and recognized in the other gains / (losses), Interest income from these financial assets is included in finance income using the effective interest method.

- **Fair value through income statement**
  Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through income statement. A gain or loss on a debt investment that is subsequently measured at fair value through income statement and is not part of a hedging relationship is recognized in income statement and presented net in the income statement within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in the finance income.

A/2/3 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period to net the carrying amount on initial recognition.

A/2/4 Impairment

- The Entity assesses on a forward looking bases the expected credit losses associated with its assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
- For trade receivables only, the entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

B. Financial liabilities

A financial liability is any liability that is:

- Contractual obligation to deliver cash or another financial asset to another entity.
- Contractual obligation to exchange financial instruments with another entity under conditions that are potentially unfavorable.
- A non-derivative contract for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.

B/1 Initial recognition

All financial liabilities are recognized initially at fair value, The Company's financial liabilities include trade and other payables and long-term loan from government at below market rate of interest.

B/2 Subsequent measurement

Entity classifies all financial liabilities subsequent to initial measurement at amortized cost.

C. Derecognition of financial instruments

- The Entity derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

- On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the income statement. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

- The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of comprehensive income.

Zakat

In accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"), the Company is subject to Zakat attributable to the Saudi shareholders. Provision for Zakat 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 in the comprehensive income statement.

Zakat is calculated on the share of Saudi shareholders and / or net income using the laws of the Zakat, Tax and Customs Authority.

Value Added Tax

Value added tax represents 15% of the total value of sales subject to value added tax. 15% is deducted from paid inputs and is netted off, then the difference is transferred to the Zakat, Tax and Customs Authority.

Long term employee benefits obligations

Employees' end of service benefits is accrued currently and are payable as a lump sum to all employees under the terms and conditions of Saudi Labor and Workmen Law on termination of their employment contracts. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as defined by the conditions stated in the laws of Saudi Arabia.

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in other reserves in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated, Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends Distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

Revenue from contracts with clients

The Company recognizes revenue from contracts with customers based on a five-step model outlined in IFRS 15.

Step (1): Defining the contract with the customer: The contract is an agreement between two or more parties that results in mandatory rights and obligations and clarifies the criteria that must be fulfilled for each contract.

Step (2): Defining performance obligations in the contract: The performance obligation is a promise to the customer according to the contract in order to transport goods or provide services to the customer.

Step (3): Determine the transaction price: The transaction price is the price expected by the Company in exchange for the movement of goods or services agreed upon with the customer, excluding the amounts collected on behalf of third parties.

Step (4): Distribute the transaction price to the performance obligations in the contract: For the contract that contains more than one performance obligation, the Company distributes the transaction price to each performance obligation by an amount of an estimated amount of the price expected to be collected from the goods or services in return for performing the performance obligation.
Step (5): Income is recognized when (or whenever) the enterprise fulfills the performance obligation.

Commission income
Commission revenues from collection and marketing services for the sale of project units are recognized based on agreements concluded with customers, with the commission ranging from 10% to 15% in relation to collection revenues and 2.5% in relation to the activity of marketing services for the sale of project units to customers.

Revenue from the sale of real-estate investments
Revenues from the sale of investment lands prepared for sale (developed or undeveloped) are recognized upon execution or completion of the sale process and the transfer of control to the buyer. Revenues resulting from the sale of land contributions (under development) are recognized upon conclusion of the sale contract and issuance of the new shareholder's contribution certificate.

Expenses
All other expenses, excluding direct costs and finance costs, are classified as general and administrative expenses. General and administrative expenses are recorded on the accrual basis in the period in which they are incurred. Common expenses between cost of revenues and general and administrative expenses are allocated on a systematic basis, if necessary.

Borrowing costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale, Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable 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 liability simultaneously. Income and expense is not offset in the statement of profit or loss or other comprehensive income unless required or permitted by any accounting standard or interpretation.

Segment information
Business segment:
For the management reporting purpose, service lines are disclosed according to the Company's operating sectors and service activities, which are as follows:
- Management and lease of owned or leased real estate
- Brokerage activities

For the purpose of decision-making and performance evaluation, the board of directors monitors performance of operating sector based on revenues generated by each sector.

The following is a statement of the segmental information:

2024	Real estate marketing	Property management	Other	Total
	SR.	SR.	SR.	SR.
Revenue	117,319,700	3,718,451	---	121,038,151
Cost of revenue	(44,168,187)	---	---	(44,168,187)
General and administrative expenses	(11,775,578)	(288,000)	(2,321,707)	(14,385,285)
Depreciation and amortization	---	---	(963,096)	(963,096)
Other income	---	---	3,082,356	3,082,356
Net profit before Zakat	61,375,935	3,430,451	(202,447)	64,603,939
Total assets	35,036,048	---	64,164,572	99,200,620
Total liabilities	9,338,639	---	---	9,338,639

2023	Real estate marketing	Property management	Other	Total
	SR.	SR.	SR.	SR.
Revenue	102,969,530	5,391,207	---	108,360,737
Cost of revenue	(41,919,137)	---	---	(41,919,137)
General and administrative expenses	(11,819,371)	(288,000)	(2,282,283)	(14,389,654)
Depreciation and amortization	---	---	(983,211)	(983,211)
Other income	---	---	569,373	569,373
Net profit before Zakat	49,231,022	5,103,207	(2,696,121)	51,638,108
Total assets	32,076,418	---	64,923,567	96,999,985
Total liabilities	15,370,322	---	---	15,370,322

Geographical segment:
The Company operates in the regions located in the Kingdom of Saudi Arabia, The Company does not have any subsidiaries outside the Kingdom.

5. CASH AND CASH EQUIVALENTS

This item consists of the following:

	2024	2023
	SR.	SR.
Cash at banks - local currency	33,006,251	29,802,806
Total – Exhibit "A"	33,006,251	29,802,806

6. PREPAID EXPENSES AND OTHER RECEIVABLE BALANCES

This item consists of the following:	2024	2023
	SR.	SR.
Staff advances	390,322	231,077
Value added tax	547,919	---
Prepaid Expenses	822,309	166,860
Other	269,247	273,779
Total – Exhibit "A"	2,029,797	671,716

7. PROPERTY, PLANT AND EQUIPMENT

a. The details of cost, accumulated depreciation and net book value of property, plant and equipment are as follows:

2024	Land - b	Buildings - b	Office equipment	Furniture and fixtures	Computers	Leasehold improvement	Vehicles	Total
Cost:	SR.	SR.	SR.	SR.	SR.	SR.	SR.	SR.
At January 1, 2024	1,250,000	1,250,000	502,782	951,609	1,370,873	6,052,760	--	11,378,024
Addition during the year	--	--	1,900	--	48,605	35,000	358,685	444,190
At December 31, 2024	**1,250,000**	**1,250,000**	**504,682**	**951,609**	**1,419,478**	**6,087,760**	**358,685**	**11,822,214**
Accumulated depreciation:								
At January 1, 2024	--	777,084	389,102	932,638	1,312,386	4,034,787	--	7,445,997
Charge for the year	--	125,000	37,038	13,863	37,126	584,333	11,956	809,316
At December 31, 2024	--	**902,084**	**426,140**	**946,501**	**1,349,512**	**4,619,120**	**11,956**	**8,255,313**
Net book value -Exhibit "A" December 31, 2024	**1,250,000**	**347,916**	**78,542**	**5,108**	**69,966**	**1,468,640**	**346,729**	**3,566,901**

2023	Land - b	Buildings - b	Office equipment	Furniture and fixtures	Computers	Leasehold improvement	Total
Cost:	SR.	SR.	SR.	SR.	SR.	SR.	SR.
At January 1, 2023	1,250,000	1,250,000	478,613	930,531	1,331,695	6,052,760	11,293,599
Addition during the year	--	--	24,169	21,078	46,368	--	91,615
Disposals during the year	--	--	--	--	(7,190)	--	(7,190)
At December 31, 2023	1,250,000	1,250,000	502,782	951,609	1,370,873	6,052,760	11,378,024
Accumulated depreciation:							
At January 1, 2023	--	652,084	356,290	921,832	1,252,598	3,440,952	6,623,756
Charge for the year	--	125,000	32,812	10,806	66,978	593,835	829,431
Relating to disposals	--	--	--	--	(7,190)	--	(7,190)
At December 31, 2023	--	777,084	389,102	932,638	1,312,386	4,034,787	7,445,997
Net book value -Exhibit "A" December 31, 2023	1,250,000	472,916	113,680	18,971	58,487	2,017,973	3,932,027

b. This item represents the value of land owned by Adeer Real Estate Company on which buildings are shown under property, plant and equipment is located as of Note 7/a.

8. INTAGIBLE ASSETS

The details of cost, accumulated depreciation and net book value of intangible assets are as follows:

This item is summarized as follows:	Computer software 2024	Computer software 2023
	SR.	SR.
Cost:		
At 1 January	768,901	768,901
At 31 December	**768,901**	768,901
Less: Accumulated amortization:		
At 1 January	461,340	307,560
Amortization during the year	153,780	153,780
At 31 December	**615,120**	461,340
Net book value at 31 December 2024– Exhibit "A"	**153,781**	307,561

9. RIGHT OF USE ASSETS

A. This item represents a lease for the company office in Al-Khobar. As show in the following table the balance of the assets uses along with the accumulated amortization as follows:

	2 0 2 4	2 0 2 3
Cost:	**SR.**	SR.
Balance at the beginning of the year	480,176	---
Additions during the year	---	480,176
Balance at the end of the year	**480,176**	480,176
Less: Accumulated depreciation:		
Balance at the beginning of the year	200,073	---
Charge for the year	240,089	200,073
Balance at the end of the year	**440,162**	200,073
Net book value in the end of the year – Exhibit "A"	**40,014**	280,103

B. Lease liabilities against right of use assets:

The movement of right of use assets are summarized as follows:	**2 0 2 4**	2 0 2 3
	SR.	SR.
Balance at the beginning of the year	**244,279**	---
Addition during the year	---	480,176
Interest of obligations against the right-of-use asset – Note 19	**6,282**	14,664
Paid during the year	**(250,561)**	(250,561)
Balance at the end of the year – Exhibit "A"	---	244,279

Below are details of the maturity dates of the remaining amounts of the right-of-use asset liabilities, which represent undiscounted cash flows and include the present value of the minimum lease payments and unamortized interest together.

	2 0 2 4	2 0 2 3
	SR.	SR.
Less than a year	---	250,561
Total	---	250,561

The following represents the reconciliation of the minimum future lease payments with the present value of the lease payments.

	2024	2023
	SR.	SR.
Minimum future lease payments	---	250,561
Less: Unamortized financing costs	---	6,282
Present value of lease payments	---	244,279

10. INVESTMENT IN REAL-ESTATE PROJECTS

a. This item is summarized as follows:

	2024	2023
	SR.	SR.
Investment in land, Arar (Al Mubarakiya) – b	**20,000,000**	20,000,000
Investment of the heights of Mecca – c	**5,000,000**	5,000,000
Investment in Al Nawras project – d	**5,400,000**	5,400,000
Areen land – e	**13,010,738**	13,010,738
Arar land – f	**16,993,138**	16,993,138
Total – Exhibit "A"	**60,403,876**	60,403,876

b. This investment represents the share obtained by the Company. It was stated at a cost of acquisition of 20,000,000 Saudi riyals under an investor share bond and an evaluation was obtained from two accredited evaluators. The first was from an evaluator (Topaz Real Estate Appraisal under Commercial Registration No. 4030595933, licensed appraiser No. 1210000114) and the fair market value was SR. 29,949,870. The second was from an evaluator (Osoul Al Qimah Real Estate Valuation Company under Commercial Registration No. 3400116855, licensed appraiser No. 1210000223) and the fair market value was an amount SR. 28,271,613.

c. It was stated at a cost of acquisition of 5,000,000 Saudi riyals under an investor share bond granted by Sumou Holding Company and an evaluation was obtained from two accredited evaluators. The first was from an evaluator (Topaz Real Estate Appraisal under Commercial Registration No. 4030595933, licensed appraiser No. 1210000114) and the fair market value was SR. 22,071,768. The second was from an evaluator (Osoul Al Qimah Real Estate Valuation Company under Commercial Registration No. 3400116855, licensed appraiser No. 1210000223) and the fair market value was an amount SR. 21,053,761.

d. It was stated at a cost of acquisition of 5,400,000 Saudi riyals under an ownership deeds and an evaluation was obtained from two accredited evaluators. The first was from an evaluator (Topaz Real Estate Appraisal under Commercial Registration No. 4030595933, licensed appraiser No. 1210000114) and the fair market value was SR. 7,140,879. The second was from an evaluator (Osoul Al Qimah Real Estate Valuation Company under Commercial Registration No. 3400116855, licensed appraiser No. 1210000223) and the fair market value was an amount of SR. 6,899,976.

e. It was stated at a cost of acquisition of SR. 13,010,738 under an a land deeds and an evaluation was obtained from two accredited evaluators. The first was from an evaluator (Topaz Real Estate Appraisal under Commercial Registration No. 4030595933, licensed appraiser No. 1210000114) and the fair market value was SR. 14,337,000. The second was from an evaluator (Osoul Al Qimah Real Estate Valuation Company under Commercial Registration No. 3400116855, licensed appraiser No. 1210000223) and the fair market value was an amount SR. 14,071,000.

f. It was stated at a cost of acquisition of SR. 16,993,138 under a land deeds and an evaluation was obtained from two accredited evaluators. The first was from an evaluator (Topaz Real Estate Appraisal under Commercial Registration No. 4030595933, licensed appraiser No. 1210000114) and the fair market value was SR. 17,415,000. The second was from an evaluator (Osoul Al Qimah Real Estate Valuation Company under Commercial Registration No. 3400116855, licensed appraiser No. 1210000223) and the fair market value was an amount SR. 16,600,000.

11. ACCRUED EXPENSES AND OTHER PAYABLE BALANCES

This item is summarized as follows:

	2024	2023
	SR.	SR.
Accrued reward	**2,005,000**	1,400,000
Value added tax	---	723,993
Employee bonus	**870,000**	575,000
Accrued vacations	**170,905**	325,846
Accrued Professional fee	**172,500**	146,500
GOSI	**76,303**	72,765
Others	**15,330**	21,413
Total – Exhibit "A"	**3,310,038**	3,265,517

12. ZAKAT PROVISION

A. The following is the zakat calculation for the year 2024 according to the Zakat Implementing Regulations issued in 1445 H; however, zakat calculation for 2023 is based on the Zakat Implementing Regulations issued in 1440 H.

	2024	2023
	SR.	SR.
Equity	**90,767,574**	56,326,104
Provisions and others	**4,634,258**	8,341,516
Aadjusted net profit	---	52,182,243
Total Zakat base	**95,401,832**	116,849,863
Less:		
Non-current assets	**64,164,572**	64,923,567
Net Zakat base	**31,237,260**	51,926,296
Net zakat base based on maximum or minimum limit	**35,036,048**	---
Zakat according to regulation – Exhibit "B"	**905,593**	1,297,959

B. Movement of Zakat provision for the year is as follows:

	2024	2023
	SR.	SR.
Balance at the beginning of year	**1,297,959**	2,066,457
Charged of the year -Exhibit "B"	**905,593**	1,297,959
Paid during the year	**(1,297,959)**	(2,066,457)
Balance at the end of year – Exhibit "A"	**905,593**	1,297,959

C. Zakat charged to income statement:

	2024	2023
	SR.	SR.
Charged for the year	**905,593**	1,297,959
Change in accounting estimate	**6,597**	--
Total – Exhibit "B"	**912,190**	1,297,959

D. Zakat status:

- The Company obtained a Zakat certificate for the year ending December 31, 2023, which is valid until April 30, 2025.
- During the period, the company settled its zakat status arising from the zakat assessment for the years 2015 to 2018, as the company paid the full amount due on it, amounting to 2,711,405 Saudi riyals.

13. PROVISION OF LIABILITIES

	2024	2023
a. This item is summarized as follows:	SR.	SR.
Short term - b – Exhibit "A"	---	2,706,844
Long term – Exhibit "A"	---	2,293,156
Total	---	5,000,000

b. The final judgment was issued and the zakat assessments were settled with the Zakat, Tax and Customs Authority by paying an amount of 2,711,405 Saudi riyals, and an amount of 2,288,595 Saudi riyals was transferred to the other revenues account after it was no longer needed - Note (20).

14. EMPLOYEE BENEFITS OBLIGATIONS

14/1 The Company operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labor Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans and the benefit payment obligation are met when they fall due upon termination of employment. The latest valuation of employee benefit obligations under the projected unit credit method was carried out by an independent actuary as of 31 December 2024.

14/2 Movement in the present value of defined benefit obligation	**2024**	2023
	SR.	SR.
Balance at the beginning of the year	**3,596,537**	2,882,432
Paid during the year	**(38,098)**	(2,000)
Charged during the year (Note 19)	**616,388**	544,135
Actuarial loss	**459,431**	171,970
Balance at the end of the year – Exhibit "A"	**4,634,258**	3,596,537

14/3 Amount recognized in the statement of other comprehensive income	**2024**	2023
	SR.	SR.
Current service-cost	**446,457**	418,792
Interest cost	**169,931**	125,343
Total – Note 19	**616,388**	544,135

14/4 Charged to the statement of other comprehensive income	**2024**	2023
	SR.	SR.
The effect of re-measurement of employee benefits-Exhibit "C"	**459,431**	171,970
Total	**459,431**	171,970

14/5 Principal actuarial assumptions	**2024**	2023
Discount rate	**5,75%**	4,75%
Salaries' increase rate	**6%**	14%
Employee turnover rate	**Medium**	Medium
Presumed retirement age	**60 years**	60 years

14/6 Sensitivity Analysis:

Reasonably possible changes at the statement of financial position date to one of the relevant actuarial assumptions while holding the other assumptions constant could affect the defined benefit obligation in the amounts shown below.

	2024	2023
Discount rate:	SR.	SR.
Decrease by 1%	5,064,001	4,002,665
Base	4,634,258	3,596,537
Increase by 1%	4,195,355	3,248,814
Rate of future salary increase:		
Decrease by 1%	4,192,673	3,246,492
Base	4,634,258	3,596,537
Increase by 1%	5,058,155	3,997,488

15. CAPITAL

The Company's capital is SR. 50,000,000, which is divided into 5,000,000 shares of equal value, the value of each share is SR. 10, and it has been distributed among shareholders as follows:

Name of shareholders	No. of share	Share value SR.	Total share value SR.	Percentage
Sumou International Investment Company	3,750,000	10	37,500,000	%75
Mutaib Hamad Ghadeef Al-Qahtani	312,500	10	3,125,000	%6,25
Abdulrahman Ayed Farhan Al-Qahtani	312,500	10	3,125,000	%6,25
Salman Ayed Farhan Al-Qahtani	312,500	10	3,125,000	%6,25
Abdullah Ayed Farhan Al-Qahtani	312,500	10	3,125,000	%6,25
Total – Exhibit "A"	5,000,000		50,000,000	%100

During the period, the shareholders decided to amend the company's shareholders by the entry of new shareholders and the exit of others. The regulatory matters were completed during the period, and the shareholders' register as of 12/31/2023 was as follows:

Name of shareholders	No, of share	Share value SR.	Total share value SR.	Percentage
Sumou International Investment Company	4,050,500	10	40,505,000	%81,01
Adeer Society and Real Estate Co	236,500	10	2,365,000	%4,73
Sumou Sociate Company	240,000	10	2,400,000	%4,80
Bisan Commercial and Real Estate Investment Co,	236,500	10	2,365,000	%4,73
Adeer for Properties Co,	236,500	10	2,365,000	%4,73
Total – Exhibit "A"	5,000,000		50,000,000	%100

16. STATUTORY RESERVE

The company's articles of association were amended during the period and the paragraph relating to the formation of the statutory reserve was cancelled. Accordingly, the shareholders decided to return the statutory reserve formed to the retained earnings during the year.

17. REVENUE

a. This item consists of the following:

	2024	2023
	SR.	SR.
Real-estate marketing revenue – b	**117,319,700**	102,969,530
Property management income - b	**3,718,451**	5,391,207
Total – Exhibit "B"	**121,038,151**	108,360,737

b. Revenues include revenues from related parties amounting to SAR 39,657,397 as of December 31, 2024 (2023: SAR 21,504,912) - Note (25).

18. COST OF REVENUE

This item is summarized as follows:

	2024	2023
	SR.	SR.
Real estate marketing costs	**28,547,836**	27,400,677
Auction expenses	**12,620,351**	14,518,460
Consulting fees- Note (25)	**3,000,000**	---
Total – Exhibit "B"	**44,168,187**	41,919,137

19. GENERAL AND ADMINISTRTIVE EXPENSES

This item is summarized as follows:

	2024	2023
	SR.	SR.
Salaries, wages and related benefits	**5,926,808**	5,945,767
Senior management and directors bonus – Note 25	**2,190,000**	2,412,000
GOSI	**875,702**	841,979
Employee Bonus	**870,000**	575,000
Travel and relocation	**676,761**	769,166
Employee benefit obligation – Note 14-2	**616,388**	544,135
Professional and legal fees	**609,534**	710,002
Right of use expense	**240,089**	200,073
Hospitality and cleaning expenses	**179,662**	118,116
Telephone, post, water and electricity	**156,482**	162,248
Government expenses	**154,709**	230,528
Finance costs on obligations against the right-of-use asset – Note 9/b	**6,282**	14,664
Miscellaneous expenses	**1,882,868**	1,865,976
Total – Exhibit "B"	**14,385,285**	14,389,654

20. OTHER INCOME

This item consists of the following:	2024	2023
	SR.	SR.
Provision no longer required - Note 13	**2,288,595**	---
Human and Government Resources	**158,623**	133,457
Bank Deposit Interest	**628,679**	393,556
Other	**6,459**	42,360
Total – Exhibit "B"	**3,082,356**	569,373

21. BASIC AND DILUTED EARNING PER SHARE

	Dec, 31, 2024	Dec, 31, 2023
	SR.	SR.
Income for the year	**63,691,749**	50,321,716
Weighted average shares issued during the year	**5,000,000**	5,000,000
Basic and diluted earnings per share – Exhibit "B"	**12.74**	10.06

Basic earnings per share is calculated based on the weighted average number of shares outstanding during the periods.

The diluted earnings per share are the same as the base year earnings as the company has no dilutive instruments.

22. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets	2024	2023
Amortized cost	SR.	SR.
Cash and bank balances	**33,006,251**	29,802,806
Trading accounts receivable	---	1,601,896
Other receivable balances	**390,322**	231,077
Total	**33,396,573**	31,635,779
Financial liabilities		
Amortized cost		
Accounts payable	**488,750**	1,966,030
Other payable balances	**885,330**	596,413
Total	**1,374,080**	2,562,443

23. FINANCIAL RISK MANAGEMENT

Financial Risk Factors:

The Company's operations are exposed to market risks (foreign exchange risks, commission rate risks (interest), credit risks and liquidity risks).

The Company's comprehensive risk management program focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the Company's financial performance.

Risk Management Framework

Management bears full responsibility for setting and overseeing the Company's risk management framework. The Company's risk management policies and procedures are established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies, systems and procedures are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations through training, management framework standards and procedures.

Capital risk

The Company manages its capital to ensure its ability to continue as a going concern while maximizing the return to its "stakeholders" through optimizing the equity balance. The overall strategy of the Company remains unchanged from the previous year.

The Company's capital consists of equity and debt which includes the Company's share capital, additional contributions from partners, statutory reserve and retained earnings.

Market risk

Market risk is the risk of the potential impact of changes in the market price, such as foreign exchange rates and commission rates. The objective of market risk management is to manage and control exposure to market risks within acceptable limits while achieving the highest possible return.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals, Management believes that the currency risk is not material.

Credit risk

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in financial loss to the Company. For all classes of financial assets held by the Company, the maximum exposure to credit risk to the Company is the carrying value before any allowances as disclosed in the statement of financial position. The financial instruments exposed to credit risk consists of cash at bank, and account receivable. Cash is deposited with reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on regular basis that sufficient funds are available to meet any future commitments as well as obtaining continued financial support from shareholders (if needed). The following schedule shows the maturities of financial assets and liabilities.

2024	Financial assets	Balance	365 Days	More than 365 days
		SR.	SR.	SR.
Cash and cash equivalents		33,006,251	33,006,251	---
Prepaid expenses and other receivable		2,029,797	2,029,797	---
	Total	**35,036,048**	**35,036,048**	---
	Financial Liabilities	**Balance**	**365 Days**	**More than 365 days**
		SR.	SR.	SR.
Accounts payable		488,750	488,750	---
Accrued expenses and other payable balances		3,310,038	3,310,038	---
Zakat provision		905,593	905,593	---
	Total	**4,704,381**	**4,704,381**	---

2 0 2 3 Financial assets	Balance	365 Days	More than 365 days
	SR.	SR.	SR.
Cash and cash equivalents	29,802,806	29,802,806	---
Account receivable	1,601,896	1,601,896	---
Prepaid expenses and other receivable	671,716	671,716	---
Total	**32,076,418**	**32,076,418**	---

Financial Liabilities	Balance	365 Days	More than 365 days
	SR.	SR.	SR.
Accounts payable	1,966,030	1,966,030	---
Accrued expenses and other payable balances	3,265,517	3,265,517	---
Zakat provision	1,297,959	1,297,959	---
Total	**6,529,506**	**6,529,506**	---

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets consist of cash, accounts receivable and some other assets, while its financial liabilities consist of trade payables and some accrued expenses and other liabilities. The fair value of financial instruments does not differ materially from their book value.

25. TRANSACTIONS WITH RELATED PARTIES

Transactions between related parties represent transactions with shareholders, senior management and related parties. The following is a statement of related party transactions and the balances resulting from them:

Name of related party	Nature of transaction	Type of transaction	2 0 2 4	2 0 2 3
			SR.	SR.
Sumou Holding Company	Revenue generated–note 17/b	Related to shareholders	**2,566,334**	16,113,705
Sumou International Investment Company	Revenue generated	Shareholders	**17,686,384**	5,391,207
	Costs	Shareholders	**3,901,627**	208,800
	IPO costs	Shareholders	**981,750**	---
	Shares in real-estate projects investments (lands)		---	30,003,876
Sumou Real-Estate	Revenue generated	Related to shareholders	**9,000,776**	---
	Costs	--	**2,861,255**	---
Gulf Riyadah	Managerial consulting fee	Related to shareholders	**400,000**	400,000
Benefits for Senior Management and Board of Directors - Short Term	Bounces Salaries	Related to shareholders	**2,190,000** **1,240,000**	2,412,000 1,240,000
Adeer Asar Real Estate Company	Revenue generated	Related to shareholders	**10,403,903**	---
Musharaka Capital Co.	Consulting fee	Related to shareholders	**3,000,000**	---

26. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 26 Sha'ban 1446H, corresponding to February 25, 2025.

27. GENERAL

- Some of the comparative figures have been reclassified to conform to the presentation in the current year.
- The figures in the financial statements are rounded to nearest Saudi Riyal.