

1. Legal status and activities:

National Real Estate Development and Investments Company SAOG (the “Company”) is registered in the Sultanate of Oman as a public joint stock company. The Company’s registered address is P.O. Box 84, Building No. 173, Al Khuwair, Postal Code 100, Sultanate of Oman. The principal activity of the Company is renting and managing self-owned or leased real estate.

The Company has 50% (2024: 50%) investment in Qatar Oman Real Estate Investment Company LLC (“the Associate”) over which the Company exercises significant influence. The principal activities of associate are buying, selling, subdividing estates into lots, renting and managing self-owned or leased real estate properties.

The company has obtained approval from Financial services Authority on 26 August 2024 for conversion of the legal status of the company from public joint stock company to closely held joint stock company.

2. Statement of compliance and basis of preparation:

2.1. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and the relevant requirements of the Commercial Companies Law of the Sultanate of Oman.

The financial statements have been prepared under the historical cost convention and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies.

Functional currencies

The financial statements are presented in Omani Rials (RO) which is the functional and reporting currency for the financial statements.

Adoption of new and revised IFRS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. ‘Improvements to IFRS’ comprise amendments that result in accounting changes to presentation, recognition, or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company’s future accounting period with earlier adoption permitted.

Standards effective and adopted for the year 2025

The following new standards, amendment to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning on and after 1 January 2025 and have been adopted in the preparation of the financial statements:

Amendments and interpretations issued and effective for the period ended 30 Sep 2025

Title	Effective for annual periods beginning on or after
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company financials statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning

on or after 1 January 2027); and

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The company did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective.

2.2. Operating expenses

Operating expenses are recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or as incurred

2.3. Interest income and expenses

Interest income and expense are accounted for on the accrual basis using effective interest rate method.

2.4. End of service benefits and leave entitlements

The provision for end of service benefits for non-Omani employees upto the previous reporting period was made in accordance with the requirements of the Oman Labour Law of 2003. Employees are entitled to end of service benefits calculated at the rate of 15 days basic salary for each of the first three years of continuous service and at a rate of 30 days basic salary for each year of continuous service following the first three years. However, the employees hired earlier than 2002 are entitled to end of service benefits calculated at the rate of 30 days basic salary for each year of continuous service following the date of joining.

Government of Oman Social Insurance Scheme (the “Scheme”)

The Company contributes to the Scheme for all Omani employees. The Scheme, which is a defined contributions retirement plan, is administered by the Government of Oman. The Company and Omani employees are required to make monthly contributions to the Scheme at prescribed rates of gross salaries.

Non-Omani employee terminal benefits

During the year, the provision is made as per the requirements of the Oman Labour Law of 2023. Accordingly, the employees are entitled to end of service benefits calculated at the rate of 30 days basic salary for each of the year of continuous service following the date of joining. This provision is classified as a non-current liability.

2.5. Cash and bank balances

Cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of changes in value.

2.6. Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

Accumulated losses include current and prior period results as disclosed in the statement of changes in equity.

All transactions with the Shareholders are separately reported in the statement of changes in equity.

2.7. Foreign currency

Foreign currency transactions are translated into the presentation currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items of statement of financial position at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income under ‘other income’ or ‘other expenses’.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Company’s financial statements, all items and transactions of the Company with a transaction currency other than the Rial Omani (the Company’s presentation currency) were translated into the presentation currency. Assets and liabilities have been translated into the Rial Omani at the closing rate at the reporting date.

Income and expenses have been translated into the Company's presentation currency at the average rates over the reporting period.

2.8. Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. 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.

Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Classification

The financial assets are classified in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- b) those to be measured at amortized cost.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

The Company has classified fair value measurements on a recurring basis using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs)(Level 3).

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

The Company classifies debt instruments at amortized cost based on the below:

- a) the asset is held within a business model with the objective of collecting the contractual cash flows; and
- 2.13. the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Investment in fixed deposits are carried at amortized cost.

Equity instruments

If the Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognized in the statement of profit or loss and other comprehensive income as other income when the Company's right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognized in other gains/(losses) in the statement of profit or loss and other comprehensive income.

(iii) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the assets 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards

of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(iv) Impairment of financial assets

The Company recognises allowances for expected credit losses (ECLs) on financial instruments, including financial assets measured at amortised cost and accounts and other receivables. Credit losses are measured as the present value of all cash shortfalls.

ECLs are recognised in two stages:

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Cash and bank balances

Impairment on cash and bank balances has been measured on a 12 month expected credit loss basis and reflects short term maturities of the exposures. The Company considers the cash and bank balances have low to fair credit risk based on external credit rating of the counterparty.

Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the business model for managing the financial liabilities and the contractual terms of the cash flows.

(i) Classification

The financial liabilities are classified in the following measurement:

- (a) those to be measured as financial liabilities at fair value through profit or loss; and
- (b) those to be measured at amortized cost.

(ii) Measurement

All financial liabilities are recognized initially at fair value. Financial liabilities accounted at amortized cost like borrowings are accounted at the fair value determined based on the EIR after considering the directly attributable transaction costs. The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, and subsequently measured at fair value.

The EIR method calculates the amortized cost of a debt instrument by allocating interest charged over the relevant EIR period. The EIR is the rate that exactly discounts estimated future cash outflows (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. This category generally applies to borrowings, trade payables, etc.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,

or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.9. Provisions

Provisions are recognized when the Company has a present obligation because of the past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

2.10. Investment in Associate

Associates are those entities over which the Company is able to exert significant influence, but which are not subsidiaries. The investment is accounted under equity method as per IAS 28 "*Investment in Associates and Joint Ventures*". Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss, or other comprehensive income of the investee after the date of acquisition. The Company's share of the investee's profit or loss, or other comprehensive income is recognised in the Company's profit or loss, or other comprehensive income. Distributions received from an investee reduce the carrying amount of the investment.

2.11. Investment property

Investment property is property held to earn rentals and/or for capital appreciation and are accounted for using the fair value model. Revaluation of land is performed at regular intervals.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Revaluation gains/losses on investment property' revaluation are included in the statement of profit or loss in the period in which they arise.

If an owner-occupied property becomes an investment property that will be carried at fair value, an entity shall apply IAS 16 for owned property up to the date of change in use. The entity shall treat any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property and recognises any impairment losses that have occurred. The entity treats any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Rental income and operating expenses from/related to investment property are reported within 'revenue' and 'other expenses' respectively.

2.12. Investment property held for sale

Non current assets are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as assets held for sale are measured at the carrying amount, since the management believes that the fair value of the assets are similar to the carrying value.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of classification.

Plant & equipment are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current assets in the statement of financial position.

2.14. Critical accounting judgments and key source of estimating uncertainty

Preparation of financial statements in accordance with IFRS requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expense during the reporting year. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions and all other available information. Actual results could differ from those estimates.

The most significant areas requiring the use of management estimates and assumptions in the financial statements relate to:

Impairment reviews

IFRS requires management to undertake an annual test for impairment of indefinite life assets and, for finite life assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving management judgment, requiring inter-alia an assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- (a) growth in earnings before interest, tax, depreciation, and amortization (EBITDA), calculated as adjusted operating profit before depreciation and amortization.
- (b) timing and quantum of future capital expenditure.
- (c) long-term growth rates; and
- (d) selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

Impairment losses on trade receivables

Trade receivables and other financial assets are stated at their amortized cost as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and historical experience adjusted appropriately for the future expectations. Individual trade receivables and other financial assets are written-off when management deems them not to be collectible.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Fair valuation measurement

Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (note 5).

Going concern

The management of the Company reviews the financial position of the Company on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the members of the Company ensure that they provide adequate financial support to funding the requirements to the Company to ensure the going concern status of the Company.

Taxation

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and nature of the existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to the assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of finalization of tax assessments of the Company. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible taxation authority.

3. Other receivable:

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
	2,340	2,863
Other receivables		
	-----	-----
	2340	2863
	=====	=====

4. Related party transactions and balances

A party is considered to be related to the Company if the party has the ability, directly or indirectly, to exercise significant influence in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence.

The Company's related parties include the shareholders, the Board of Directors and those entities in which they have the ability to control, joint control or exercise significant influence over in relation to financial and operational decisions. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received

5. Investment in associates

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Qatar Oman Real Estate Investment Company LLC, Oman	6,682	6,682
Less: Allowance expected credit losses	(6,682)	(6,682)
	-----	-----
	-	-
	=====	=====

6. Investment property held for sale

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
As on 01 Jan	3,643,400	6,150,000
Disposal of investment property held for sale	(2,011,680)	-
Add/(Less): revaluation during the period/year	-	-
	-----	-----
	1,631,720	6,150,000
	=====	=====

During 2023 the company has decided to classify the investment property under non current assets to investment property held for sale , since the shareholders had convened extra ordinary general meeting on 5th November 2023 in order to authorize the board of directors to sell the land situated in Al Khuwair, Plot no. 2070, Phase 2, registered in the name of the Company.

7. Term deposit

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Term deposit	15677-	40,000
	-----	-----
	15,667	40,000
	=====	=====

Term deposit placed is a commercial bank in Oman having a maturity of 1 year and earns an interest of 3.75% per annum (2024: 4.5% per annum)

8. Cash and bank balances:

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Cash in Hand	174	174
Cash at Bank	2,464,612	4401
	-----	-----
	2,464,786	4575
	=====	=====

9. Share Capital

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Authorized Share Capital (10,000,000 shares of RO 1 each)	10,000,000	10,000,000
	-----	-----
Issued and fully paid up share capital (1,762,500 shares of RO 1 each)	1,762,500	1,762,500
	-----	-----

The Shareholders of the Company holding more than 5% and the number of shares they held as at 30 Sep 2025 and 2024 are as follows:

	Nationality	Holding	No of shares	R.O.
Ali Bin Kamal Bin Daud	Omani	39.48%	695,912	695,912
Ahmed Bin Mohsin Bin Ali	Omani	17.91%	315,720	315,720
Sarni Kamal Muhammad Daud	Omani	14.67%	258,579	258,579
Saud LLC (Oman Arab Bank SAOC)	Oman	8.37%	147,522	147,522
Mohamed Daud	Omani	5.45%	95,973	95,973
Others		14.12%	248,794	248,794
		-----	-----	-----
		100%	1,762,500	1,762,500
		=====	=====	=====

10. Legal Reserve

In accordance with the Commercial Companies Law of Oman, 2019, as amended, annual appropriations of 10% of the profit for the year are made to this reserve until the accumulated balance of the reserve is equal to one-third of the Company's paid-up share capital. This reserve is not available for distribution to the Shareholders. During the period an amount of RO. Nil (2024: RO. Nil) is transferred to legal reserve.

11. Revaluation Reserve

The revaluation reserve is a non-distributable reserve, representing the surplus amount resulting from revaluation of investment property. As at 30 Sep 2025, revaluation reserve amounts to RO 7,637,254 (30 Sep 2024: RO 7,637,254).

12. Employees' terminal benefits

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
At the beginning of the year	1,157	1,157
Expenses recognized in the statement of comprehensive income	-	-
Paid during the year	-	-
	-----	-----
	1,157	1,157
	=====	=====

13. Trade and other payables:

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Trade and Other Payable	390,174	4902
	-----	-----
	390,174	4902
	=====	=====

14. Net assets per share:

Net assets per share is determined by dividing the net assets at the end of the reporting period by the number of shares outstanding:

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Net assets	3,178,333	5,281,128
	-----	-----
Weighted average number of shares outstanding	1,762,500	1,762,500
	-----	-----
Net assets per share (RO/share)	1.803	2.996
	=====	=====

15. General & Administrative Overheads:

	30.09.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Advertising Expense A/c	1,070	1,127
Salaries & Related Costs	41,909	9,937
Legal & Professional Fees	58,687	6415
Registration & renewals	284	-
Meeting expenses	-	-
Directors remuneration	300,000	-
Sitting fees	50,000	-
Miscellaneous Expenses	899	3,087
	-----	-----
	452,849	29,239
	=====	=====

16. Other income

	30.11.2025	30.09.2024
	-----	-----
	R.O.	R.O.
Interest income	636	1,664
	-----	-----
	636	1,664
	=====	=====