NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

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

NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

Table of contents | **Page**

KPMG

KPMG Professional Services Company
Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
مركز زهران للأعمال
شارع الأميرسلطان
ص. ب. 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Nahdi Medical Company ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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 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 consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and Valuation of Inventories

Refer Note 3.7 to the consolidated financial statements for the material accounting policy, Note 2.5 for the significant accounting estimates and Note 10 for the relevant disclosure.

Key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the gross value of Inventories amounted to SR 1,817 million. (2023: SR 1,507 million) and the provision for inventories amounted SR 106.6 million (2023: SR 97.7 million). Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less the costs necessary to make the sale. Any impairment loss arising as a result of bringing the inventories at their net realizable value is recognized in the consolidated statement of profit or loss. The Group has a perpetual inventory count system in place to conduct the stock count in stores throughout the year. We considered it to be a key audit matter given that: • The Group deals with significant values of inventory items at numbers of locations with high volume of daily transactions which increases the risks associated with existence inventory; and • The significant judgments and key assumptions applied by the management in determining the level of inventories write down required based on Net Realisable Value (NRV) assessment.	We performed the following procedures, amongst others to address the key audit matter: • Obtained an understanding of the Group process for the stock count and valuation of inventories. • Assessed the design and implementation of the Group's controls over the existence and valuation of inventories. • Tested the operating effectiveness of the Group's controls over the existence of inventories. • Throughout the year, on a sample basis, we have attended the inventory cycle count in stores, to validate counts performed by the management. • On sample basis, verified if the inventory items are stated at the lower of cost or net realisable value. • Assessed reasonableness of the assumptions used in estimating the shrinkage provision including testing of accuracy and completeness of the key inputs with the underlying supporting documents. • Inspected recent count results, for a sample of Group's stores, to assess that the year-end shrinkage provision adequately reflected the levels of stock loss experienced during the year. • Assessed the adequacy and reasonableness of related disclosure included in the consolidated financial statements of the Group.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 7 Ramadan 1445H corresponding to 17 March 2024.

Other information

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

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

In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

Independent Auditor's Report

To the Shareholders of Nahdi Medical Company (A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 of Nahdi Medical Company ("the Company") and its subsidiaries ("the Group").

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

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

KPMG Professional Services Company

Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 12 March 2025
Corresponding to 12 Ramadan 1446H

كي بي إم جي للاستشارات المهنية
Lic No. 46
C.R. 4030290792
KPMG
KPMG Professional Services

NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	**31 December 2024 SR**	31 December 2023 SR
ASSETS			
Property and equipment	6	**1,112,587,787**	1,040,465,089
Investment properties	7	**255,900,823**	254,304,184
Intangible assets	8	**68,616,979**	51,170,546
Right-of-use assets	9	**1,607,005,320**	1,266,643,835
Prepayments and other non-current assets	12	**18,279,079**	10,558,437
Non-current assets		**3,062,389,988**	2,623,142,091
Inventories	10	**1,710,822,925**	1,409,409,250
Trade receivables	11	**135,503,395**	172,847,737
Prepayments and other current assets	12	**307,823,357**	256,265,965
Cash and cash equivalents	13	**956,809,579**	909,662,249
Current assets		**3,110,959,256**	2,748,185,201
Total assets		**6,173,349,244**	5,371,327,292
EQUITY AND LIABILITIES			
Equity			
Share capital	14(a)	**1,300,000,000**	1,300,000,000
Statutory reserve	14(b)	**369,207,440**	369,207,440
Foreign currency translation reserve		**(74,256)**	(842,691)
Retained earnings		**916,969,664**	794,391,230
Total equity		**2,586,102,848**	2,462,755,979
Liabilities			
Lease liabilities	9	**1,146,279,313**	870,566,386
Accruals and other non-current liabilities	17	**14,622,549**	14,793,148
Employee benefit liabilities	15	**420,490,334**	392,117,269
Non-current liabilities		**1,581,392,196**	1,277,476,803
Trade payables	16	**1,248,564,806**	894,307,578
Lease liabilities – current portion	9	**383,476,461**	304,189,343
Accruals and other current liabilities	17	**296,843,422**	320,065,623
Zakat and tax provision	18	**76,969,511**	112,531,966
Current liabilities		**2,005,854,200**	1,631,094,510
Total liabilities		**3,587,246,396**	2,908,571,313
Total equity and liabilities		**6,173,349,244**	5,371,327,292

APPROVED BY:	APPROVED BY:	APPROVED BY:
Abdullah Al Nahdi	Yasser Joharji	Mohammed Al-Khubani
DEPUTY CHAIRMAN	CEO	CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	**31 December 2024 SR**	31 December 2023 SR
Revenue	19.1	**9,446,420,046**	8,713,675,990
Cost of revenue	19.2	**(5,913,553,658)**	(5,191,432,333)
Gross profit		**3,532,866,388**	3,522,243,657
Other operating income	20	**29,446,113**	23,921,030
Selling and distribution expenses	21	**(2,342,299,850)**	(2,248,580,681)
General and administrative expenses	22	**(346,818,242)**	(336,628,965)
Operating profit for the year		**873,194,409**	960,955,041
Finance costs	23	**(115,867,176)**	(83,022,004)
Finance income	24	**59,140,721**	64,727,602
Other income		**16,479,031**	1,087,516
Reversal of impairment on investment properties	7	**1,596,639**	498,000
Profit before Zakat and tax		**834,543,624**	944,246,155
Zakat and tax charge	18	**(13,820,000)**	(51,628,015)
Profit for the year		**820,723,624**	892,618,140
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain on defined benefits obligations	15	**16,854,810**	42,201,483
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		**768,435**	(447,821)
Other comprehensive income for the year		**17,623,245**	41,753,662
Total comprehensive income for the year		**838,346,869**	934,371,802
Earnings per share:			
Basic and diluted, earnings per share attributable to ordinary equity holders of the Parent Company	25	**6.31**	6.87

APPROVED BY:	APPROVED BY:	APPROVED BY:
Abdullah Al Nahdi	Yasser Joharji	Mohammed Al-Khubani
DEPUTY CHAIRMAN	CEO	CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital SR	Statutory reserve SR	Retained earnings SR	Foreign currency translation reserve SR	Total SR
Balance as at 1 January 2023	1,300,000,000	279,945,626	663,833,421	(394,870)	2,243,384,177
Profit for the year	--	--	892,618,140	--	892,618,140
Other comprehensive gain / (loss) for the year	--	--	42,201,483	(447,821)	41,753,662
Total comprehensive income for the year	--	--	934,819,623	(447,821)	934,371,802
Dividends (note 14c)	--	--	(715,000,000)	--	(715,000,000)
Transfer to statutory reserve (note 14b)	--	89,261,814	(89,261,814)	--	--
Balance as at 31 December 2023	1,300,000,000	369,207,440	794,391,230	(842,691)	2,462,755,979
Profit for the year	--	--	820,723,624	--	820,723,624
Other comprehensive gain for the year	--	--	16,854,810	768,435	17,623,245
Total comprehensive income for the year	--	--	837,578,434	768,435	838,346,869
Dividends (note 14c)	--	--	(715,000,000)	--	(715,000,000)
Balance as at 31 December 2024	**1,300,000,000**	**369,207,440**	**916,969,664**	**(74,256)**	**2,586,102,848**

APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN

APPROVED BY:
Yasser Joharji
CEO

APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

NAHDI MEDICAL COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Note	**31 December 2024 SR**	31 December 2023 SR
Operating activities			
Profit before zakat and tax		**834,543,624**	944,246,155
Adjustment to reconcile profit before zakat to net cash flows from operating activities:			
Depreciation of property and equipment	6	**258,310,575**	219,855,774
Depreciation of right-of-use assets	9	**417,607,257**	375,092,619
Amortisation of intangible assets	8	**27,520,959**	23,132,125
Gain on disposal of property and equipment	20	**(1,537,363)**	(216,523)
Gain on termination of leases		**(1,007,962)**	(29,242,978)
Reversal of Impairment on Investment properties	7	**(1,596,639)**	(498,000)
Provision for employee benefits		**63,167,224**	71,360,326
Form / (reversal) of provision for inventories	10	**32,326,343**	(11,953,496)
reversal for Impairment losses on trade receivables	11	**(192,863)**	(4,490,454)
Finance costs	23	**115,867,176**	83,022,004
Finance income	24	**(59,140,721)**	(64,727,602)
		1,685,867,610	1,605,579,950
Working capital changes:			
Inventories		**(333,740,018)**	(214,621,177)
Trade receivables		**37,537,205**	(38,155,604)
Prepayments and other assets		**(59,278,034)**	(88,414,561)
Trade and other payables		**354,257,228**	257,141,618
Accruals and other liabilities		**(10,100,656)**	(58,954,616)
Cash from operations		**1,674,543,335**	1,462,575,610
Finance costs paid	23	**(115,867,176)**	(83,022,004)
Zakat paid	18	**(49,382,455)**	(45,643,950)
Employee benefits paid	15	**(17,939,221)**	(17,882,852)
Net cash flows from operating activities		**1,491,354,483**	1,316,026,804
Investing activities			
Purchase of property and equipment	6	**(339,530,890)**	(353,861,780)
Proceeds from sale of property and equipment		**1,566,346**	254,015
Purchase of intangible assets	8	**(44,967,392)**	(30,648,761)
Interest received		**54,917,083**	52,701,414
Net cash flows used in investing activities		**(328,014,853)**	(331,555,112)
Financing activities			
Payment of principal portion of lease liabilities	9	**(401,960,735)**	(435,673,581)
Dividends paid	14(c)	**(715,000,000)**	(715,000,000)
Net cash flows used in financing activities		**(1,116,960,735)**	(1,150,673,581)
Increase / (Decrease) in cash and cash equivalents		**46,378,895**	(166,201,889)
Net foreign exchange difference		**768,435**	(447,821)
Cash and cash equivalents at 1 January		**909,662,249**	1,076,311,959
Cash and cash equivalents at 31 December	13	**956,809,579**	909,662,249
Supplementary non-cash information			
Addition to right-of-use assets and lease liabilities	9	**803,663,703**	611,068,520

APPROVED BY:
Abdullah Al Nahdi
DEPUTY CHAIRMAN

APPROVED BY:
Yasser Joharji
CEO

APPROVED BY:
Mohammed Al-Khubani
CFO

The attached notes from 1 to 35 form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Nahdi Medical Company (the "Parent Company" or the "Company") is a Saudi Joint Stock Company formed under Companies Law in the Kingdom of Saudi Arabia under Commercial Registration No. 4030053868 dated 1 October 2003 (corresponding to 5 Sha'ban 1424H).

The principal activity of the Group is the wholesale and retail trading of cosmetics, pharmaceutical products, special and healthy foods, and medical equipment. The main shareholders as of 31 December 2024 are AlNahdi Holding Company and Saudi Economic and Development Holding Company with ownership percentage of 38% and 25%, respectively. (31 December 2023: AlNahdi Holding Company and Saudi Economic and Development Holding Company with ownership percentage of 35% and 35%, respectively).

The Group operates mainly in the Kingdom of Saudi Arabia ("KSA") and the United Arab Emirates ("UAE"), and its Head Office is located at the following address:

Nahdi Medical Company,
PO. Box 17129,
King Abdulaziz Road, Murjan District, Jeddah 23715
Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and other standards and pronouncements that are endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") collectively referred to as "IFRS" as endorsed in the Kingdom of Saudi Arabia.

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, unless stated otherwise.

The group has prepared the consolidated financial statements using the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals ("SR") which is also the functional and presentation currency of the Company.

2.4 Basis of consolidation

These consolidated financial statements comprise the financial position and performance of the Parent Company and the following direct and indirect subsidiaries (collectively referred to "the Group") in which the Company exercises control as at 31 December 2024:

2. BASIS OF PREPARATION (continued)

2.4 Basis of consolidation (continued)

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2024	31 December 2023
Nahdi Care Limited Company	KSA	Clinics	**100%**	100%
Al Sakhaa Golden Trading and Contracting Company*	KSA	Labor Services	**100%**	100%
Nahdi Investment CO. L.L.C**	UAE	Holding Company	**100%**	100%

* As at 31 December 2024, Al Sakhaa Golden Trading and Contracting Company has an investment in the following subsidiary:

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2024	31 December 2023
Al Sakhaa integrated solutions	Egypt	IT consulting	**99%**	99%

The remaining 1% is held by Nahdi Investment CO. L.L.C, who holds the share for the beneficial interest of the company.

**As at 31 December 2024, Nahdi Investment CO. L.L.C also has investments in the following subsidiaries:

Subsidiary name	Country of incorporation	Principal business activity	Effective ownership interest	
			31 December 2024	31 December 2023
Nahdi Drug Store L.L.C	UAE	Drug store	**99%**	99%
Nahdi Pharmacy L.L.C	UAE	Pharmacy	**99%**	99%

The remaining 1% is held by Mr. Saleh Mohamed Amer Salmeen Al Hajeri of Nahdi Investment Co. who holds the share for the beneficial interest of the company.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies of the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its transactions with the investee and has the ability to affect those returns through exercising its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its transactions with the investee.
- The ability to use its power over the investee to affect its returns.

2. BASIS OF PREPARATION (continued)

2.4 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to carrying amount of assets or liabilities affected future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Sensitivity analysis disclosures (note 15)
- Financial instruments risk management and policies (note 26)
- Capital management (note 27)

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2. BASIS OF PREPARATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

Determining the lease term of contracts with renewal and termination options – Group as a lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset). The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The Group has several lease contracts that include extension and terminations options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercise significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Revenue from contracts with customers
The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration
Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of goods with volume rebate as the selected method better predicts the amount of variable consideration driven by customers' rebate entitlement based on volume thresholds and purchase made by them during the period.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty, if any, on the variable consideration will be resolved within a short time frame.

2. BASIS OF PREPARATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material difference in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Information about the assumptions and estimation uncertainties is included in the following areas:

Useful lives of property and equipment / intangible assets/ investment properties
The management determines the estimated useful lives of property and equipment & intangible assets for calculating depreciation/amortization. These estimates is determined after considering expected usage of the assets or physical wear and tear. The management reviews the residual value and useful lives annually and future depreciation/amortization charges are adjusted where management believes the useful lives differ from previous estimates.

Determination of inventory net realizable value
Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the financial position date to the extent that such events confirm conditions existing at the end of year.

Provision for expected credit losses (ECLs) of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.. For instance, if forecasted economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in relevant sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group trade receivables is disclosed in note 11 & 26.

Defined benefit plan
The cost of the defined benefit plan and the present value of the obligation is determined using actuarial valuation. 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 employee 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.

2. BASIS OF PREPARATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

Defined benefit plan (continued)
The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the market yield on Government bonds.

The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about employee benefits obligations are provided in note 15.

Revenue recognition - Estimating stand-alone selling price – Customer loyalty programme
The Group estimates the stand-alone selling price of the loyalty points awarded under the customer loyalty programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Group considers breakage which represents the portion of the points issued that will never be redeemed. The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated quarterly and the liability for the unredeemed points is adjusted accordingly. In estimating the value of the points issued, the Group considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Group ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required). The points issued have an expiry date of one year from the date of issuance.

Leases – Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

2. BASIS OF PREPARATION (continued)

2.5 Significant accounting judgments, estimates and assumptions (continued)

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Group consistently in preparing its consolidated financial statements except for the new and amended standards and interpretations as disclosed in note 4.

3.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification.

Assets
An asset is classified as current when:
- It is expected to be realized or intended to sell or consumed in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities
A liability is current when:
- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

3.2 Foreign currencies

The Group's consolidated financial statements are presented in Saudi Riyals ("SR"), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.2 Foreign currencies (continued)

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange ruling at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, if any, are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of a gain or loss on change in fair value of the item.

Group Companies - foreign operations
The assets and liabilities of foreign operations are translated to Saudi Riyals at rate of exchange prevailing at the reporting date and their statement of profit or loss and other comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. Dividends received from foreign subsidiaries (if any), are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the consolidated statement of other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

3.3 Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as items (major components) of property and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income in the consolidated statement of profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.3 Property and equipment (continued)

Capital work in progress
Capital work-in-progress ("CWIP") represents all costs relating directly to the ongoing projects in progress and is capitalized as property and equipment when the project is completed. CWIP is carried at cost, less any recognized impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of these assets, on the same basis as other same class of assets, commences when the assets are available for their intended use.

Subsequent costs
The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognised in the consolidated statement of profit or loss as incurred.

Depreciation
Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property and equipment. Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required.

For impairment assessment of property and equipment, please refer note 6. Estimated useful lives of property and equipment are as follows:

	Estimated useful lives
Buildings	The shorter of useful life or related lease term (10 – 25)
Leasehold improvement	The shorter of useful life or related lease term (4 – 8)
Furniture, fixture, office equipment & tools	4
Machinery and equipment	4
Vehicles	4
Computers	4

Derecognition
An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit or loss and other comprehensive income.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.4 Investment properties

Investment properties is property held either to earn rental income or for capital appreciation or for both, as well as those held for undetermined future use but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost less accumulated depreciation and impairment loss, if any. Investment properties are depreciated on a straight-line basis over the estimated useful life of the respective assets.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of derecognition.

Transfers are made from investment properties to property and equipment only when there is a change in use evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the property at the date of transfer.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets under development consists of costs incurred in relation to development of software which will be eventually transferred to intangible assets. Intangible assets with indefinite useful lives (goodwill) are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognized.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5 Intangible assets (continued)

Intangible assets represent computer software and acquisition of pharmacies which have finite useful lives. The estimated rates of amortization of intangible assets are as follows:

Software	4 years
Acquisitions of pharmacies licenses	4 years
Others	5 years

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lands 5 to 25 years
Pharmacy stores 5 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

Lease liabilities(continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The unwinding component of finance cost is included in the consolidated statement of profit or loss.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.7 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is principally based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value represents the estimated selling price for inventories less the costs necessary to make the sale. Any impairment loss arising as a result of bringing the inventories at their net realizable value is recognized in the consolidated statement of profit or loss.

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The Company’s financial assets comprise of cash and cash equivalents, trade receivables and certain prepayments.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – debt instruments;
- Fair value through other comprehensive income (FVOCI) – equity instruments; or
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or financial liabilities at fair value through profit or loss FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities are classified as "held for trading" if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered by the company that are not designated as hedging instruments as stated in IFRS 9. Other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities include trade payables, certain accrued expenses and other current liabilities and lease liabilities.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.9 Cash and cash equivalents

Cash and cash equivalents balances comprise of cash at banks, cash on hand and short-term highly liquid deposits with original maturities of three months or less that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.10 Cash dividend to shareholders of the Group

Interim Dividends are recorded as liability in the period in which they are approved by the Board of Directors. As per the company's bylaws, The General Assembly shall determine the percentage that must be distributed among the shareholders from the net profits after deducting the reserves, if any. The company may distribute semi- or quarterly interim dividends to its shareholders, and it may authorize the Board of Directors to undertake this task.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Pension and other post-employment benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits
The Group's obligation under employee end of service benefit is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee costs in the consolidated statement of profit or loss (refer to note 15).

Obligation in respect of Nahdi Investment CO. L.L.C, where applicable are calculated in accordance with the U.A.E Labor Law and are based on current remuneration and cumulative years of service at the reporting date.

3.12 Zakat and tax

The Group (entities registered in Kingdom of Saudi Arabia only) is subject to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided for in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia and on accruals basis. The zakat charge is computed on Zakat based on a unified return. Any shortfall / excess on finalization of an assessment is accounted for in the year in which assessment is finalized.

The income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Withholding tax
The Group withholds taxes on transactions with non-resident parties in accordance with ZATCA regulations, which is not recognized as an expense being the obligation of the counter party on whose behalf the amounts are withheld.

3.13 Value Added Tax ("VAT")

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax ("VAT") except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.13 Value Added Tax ("VAT") (continued)

- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to the ZATCA is included as part of receivables or payables in the consolidated statement of financial position.

3.14 Revenue from contracts with customers

The Group is engaged in the business of retail trading of cosmetics, pharmaceutical products, special and healthy foods, and medical equipment. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 2.5.

The Group's recognition of revenue from each source of revenue is as follows:

Sale of goods (retail)
The Group operates a chain of retail stores (pharmacies and healthcare stores) selling medicines, perfumes, cosmetics and beauty tools and products. Revenue is recognised at the point in time when control of the asset is transferred to the customer (i.e., at the point the customer purchases the goods at the retail outlet). Payment of the transaction price is due immediately at the point in time when control of the asset is transferred to the customer. However, certain sales are through insurance and other companies. A receivable is recognised by the Group upon transfer of control as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. It is the Group's policy to sell its products to its customers with a right of return within 14 days. However, the management concluded that the expected returns based on pattern of historical returns is deemed immaterial, accordingly the management has not accounted for it.

Loyalty points program
The Group has a loyalty points programme, customer loyalty points, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

When estimating the stand-alone selling price of the customer loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

The disclosures of significant estimates and assumptions relating to the estimation of the stand-alone selling price of the loyalty points are provided in note 2.5.

Revenue from loyalty points for registered customers in the loyalty program included separate performance obligation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.14 Revenue from contracts with customers (continued)

Revenue is allocated between the loyalty program and the other components of the sale using standalone selling price. It is recognized as revenue when the Group has fulfilled its obligations to supply the discounted products or free goods under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with volume rebates giving rise to variable consideration.

Volume rebates and rejection
The Group provides volume rebates to certain customers (insurance companies) once their purchase during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method as the selected method better predicts the amount of variable consideration driven by customers' rebate entitlement based on volume thresholds and purchase made by them during the period. The Group then applies the requirements on constraining estimates of variable consideration and recognized a refund liability for the expected rebates.

Revenue is recognized at the estimated net realizable amounts from the third-party payers (like insurance companies) and others for the goods provided or services rendered, net of estimated revenue adjustments (rejection of claims and volume discounts) when the goods are provided or related services are rendered.

Other Income
Other income that are incidental to the Group's business model are recognized as income as they are earned or accrued. This represents profit from sale of scrapped inventory and other miscellaneous income.

Rental Income
Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred or incentive in negotiating and arranging an operating lease is considered an integral part of the carrying amount of the leased contract and recognized on a straight-line basis over the lease term.

3.15 Expenses

Cost of revenue
Cost of revenue represents all expenses directly attributable or incidental to the core operating activities of the Group. Cost of sales includes the direct costs incurred to bring the goods in the saleable condition and the direct costs pertaining to the provision of services. Rebates, compensation, other incentives and earned benefits from suppliers are recognized when earned by the Group; which occurs when all obligations to earn suppliers' support have been discharged and can be measured reliably.

Selling and distribution expenses
These include any costs incurred to carry out or facilitate selling activities of the Group. These costs typically include salaries of the sales staff, marketing, distribution, and logistics expenses.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Expenses (continued)

General and administrative expenses
These are operational expenses which are not directly related to the sale of goods. These also include allocations of general overheads which are not specifically attributed to cost of revenue.

Allocation of overheads between cost of revenue, selling and distribution and general and administrative expenses, where required, is made on a consistent basis.

3.16 Finance costs

Finance costs comprises of finance costs on lease liabilities and financial charges as and when incurred by the Company.

3.17 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4.1 Amendments to IFRS 16 – Leases on sale and leaseback:

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

4.2 Amendments IAS 1 – Non-current liabilities with covenants and Classification of Liabilities as Current or Noncurrent Amendments

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

4.3 Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk

The amendments had no impact on the Group's consolidated financial statements.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

5.1 Amendments to IAS 21 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose

5.2 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

5.3 IFRS 18 - 'Presentation and Disclosure in Financial Statements'

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

6. PROPERTY AND EQUIPMENT

	Lands SR	Buildings SR	Leasehold improvement SR	Furniture, fixture, office equipment and tools SR	Machinery and equipment SR	Vehicles SR	Computers SR	Capital work in progress SR	**Total SR**
Cost:									
At beginning of the year	58,172,935	252,238,130	1,363,276,425	67,600,553	205,188,843	1,303,681	166,145,630	59,474,623	2,173,400,820
Additions	-	24,154,456	194,480,969	8,358,382	49,616,711	-	17,988,056	44,932,316	339,530,890
Disposals	-	-	(925,006)	(540,449)	(2,912,040)	(317,403)	(5,260,501)	-	(9,955,399)
Transfer from capital work in progress	-	10,133,213	44,061,210	-	-	-	-	(54,194,423)	-
Write-offs	-	(5,225,609)	(20,439,898)	(546,154)	(1,718,134)	-	-	(202,000)	(28,131,795)
At end of the year	58,172,935	281,300,190	1,580,453,700	74,872,332	250,175,380	986,278	178,873,185	50,010,516	2,474,844,516
Accumulated depreciation and impairment:									
At beginning of the year	-	32,781,094	789,942,002	50,542,943	131,113,330	1,269,945	127,286,417	-	1,132,935,731
Depreciation charge for the year	-	15,612,183	183,512,028	8,562,072	32,946,447	33,736	17,644,109	-	258,310,575
Disposals	-	-	(901,551)	(540,444)	(2,906,701)	(317,403)	(5,260,317)	-	(9,926,416)
Write-offs	-	(539,980)	(16,454,856)	(443,008)	(1,625,317)	-	-	-	(19,063,161)
At end of the year	-	47,853,297	956,097,623	58,121,563	159,527,759	986,278	139,670,209	-	1,362,256,729
Net book value:									
At 31 December 2024	**58,172,935**	**233,446,893**	**624,356,077**	**16,750,769**	**90,647,621**	**-**	**39,202,976**	**50,010,516**	**1,112,587,787**

6. PROPERTY AND EQUIPMENT (continued)

	Lands SR	Buildings SR	Leasehold improvement SR	Furniture, fixture, office equipment and tools SR	Machinery and equipment SR	Vehicles SR	Computers SR	Capital work in progress SR	Total SR
Cost:									
At beginning of the year	58,172,935	246,594,691	1,134,852,767	59,464,333	164,529,251	1,303,681	146,728,411	51,590,685	1,863,236,754
Additions	--	5,643,439	235,787,786	8,842,899	44,933,331	--	19,680,439	38,973,886	353,861,780
Disposals	--	--	(6,162,065)	(100,361)	(2,708,201)	--	(20,000)	--	(8,990,627)
Transfer from capital work in progress	--	--	31,089,948	--	--	--	--	(31,089,948)	--
Write-offs	--	--	(32,292,011)	(606,318)	(1,565,538)	--	(243,220)	--	(34,707,087)
At end of the year	58,172,935	252,238,130	1,363,276,425	67,600,553	205,188,843	1,303,681	166,145,630	59,474,623	2,173,400,820
Accumulated depreciation and impairment:									
At beginning of the year	--	19,670,155	663,734,537	42,562,921	108,974,720	1,215,796	113,445,592	--	949,603,721
Depreciation charge for the year	--	13,110,939	157,761,073	8,592,895	26,280,348	54,149	14,056,370	--	219,855,774
Disposals	--	--	(6,129,980)	(97,968)	(2,705,187)	--	(20,000)	--	(8,953,135)
Write-offs	--		(25,423,628)	(514,905)	(1,436,551)	--	(195,545)	--	(27,570,629)
At end of the year	--	32,781,094	789,942,002	50,542,943	131,113,330	1,269,945	127,286,417	--	1,132,935,731
Net book value:									
At 31 December 2023	58,172,935	219,457,036	573,334,423	17,057,610	74,075,513	33,736	38,859,213	59,474,623	1,040,465,089

6. PROPERTY AND EQUIPMENT (continued)

a) The depreciation charge for the year has been allocated as follows:

	31 December 2024 SR	31 December 2023 SR
Selling and distribution expenses (note 21)	**228,083,942**	194,692,925
General and administrative expenses (note 22)	**14,926,947**	15,134,920
Cost of revenue (note 19.2)	**15,299,686**	10,027,929
	258,310,575	219,855,774

b) Capital work in progress relates to the expenditure incurred on leasehold improvements amounting to SR 36.6 million (31 December 2023: SR 19.5 million) and for the construction of the clinics amounting to SR 13.4 million (31 December 2023: SR 39.9 million) which are expected to be capitalized in the following year upon completion and when it is ready for the intended use.

7. INVESTMENT PROPERTIES

	31 December 2024 SR	31 December 2023 SR
Cost:		
At beginning and ending of the year	**262,963,234**	262,963,234
Accumulated impairment loss:		
At beginning of the year	**8,659,050**	9,157,050
Reversal of impairment loss for the year	**(1,596,639)**	(498,000)
At end of the year	**7,062,411**	8,659,050
Net book value	**255,900,823**	254,304,184

The Group's investment properties only represent the parcels of land in KSA which are currently held for undetermined future use.

The fair value of the Group's investment properties as at 30 November 2024 was valued at SR 346.9 million (31 December 2023: SR 312.7 million).

The fair value of the Group's investment properties, as at 30 November 2024 was determined on the basis of the valuation exercise carried out by an independent external real estate evaluator Abdullah Al Kathiri Real Estate Evaluation Office (2023: Abdullah Al Kathiri Real Estate Evaluation Office) accredited by the Saudi Authority for Accredited Valuers ("TAQEEM") and they have appropriate qualifications and relevant experience in the fair value measurement of properties in the relevant locations.

7. INVESTMENT PROPERTIES (continued)

The fair value of the lands has been determined based on income method, a valuation model in accordance with that recommended by the Saudi Authority for Accredited Valuers was applied.

Based on the difference between the carrying value and the fair value of the parcels of land as at 31 December 2024, a reversal of impairment loss amounting to SR 1,596,639 was recorded in the Group's consolidated financial statements (31 December 2023: SR 498,000).

During the year ended 31 December 2022, the management of the Group realized that a portion of one of the lands owned by the Group was partially used in the infrastructure by a Government Body.

Based on the carrying value of the revised area of land, an impairment loss amounting to SR 7.06 million was recorded in the Group's consolidated financial statements for the year ended 31 December 2022.

This valuation model is in accordance with those recommended by the International Valuation Standards Committee and is consistent with the principles in IFRS 13.

Such values are based on significant unobservable inputs and the fair value measurement was classified as level 3. These significant unobservable inputs for properties with undetermined use include:

Significant inputs and assumptions	**Basis of determination**	**Range (weight average)**
Discount rate	Reflecting the inherent risk associated with the development of a real estate asset. Given the uncertainty of future (revenue and cost) projections, a discount rate is adopted to reflect the risk in achieving assumed projections.	**2024: 7% - 8%** 2023: 7% - 9.5%
Land sales rate (undeveloped) (SR per square meter)	Reflecting the price of comparable industrial land plots	**2024: 1,100 – 4,000** 2023: 1,000 – 4,000
Developer profit	Reflecting the expected developer profit of similar developments for industrial and residential plots.	**2024: 25% – 45%** 2023: 10% – 25%
Rental rate (SR per square meter)	Reflecting the market rent assumed for retail and offices rental	**2024: 1,200 – 700** 2023: 1,250 – 700
Capitalization rate	Reflecting the assumed return metric that is used to determine the potential return on the property.	**2024: 8%** 2023: 8%

There have been no major changes to the valuation technique during the year.

All investment properties of the Group are currently held for undetermined future use.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance, and enhancement.

8. INTANGIBLE ASSETS

	Software SR	Acquisition of pharmacies licenses SR	Others SR	**Total SR**
Cost:				
At beginning of the year	203,995,492	103,791,436	10,194,319	317,981,247
Additions	30,648,761	--	--	30,648,761
Transfer to right of use assets (note 9)	--	--	(10,194,319)	(10,194,319)
Write offs	--	(865,075)	--	(865,075)
At 31 December 2023	234,644,253	102,926,361	--	337,570,614
Additions	44,967,392	--	--	44,967,392
Write offs	--	(691,512)	--	(691,512)
At 31 December 2024	**279,611,645**	**102,234,849**	**--**	**381,846,494**
Accumulated amortization:				
At beginning of the year	160,341,582	103,791,436	6,787,096	270,920,114
Amortization	23,132,125	--	--	23,132,125
Transfer to right of use assets (note 9)	--	--	(6,787,096)	(6,787,096)
Write offs	--	(865,075)	--	(865,075)
At 31 December 2023	183,473,707	102,926,361	--	286,400,068
Amortization charge for the year	27,520,959	--	--	27,520,959
Write offs	--	(691,512)	--	(691,512)
At 31 December 2024	**210,994,666**	**102,234,849**	--	**313,229,515**
Net book value:				
At 31 December 2024	**68,616,979**	**--**	**--**	**68,616,979**
At 31 December 2023	51,170,546	--	--	51,170,546

8. INTANGIBLE ASSETS (continued)

(a) The amortization charge for the year has been allocated as follows:

	31 December 2024 SR	31 December 2023 SR
General and administrative expenses (note 22)	**17,232,675**	15,090,097
Selling and distribution expenses (note 21)	**9,143,958**	8,042,028
Cost of Sales	**1,144,326**	--
	27,520,959	23,132,125

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of lands and pharmacy stores used in its operations. Lease of lands generally have lease term of 5 to 25 years while lease of pharmacy stores has lease term of 5 to 10 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options. The Group applies the 'short-term lease' recognition exemptions for the leases which have lease term lower than or equal to one-year.

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

(a) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Lands	**Pharmacy stores**	**Total**
As at 1 January 2024	**162,018,792**	**1,104,625,043**	**1,266,643,835**
Additions during the year	**111,003,831**	**692,659,872**	**803,663,703**
Modifications during the year	**(10,399,650)**	**(11,920,484)**	**(22,320,134)**
Termination during the year	**--**	**(23,374,827)**	**(23,374,827)**
Depreciation expense	**(11,886,188)**	**(405,721,069)**	**(417,607,257)**
As at 31 December 2024	**250,736,785**	**1,356,268,535**	**1,607,005,320**

	Lands	Pharmacy stores	Total
As at 1 January 2023	102,435,094	1,064,326,700	1,166,761,794
Additions during the year	78,334,917	532,733,603	611,068,520
Transfer from intangible asset	2,082,171	1,325,052	3,407,223
Modifications during the year	(2,497,312)	(85,755,627)	(88,252,939)
Termination during the year	--	(51,248,144)	(51,248,144)
Depreciation expense	(18,336,078)	(356,756,541)	(375,092,619)
As at 31 December 2023	162,018,792	1,104,625,043	1,266,643,835

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Set out below are the carrying amounts of lease liabilities and the movements during the year:

	31 December 2024 SR	31 December 2023 SR
As at 1 January	**1,174,755,729**	1,168,104,851
Additions during the year	**803,663,703**	611,068,520
Impact of lease termination	**(24,382,789)**	(80,491,122)
Modifications during the year	**(22,320,134)**	(88,252,939)
Accretion of interest during the year (note 23)	**73,719,319**	50,463,395
Payments during the year	**(475,680,054)**	(486,136,976)
As at 31 December	**1,529,755,774**	1,174,755,729
Current	**383,476,461**	304,189,343
Non-current	**1,146,279,313**	870,566,386

The additions, during the year happened in normal course of business.

The lease modifications during the year mainly relates to a reduction of lease payments for 38 pharmacies lease contracts which resulted in decrease in the carrying value of lease liabilities and right of use asset.

The lease terminations during the year mainly relates to 39 pharmacies lease contracts terminated before the expiry date which results to lease termination gain amounting to SR 1,007,962.

The maturity analysis of lease liabilities is disclosed in note 26.

(c) The following are the amounts recognised in the consolidated statement of profit or loss:

	31 December 2024 SR	31 December 2023 SR
Depreciation expense of right-of-use assets (note 19.2, 21 & 22)	**417,607,257**	375,092,619
Interest expense on lease liabilities (note 23)	**73,719,319**	50,463,395
Expense relating to short-term leases	**20,088,804**	36,614,294
Total amount recognised in consolidated statement of profit or loss	**511,415,380**	462,170,308

The Group had total cash outflows for leases of SR 476 million in 2024 (SR 486 million in 2023). The Group also had non-cash additions to right-of-use assets and lease liabilities of SR 804 million in 2024 (SR 611 million in 2023).

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The depreciation charge for the year has been allocated as follows:

	31 December 2024 SR	31 December 2023 SR
Selling and distribution expenses (note 21)	**393,177,305**	365,107,713
General and administrative expenses (note 22)	**7,926,114**	8,284,997
Cost of Sales	**16,503,838**	1,699,909
	417,607,257	375,092,619

10. INVENTORIES

	31 December 2024 SR	31 December 2023 SR
Inventories	**1,817,385,878**	1,507,140,759
Less: provision for inventories	**(106,562,953)**	(97,731,509)
	1,710,822,925	1,409,409,250

During 2024, SR 5,717 million (2023; SR 5,127 million) was recognized as a cost of revenue.

Movement in the provision for inventories was as follows:

	31 December 2024 SR	31 December 2023 SR
At the beginning of the year	**97,731,509**	142,221,090
Form / (Reversal) for the year	**32,326,343**	(11,953,496)
Written off during the year	**(23,494,899)**	(32,536,085)
At the end of the year	**106,562,953**	97,731,509

11. TRADE RECEIVABLES

	31 December 2024 SR	31 December 2023 SR
Trade receivables	**139,222,943**	176,772,076
Less: Impairment losses on trade receivables (see note below)	**(3,719,548)**	(3,924,339)
	135,503,395	172,847,737

11. TRADE RECEIVALBES (continued)

Movement in the Impairment losses on trade receivables is as follows:

	31 December 2024 SR	31 December 2023 SR
At the beginning of the year	**3,924,339**	8,414,793
Reversal for the year (note 22)	**(192,863)**	(4,490,454)
Written off during the year	**(11,928)**	--
At the end of the year	**3,719,548**	3,924,339

Trade receivables are non-interest bearing and are generally settled on terms of 60 days.

Before accepting any customer, the Group evaluates the credit quality of the potential customers individually and defines the maximum credit period and credit limits. The credit period for the Group's operations normally ranges between 30 to 60 days which is either contractually agreed or internally defined.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

12. PREPAYMENTS AND OTHER ASSETS

	31 December 2024 SR	31 December 2023 SR
Non- current		
Rent deposits	**18,279,079**	10,558,437
Current		
Prepayments	**53,564,095**	35,521,171
Employees' related prepayments	**57,566,535**	57,129,483
Advance payments to suppliers	**122,333,467**	95,307,189
Value added tax (VAT)	**52,469,511**	44,650,178
short-term rental	**13,273,846**	15,114,913
Margin on letter of credits	**230,000**	2,373,322
Other current assets	**8,385,903**	6,169,709
	307,823,357	256,265,965

13. CASH AND CASH EQUIVALENTS

	31 December 2024 SR	31 December 2023 SR
Cash at banks	**878,143,546**	70,735,306
Cash on hand	**78,666,033**	77,969,943
Islamic Murabaha deposits	**--**	760,957,000
	956,809,579	909,662,249

At 31 December 2024, the Group had short-term bank deposits with original maturities of less than three months amounting to Nil. During 2024, The Group earned SR 51 million (2023; SR 57 million) on the Islamic Murabaha deposits at rate of return ranging between 4.97% to 6.21% (2023: 5.32% to 6.30%).

At each reporting date, all bank balances are assessed to have low credit risk as they are held with banks with sound credit ratings ranging from BBB- and above. Therefore, the probability of default based on forward looking factors and any loss given defaults are negligible.

14. SHAREHOLDERS' EQUITY

(a) Share capital

The Company's capital is divided into 130,000,000 shares (31 December 2023: 130,000,000 shares) with a nominal value of SR 10 each (31 December 2023: SR 10 each).

(b) Statutory reserve

The statutory reserve included in the consolidated financial statements as of 31 December 2024, and 31 December 2023, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended 31 December 2024, the requirement to set aside a statutory reserve has been removed.

(c) Dividends

- On 17 March 2024 (corresponding to 7 Ramadan 1445H), the Board of Directors announced the distribution of SR 390,000,000 as cash dividends (SR 3 per share) for the second half of the fiscal year 2023, which represents 30% of the nominal value of the shares which was settled in full during the period.

- On 30 July 2024 (corresponding to 24 Muharram 1446H), the Board of Directors announced the distribution of SR 325,000,000 as cash dividends (SR 2.5 per share) for the first half of the year 2024 which represents 25% of the nominal value of the shares which was settled in full during the period.

14. SHAREHOLDERS' EQUITY (continued)

(c) Dividends (continued)

	31 December 2024 SR	31 December 2023 SR
Interim cash dividends for the second half of the year 2023: SR 3.00 per share (second half of the year 2022: SR 3.00 per share)	**390,000,000**	390,000,000
Interim cash dividends for the first half of the year 2024: SR 2.50 per share (first half of the year 2023: SR 2.50 per share)	**325,000,000**	325,000,000
Total dividends for the year	**715,000,000**	715,000,000

15. EMPLOYEE BENEFIT LIABILITIES

The Group operates an approved unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The following table represents the movement of the defined benefits obligation:

	31 December 2024 SR	31 December 2023 SR
Defined benefits obligation at beginning of the year	**392,117,269**	380,861,250
Current service cost	**56,217,944**	55,423,817
Past service cost	**(10,958,809)**	--
Interest cost on defined benefits obligation	**17,908,089**	15,936,509
Actuarial gain on the obligation	**(16,854,810)**	(42,201,483)
Transferred out	**(128)**	(19,972)
Payments made during the year	**(17,939,221)**	(17,882,852)
Defined benefit obligations at the end of the year	**420,490,334**	392,117,269

15.1 Actuarial assumptions

	31 December 2024	31 December 2023
Discount rate	**5.40%**	4.70%
Future salary growth/expected rate of salary increase	**4.80%**	4.30%
Mortality rate	**0.25%**	0.25%
Withdrawal rate	**Service based**	Age based
Retirement age	**60 years**	60 years

15. EMPLOYEE BENEFIT LIABILITIES (continued)

15.1 Actuarial assumptions (continued)

The quantitative sensitivity analysis for principal assumptions is as follows:

	31 December 2024 SR	31 December 2023 SR
Discount rate:		
+1.00% increase	**(34,585,578)**	(27,098,622)
-1.00% decrease	**40,170,995**	27,902,710
Salary increase rate:		
+1.00% increase	**41,250,314**	28,853,717
-1.00% decrease	**(36,160,563)**	(28,406,214)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The weighted average duration of the defined benefit obligation is 8.77 years (31 December 2023: 7.17 years).

The following is the breakup of the actuarial (gain) / loss:

	31 December 2024 SR	31 December 2023 SR
Financial assumptions	**370,890**	(26,644,224)
Experience adjustment	**(16,230,408)**	(17,819,043)
Demographic adjustment	**(995,292)**	2,261,784
	(16,854,810)	(42,201,483)

The following payments are expected to the defined benefit plan in future years:

	31 December 2024 SR	31 December 2023 SR
Within the next 12 months (next annual reporting period)	**36,424,211**	43,001,741
Between 2 and 5 years	**130,617,635**	150,040,222
Between 6 and 10 years	**153,712,919**	150,203,158
Year 11 & above	**412,909,338**	226,368,665
Total expected payments	**733,664,103**	569,613,786

16. TRADE PAYABLES

	31 December 2024 SR	31 December 2023 SR
Trade payables (note a)	**1,248,564,806**	894,307,578

(a) Trade payables are non-interest bearing and are normally settled on 30-150 days term.

17. ACCRUALS AND OTHER LIABILITIES

	31 December 2024 SR	31 December 2023 SR
Non- current		
Staff accruals (note a)	**14,622,549**	14,793,148
Current		
Staff accruals (note a)	**155,770,675**	161,835,906
Accrued expenses	**108,834,943**	127,139,802
Contract liabilities	**12,621,092**	4,332,867
Other liabilities	**19,616,712**	26,757,048
	296,843,422	320,065,623

(a) This includes incentives for the executive employees as part of long-term retention plan with the Group.

18. ZAKAT AND TAX

The movement in the zakat provision during the year is as follows:

	31 December 2024 SR	31 December 2023 SR
At the beginning of the year	**112,531,966**	106,547,901
Provision charge for year	**13,820,000**	51,628,015
Payment during the year	**(49,382,455)**	(45,643,950)
At the end of the year	**76,969,511**	112,531,966

The Group companies that are operated in KSA, (the Parent Company, Nahdi Care Company, and Al Sakhaa Golden Trading and Contracting Company) have been requested and obtained an approval from ZATCA to submit their Zakat based on a unified return. Starting from the year ended 31 December 2023 and onward Zakat submission will be based on the unified return which will prepared based on a Special Purpose Financial Statements.

18. ZAKAT AND TAX (continued)

Status of assessments

Nahdi Medical Company

For the year ended 31 December 2015
Zakat assessment was received for the year above amounting to SR 6,017,417 and the Company has submitted an objection to ZATCA during the statutory period. The Company paid partial amount of SR 1,017,416 as of 29 December 2022 then ZATCA has requested the committee to waive the co remaining assessment amount of SR 5,000,000. The waiver has been accepted by the committee and the revised zakat assessment was issued, which reflects the committee's decisions and finalizes the zakat status for the year.

For the years ended 31 December 2016 to 2019
A final assessment was issued by ZATCA, and the company settled the differences. Accordingly, the Zakat position for the years is finalized.

For the years ended 31 December 2020 to 2023
The Company submitted zakat return for the year and no zakat assessment was received. The Company received a valid zakat certificate until 30 April 2025.

For the year ended 31 December 2024
The zakat status remains as mentioned above.

Subsidiaries

Al Sakhaa Golden Trading and Contracting Company

For the years from starting operations till year ended 31 December 2015
The Company submitted zakat return for the year and no zakat assessment was received.

For the years ended 31 December 2016 to 2019
The final assessment was issued by ZATCA, and the company settled the differences. Accordingly, the Zakat status for the years are finalized.

For the years ended 31 December 2020 to 2023
The Company submitted zakat return for the year and no zakat assessment was received. The Company received a valid zakat certificate until 30 April 2025.

For the year ended 31 December 2024
The zakat status remains as mentioned above.

Nahdi Care Limited Company

For the years ended 31 December 2019 to 2023
The Company submitted zakat return for the years and no zakat assessment was received. The Company received a valid zakat certificate until 30 April 2025.

For the year ended 31 December 2024
The zakat status remains as mentioned above.

18. ZAKAT AND TAX (continued)

Tax Status

Nahdi Investment CO. L.L.C and the subsidiaries

The registration was on 1 June 2023 and first due filing is on 30 September 2025 for year 2024.

Al Sakhaa integrated solutions

The filing for corporate tax return 2023 has been filed on 30 April 2024. The next filing due date is on 30 April 2025. There is no tax assessment was received.

19. REVENUE AND COST OF REVENUE

19.1 Revenue

	For year ending	
	31 December 2024 SR	31 December 2023 SR
Front Shop (non-pharma)	**3,907,159,466**	4,129,870,375
Pharma	**5,183,203,623**	4,411,731,880
Others*	**356,056,957**	172,073,735
	9,446,420,046	8,713,675,990

There is no individual customer contributed more than 10% of the Group's total sales.

* Others include revenue generated from services provided by the parent Company and Nahdi Care Limited Company and Nahdi Pharmacy L.L.C revenue.

19.2 Cost of revenue

	For year ending	
	31 December 2024 SR	31 December 2023 SR
Cost of goods sold (note 10)	**5,717,214,650**	5,126,753,312
Form / (reversal) of provision for inventories (note 10)	**32,326,343**	(11,953,496)
Employee costs	**90,117,987**	41,409,537
Depreciation of property and equipment (note 6)	**15,299,686**	10,027,929
Other expenses	**58,594,992**	25,195,051
	5,913,553,658	5,191,432,333

20. OTHER OPERATING INCOME

	For year ending	
	31 December 2024 SR	31 December 2023 SR
Reversal of accrued expenses	**14,068,460**	17,856,147
Rental income	**6,350,570**	2,914,384
Gain from disposal of property and equipment	**1,537,363**	216,523
Scrap sale of inventory	**2,931,704**	1,751,875
Other	**4,558,016**	1,182,101
	29,446,113	23,921,030

21. SELLING AND DISTRIBUTION EXPENSES

	For year ending	
	31 December 2024 SR	31 December 2023 SR
Employee costs	**1,263,429,233**	1,234,125,415
Depreciation of right-of-use assets (note 9)	**393,177,305**	365,107,713
Depreciation of property and equipment (note 6)	**228,083,942**	194,692,925
Utilities	**72,788,076**	68,800,873
Advertising and promotion	**59,612,014**	66,364,362
Repair and maintenance	**48,729,546**	45,438,559
Attestation of governmental expenses	**23,984,774**	32,002,000
Loading and packing expenses	**31,439,379**	27,707,721
Business events	**6,921,988**	8,328,118
Communications	**6,708,949**	6,544,282
Amortization of intangible assets (note 8)	**9,143,958**	8,042,028
Others	**198,280,686**	191,426,685
	2,342,299,850	2,248,580,681

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For year ending 31 December 2024 SR	31 December 2023 SR
Employee costs	**208,564,289**	187,948,466
Repair and maintenance	**42,660,169**	41,081,837
Legal and professional	**8,346,353**	18,319,933
Amortization of intangible assets (note 8)	**17,232,675**	15,090,097
Depreciation of property and equipment (note 6)	**14,926,947**	15,134,920
Depreciation of right-of-use assets (note 9)	**7,926,114**	8,284,997
Communications	**6,424,948**	7,256,784
Attestation and government expenses	**2,663,138**	2,669,430
Board of directors' remunerations	**4,475,000**	4,475,000
Expected credit losses of trade receivables (note 11)	**(192,863)**	(4,490,454)
Others	**33,791,472**	40,857,955
	346,818,242	336,628,965

23. FINANCE COST

	For year ending 31 December 2024 SR	31 December 2023 SR
Interest expense on lease liability (note 9)	**73,719,319**	50,463,395
Bank charges	**42,147,857**	32,558,609
	115,867,176	83,022,004

24. FINANCE INCOME

	For year ending 31 December 2024 SR	31 December 2023 SR
Income from Islamic Murabaha deposits	**50,799,973**	56,818,524
Foreign exchange gain	**8,340,748**	7,909,078
	59,140,721	64,727,602

25. EARNINGS PER SHARE

The earnings per share calculation is given below:

	31 December 2024 SR	31 December 2023 SR
Profit for the year	**820,723,624**	892,618,140
Weighted average number of ordinary shares	**130,000,000**	130,000,000
Earnings per share – basic and diluted	**6.31**	6.87

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

26. FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Group's principal financial liabilities include trade payables, due to related parties and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, trade receivables and certain prepayments.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risks, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on its interest-bearing assets. The management manages the Group's interest rate risks by monitoring changes in interest rates in the currencies in which its interest-bearing assets are denominated (if any).

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The Group's transactions are principally in Saudi Riyals. However, the group also transacts in AED. AED to Saudi Riyals is pegged whereas exposure related to other currencies is not material to the group. Moreover, the Group's management monitors such fluctuations and manages its effect on the group's financial statements accordingly.

26. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Credit risk

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The insurance companies credit ratings ranging from BB+ and above. At 31 December 2024, the Group had three customers (31 December 2023: three customers) which accounted for approximately 51% (31 December 2023: 73%) of all trade receivable balances. The Group evaluates the concentration of risk with respect to trade receivables as low.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Additionally, minor receivables are grouped into homogenous Group and analysed for impairment collectively. The maximum amount of exposure is the carrying amount of the receivable disclosed in note 11. Promissory notes and other forms of security, if any, are considered integral part of trade receivables and considered in the calculation of impairment.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's executive management on a regular basis and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

On that basis, the expected credit loss as at 31 December was determined as follows:

Receivable from customers

Ageing	***2024***			*2023*		
	Gross carrying amount SR	***Expected credit loss range %***	***Loss allowance SR***	*Gross carrying amount SR*	*Expected credit loss range %*	*Loss allowance SR*
Current (Not due)	**49,094,992**	**1.4%**	**674,306**	36,668,037	--	--
0-90 Days Overdue	**44,093,444**	**2.2%**	**976,816**	108,751,698	0.1%	144,325
91-180 Days Overdue	**25,119,095**	**2.6%**	**660,927**	19,159,490	2.4%	468,970
181-360 Days Overdue	**18,905,114**	**0.9%**	**179,239**	10,217,811	14.6%	1,496,527
Over 360 Days Overdue	**2,010,298**	**61.1%**	**1,228,260**	1,975,040	91.9%	1,814,517
	139,222,943		**3,719,548**	176,772,076		3,924,339

26. FINANCIAL INSTRUMENTS RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that an exposure will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by the treasury department by monitoring the maturity profile of the Group's financial instruments to ensure that adequate liquidity is maintained or made available, as necessary to the Group. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowings or reliance on a particular market in which to realize liquid assets. The following is the contractual undiscounted maturity analysis of the financial liabilities of the Group. The Group does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis.

The following is the contractual undiscounted maturity analysis of the financial liabilities of the Group. The Group does not hold financial assets for managing liquidity risk. Hence, these risks have not been considered for maturity analysis. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024	**Within 1 year**	**1 to 5 years**	**After 5 years**	**Total**
	SR	**SR**	**SR**	**SR**
Trade payables	**1,248,564,806**	**--**	**--**	**1,248,564,806**
Accruals and other liabilities, (except for non-financial liabilities)	**284,222,330**	**14,622,549**	**--**	**298,844,879**
Lease liabilities	**424,316,303**	**884,176,284**	**523,208,481**	**1,831,701,068**
	1,957,103,439	**898,798,833**	**523,208,481**	**3,379,110,753**

31 December 2023	Within 1 year	1 to 5 years	After 5 years	Total
	SR	SR	SR	SR
Trade payables	894,307,578	--	--	894,307,578
Accruals and other liabilities, (except for non-financial liabilities)	315,732,756	14,793,148	--	330,525,904
Lease liabilities	337,638,690	664,370,651	296,256,229	1,298,265,570
	1,547,679,024	679,163,799	296,256,229	2,523,099,052

27. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued share capital, statutory reserve and retained earnings attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the Shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is currently not exposed to any gearing risk as it has not obtained any borrowings.

27. CAPITAL MANAGEMENT (continued)

	31 December 2024 SR	31 December 2023 SR
Total Liabilities	**3,587,246,396**	2,908,571,313
Less: Cash and cash equivalents	**(956,809,579)**	(909,662,249)
Net debt	**2,630,436,817**	1,998,909,064
Total equity	**2,586,102,848**	2,462,755,979
Equity and net debt	**5,216,539,665**	4,461,665,043
Gearing ratio	**50%**	45%

28. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

28. FAIR VALUE MEASUREMENT (continued)

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers among the levels during the period.

The management assessed that the fair value of cash and cash equivalents, trade and other receivables, trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders have significant influence, directors, associated companies (representing entities controlled or under the significant influence of the Group’s shareholders) and key management personnel. During the year ended 31 December 2024 and 31 December 2023 no related party transactions occurred except the compensation for key management.

Key management compensation
Compensation for key management is as follows:

	31 December 2024 SR	31 December 2023 SR
Salaries and other benefits	**3,500,000**	3,500,000
Post-employment benefits*	**12,830,770**	7,676,660
	16,330,770	11,176,660

The amounts disclosed in the above table are the amounts recognised as an expense during the year related to key management personnel.

* The Group recognized the incentives for the executive employees as part of long-term retention plan with the Group as disclosed in note 17(a).

Related party balances are generally unsecured, interest free and settled in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year by examining the financial position of the related parties and the market in which the related party operates, if any.

30. SEGMENT INFORMATION

The Group operates mainly in the KSA and the UAE and is engaged in retail trading as sale of cosmetics, medical materials, as well as medical equipment through pharmacies. It also operates specialized medical clinics through one of its subsidiaries. The Group's operations in the UAE are considered relatively insignificant, and accordingly, the Group does not present business sector information at the geographical level as at present more than 90% of the Group’s operations are conducted within the Kingdom of Saudi Arabia. Also, the Group's business of operating specialized medical clinics is considered relatively insignificant. the management has concluded that except for retail trading of consumer goods all other lines of businesses are less than 10% of combined revenue, profit or loss and assets of the Group. The Group has considered the overriding core principles of IFRS 8 ‘Operating segments’ as well as its internal reporting framework, management and operating structure. The Directors’ conclusion is that the Group has one operating segment, that of retailing.

30. SEGMENT INFORMATION (continued)

Key internal reports received by the CODM, primarily the selling and operation plan (SOP), focus on the performance of the Group as a whole. The operations of all elements of the business are driven by the retail sales environment and hence have fundamentally the same economic characteristics. All operational decisions made are focused on the performance and growth of the retail outlet.

31. COMMITMENTS AND CONTINGENCIES

As at 31 December 2024, the Group has commitments of SR 69 million (31 December 2023: SR 93 million) relating to capital expenditures, which also includes an agreement with a consulting Group to implement the decorations of pharmacies, implement the new stores, construction of distribution centre. It also includes commitments pertains to letter of credit and letter of guarantee.

32. COMPARATIVE FIGURES

Certain prior year information in the consolidated statement of financial position has been reclassified/represented to conform with the presentation in the current year.

As a result of such reclassification, there is no impact on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

Accounts	As reported as of 31 December 2023	Reclassification	As reported as of 31 December 2024 (comparative)
Prepayments and other current assets	266,824,402	(10,558,437)	**256,265,965**
Prepayments and other non-current assets	--	10,558,437	**10,558,437**

33. BRANCHES

The Parent Company has the following branches at the reporting date:

Sr. No.	Location of Branch	Commercial Registration No.	Sr. No.	Location of Branch	Commercial Registration No.
1	Jeddah	4030124053	26	Al Qunfotha	4603150305
2	Jeddah	4030158333	27	Arar	3450174719
3	Jeddah	4030150171	28	Besha	5851874572
4	Jeddah	4030158630	29	Buraida	1131304702
5	Jeddah	4030111904	30	Dammam	2050179259
6	Jeddah	4030118789	31	Dammam	2050050664
7	Jeddah	4030298132	32	Dammam	2050046442
8	Jeddah	4030143265	33	Dammam	2050045579
9	Jeddah	4030121733	34	Dhahran	2052002695
10	Jeddah	4030477660	35	Hafr Albaten	2511007816
11	Jeddah	4030541506	36	Hail	3350147306
12	Jeddah	4030546346	37	Jazan	5900120635
13	Jeddah	4030547547	38	Khamis Mushayt	5855023957
14	Riyadh	1010187031	39	Khamis Mushayt	5855071782

33. BRANCHES (continued)

Sr. No.	Location of Branch	Commercial Registration No.	Sr. No.	Location of Branch	Commercial Registration No.
15	Riyadh	1010440211	40	Makkah	4031044920
16	Riyadh	1010444001	41	Makkah	4031093616
17	Riyadh	1010461685	42	Makkah	4031044923
18	Abha	5850031875	43	Makkah	4031263468
19	Al Ahsaa	2031102806	44	Najran	5950117233
20	Al Baha	5800104904	45	Qura Al Ahsaa	2250062550
21	Al Madina	4650035174	46	Skaka	3400119081
22	Al Madina	4650286705	47	Tabuk	3550131585
23	Al Madina	4650032936	48	Taif	4032023921
24	Al Madina	4650032911	49	Taif	4032048995
25	Al Mubarraz	2252032301			

34. EVENTS AFTER THE REPORTING PERIOD

On 10 March 2025 (corresponding 10 Ramadan 1446H) the Board of Directors announced the distribution of SR 390 million as cash dividends (SR 3 per share) for the second half of the year 2024 which represents 30% of the nominal value of the shares.

Except for that, there have been no significant subsequent events since the year ended 31 December 2024, which would have a material impact in the financial position of the group as reflected in these consolidated financial statements.

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorized to issue by the Board of Directors on 9 March 2025 (corresponding to 9 Ramadan 1446H).