

SUMOU REAL ESTATE COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

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(A Saudi Joint Stock Company)

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF
CONDENCED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**THE SHAREHOLDERS OF
SUMOU REAL ESTATE COMPANY
(A Saudi Joint Stock Company)
Khobar – Kingdom of Saudi Arabia**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Sumou Real Estate Company (the "Company") and its subsidiaries (collectively referred to as the "Group")** as at March 31, 2025, and the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of comprehensive income and the related condensed consolidated interim financial statements of changes in shareholders' equity and cash flows for the three-month period ended March 31, 2025, and a summary of significant accounting policies and other explanatory notes, Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia, Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia, A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia.



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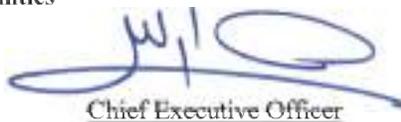
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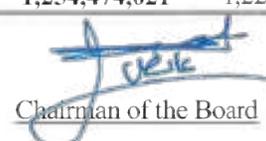
Dhu Al Qidah 1, 1446H (April 29, 2025)
Khobar, Kingdom of Saudi Arabia

SUMO REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025
(Saudi Riyals)

	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Non-Current Assets			
Property and equipment, net		3,032,583	3,013,896
Investment properties		60,220,776	60,220,776
Projects under development	6	270,201,455	270,556,663
Right of use assets, net	7	19,110,272	19,547,602
Intangible assets, net		231,630	293,304
Investments in associates using the equity method	8	265,534,395	267,490,621
Financial assets at fair value through OCI		87,118,784	87,118,784
Total Non-Current Assets		705,449,895	708,241,646
Current Assets			
Contract assets, net		40,612,883	48,036,022
Due from related parties	9-a	126,915,300	124,648,747
Inventory - Lands		12,390,644	12,390,644
Prepayments and other assets		98,780,924	86,927,274
Accounts receivables, net		69,054,107	60,506,258
Cash and cash equivalents	5	201,270,268	184,062,121
Total Current Assets		549,024,126	516,571,066
Total Assets		1,254,474,021	1,224,812,712
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	11	500,000,000	500,000,000
Retained earnings		133,601,980	136,550,438
Revaluation reserve for investments at fair value through OCI		(2,860,149)	(2,860,149)
Total Shareholders' Equity		630,741,831	633,690,289
Non-controlling interest		(1,394,425)	(1,296,590)
Net shareholders' equity		629,347,406	632,393,699
Non-Current Liabilities			
Lease liabilities - non-current portion	7	17,116,646	18,585,583
Lands obligations against projects under development - non-current portion		123,653,654	146,426,070
Employee benefit obligations		6,382,633	5,931,350
Total Non-Current Liabilities		147,152,933	170,943,003
Current Liabilities			
Zakat provision	10-b	11,041,970	8,491,970
Lease liabilities - current portion	7	3,882,516	2,239,302
Accrued expenses and other liabilities		50,691,209	45,348,727
Due to related parties	9-b	91,666,213	98,111,820
Lands obligations against projects under development - current portion		142,810,084	136,037,667
Contract liabilities		25,920,980	18,296,144
Advance payments from customers		29,431,271	23,050,354
Accrued dividend distributions	14	25,000,000	-
Account payables		97,529,439	89,900,026
Total Current Liabilities		477,973,682	421,476,010
Total Liabilities		625,126,615	592,419,013
Total Shareholders' Equity And Liabilities		1,254,474,021	1,224,812,712


Finance Manager


Chief Executive Officer

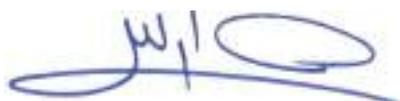

Chairman of the Board

The attached notes from (1) to (20) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

	Note	For the three month period ended	
		2025	2024
		(Unaudited)	(Unaudited)
Revenue	12	101,489,572	80,965,593
Cost of revenue		(72,788,910)	(59,436,053)
Gross operating profit		28,700,662	21,529,540
General and administrative expenses		(3,533,834)	(2,932,415)
Marketing and selling expenses		-	(2,577,250)
Net profit from main operations		25,166,828	16,019,875
Finance cost		(268,943)	(301,517)
The Group's share of the results of Investments in associates using the equity method	8-c	(90,955)	5,128,753
Other income		8,582	-
Net profit before zakat for the period		24,815,512	20,847,111
Zakat	10-b	(2,550,000)	(1,820,000)
Net profit for the period		22,265,512	19,027,111
Net profit for the period attributed to:			
Shareholders		22,363,347	19,114,359
Non-controlling interest		(97,835)	(87,248)
		22,265,512	19,027,111
Earnings per share:			
Basic and diluted earnings per share from net profit for the period attributable to the group's shareholders	13	0.447	0.382


Finance Manager


Chief Executive Officer

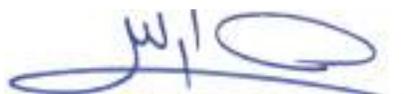

Chairman of the Board

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SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

	For the three month period ended	
	31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit for the period	22,265,512	19,027,111
Items that will not be subsequently reclassified into profit or loss:		
Actuarial losses from re-measurement for employee benefit obligations	(311,805)	(83,409)
Other Comprehensive loss for the period	(311,805)	(83,409)
Total comprehensive income for the period	21,953,707	18,943,702
Total comprehensive income for the period attributed to:		
Shareholders	22,051,542	19,030,950
Non-controlling interest	(97,835)	(87,248)
	21,953,707	18,943,702


Finance Manager


Chief Executive Officer

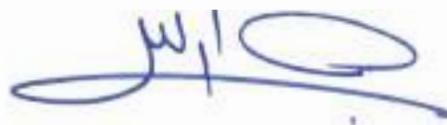

Chairman of the Board

The attached notes from (1) to (20) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Revaluation reserve investments through OCI	Total shareholders' equity	Non-controlling interest	Net shareholders' equity
Balance as at 1 January 2024 (Audited)	375,000,000	54,539,257	126,234,985	(19,059,461)	536,714,781	(938,594)	535,776,187
Net profit for the period	-	-	19,114,359	-	19,114,359	(87,248)	19,027,111
Other comprehensive loss	-	-	(83,409)	-	(83,409)	-	(83,409)
Total comprehensive income for the period	-	-	19,030,950	-	19,030,950	(87,248)	18,943,702
Balance as at 31 March 2024 (Unaudited)	375,000,000	54,539,257	145,265,935	(19,059,461)	555,745,731	(1,025,842)	554,719,889
Balance as at 1 January 2025 (Audited)	500,000,000	-	136,550,438	(2,860,149)	633,690,289	(1,296,590)	632,393,699
Net profit for the period	-	-	22,363,347	-	22,363,347	(97,835)	22,265,512
Other comprehensive loss	-	-	(311,805)	-	(311,805)	-	(311,805)
Total comprehensive income for the period	-	-	22,051,542	-	22,051,542	(97,835)	21,953,707
Dividend distributions (note 14)	-	-	(25,000,000)	-	(25,000,000)	-	(25,000,000)
Balance as at 31 March 2025 (Unaudited)	500,000,000	-	133,601,980	(2,860,149)	630,741,831	(1,394,425)	629,347,406


Finance Manager


Chief Executive Officer

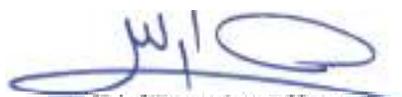

Chairman of the Board

The attached notes from (1) to (20) form an integral part of these condensed consolidated interim financial statements.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
OPERATING ACTIVITIES		
Net profit for the period	24,815,512	20,847,111
Adjustments:		
Depreciation and amortization	660,143	581,844
The Group's share of the results of Investments in associates using the equity method	90,955	(5,128,753)
Finance cost	268,943	301,517
Employee benefit obligations	218,156	228,273
Operating assets and liabilities:		
Account receivables	(8,547,849)	(9,465,042)
Prepayments and other assets	(11,853,650)	11,227,125
Accrued expenses and other liabilities	5,342,482	4,214,083
Account payables	7,629,413	14,625,219
Net change in related parties balances	(8,712,160)	(15,283,308)
Contract Assets	7,423,139	28,120,833
Contract liabilities	7,624,836	-
Advance payments from customers	6,380,917	(5,156,932)
Employee benefit obligations paid	(78,679)	(36,625)
Net cash flow generated from operating activities	31,262,158	45,075,345
INVESTING ACTIVITIES		
Purchase of property and equipment	(179,825)	(48,780)
Dividends from investments in associates using the equity method	1,865,271	13,200,000
Lands obligations against projects under development Paid	(16,000,000)	-
Net change in projects under development	355,208	(18,593,043)
Net cash flow used in investing activities	(13,959,346)	(5,441,823)
FINANCING ACTIVITIES		
Lease liabilities paid	-	(1,570,526)
Financing costs paid	(94,665)	(116,070)
Net cash flow used in financing activities	(94,665)	(1,686,596)
Net change in cash and cash equivalents	17,208,147	37,946,926
Cash and cash equivalents at beginning of the period	184,062,121	113,529,012
Cash and cash equivalents at end of the period	201,270,268	151,475,938
Non Cash transactions		
Actuarial losses from re-measurement of employee benefit obligations	311,805	83,409
Lands obligations against projects under development	-	92,452,825
Accrued dividend distributions	25,000,000	-


Finance Manager


Chief Executive Officer


Chairman of the Board

The attached notes from (1) to (20) form an integral part of these condensed consolidated interim financial statements.

SUMO REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

1. ACTIVITIES

Sumou Real Estate Company (“The Company”) is a Saudi Joint Stock company operating under commercial registration number 2051034841 dated 3 Jumada Al Thani 1428H (corresponding to June 17, 2007) issued at Al-Khobar.

The address of the Company's head office is in Al-Khobar, Prince Turki Street, Al-Yarmouk District, PO Box 250, Al-Khobar 31952, Kingdom of Saudi Arabia.

The Company's activities include general construction of residential buildings and non-residential buildings (such as schools, hospitals, hotels, etc.), construction of airports and their facilities, on-site construction of prefabricated buildings, renovation of residential and non-residential buildings, purchase and sale of land and real estate, land subdivision, off-plan sales activities, management and leasing of owned or leased properties (both residential and non-residential), real estate brokerage activities, property management, and real estate auctions.

These condensed consolidated interim financial statements include assets, liabilities and the main activities of the above-mentioned commercial register and the following branches commercial registers:

Branches CR No Location and registration

1010261561	Riyadh
4030189816	Jeddah
4031275053	Makkah

The condensed consolidated interim financial statements include the condensed consolidated interim financial statements for the Company and its subsidiaries (collectively referred to as the “Group”) as follows:

Company name	Legal entity	Country of Incorporation	Actual Ownership Percentage	
			2025	2024
Al Mahafel Trading and Contracting Co. Ltd.	Limited Liability Co	Kingdom of Saudi Arabia	80%	80%
Anara development Company	Limited Liability Co	Kingdom of Saudi Arabia	100%	100%

The assets, liabilities and results of operations of the above mentioned subsidiaries are included in the accompanying condensed consolidated interim financial statements.

- **Al Mahafel Trading and Contracting Co. Ltd.** is a Saudi limited liability company registered under Commercial Registration No. 4030127728 in Jeddah, dated 27-7-1999. The main activity of the company is the general construction of government buildings, construction of prefabricated buildings on sites, and general construction for residential & non-residential buildings.

- **Anara Development Company** is a Saudi limited liability company registered under Commercial Registration No. 4030534502 in Jeddah and dated 5-12-2023. Its activities include general construction of residential buildings, general construction of non-residential buildings such as schools, hospitals, hotels, etc., general construction of government buildings, and construction of prefabricated buildings on sites, restorations of residential and non-residential buildings, construction of roads, streets, sidewalks, and road supplies, general sports construction, including stadiums, building finishing, buying and selling land and real estate, dividing it, and off-plan sales activities, real estate development of residential buildings using modern construction methods.

2. BASIS OF PREPARATION CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with the Group’s last annual Financial Statements as at and for the year ended 31 December 2024. They do not include all of the information required for a complete set of International Financial Reporting Standards (IFRS) Financial Statements however; accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since December 31, 2024.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

2. BASIS OF PREPARATION CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

2-2 Basis of measurement

The condensed consolidated interim financial statements have been prepared on the basis of historical cost and accrual basis except for certain financial instruments measured at fair value, and employee benefit obligations, which are recognized at the present value of future liabilities using the expected credit unit method.

2-3 Functional and presentation currency:

The condensed consolidated interim financial statements are presented in Saudi Riyal, which is the Group's functional and presentation currency.

2-4 Use of estimates and judgments and assumptions:

The preparation of condensed consolidated interim financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group's accounting policies and the significant sources of uncertainties in the estimates were similar to those shown in the last annual financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and are the same policies applied in the Group's annual financial statements for the year ended December 31, 2024, new Standards, amendment to standards and interpretations issued which are effective from 1 January 2025 and have been explained in Group's annual Consolidated Financial Statements for the year ended December 31, 2024, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

4. BASIS OF CONSOLIDATION

The condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries detailed in note 1. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of the subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Consolidated profit or loss and each component of other comprehensive income are attributed to the shareholders of the Group and the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

5. CASH AND CASH EQUIVALENTS

This item consists of the following:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Cash at banks	4,039,830	3,282,421
Restricted cash at banks (5-1)	197,230,438	180,779,700
Cash and Cash Equivalents	201,270,268	184,062,121

5-1 These balances represent the bank accounts registered for off-plan sale projects (Wafi). The use of this cash is limited to disbursement to those projects only and the cash collections related to them, and therefore they are considered cash and cash equivalents.

6. PROJECTS UNDER DEVELOPMENT

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Dar Sumou Project (6-A)	242,685	425,260
Al Asela Project (6-B)	51,569,312	65,603,120
Al-Samia Project (6-C)	180,250,705	167,431,755
Public Benefit Market Project (6-D)	38,138,753	37,096,528
	270,201,455	270,556,663

A) Project under development represents the costs incurred in the Dar Sumou project to build and sell 412 villas in the city of Jeddah on the lands of the Ministry of Housing allocated to Sumou Real Estate Company.

Below are the project details:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	425,260	12,960,306
Development, implementation and construction costs incurred	928,790	49,402,659
Total	1,354,050	62,362,965
Work performed during the period / year	(1,111,365)	(61,937,705)
Balance at the end of the period / year	242,685	425,260

B) Project under development represents the costs incurred in the Al Asela project to build and sell 326 villas in the city of Riyadh on the lands of the Ministry of Housing allocated to Sumou Real Estate Company.

Below are the project details:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	65,603,120	-
Development, implementation and construction costs incurred	28,062,307	239,945,806
Total	93,665,427	239,945,806
Work performed during the period / year	(42,096,115)	(174,342,686)
Balance at the end of the period / year	51,569,312	65,603,120

C) Project under development item represents the costs incurred in the Al-Samia Project to build and sell 451 villas in the city of Madina on the lands of the Ministry of Housing allocated to Sumou Real Estate Company.

Below are the project details:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	167,431,755	-
Development, implementation and construction costs incurred	24,853,451	197,496,233
Total	192,285,206	197,496,233
Work performed during the period / year	(12,034,501)	(30,064,478)
Balance at the end of the period / year	180,250,705	167,431,755

SUMOU REAL ESTATE COMPANY
(SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2025
(Saudi Riyals)

6. PROJECTS UNDER DEVELOPMENT (CONTINUED)

D) Project under development represents the costs incurred in the Public Benefit Market Project which belongs to the subsidiary company (Al-Mahafel Trading and Contracting Company Limited).

Below are the project details:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	37,096,528	27,573,586
Transferred to property & equipment	-	(1,201,836)
Development, implementation and construction costs incurred	1,042,225	10,724,778
Balance at the end of the period / year	38,138,753	37,096,528

7. RIGHT OF USE ASSETS AND LEASE LIABILITIES, NET

The table below shows the right of use assets balance and the depreciation charged as follows:

	Land	Building	Total
Cost			
The balance as at January 01, 2025 (Audited)	21,784,442	3,145,207	24,929,649
The balance as at March 31, 2025 (Unaudited)	21,784,442	3,145,207	24,929,649
Accumulated depreciation			
The balance as at January 01, 2025 (Audited)	(3,485,512)	(1,896,535)	(5,382,047)
Charge for the period	(216,654)	(220,676)	(437,330)
The balance as at March 31, 2025 (Unaudited)	(3,702,166)	(2,117,211)	(5,819,377)
Net book value			
As at 31 March 2025 (Unaudited)	18,082,276	1,027,996	19,110,272
As at 31 December 2024 (Audited)	18,298,930	1,248,672	19,547,602

The lease liabilities are as follows:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Non-current lease liabilities	17,116,646	18,585,583
Current lease liabilities	3,882,516	2,239,302
Total lease liabilities	20,999,162	20,824,885

8. INVESTMENTS IN ASSOCIATES USING THE EQUITY METHOD

The investments in associates using the equity method are as follows:

	Actual Ownership		31 March 2025	31 December 2024
	Percentage			
	2025	2024		
Investments in Western Dhahiat Company (8-a)	25%	25%	265,537,442	265,612,350
Investments in Tanal Real Estate Development and Investment Company (8-b)	10%	10%	(3,047)	1,878,271
			265,534,395	267,490,621

The finance cost recognized from lease liabilities during the period ended 31 March 2025 amounted to SR 174,278 (31 March 2024: SR 185,447).

a) Investments in Western Dhahiat Company

- The Group owns 25% of the net assets of the Western Dhahiat Company, which operates mainly in the Kingdom of Saudi Arabia and the investment was treated using the equity method.

- Western Dhahiat Company is a limited liability company with a capital of SR 100,000. The address of the company's head office is in Jeddah. The company's activity is in the general construction of residential buildings, and non-residential buildings, the purchase and sale of land and real estate, and its division, and off-plan sales activities.

- The return on investment in the associate was calculated based on the unaudited financial statement for the period ended on March 31, 2025, which is prepared by the company's management.

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8. INVESTMENTS IN ASSOCIATES USING THE EQUITY METHOD (CONTINUED)

a) Investments in Western Dhahiat Company (continued)

The financial information of the associate company is summarized as follows:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Total Assets	1,273,634,347	1,274,463,410
Total Liabilities	35,611,399	36,045,746
Equity – Shareholders Equity	1,062,149,771	1,062,449,402
Equity - Non-controlling Interests	175,873,177	175,968,262
Total Equity	1,238,022,948	1,238,417,664
Net Loss for the Year – Shareholders Equity	(299,632)	(5,032,967)
Net Loss for the Year – Non-controlling Interests	(91,549)	(1,009,721)
Net Loss for the Year	(391,181)	(6,042,688)
Other Comprehensive Loss – Partners' Equity	-	(23,457,066)
Other Comprehensive Loss – Non-controlling Interests	-	(3,927,129)
Total Other Comprehensive Loss	-	(27,384,195)

The investment movement:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Beginning balance for the period / year	265,612,350	272,734,858
Group's share of net loss for the period/year	(74,908)	(1,258,242)
Group's share of other comprehensive loss for the period/year	-	(5,864,266)
Balance at the end of the period / year	265,537,442	265,612,350

b) Investments in Tanal Real Estate Development and Investment Company

Tanal Real Estate Development and Investment Company is a limited liability company with a capital of 100,000 Saudi riyals. The address of the company's head office is in Riyadh. The company's activity is the management and leasing of residential and non-residential properties owned or leased.

Sumou Real Estate Company owns 40% voting rights in Tanal Real Estate Development and Investment Company on operational and administrative decisions, and this was considered as a significant influence due to the Chairman of the Board of Directors of Tanal Real Estate Development and Investment Company is the Chairman of the Board of Directors for Sumou Real Estate and also the member of board of directors in Tanal company is the deputy chairman of the board for sumou real estate company, and thus the investment was treated using the equity method.

Summary of the consolidated financial information of Tanal Real Estate Development and Investment Company and its subsidiary (Ruba Buildings Real Estate Company)

The consolidated financial statements of this company and its subsidiary are prepared in accordance with International Financial Reporting Standards. The accounting policies used in preparing the consolidated financial statements of the associate are consistent with those of Sumou Real Estate Company.

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Total Assets	198,464	20,868,597
Total liability	228,931	2,085,883
Equity	(30,467)	18,782,714
Revenues	-	414,580,280
Net (loss) profit for the period / year	(160,468)	178,803,912
Total comprehensive (loss) income for the period / year	(160,468)	178,803,912
Group's share of (loss) profit for the period / year	(16,047)	17,880,391

The return on investment in the associate was calculated based on the unaudited financial statement for of Tanal Real Estate Development and Investment Company for the period ended March 31, 2025 which is prepared by the company's management.

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8. INVESTMENT IN ASSOCIATES USING THE EQUITY METHOD (CONTINUED)

b) Investments in Tanal Real Estate Development and Investment Company (continued)

The investment movement

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	1,878,271	34,197,880
Dividends Received	(1,865,271)	(50,200,000)
Share of (loss) / profit for the period/year	(16,047)	17,880,391
Balance at the end of the period/year	(3,047)	1,878,271

c) The Group's share of the results from business of associates

	31 March 2025	31 March 2024
	(Unaudited)	(Unaudited)
Tanal Real Estate Development and Investment Company	(16,047)	5,313,901
Western Dhahiat Company	(74,908)	(185,148)
	(90,955)	5,128,753

9. RELATED PARTY TRANSACTIONS

The related parties are represented in the main shareholders, associate companies, affiliate companies, non-executive members of the board of directors, and senior management employees, where the employees of the higher management are the persons who exercise authority and responsibility in planning, managing and monitoring the Group's activities, directly or indirectly, including the managers.

During the normal course of its business, the group had the following material transactions with major related parties during the period ended on 31 March 2025 and 31 March 2024. As follows:

<u>Name</u>	<u>Relationship</u>
Sumou Holding company	Main Shareholder
Sumou Global Investment Company	Affiliate company
Adeer Asar Real Estate Company	Affiliate company
Adeer Real Estate Company	Affiliate company
Asmou Real Estate Development Company	Affiliate company
Riyadah Gulf Management Company	Affiliate company
Buna Al Jazira for contracting Co.	Affiliate company
Western Dahiet Company	Associate company
Sumou Dahiet Real Estate Fund	Party associated with board of directors
Alinma Al Madinah Real Estate Fund	Party associated with board of directors
Alinma Ajjad Real Estate Fund	Party associated with board of directors
Alinma Al Taif Real Estate Fund	Party associated with board of directors

- The transactions and amounts related thereto for the period ended on:

<u>Description</u>	<u>Nature of the transaction</u>	31 March	31 December
		2025	2024
		(Unaudited)	(Audited)
Sumou Holding Company	Revenue	-	3,178,237
Sumou Holding Company	Expenses on behalf	529,654	-
Asmou Real Estate Development Company	Revenue	15,000,000	15,000,000
Buna Al Jazira For Contracting Co.	Contracting works cost	12,571,089	9,069,614
Sumou Global Investment Company	Revenue	6,525,415	-
Adeer Asar Real Estate Company	Revenue	3,046,685	1,578,833
Adeer Asar Real Estate Company	Advance payments	9,215,999	7,368,227
Riyadah Gulf Management Company	Administrative services	300,000	300,000
Sumou Global Investment Company	Rent	-	248,776

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9. RELATED PARTY TRANSACTIONS (CONTINUED)

- Remunerations of Managers and Senior Management Staff:

Senior management is represented by senior members of the Board of Directors and senior executives in the group who have the powers and responsibilities of planning, directing and controlling the group's activities. The following are the benefits and rewards of senior management employees.

Description	Nature of the transaction	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Members of the Board of Directors and other committees	Allowances for attending sessions and bonuses	440,765	246,000
Senior management staff	Salaries and allowances	1,020,202	1,143,900
	End of service benefits	146,496	144,684

a. Due from related parties is as follow:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Sumou Global Investment Company (Previously Adeer Holding Co)*	46,215,300	46,215,300
Sumou Dahiet Real Estate Fund	20,700,000	20,700,000
Sumou Holding company	-	12,733,447
Asmou Real Estate Development Company	60,000,000	45,000,000
	126,915,300	124,648,747

* The amount due from a related party consists of in-kind investments in the form of shares in the Akhyal Project in the Eastern Region, amounting to SR 46,215,300 as of March 31, 2025 (December 31, 2024: SR 46,215,300). The movement in the investment is as follows:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	46,215,300	29,291,484
Change in the Fair Value of Financial Assets through OCI	-	16,923,816
Balance at the end of the period / year	46,215,300	46,215,300

b. Due to related parties represent as follow:

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Alinma Ajyad Real Estate Fund	30,000,000	30,000,000
Alinma Al Taif Real Estate Fund	21,470,000	21,470,000
Buna Al Jazira for contracting Co	11,022,900	16,844,809
Alinma Al Madinah Real Estate Fund	19,427,660	19,427,660
Adeer Asar Real Estate Co	9,215,999	10,369,351
Sumou Holding Company	529,654	-
	91,666,213	98,111,820

10. ZAKAT PROVISION

A) Zakat assessment status:

The Group received zakat assessments for the years 2019 and 2020 on October 12, 2021, amounting to SR 12,119,787, The Group paid an amount of SR 3,670,719 and objected to the Zakat, Tax and Customs Authority on December 9, 2021 for an amount of 8,449,068 Saudi riyals, According to the Zakat advisor, a ruling was made in favor of the Group in the preliminary committee, and the Zakat, Tax, and Customs Authority appealed the decision. The appellate decision was issued on May 21, 2024, in favor of the Company, stating that there were no outstanding obligations for the years 2019 and 2020. The zakat assessments for the years 2021, 2022 and 2024 have not been received yet.

During the period ended March 31, 2025, the Group received the assessments for the year 2023, and no additional obligations were recorded.

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10. ZAKAT PROVISION (CONTINUED)

B) The movement of the zakat provision:

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	8,491,970	5,968,510
Charge during the period/ year	2,550,000	8,491,970
Paid during the period/ year	-	(5,968,510)
Provision balance at the end of the period/ year	11,041,970	8,491,970

11. SHARE CAPITAL

The Company's share capital is SAR 500 million as at March 31, 2025 (December 31, 2024: SAR 500 million), consisting of 50 million shares as at March 31, 2025 (December 31, 2024: 50 million shares) issued and fully paid, with a par value of SR 10 per share.

12. REVENUE

	For the three month period ended	
	31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Real-estate development revenue	60,156,019	49,115,705
Real-estate services revenue	24,572,100	19,757,070
Contracting revenue	16,761,453	12,092,818
	101,489,572	80,965,593

The total revenue from related parties amounted to SR 24,572,100 for the period ended March 31, 2025 (March 31, 2024: SR 19,757,070) Note 9.

	For the three month period ended	
	31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Revenue recognized at a point in time	6,525,415	-
Revenue recognized over time	94,964,157	80,965,593
	101,489,572	80,965,593

13. EARNINGS PER SHARE

Earnings per share relating to net income has been calculated by dividing the net income for the period by the weighted average number of shares outstanding during the period, which amounted to 50 million shares as on March 31, 2025 (March 31, 2024: 50 million shares).

The number of shares has been retrospectively adjusted for the comparative period to reflect the impact of the issued bonus shares.

	For the three month period ended	
	31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit for the period attributable to the Group's shareholders	22,363,347	19,114,359
Weighted average number of shares	50,000,000	50,000,000
Basic earnings per share for the net profit for the period	0.447	0.382

	For the three month period ended	
	31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Total comprehensive income attributable to the Group's shareholders	22,051,542	19,030,950
Weighted average number of shares	50,000,000	50,000,000
Basic earnings per share from total comprehensive income	0.441	0.381

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14. DIVIDENDS DISTRIBUTION

The Board of Directors, in their meeting held on March 7, 2025, approved cash dividend distributions to shareholders amounting to SAR 25 Million, this decision was made under the authorization granted to the Board by the Extraordinary General Assembly held on June 6, 2024, to approve dividend distributions for the second half of year 2024.

15. CONTINGENT LIABILITIES

As of March 31, 2025, the Group has contingent liabilities in the form of letters of guarantee amounting to SR 47,139,737 (December 31, 2024: SR 47,139,737).

16. SEGMENT INFORMATION

The segment information is attributable to the Group's activities and business as approved by Group's management to be used as a basis for the financial reporting preparation and consistent with the internal reporting process. Transactions between the business segments are conducted as another parties' transaction.

Segments' assets, liabilities and the operational activities comprise items that are directly attributable to certain segment and items that can reasonably be allocated between various business segments. Unallocated items are included under joint assets and liabilities.

The Group has developed the following reports and sectors, which all operate in the Kingdom of Saudi Arabia:

Contracting and real estate projects: This section of business deals with real estate projects mostly accomplished by the group with the help of subcontractors.

Real Estate Project Management: This sector constitutes real estate project management. These project are owned by real estate developers and the Group charges them only for management fees.

Investments: This represents the Group's direct and indirect investments in real estate and project development, which can be sold before or after the completion of development work.

The following summary financial information sector in Saudi Riyal according to the nature of the activity:

	Real estate projects development	Real estate project management	Investments in equity instruments and properties	Others	Total
As of 31 March 2025 (Unaudited):					
Total assets	679,432,728	92,648,611	471,479,900	10,912,782	1,254,474,021
Total liabilities	491,747,316	14,015,999	70,897,660	48,465,640	625,126,615
For the period ended 31 March 2025 (Unaudited):					
Revenue	76,917,472	24,572,100	-	-	101,489,572
Gross profit	8,887,748	19,812,914	-	-	28,700,662
As of 31 December 2024 (Audited):					
Total assets	653,382,009	85,763,446	473,436,125	12,231,132	1,224,812,712
Total liabilities	485,894,540	15,169,351	70,897,660	20,457,462	592,419,013
For the period ended 31 March 2024 (Unaudited):					
Revenue	61,208,523	19,757,070	-	-	80,965,593
Gross profit	7,154,236	14,375,304	-	-	21,529,540

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17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's activities are exposed to various financial risks such as fair value measurement, credit risk, liquidity risk, foreign currency risk and capital management risk. Management reviews and approves policies to manage each of these risks, which are summarized as follows:

Fair value measurement of financial instruments

Fair value is the amount at which an asset is sold or a liability settled between willing parties in the arm's length transactions at the date there is a presumption that the Group is a going concern entity where there is no intention or requirement to materially reduce the volume of its operations or to conduct a transaction on adverse terms.

A financial instrument is considered to be listed in the active market if the quoted prices are readily and regularly available from an intermediary, industry group, pricing services or regulatory body, and these prices represent market transactions that have occurred on an active and regular basis on a commercial basis.

When measuring fair value, the group uses observable market information whenever possible to the inputs used in valuation methods as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that can be obtained on the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities directly (eg prices) or indirectly derived from prices.

Level 3: inputs for assets or liabilities not based on observable market information (non-observable inputs).

Following schedule presents an analysis of financial instruments carried at fair value according to the fair value hierarchy:

	March 31, 2025 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	(SR)	(SR)	(SR)	(SR)
Financial Assets at Fair Value Through OCI	-	-	87,118,784	87,118,784
	-	-	87,118,784	87,118,784
	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
	(SR)	(SR)	(SR)	(SR)
Financial Assets at Fair Value Through OCI	-	-	87,118,784	87,118,784
	-	-	87,118,784	87,118,784

Capital risk management

Management policy is to maintain an adequate capital base in order to maintain investor, creditor and market confidence and to maintain the future development of its business. Management monitors the return on the capital used and the level of dividends distributed to shareholders.

In managing capital, the Group aims to:

- To protect the entity's ability to continue as a going concern so that it can continue to provide returns to shareholders and interest to other stakeholders.
- Provide sufficient returns for shareholders

	31 March 2025	31 December 2024
	(Unaudited)	(Audited)
Lease liabilities	20,999,162	20,824,885
Less: cash and cash equivalents	(201,270,268)	(184,062,121)
Net debt	(180,271,106)	(163,237,236)
Net shareholders' equity	629,347,406	632,393,699
Net debt to net shareholders' equity ratio	(29%)	(26%)

Market risk

Market risk is the risk that a financial instrument will fluctuate due to changes in prevailing market prices such as foreign exchange rates, interest rates and stocks prices affecting the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable limits while maximizing returns.

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17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currencies other than the Group's currency. Most of the Group's transactions are made in Saudi Riyals. The Group's management believes that its exposure to foreign currency risk is not significant.

Other Prices risk

The Group is exposed to price risk from its investments in the equity of other companies. The Group retains these investments for strategic purposes and not for trading purposes and the Group does not trade in those investments.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, accounts receivable, Due from related parties, and contract assets as follows:

Financial assets at amortized cost

	<u>31 March 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash and cash equivalent	201,270,268	184,062,121
Due from related parties	80,700,000	78,433,447
Contract assets	40,612,883	48,036,022
Accounts receivable	69,054,107	60,506,258
	<u>391,637,258</u>	<u>371,037,848</u>

Financial assets at Fair value

	<u>31 March 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Due from related parties	133,334,084	46,215,300
	<u>133,334,084</u>	<u>46,215,300</u>
Total financial assets	<u>524,971,342</u>	<u>417,253,148</u>

Liquidity risk

Liquidity risk is the difficulty that an entity encounters in raising funds to meet commitments related to financial instruments. Liquidity risk can result from the inability to sell a financial asset quickly at an amount close to its fair value.

Liquidity risk is managed by monitoring it on a regular basis to ensure that funds are available to meet the Group's future commitment.

As of 31 March 2025:	Book value	Contractual cash payments	Less than one year	1 to 5 years	More than 5 years
Accounts payable	97,529,439	97,529,439	97,529,439	-	-
Lands obligations against projects under development	266,463,738	266,463,738	142,810,084	123,653,654	-
Accrued expenses and other liabilities	50,691,209	50,691,209	50,691,209	-	-
Lease liabilities	20,999,162	29,179,745	3,882,516	7,114,193	18,183,036
	<u>435,683,548</u>	<u>443,864,131</u>	<u>294,913,248</u>	<u>130,767,847</u>	<u>18,183,036</u>
As of 31 December 2024:	Book value	Contractual cash payments	Less than one year	1 to 5 years	More than 5 years
Accounts payable	89,900,026	89,900,026	89,900,026	-	-
Lands obligations against projects under development	282,463,737	282,463,737	136,037,667	146,426,070	-
Accrued expenses and other liabilities	45,348,727	45,348,727	45,348,727	-	-
Lease liabilities	20,824,885	29,179,745	2,239,302	7,114,193	19,826,250
	<u>438,537,375</u>	<u>446,892,235</u>	<u>273,525,722</u>	<u>153,540,263</u>	<u>19,826,250</u>

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18. SUBSEQUENT EVENTS

In the management's opinion, there have been no significant subsequent events after March 31, 2025, until the approval of the condensed consolidated interim financial statements by the Board of Directors, which may have a material impact on the condensed consolidated interim financial statements as of March 31, 2025.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current period.

20. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the board of directors on Dhu Al Qidah 1, 1446H corresponding to April 29, 2025.