

ADEER REAL ESTATE COMPANY

(Saudi Joint Stock Company)

Kingdom of Saudi Arabia

FINANCIAL STATEMENTS

For the year ended December 31, 2025

with

INDEPENDENT AUDITOR'S REPORT

I N D E X

	PAGES	Exhibit
Independent Auditor's Report	1 – 4	---
Statement of financial position for the year ended December 31, 2025	5	A
Statement of income for the year ended December 31, 2025	6	B
Statement of comprehensive income for the year ended December 31, 2025	7	C
Statement of changes in equity for the year ended December 31, 2025	8	D
Statement of cash flows for the year ended December 31, 2025	9	E
Notes to the financial statements for the year ended December 31, 2025	10 – 34	---



INDEPENDENT AUDITOR'S REPORT

82541

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

Opinion

We have audited the accompanying financial statements of Adeer Real Estate Company – Saudi Joint Stock Company, "The Company" which comprise of the statement of financial position as at December 31, 2025, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as of December 31, 2025, 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 as applicable to the audits of financial statement of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the Code's 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, 2025. 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.

WB

Key Audit Matter – Investments in Real Estate Projects	How the key 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. 67,311,487 as of December 31, 2025 (December 31, 2024: 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 (11) 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 valuer'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

WB

Independent Auditor's Report to the shareholders of Adeer Real Estate Company (Saudi Joint Stock Company) for the year ended December 31, 2025 (Contd...)

Key Audit Matter – Revenue Recognition	How the key matter is addressed in our audit
During the year ended December 31, 2025, the Company recognized total revenues of SR 167,978,640 (2024: SR 121,038,151). 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: - 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 Company's operations and the key controls related to revenue recognition, and testing the design and operating effectiveness of such controls, where applicable. - Evaluating the appropriateness of the accounting policies adopted for revenue recognition and the consistency of their application with the nature of the various revenue streams. - Examining a sample of real estate marketing agreements and property management and operation contracts to verify the identification of performance obligations and the timing of their satisfaction in accordance with the contractual terms. - Performing detailed testing on a sample of revenue transactions, including the examination of manual journal entries, to identify any unusual items. - Performing cut-off and completeness procedures to verify that revenue has been recognized in the correct accounting period. - Performing analytical review procedures to assess the accuracy and completeness of recognized revenue. - Evaluating the adequacy of presentation and disclosures, and the appropriateness of the accounting policies and disclosures related to revenue recognition.

Other information:

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year 2025, but does not include the financial statements and our auditor's report thereon. The Company's annual report for the year 2025 is expected to be made available to us after the date of this 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with the knowledge obtained during the audit, or otherwise appears to be materially misstated. If, upon reading the Company's annual report for the year 2025, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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:

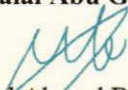
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 auditor's 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.


Walced Ahmed Bamarouf
(License No. 408)
10 Sha'ban 1447H
January 29, 2026
Al-Khobar, Saudi Arabia



ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

EXHIBIT "A"

ASSETS	Note	2 0 2 5	2 0 2 4
Current assets		SR.	SR.
Cash and cash equivalents	5	82,874,160	33,006,251
Trade accounts receivable	6	22,337,915	---
Prepaid expenses and other debit balances	7	7,618,869	2,029,797
Total current assets		112,830,944	35,036,048
Non-current assets			
Property and equipment	8	3,718,644	3,566,901
Intangible assets	9	---	153,781
Right-of-use asset	10	280,123	40,014
Investments in real estate projects	11	67,311,487	60,403,876
Total non-current assets		71,310,254	64,164,572
Total assets		184,141,198	99,200,620
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	12	5,039,138	488,750
Accrued expenses and other payable balances	13	6,595,515	3,310,038
Lease liability against right-of-use asset	10	246,538	---
Zakat provision	14	2,731,832	905,593
Liabilities related to real estate projects	5	11,018,195	---
Total current liabilities		25,631,218	4,704,381
Non-current liabilities			
Employee benefits obligations	15	5,601,886	4,634,258
Total non-current liabilities		5,601,886	4,634,258
Total liabilities		31,233,104	9,338,639
Equity			
Capital	16	50,000,000	50,000,000
Retained earnings		102,908,094	39,861,981
Total equity – Exhibit "D"		152,908,094	89,861,981
Total liabilities and equity		184,141,198	99,200,620

Chairman
Abdulrahman Ayedh
Alqahtani



Chief Executive Director
Meteb Hamad Alqahtani



Financial Manager
Abdulrahman Ahmad Aldamiri



The accompanying notes from (1) to (30) constitute an integral part of these financial statements.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

EXHIBIT "B"

	<u>Note</u>	<u>2 0 2 5</u> SR.	<u>2 0 2 4</u> SR.
Revenue	17	167,978,640	121,038,151
Cost of revenue	18	(45,356,060)	(44,168,187)
Gross profit		122,622,580	76,869,964
General and administrative expenses	19	(17,286,480)	(14,145,196)
Depreciation and amortization		(1,305,353)	(1,203,185)
Income from operation		104,030,747	61,521,583
Other income	20	2,243,960	3,082,356
Income before zakat		106,274,707	64,603,939
Change in accounting estimates – zakat	14	(294,579)	(6,597)
Zakat	14	(2,731,832)	(905,593)
Income for the year – Exhibit "C"		103,248,296	63,691,749
Basic and diluted earnings per share from income for the year	21	20/65	12/74

Chairman
Abdulrahman Ayedh
Alqahtani



Chief Executive Director
Meteb Hamad Alqahtani



Financial Manager
Abdulrahman Ahmad Aldamiri



The accompanying notes from (1) to (30) constitute an integral part of these financial statements

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
STATEMENT OF COMPREHESIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

EXHIBIT "C"

	<u>2025</u>	<u>2024</u>
	<u>SR.</u>	<u>SR.</u>
Income for the year – Exhibit "B"	<u>103,248,296</u>	<u>63,691,749</u>
Other Comprehensive loss:		
Items that will not be subsequently reclassified to profit or (loss):		
Effect of re-measurement of defined employee benefits obligations - Note 15	<u>(202,183)</u>	<u>(459,431)</u>
Total other comprehensive (loss) for the year	<u>(202,183)</u>	<u>(459,431)</u>
Total comprehensive income for the year– Exhibit "D"	<u>103,046,113</u>	<u>63,232,318</u>

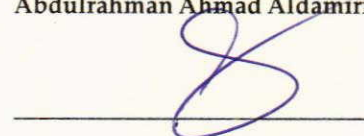
Chairman
Abdulrahman Ayedh
Alqahtani



Chief Executive Director
Meteb Hamad Alqahtani



Financial Manager
Abdulrahman Ahmad Aldamiri



The accompanying notes from (1) to (30) constitute an integral part of these financial statements

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

EXHIBIT "D"

	Capital	Statutory reserve	Retained earnings	Total
	SR.	SR.	SR.	SR.
Balance at January 1, 2024	50,000,000	6,326,104	25,303,559	81,629,663
Income for the year 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	--	(6,326,104)	6,326,104	--
Dividend distribution**	--	--	(55,000,000)	(55,000,000)
Balance at December 31, 2024 - Exhibit "A"	50,000,000	--	39,861,981	89,861,981
Income for the year 2025 – Exhibit "B"	--	--	103,248,296	103,248,296
Effect of re-measurement of defined employee benefits	--	--	(202,183)	(202,183)
Total comprehensive income – Exhibit "C"	--	--	103,046,113	103,046,113
Dividends distribution*	--	--	(40,000,000)	(40,000,000)
Balance at December 31, 2025 – Exhibit "A"	50,000,000	--	102,908,094	152,908,094

* In 2025, the Company's Board of Directors resolved, on 26 May 2025 and 24 July 2025, to declare cash dividends amounting to SR 40,000,000, at SR 3 per share and SR 5 per share, respectively, to the Company's shareholders out of retained earnings, in proportion to their respective shareholdings in the Company's capital. Such distributions were made pursuant to the authorization granted by the General Assembly to the Company's Board of Directors.

** 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.

Chairman
Abdulrahman Ayedh Alqahtani

Chief Executive Director
Meteb Hamad Alqahtani

Financial Manager
Abdulrahman Ahmad Aldamiri

The accompanying notes from (1) to (30) constitute an integral part of these financial statements,

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

EXHIBIT "E"

	<u>Note</u>	<u>2 0 2 5</u>	<u>2 0 2 4</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		SR.	SR.
Income before Zakat		106,274,707	64,603,939
Adjustments for:			
Depreciation of property and equipment	8	911,469	809,316
Employee benefits obligations charged to expenses	15	786,196	616,388
Depreciation of right-of-use asset	10	240,103	240,089
Amortization of intangible assets	9	153,781	153,780
Interest on liabilities against right of use asset	10	16,887	6,282
Zakat provision no longer required		---	(2,288,595)
Gains from disposal of investments in real estate projects		(429,068)	---
Changes in operating assets & liabilities:			
Trade accounts receivable		(22,337,915)	1,601,896
Prepaid expenses and other debit balances		(5,589,072)	(1,358,081)
Trade accounts payable		4,550,388	(1,477,280)
Accrued expenses and other payable balances		3,285,477	44,521
Liabilities against real estate projects		11,018,195	---
Cash generated from operation		98,881,148	62,952,255
Zakat paid	14	(905,593)	(1,297,959)
Paid against zakat assessment	14	---	(2,711,405)
Paid against change in accounting estimates – zakat	14	(294,579)	(6,597)
Employee benefits obligation paid	15	(20,751)	(38,098)
Net cash provided by operating activities		97,660,225	58,898,196
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	8	(1,063,212)	(444,190)
Additions to investments in real estate projects		(11,375,000)	---
Proceed from sale of investments in real estate projects	17	4,896,457	---
Net cash (used in) investing activities		(7,541,755)	(444,190)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividend distributions		(40,000,000)	(55,000,000)
Payments of lease liabilities against right of use asset	10	(250,561)	(250,561)
Net cash (used in) financing activities		(40,250,561)	(55,250,561)
Net change in cash and cash equivalents		49,867,909	3,203,445
Cash and cash equivalents at the beginning of the year		33,006,251	29,802,806
Cash and cash equivalents at the end of the year	5	82,874,160	33,006,251
– Exhibit "A"			
Non Cash Transactions:			
Right of use asset against lease liability		480,212	--

Chairman
Abdulrahman Ayedh
Alqahtani

Chief Executive Director
Meteb Hamad Alqahtani

Financial Manager
Abdulrahman Ahmad Aldamiri

The accompanying notes from (1) to (30) constitute an integral part of these financial statements,

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. ORGANISATION AND PRINCIPAL ACTIVITIES

Adeer Real Estate Company (the "Company") is a Saudi Joint Stock Company, duly registered under Commercial Registration No, 2051049506 dated 10 Sha'ban, 1433H (June 30, 2012 G), unified number (7001796601) issued by the Ministry of Commerce and Investment in Dammam (Al-Khobar register). The Company is engaged in sale of fixed and movable assets; the purchase and sale of land and real estate and their subdivision; off-plan sales activities; real estate development of residential and commercial buildings using modern construction methods; real estate investments; real estate brokerage; property management; real estate auctions; real estate facilities management; providing marketing services on behalf of third parties; and managing maintenance and operation activities in buildings and related facilities.

These financials statement include the activities of the following branches:

#	Name	C.R. #	Unified number	Issuance location	Date
1	Adeer Real Estate Company	1010764539	7026960885	Riyadh	1443/05/08
2	Adeer Real Estate Company	4030445968	7026976402	Jeddah	1443/05/10
3	Adeer Real Estate Company	4031258693	7027012934	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
Postal code 31952
P.O. Box 250
Kingdom of Saudi Arabia.

The Company submitted an application for registration and offering on the Parallel Market - Nomu to the Capital Market Authority on 17 April 2024. On 23 December 2024, the Company obtained the Capital Market Authority's approval for the registration and offering. Subsequently, 1,000,000 shares, representing 20% of the Company's share capital, were offered during the period from 4 May 2025 to 8 May 2025. On 28/11/1446H (corresponding to 26 May 2025), the Company's shares were listed and commenced trading on the Parallel Market (Nomu) under the symbol (9634).

2. BASIS OF PREPARATION

Statement of compliance with IFRS

These financial statements have been prepared for the fiscal year ending on December 31, 2025 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, then 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 (15).

Impairment of Investments in Real Estate Projects:

The Company assesses, at the date of each financial reporting period, whether there are any indicators of impairment for all investments in real estate projects. Investments in real estate projects are tested for impairment when there are indicators that the carrying amount may not be recoverable. When performing present value calculations, management estimates the expected future cash flows from the asset or the cash-generating unit and selects an appropriate discount rate in order to determine the present value of those cash flows.

Impairment of Trade Receivables:

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. Expected credit losses on trade receivables are estimated using a provision matrix, with reference to the debtor's historical default experience, analysis of the debtor's current financial position, adjustments for debtor-specific factors, the general economic conditions of the industry in which the debtor operates, and an assessment of current and forward-looking conditions as at the reporting date. Trade receivables are generally assessed on a collective basis, unless there is a need to assess a specific debtor on an individual basis.

Zakat:

When the amount of Zakat is uncertain or contingent, the Company recognizes a provision that reflects the management's best estimate of the most probable outcome based on the known facts within the relevant jurisdiction. Any differences between the estimated Zakat and the final Zakat assessments are charged to the statement of profit or loss in the year in which they are incurred, unless it is expected otherwise.

Useful lives of property and equipment and investment properties

The Company'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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company has applied the material information in accounting policies consistent with those of the previous years, except for the new and amended standards shown below:

Standards effective as of January 1, 2025:

Standards, Amendments or Interpretations	Description	Effective for periods beginning on or after the following date
Amendments to IAS 21	Lack of exchangeability	Jan. 1, 2025

Standards, interpretations and amendments issued but not effective:

The following are the standards, interpretations and amendments issued but not yet effective up to the date of issuance of the financial statements. The company intends to apply these standards, where applicable, when they become effective:

Standards, Amendments or Interpretations	Description	Effective for periods beginning on or after the following date
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	Jan. 1, 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to IFRS Accounting Standards	Jan. 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027
IFRS 19	Subsidiaries without Public Accountability : Disclosures	Jan. 1, 2027
Amendments to IAS 21	Translation into a Hyperinflationary Presentation Currency	Jan. 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional application / Effective date deferred indefinitely
IFRS S1 and IFRS S2	General requirements for the disclosure of financial information related to sustainability. Climate-related disclosures.	January 1, 2024 (Application depends on adoption by regulatory authorities)

The standards, interpretations and amendments effective from January 1, 2026 do not have any material impact on the company's financial statements. As for the other standards, interpretations and amendments mentioned above, the company is currently assessing the impact on its financial statements upon application.

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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.

Investments in Real Estate Projects (Investment Properties)

Investments in real estate projects comprise interests or rights in real estate projects that are held to earn rental income and/or for long-term capital appreciation, and are not held for sale in the ordinary course of business.

Investments in real estate projects are initially recognized at cost, including directly attributable costs. Subsequent to initial recognition, they are measured using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Investments in real estate projects also include properties under construction or development that are expected to be used in the future as investment properties. Such properties are not depreciated until they are ready for their intended use. Land held for an unspecified use is not depreciated.

Buildings are depreciated using the straight-line method over their estimated useful lives. The fair value of investments in real estate projects is disclosed for disclosure purposes only, where practicable.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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:

<u>asset</u>	<u>depreciation rate</u>
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%.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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.

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.

Zakat

The Company is subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia, and Zakat is calculated on an accrual basis. Zakat is calculated based on the Zakat base or the adjusted net profit, whichever is higher. Any differences that may arise upon finalization of the assessments are recognized upon approval of the assessments by the Zakat, Tax and Customs Authority, and the provision is settled with the Authority.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia, as required under the Saudi Income Tax Law.

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

– **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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

- 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.

D- 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.

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.

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

The obligation to pay cash dividends is recognized when they are approved and is not subject to the Company's discretion, in accordance with the Companies Law in the Kingdom of Saudi Arabia. This includes dividends that are declared to be paid by the end of the reporting period, even if they are paid at a later date.

Revenue from contracts with customers

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be measured reliably, regardless of the date on which the amount is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account the agreed contractual payment terms, and excluding any taxes or duties.

The Company recognizes revenue from contracts with customers when control of the goods or services is transferred to the customer, either over time or at a point in time, by applying a five-step model as set out in International Financial Reporting Standard (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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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.

Earnings per Share:

Basic Earnings per Share:

Basic earnings per share is calculated by dividing:

- Profit attributable to the Company's shareholders, after deducting any equity service costs other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial reporting period.

Diluted Earnings per Share:

The earnings used in calculating basic earnings per share are adjusted to determine diluted earnings per share, taking into account:

- The effect of interest, net of income tax, and other financing costs related to potentially dilutive ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all potentially dilutive ordinary shares.

Segment information:

Business segments:

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:

<u>2025</u>	Real estate marketing	Property management	Sale of land	Real estate development	Other	Total
	SR.	SR.	SR.	SR.	SR.	SR.
Revenue	157,006,925	3,466,644	4,896,457	2,608,614	---	167,978,640
Cost of revenue	(40,888,671)	---	(4,467,389)	---	---	(45,356,060)
General and administrative expenses	(12,503,119)	(288,000)	---	---	(4,495,361)	(17,286,480)
Depreciation and amortization	---	---	---	---	(1,305,353)	(1,305,353)
Other income	---	---	---	---	2,243,960	2,243,960
Net profit before Zakat	103,615,135	3,178,644	429,068	2,608,614	(3,556,754)	106,274,707
Total assets	116,829,711	---	---	---	67,311,487	184,141,198
Total liabilities	31,233,104	---	---	---	---	31,233,104
<u>2024</u>	Real estate marketing	Property management	Sale of land	Real estate development	Other	Total
	SR.	SR.	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)	---	---	(2,081,618)	(14,145,196)
Depreciation and amortization	---	---	---	---	(1,203,185)	(1,203,185)
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	38,796,744	---	---	---	60,403,876	99,200,620
Total liabilities	9,338,639	---	---	---	---	9,338,639

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Geographical segments:

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

a. This item is summarized as follows:

	<u>2025</u>	<u>2024</u>
	SR.	SR.
Cash at banks - local currency	71,855,965	33,006,251
Restricted cash at banks – B	<u>11,018,195</u>	<u>---</u>
Total – Exhibit “A”	<u>82,874,160</u>	<u>33,006,251</u>

b. These balances represent the restricted accounts for off-plan sale projects (Wafi). The use of these accounts is limited to disbursements related to those specific projects only.

6. TRADE ACCOUNTS RECEIVABLE

This item represents the balance of accounts receivable as of December 31, 2025, which includes a balance due from a related party in the amount of SR 6,525,415, representing 29% of the total trade receivables – Note 25.

The following is an aging analysis of trade receivables as at 31 December 2025:

	1 - 90 Days	91 - 180 days	181 - 360 Days	More than 360 Days	Total
	SR.	SR.	SR.	SR.	SR.
Total	15,812,500	---	6,525,415	---	22,337,915

The management assessed the trade receivables using the expected credit loss model, taking into consideration the payment history, customer creditworthiness, concentration of credit risk, and any available forward-looking information. Based on this assessment, no provision for expected credit losses was recognized as at the reporting date.

7. PREPAID EXPENSES AND OTHER DEBIT BALANCES

This item consists of the following:

	<u>2025</u>	<u>2024</u>
	SR.	SR.
Prepaid Expenses	4,082,943	822,309
Staff advances	1,923,462	390,322
Margin on bank guarantee – Note (27)	750,000	---
Value added tax	---	547,919
Other	<u>862,464</u>	<u>269,247</u>
Total – Exhibit “A”	<u>7,618,869</u>	<u>2,029,797</u>

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8. PROPERTY AND EQUIPMENT

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

<u>2025</u>	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, 2025	1,250,000	1,250,000	504,682	951,609	1,419,478	6,087,760	358,685	11,822,214
Addition during the year	---	---	70,691	571,587	82,683	338,251	---	1,063,212
At December 31, 2025	1,250,000	1,250,000	575,373	1,523,196	1,502,161	6,426,011	358,685	12,885,426
Accumulated depreciation:								
At January 1, 2025	--	902,084	426,140	946,501	1,349,512	4,619,120	11,956	8,255,313
Charge for the year	--	125,000	68,224	7,904	37,418	601,187	71,736	911,469
At December 31, 2025	--	1,027,084	494,364	954,405	1,386,930	5,220,307	83,692	9,166,782
Net book value -Exhibit "A"								
December 31, 2025	1,250,000	222,916	81,009	568,791	115,231	1,205,704	274,993	3,718,644

<u>2024</u>	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

b. This item represents the value of land owned by Adeer Real Estate Company on which buildings are shown under property and equipment is located as of Note 8/a.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

9. INTAGIBLE ASSETS

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

	2025	2024
	Computer software	Computer software
Cost:	SR.	SR.
Balance at the beginning of the year	768,901	768,901
Balance at the end of the year	768,901	768,901
Less: Accumulated amortization:		
Balance at the beginning of the year	615,120	461,340
Amortization during the year	153,781	153,780
Balance at the end of the year	768,901	615,120
Net book value at the end of the year – Exhibit “A”	---	153,781

10. RIGHT OF USE ASSET

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

	2025	2024
	SR.	SR.
Cost:		
Balance at the beginning of the year	480,176	480,176
Additions during the year	480,212	---
Balance at the end of the year	960,388	480,176
Less: Accumulated depreciation:		
Balance at the beginning of the year	440,162	200,073
Charge for the year	240,103	240,089
Balance at the end of the year	680,265	440,162
Net book value in the end of the-year – Exhibit “A”	280,123	40,014

B. Lease liabilities against right of use assets:

The movement of lease liabilities are summarized as follows:

	2025	2024
	SR.	SR.
Balance at the beginning of the year	---	244,279
Addition during the year	480,212	---
Interest on obligations against the right-of-use asset – Note 19	16,887	6,282
Paid during the year	(250,561)	(250,561)
Balance at the end of the year – Exhibit “A”	246,538	---

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.

	2025	2024
	SR.	SR.
Less than a year	250,561	--
Total	250,561	--

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

	2 0 2 5	2 0 2 4
	SR.	SR.
Minimum future lease payments	250,559	--
Less: Unamortized financing costs	(4,021)	--
Present value of lease payments	246,538	--

11. INVESTMENT IN REAL-ESTATE PROJECTS

a. This item is summarized as follows:

	2 0 2 5	2 0 2 4
	SR.	SR.
Investment in land, Arar (Al Mubarakia) – c	20,000,000	20,000,000
Investment of the heights of Mecca – d	5,000,000	5,000,000
Investment in Al Nawras project – e	5,400,000	5,400,000
Areen land – f	8,543,349	13,010,738
Arar land – g	16,993,138	16,993,138
Investment in Al-Aaliah Lands – h	11,375,000	---
Total – Exhibit “A”	67,311,487	60,403,876

b. The movement in real-estate projects is summarized as follows:

	2 0 2 5	2 0 2 4
	SR.	SR.
Balance at the beginning of the year	60,403,876	60,403,876
Addition during the year	11,375,000	--
Disposals during the year	(4,467,389)	--
Balance at the end of the year – Exhibit “A”	67,311,487	60,403,876

c. This investment represents the share obtained by the Company. It was stated at a cost of acquisition of SR. 20,000,000 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. 30,118,767. 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.

Based on the lower valuation, the fair value exceeds the carrying amount by SR 8,271,613.

d. It was stated at a cost of acquisition of SR. 5,000,000 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. 5,616,128. 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. 5,433,951.

Based on the lower valuation, the fair value exceeds the carrying amount by SR 433,951.

e. It was stated at a cost of acquisition of SR. 5,400,000 under an ownership deed 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. 7,147,509. 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.

Based on the lower valuation, the fair value exceeds the carrying amount by SR 1,499,976

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

- f. It was stated at a cost of acquisition of SR. 8,543,349 under a land deed 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. 14,801,000. 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.
Based on the lower valuation, the fair value exceeds the carrying amount by SR 5,527,651.
- g. It was stated at a cost of acquisition of SR. 16,993,138 under a land deed 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. 17,450,000. 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.
Based on the lower valuation, the fair value is lower than the carrying amount by SAR 393,138.
- h. It was stated at a cost of acquisition of SR. 11,375,000 under investor share 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. 15,592,543. 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. 15,278,299.
Based on the lower valuation, the fair value exceeds the carrying amount by SR 3,903,299.

12. TRADE ACCOUNTS PAYABLE

Trade payables include a balance due to a single supplier of the Company amounting to SR 4,744,000, representing 94% of the total trade payables as at 31 December 2025.

13. ACCRUED EXPENSES AND OTHER PAYABLE BALANCES

This item is summarized as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Accrued reward	2,155,000	2,005,000
Value added tax	2,319,955	---
Employee bonus	1,586,735	870,000
Accrued vacations	263,070	170,905
Accrued professional fees	97,750	172,500
GOSI	80,430	76,303
Others	92,575	15,330
Total – Exhibit “A”	<u><u>6,595,515</u></u>	<u><u>3,310,038</u></u>

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

14. ZAKAT PROVISION

A. The following is the zakat calculation for the year according to the Zakat Implementing Regulations issued in 1445 H

	<u>2025</u>	<u>2024</u>
	<u>SR.</u>	<u>SR.</u>
Equity	155,639,926	90,767,574
Liabilities and others	5,848,424	4,634,258
Total Zakat base	161,488,350	95,401,832
Less:		
Non-current assets	71,310,254	64,164,572
Net Zakat base	90,178,096	31,237,260
Net zakat base based on maximum or minimum limit	105,980,128	35,036,048
Zakat according to regulation – “B”	2,731,832	905,593

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

	<u>2025</u>	<u>2024</u>
	<u>SR.</u>	<u>SR.</u>
Balance at the beginning of year	905,593	1,297,959
Charged of the year	2,731,832	905,593
Paid during the year	(1,200,172)	(1,304,556)
Changes in accounting estimates	294,579	6,597
Balance at the end of year – Exhibit “A”	2,731,832	905,593

C. Zakat charged to income statement:

	<u>2025</u>	<u>2024</u>
	<u>SR.</u>	<u>SR.</u>
Charged for the year – Exhibit “B”	2,731,832	905,593
Change in accounting estimate – Exhibit “B”	294,579	6,597
Total	3,026,411	912,190

D. Zakat status:

- The Company obtained a Zakat certificate for the year ending December 31, 2024, which is valid until April 30, 2026.
- During the period, the company settled its zakat status arising from the zakat assessment for the years 2024, as the company paid the full amount due on it, amounting to 294,579 Saudi riyals.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

15. EMPLOYEE BENEFITS OBLIGATIONS

15/1 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 2025.

15/2 Movement of employee benefits obligations during the year as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Balance at the beginning of the year	4,634,258	3,596,537
Paid during the year	(20,751)	(38,098)
Charged during the year (Note 19)	786,196	616,388
Actuarial losses	202,183	459,431
Balance at the end of the year – Exhibit "A"	<u>5,601,886</u>	<u>4,634,258</u>

15/3 Amount recognized in the statement of income

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR,	SR.
Current service-cost	520,323	446,457
Interest cost	265,873	169,931
Total – Note 19	<u>786,196</u>	<u>616,388</u>

15/4 Charged to the statement of other comprehensive income

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR,	SR.
The effect of re-measurement of employee benefits-Exhibit "C"	202,183	459,431
Total	<u>202,183</u>	<u>459,431</u>

15/5 Principal actuarial assumptions

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
Discount rate	5.5%	5.75%
Salaries' increase rate	6%	6%
Employee turnover rate	Medium	Medium
Presumed retirement age	60 years	60 years

15/6 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.

Discount rate:	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Decrease by 1%	6,100,325	5,064,001
Base	5,601,886	4,634,258
Increase by 1%	5,102,783	4,195,355
Rate of future salary increase:		
Decrease by 1%	5,100,758	4,192,673
Base	5,601,886	4,634,258
Increase by 1%	<u>6,092,156</u>	<u>5,058,155</u>

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

16. CAPITAL

As of 31 December 2025, the Company's issued and paid-up share capital amounted to SR 50,000,000, divided into 5,000,000 shares of equal nominal value, with a nominal value of SR 10 per share, all of which are ordinary shares (as of 31 December 2024: SR 50,000,000, divided into 5,000,000 shares of equal nominal value, with a nominal value of SR 10 per share, all ordinary shares).

The Company's shares are listed on Nomu – the Parallel Market, where approximately 20% of the share capital was made available for trading and is held by qualified investors, while the Founders' category retains 80% of the share capital. The Company does not have any preferred shares or other equity instruments, and the shares are not subject to any significant financing restrictions except as required by applicable regulations

17. REVENUE

a. This item is summarized as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Real-estate marketing revenue – b – point of time	157,006,925	117,319,700
Property management income – b – over time	3,466,644	3,718,451
Real estate development revenue – over time	2,608,614	---
Sale of investment in real estate projects - at a point in time	4,896,457	---
Total – Exhibit "B"	<u>167,978,640</u>	<u>121,038,151</u>

b. Revenues include revenues from related parties amounting to SR 38,041,390 as of Dec. 31, 2025 (2024: SR 39,657,397) - Note (25).

18. COST OF REVENUE

This item is summarized as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Real estate marketing costs – commissions	30,292,027	28,547,836
Auction expenses	10,596,644	12,620,351
Real estate projects costs	4,467,389	---
Consulting fees- Note (25)	---	3,000,000
Total – Exhibit "B"	<u>45,356,060</u>	<u>44,168,187</u>

19. GENERAL AND ADMINISTRATIVE EXPENSES

This item is summarized as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Salaries, wages and related benefits	7,545,392	5,926,808
Senior management and directors bonus – Note 25	2,146,000	2,190,000
GOSI	548,971	875,702
Employee Bonus	1,650,000	870,000
Travel and relocation	490,582	676,761
Employee benefit obligation – Note 15	786,196	616,388
Professional and legal fees	905,500	609,534
Hospitality and cleaning expenses	162,947	179,662
Telephone, post, water and electricity	212,357	156,482
Government expenses	59,412	154,709
Finance costs on obligations against the right-of-use asset – Note 10/b	16,887	6,282
Miscellaneous expenses	2,762,236	1,882,868
Total – Exhibit "B"	<u>17,286,480</u>	<u>14,145,196</u>

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

20. OTHER INCOME

This item is summarized as follows:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Provision no longer needed	---	2,288,595
Human and Government Resources	90,782	158,623
Bank Deposit Interest	2,151,880	628,679
Other	1,298	6,459
Total – Exhibit “B”	<u>2,243,960</u>	<u>3,082,356</u>

21. BASIC AND DILUTED EARNING PER SHARE

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
	SR.	SR.
Income for the year	103,248,296	63,691,749
Weighted average shares issued during the year	5,000,000	5,000,000
Basic and diluted earnings per share – Exhibit “B”	20/65	12/74

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 basic earning per share as the company has no dilutive instruments.

22. FINANCIAL INSTRUMENTS

Classification of financial instruments

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
Financial assets		
Amortized cost	SR.	SR.
Cash and bank balances	82,874,160	33,006,251
Trade accounts receivable	22,337,915	---
Prepaid expenses and other debit balances	1,923,462	390,322
Total	<u>107,135,537</u>	<u>33,396,573</u>
Financial liabilities		
Amortized cost		
Trade accounts payable	5,039,138	488,750
Other payable balances	4,195,130	3,233,735
Total	<u>9,234,268</u>	<u>3,722,485</u>

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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 liabilities.

2025	Balance	365 Days	More than 365 days
	<u>SR.</u>	<u>SR.</u>	<u>SR.</u>
Trade accounts payable	5,039,138	5,039,138	---
Accrued expenses and other payable balances	6,595,515	6,595,515	---
Total	11,634,653	11,634,653	---

2024	Balance	365 Days	More than 365 days
	<u>SR.</u>	<u>SR.</u>	<u>SR.</u>
Trade accounts payable	488,750	488,750	---
Accrued expenses and other payable balances	3,310,038	3,310,038	---
Total	3,798,788	3,798,788	---

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.

ADEER REAL ESTATE COMPANY
Saudi Joint Stock Company
Kingdom of Saudi Arabia
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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	2025	2024
			SR.	SR.
Sumou Holding Company	Revenue generated-note 17/b	Related to shareholders	5,306,258	2,566,334
Sumou International Investment Company	Revenue generated-note 17/b	Shareholders	14,766,619	17,686,384
	Costs	Shareholders	---	3,901,627
	IPO costs	Shareholders	---	981,750
	Shares in real-estate projects investments	Shareholders	11,375,000	---
Sumou Real-Estate	Revenue generated- note 17/b	Related to shareholders	7,015,757	9,000,776
	Costs		--	2,861,255
Gulf Riyadhah	Managerial consulting fee	Related to shareholders	400,000	400,000
Adeer Asar Real Estate Company	Revenue generated -note 17/b	Related to shareholders	9,861,993	10,403,903
Asmo Real Estate Development Company	Revenue generated-note 17/b	Related to shareholders	1,090,763	--
Musharaka Capital Co.	Consulting fee	Related to shareholders	---	3,000,000
Benefits for Senior Management and Board of Directors - Short Term	Bonuses	Related to shareholders	2,146,000	2,190,000
	Salaries		1,240,000	1,240,000
	Long-term Benefits		1,867,513	1,714,179

26. LEGAL CASES AND CLAIMS

The Company is involved in several legal cases, either filed against it or in its favor, as follows:

- Case of Hamad Al-Mosel vs. Saleh Al-Hadithi and Adeer Real Estate Company at the Execution Court in Riyadh, requesting the annulment of a sale conducted at an auction. No amounts are claimed in this case.
- Case of Adeer Real Estate Company vs. Ma'ref Investment Company at the General Court in Al-Khobar, claiming termination of a lease contract and eviction of the tenant. The judgment was issued in favor of the Company.
- Case of Sami Al-Munif vs. Adeer Real Estate Company, Marq Muhammad Abdullah Al-Shaibani, Ayman bin Maqham bin Madhesh Al-Maqham, Rashid Abdullah Abdu Awaji, and Saudi Auctions Company at the General Court in Riyadh, claiming termination of a contract concluded through auction and seeking the return of a deposit amounting to SR 550,000. The Company's position in this case is legally sound.

27. CONTINGENT LIABILITIES

As at the reporting date, the Company has contingent liabilities with respect to a letter of guarantee arising from its ordinary course of operations. These contingencies are fully secured by cash deposits (100%), as disclosed in Note 7. There is no material exposure to future financial losses arising from these contingencies.

28. SUBSEQUENT EVENTS

Subsequent to the statement of financial position date, on January 29, 2026, the Company's Board of Directors resolved to distribute cash dividends to shareholders for the fiscal results of the second half of 2025. The distribution is at a rate of SR 10 (Ten Saudi Riyals) per share, totaling SR 50,000,000 (Fifty Million Saudi Riyals).

Eligibility for these dividends shall be on February 4, 2026, for shareholders registered in the Company's register at the Depository Center (Edaa). The cash payment date is scheduled for February 15, 2026. This distribution has not been recognized in the financial statements for the year ended December 31, 2025, as it represents a non-adjusting subsequent event.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 10 Sha'ban 1447H, corresponding to January 29, 2026.

30. GENERAL

The figures in the financial statements are rounded to nearest Saudi Riyal.