

Growing and Shaping **the Future with Our Guests**

Annual Report **2024**



CONTENTS

Theme of the Year	02
About Nahdi	04
01 OVERVIEW	
At a Glance	08
Where We Operate	12
Our Growth Journey	14
Key Milestones in 2024	16
Our Investment Case	18
Investor Relations & Shareholder Information	26
02 STRATEGIC REVIEW	
Chairman's Statement	32
CEO's Message	36
CFO's Review	40
Market Review	44
Our Business Model	48
Stakeholder Engagement and Value Creation	50
Our Strategy & KPIs	56
Delivering on the Kingdom's Healthcare Vision	60
Technology and Innovation	64
Strengthening Nahdi's Supply Chain	68
Risk Management	70
03 BUSINESS REVIEW	
Pharmacy Retail	76
Case Study: Medical Adherence	80
Omnichannel	82
Case Study: Nahdi Global®	86
Omnihealth	88
04 SUSTAINABILITY REVIEW	
Overview	92
Environmental Stewardship	94
Social Responsibility	96
05 CORPORATE GOVERNANCE	
06 FINANCIAL STATEMENTS	



P. 32
Chairman's Statement



P. 80
Case Study: Medical Adherence



P. 96
Social Responsibility

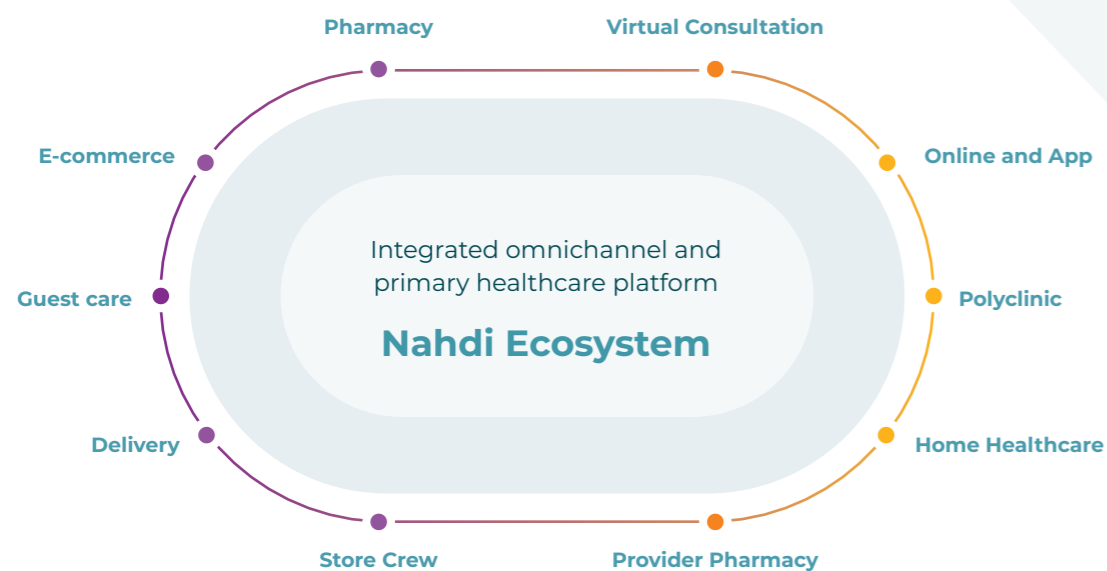


THEME OF THE YEAR

At Nahdi, we are driven by our unwavering commitment to adding beats to the lives of our Guests. They serve as the inspiration for every initiative we undertake, every partnership we form and every innovation we introduce. In line with our dedication to our Guests, we have continued to focus our efforts on building a healthier, more inclusive future for all.

Our journey is fueled by a deep understanding of our Guests' needs, enabling us to provide personalized and accessible healthcare experiences. From our growing network of pharmacies, polyclinics and digital capabilities to our cutting-edge omnihealth platform, we strive to make health and wellness a seamless experience that is within reach for everyone. This transformative approach goes beyond offering services; it's about fostering trust and loyalty, ensuring every Guest feels valued and cared for.

As we look ahead, our partnerships and innovative solutions reflect our commitment to being a trusted health and well-being partner. Whether through the introduction of innovative products or the expansion of digital health services, we are shaping an integrated healthcare ecosystem that empowers our Guests and supports the Kingdom's vision for a thriving, sustainable society – one beat, one moment, one Guest at a time.



Growing and Shaping the Future with Our Guests



ABOUT NAHDI

For over 38 years, Nahdi has solidified its position as a leading healthcare brand in Saudi Arabia with its purpose of adding beats to the lives of its Guests every day. Nahdi is proud of its strong and trusted partnership with millions of loyal Guests served through 1,181 pharmacies and a fast-growing primary healthcare services business, underpinned by state-of-the-art digital channels.

Today, Nahdi is a leading pharmaceutical retailer, serving 97% of the population of the Kingdom across 138 cities and villages in the pharmaceutical and health products sector, such as medicine, wellness, Mom & Baby, beauty and other wide-ranging FMCG products.

Additionally, the Company provides omnihealth services through its polyclinics and home healthcare and provides Guests across the Kingdom access to health services through its specialized and dedicated virtual medical consultation service platforms.

The Company's culture of identifying opportunities, analyzing market trends and building on evolving Guest behavior has enabled it to better plan for the future to meet challenges, develop innovative solutions to serve its Guests and invest in the Company's infrastructure, all while streamlining operations.

This includes identifying where to develop product and service offerings, such as Nahdi's Private Label and Differentiated Brands (including exciting and different brands from around the world), which suit its Guests and exceed their expectations, while establishing a fast-growing brand worth more than SAR one billion.

Moreover, the Company aims to remain at the forefront of providing a unique and interactive shopping experience through the latest virtual reality and artificial intelligence technologies, and robotic pharmacy, all of which became part of the Company's unique culture.

Nahdi also plans to carry out our supply chain and distribution capabilities using the best artificial intelligence and automated systems to support our logistics operations, expansion and future growth.

Nahdi has become an integral part of the communities it operates in. The Company aims to add 36 million beats to Guests' lives by 2030 through its ongoing sustainable programs that promote health, wellness and Mom & Baby care.

Our Purpose

We exist to add beats to our Guests' lives every day.

Our Vision

To be the most loved and trusted health and well-being partner for all our Guests.

Our Mission

To exceed our Guests' expectations by providing superior personalized life care experiences every day, everywhere.

Our core values

Integrity: We aim to deliver on our promises and do what is right; within our Company, with our Guests and the entire community.

Care: We aim to care for our Guests and respect their preferences, needs and values. We are committed to 'go the extra mile' for our Guests each and every day.

Collaboration: We aim to work collaboratively among ourselves, with our business partners and the entire community to achieve shared success.

Leading with Purpose:

We aim to lead with curiosity and innovation in all that we do for the benefit of our Guests, while remaining true to our mission.

Excellence:

We aim to work with high efficiency and effectiveness for our Guests and take ownership in all what we do while aiming to be the 'Best in Class'.





OVERVIEW

At a Glance	08
Where We Operate	12
Our Growth Journey	14
Key Milestones in 2024	16
Our Investment Case	18
Investor Relations & Shareholder Information	26

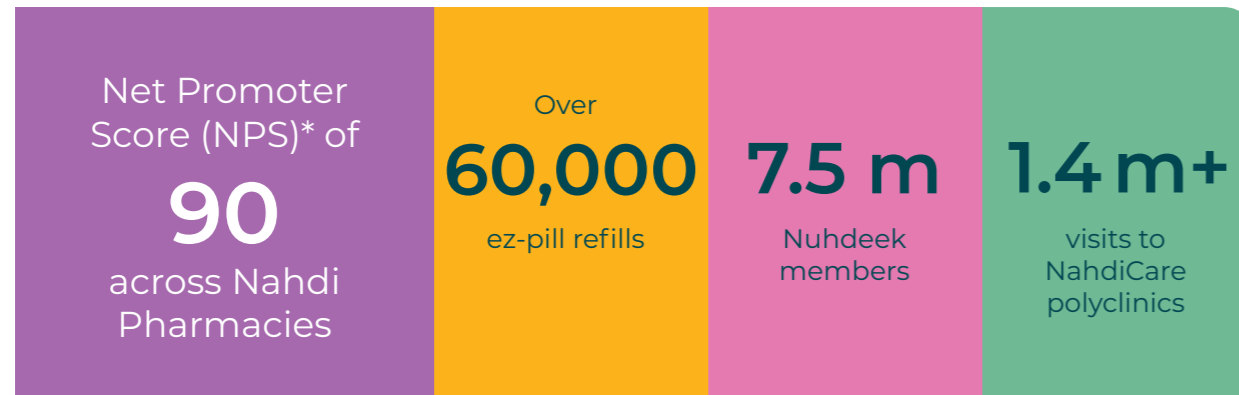


Nahdi continues to grow its business while enriching lives and contributing to national goals, embodying its commitment to shaping the future of the Company and the Kingdom's healthcare landscape.

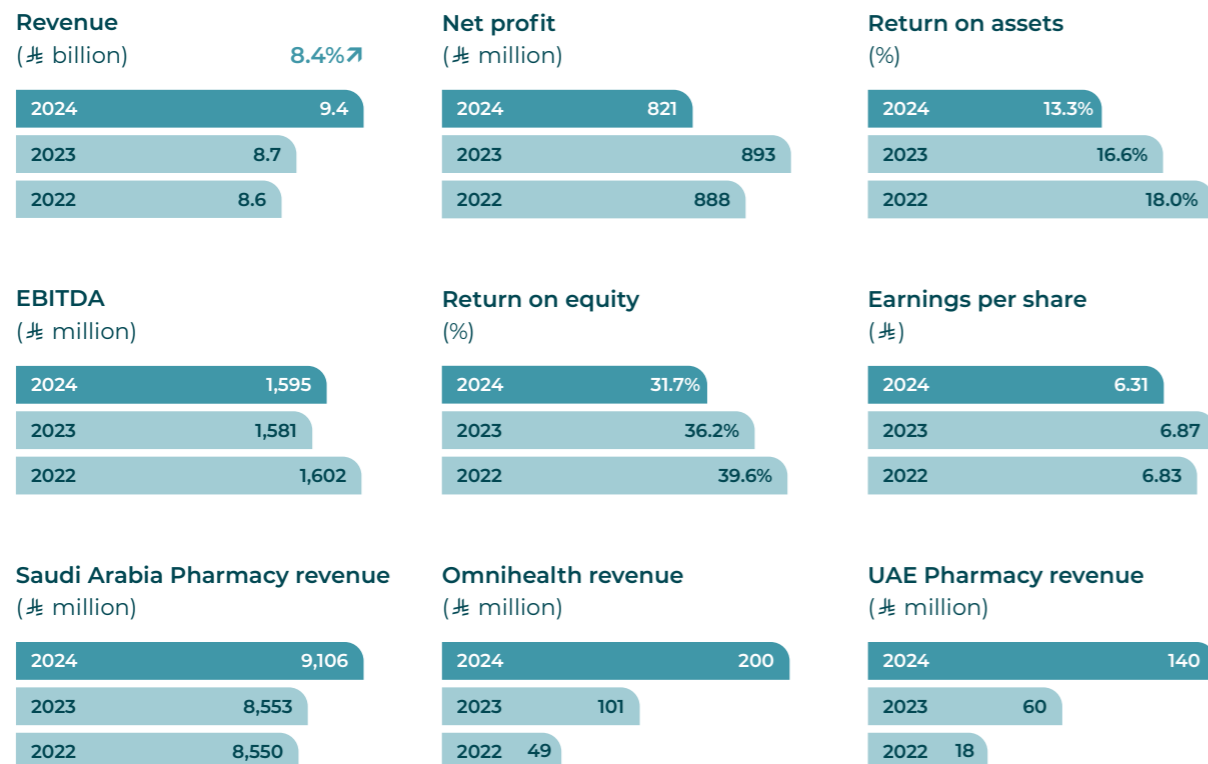
AT A GLANCE

In 2024, Nahdi continued its dedication to improving the well-being of its Guests. We expanded our reach through a growing network, building a trusted healthcare ecosystem that empowers our Guests and contributes to a healthier future for all.

Operational highlights



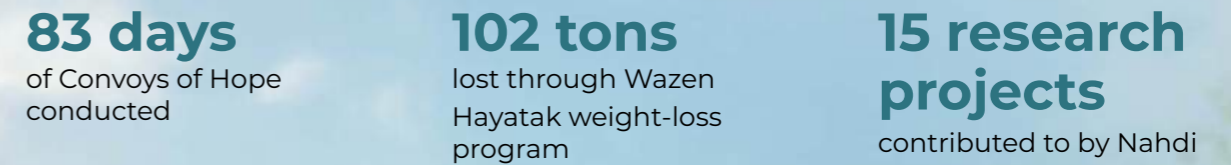
Financial highlights



* Net Promoter Score (NPS) is a metric based on a single survey question asking Guests to rate the likelihood that they would recommend a company, product or a service to a friend or colleague.

Sustainability highlights

Social responsibility highlights



Employee development



Environmental highlights



AT A GLANCE continued

Awards and recognitions



Ministry of Human Resources and Social Development
Best Company in the Healthcare Sector for Social Responsibility



International Finance Magazine (IFM Award)
Fastest Growing Investor Relations in the Healthcare Sector



Retail Asia
Store Initiative of the Year for the SOLUTION project



Great Place to Work
#2 Best Workplaces in Pharma & Healthcare™ 2024 across the GCC
#2 Best Workplaces in KSA™ 2024 (Large Organizations)
#3 Best Workplaces in the Middle East™ 2024 (Large Organizations) across the GCC
#8 Best Workplaces in Asia™ 2024 (Large Organizations)



Advantage Awards
First Place as the Preferred Partner Retailer in Saudi Arabia



Retail ME
Most Admired Pharmacy and Healthcare Retailer of the Year in Dubai, UAE



Retail ME
Most Admired Pharmacy and Healthcare Retailer of the Year in Riyadh, KSA



Forbes Middle East
CEO ranked 15th in Top 100 Healthcare Leaders across the Middle East



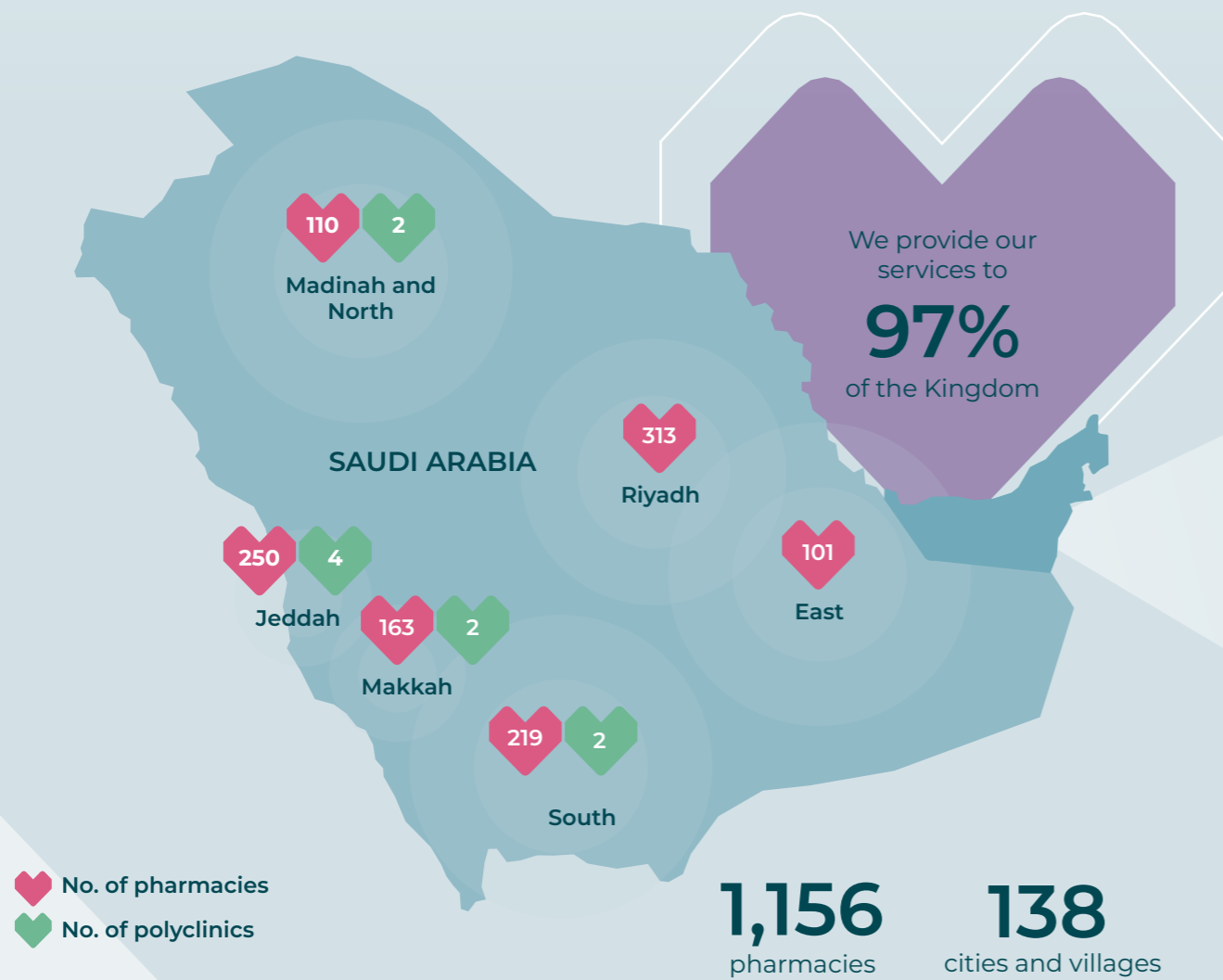
LogiSYM Awards
IMDAD receives Best Warehouse Automation (in collaboration with SSI Schaefer)

Nahdi was proud to receive the Best Company in the Healthcare Sector for Social Responsibility award from the Ministry of Human Resources and Social Development



WHERE WE OPERATE

Nahdi extends its care throughout the Kingdom and beyond, adding beats across a vibrant network of pharmacies and polyclinics – touching lives at over 1,191 locations in Saudi Arabia and the UAE.



1,181

regional stores
(1,120 in 2023)

Around **100m**

Guests served
across pharmacies

140+

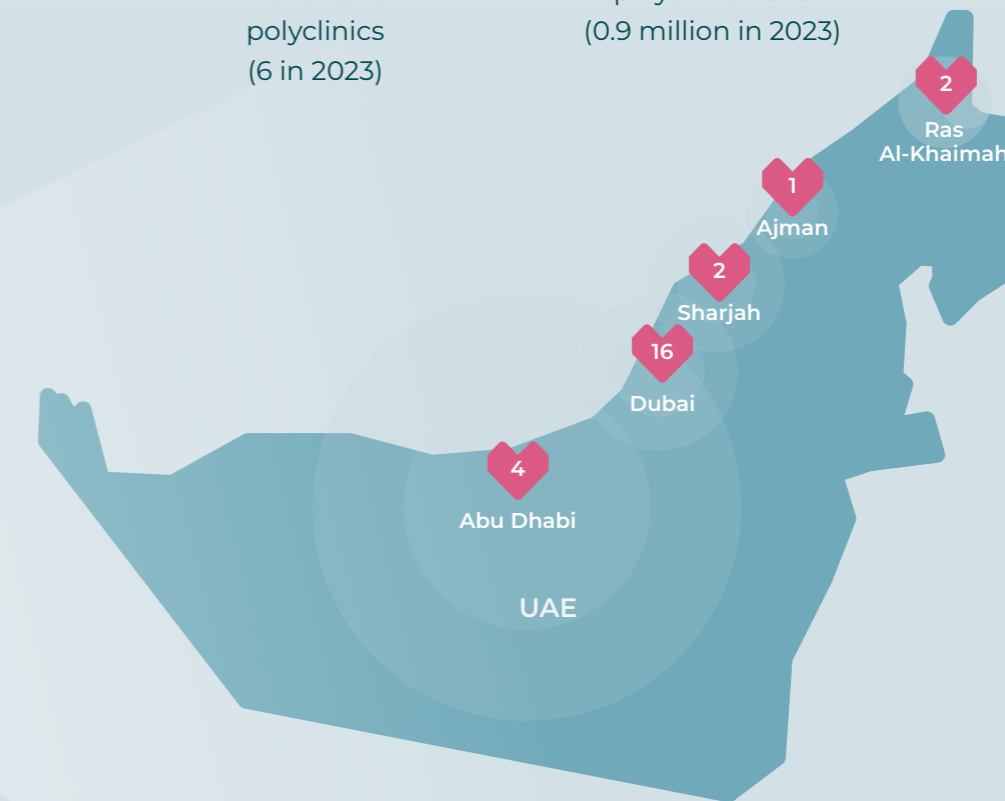
cities and villages

10

NahdiCare
polyclinics
(6 in 2023)

1.4+ m

polyclinic visits
(0.9 million in 2023)



25

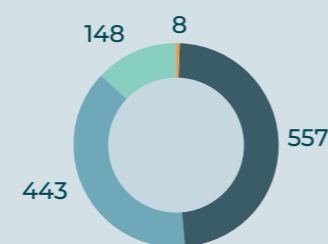
pharmacies

5

Emirates

Pharmacy type

- Flagship
- Destination
- Neighborhood
- Others



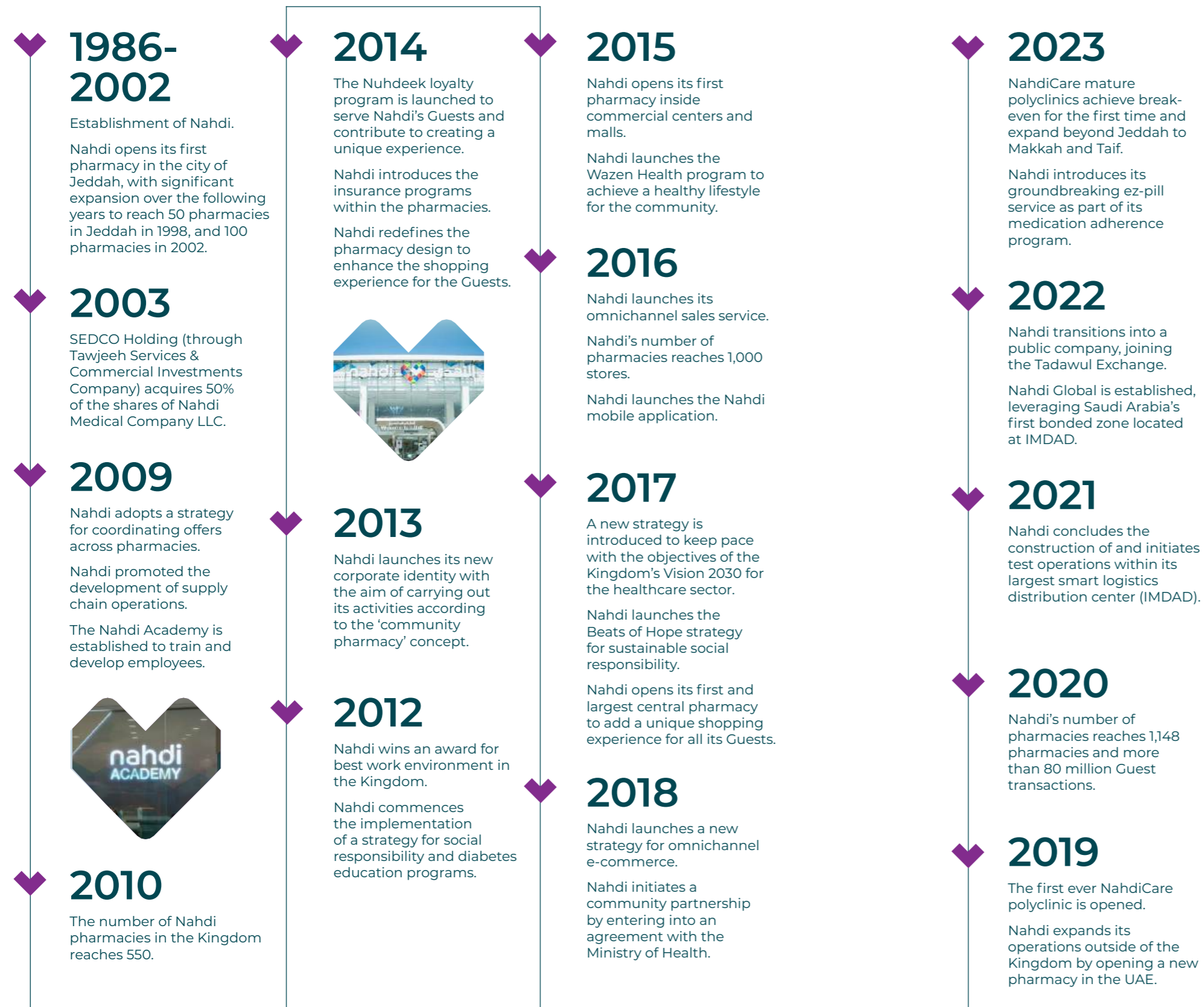
Flagship – Premium, landmark locations with a minimum floor area of 800 m² offering elevated guest experiences with enhanced services and a comprehensive product range.

Destination – Strategically placed street-front stores with a minimum floor area of 240 m² designed to attract high-foot traffic

Neighborhood – Community-focused stores with a minimum floor area of 150 m² ensuring accessibility in residential areas.

Others – include Mall, and Provider pharmacies.

OUR GROWTH JOURNEY



KEY MILESTONES IN 2024

Nahdi continues to redefine the Saudi healthcare sector, combining innovation and Guest-centric care to expand its impact across the Kingdom. Through strategic partnerships, new initiatives, and cutting-edge facilities, it is fulfilling its mission to enhance lives while supporting Saudi Vision 2030. With every step forward, Nahdi grows alongside its Guests, building a healthier and brighter future together.



Q1

Nahdi and Pilgrim Experience program partner to elevate Hajj and Umrah Healthcare

Nahdi signed an MoU with the Pilgrim Experience program (PEP) to implement social initiatives and elevate healthcare services, including remote and in-person care through its NahdiCare polyclinics in Makkah and Madinah.

Nahdi opens seventh NahdiCare polyclinic in Madinah

With a focus on delivering high-quality primary healthcare to the Pilgrim Experience program, the new polyclinic aims to support pilgrims and residents, aligning with Saudi Vision 2030 to enhance healthcare services.



Q2

Nahdi partners with MODON to operationalize Jeddah Logistics Complex

MODON issued the certificate of completion and operating license for Nahdi's state-of-the-art IMDAD distribution center, a 250,000 m² facility leveraging smart digital solutions.

NahdiCare expands with the opening of its eighth polyclinic in Yanbu

The latest addition to the NahdiCare polyclinics network was inaugurated in Yanbu, contributing to improving the quality of life and achieving the standards set by the Royal Commission for Jubail.

Nahdi Saudi Leadership program graduates its first cohort

The inaugural class of the Nahdi Saudi Leadership program graduated, with participants taking on managerial roles across the Company, contributing to Nahdi's vision of empowering local talent.

Nahdi opens Saudi Online to its Guests in the UAE

Nahdi's online platform expands in the UAE, offering our valued Guests convenient access to the full global range of high-quality healthcare products they have enjoyed in the Kingdom.

Nahdi launches wellness cards for Guests

This initiative offers Guests convenient access to a range of diagnostic packages, promoting proactive health management.

Q3

Nahdi partners with the Saudi Exports Development Authority to localize products

An MoU with the Saudi Exports Development Authority, through the Made in Saudi Program, introduced dedicated shelves for Saudi-made products in over 1,100 pharmacies across KSA and the UAE, promoting local goods and raising Guest awareness through joint initiatives.

Nahdi partners with the Council of Health Insurance beneficiaries

Nahdi partnered with the Council of Health Insurance (CHI) beneficiaries to roll out a Population Health Management program aimed at improving health services and supporting preventive care initiatives.

Nahdi introduces Private Label medicines

Nahdi took a significant step by introducing pharmaceuticals into its Private Label; this expansion adds medicines into its growing range of products.

Nahdi opens ninth NahdiCare polyclinic in Najran

Nahdi opened its first NahdiCare polyclinic in the Southern Region, bringing the total number of polyclinic in the Kingdom to nine.



Q4

Nahdi opens bonded zones in Riyadh Distribution Center and the UAE

Nahdi launched new bonded zones in Riyadh and the UAE to support the growth of Nahdi Global. These facilities complement the existing bonded zone in Jeddah, housed within Nahdi's state-of-the-art smart distribution center, IMDAD.

Nahdi unveils Nahdi Online 3.0

Nahdi proudly launched its new website and mobile application, featuring an improved and innovative user experience utilizing the latest AI technology.

Nahdi ranks #1 in KSA Pharmacy & Grocery Advantage Report

Nahdi achieved the top position in the Advantage Group International benchmarks, reflecting excellence in trust, supplier support, innovation and e-commerce integration.

Nahdi launches 10th NahdiCare polyclinic in Khamis Mushait

Nahdi expands its healthcare footprint by inaugurating the NahdiCare polyclinic in Khamis Mushait, marking the milestone of 10 fully operational polyclinic.

Nahdi wins Social Responsibility Award

Nahdi was awarded Best Company in the Healthcare Sector for Social Responsibility during the inaugural Social Responsibility Awards organized by the Ministry of Human Resources and Social Development.

OUR INVESTMENT CASE

Nahdi offers a compelling investment opportunity as a market leader in pharmacy retail and integrated healthcare, driving innovation and transformation in dynamic markets like Saudi Arabia and the UAE. With a proven track record, a strong focus on digitization and alignment with Vision 2030, we are shaping the future of healthcare while contributing to the region's growth and development. Our Guest-centric approach, commitment to sustainability and dedication to fostering national talent position us as a key player in realizing the ambitions of these rapidly evolving markets, delivering both meaningful impact and sustainable returns.



Highly qualified staff led by a strong Board and management



- Nahdi believes that our employees are our greatest assets and therefore devotes significant investment and attention to fostering a unique culture underpinned by our core values.
- Nahdi is overseen by a highly qualified executive leadership team with more than 200 years of deep, cumulative experience in the sector, guided by an independent Board with multinational corporation experience.
- Nahdi also has strong corporate governance and compliance standards in place, which resulted in 100% regulatory compliance across our various businesses.
- Continuous learning is at the heart of Nahdi with more than 500,000 hours of training conducted in 2024 for our 10,000+ full-time employees.
- Nahdi hired 478 national pharmacists in 2024, reaching a total of 1,111 national pharmacists, of which 20% are females. This has led to Nahdi's overall national headcount reaching 35%.
- Consistently ranked among the Top 20 List of 'Great Places to Work' (GPTW) in Saudi Arabia, GCC and Asia since 2014. In 2024, Nahdi received the GPTW award in four categories, among them the second Best Workplace in the Kingdom (Large Companies). Within the GCC, Nahdi ranked the second Best Workplace in Pharma & Healthcare, and the third Best Workplace in the Middle East. Across Asia, Nahdi ranked the eighth Best Workplace (Large Companies).

500,000 10,000+ 478

Hours of training

Full time employees

National pharmacists hired



♥ OUR INVESTMENT CASE continued

Saudi Arabia's leading pharmacy with growing Private Label and Differentiated Brands



- Nahdi's brand and Guest loyalty has been growing year after year, as evidenced by our Nuhdeek membership base, generating approximately 70% of revenue.
- The emerging trend of financial independence and the empowerment of women in Saudi Arabia is driving a significant increase in the sales of wellness and beauty products, which are among Nahdi's key offerings.
- Nahdi is a well-established Saudi brand that started and grew with our purpose of adding beats to the lives of our Guests every day, achieving an outstanding brand equity score of 6.9, the highest in the sector and double the nearest industry competitor.
- Over the last four decades, Nahdi has developed unparalleled coverage across Saudi Arabia with 1,156 pharmacies, representing around 11.5% of the total number of pharmacies in the Kingdom with an accessibility to 97% of the Saudi population.
- Nahdi represents around 30% of the market share value in the private retail pharmaceutical sector with a market capitalization of ₪ 15.288 billion as at year-end.
- Nahdi continued our geographical expansion in the GCC market, reaching 25 pharmacies in the UAE and more in the pipeline to capture market share and significant opportunities in large and growing regional markets outside Saudi Arabia, particularly in the UAE and the wider GCC, offering multi-billion-dollar opportunities yet to be fully exploited.
- Launch of first Private Label medical products this year presents a great opportunity to differentiate the business and enhance profitability, given the size and continued growth momentum of the Private Label segment, while providing affordable mediations that support the Kingdom's Made in Saudi strategy.
- High-quality and competitively priced Private Label and Differentiated Brands contributed around 13% of revenue and exceeded ₪ 1.2 billion in sales this year.
- Nahdi Global provides Guests with access to a wide array of competitively priced products, sourced from trusted international manufacturers all over the world and delivered conveniently to the Guests' doorsteps.

6.9

Brand equity score

13%

of revenue from Private Label and Differentiated Brands

11.5%

of pharmacies in the Kingdom

* Source: Company disclosure, Nielsen - Methodology used to identify the brand equity of pharmacies and underlying drivers based on brand saliency, brand positioning, future store visit consideration, guest recommendation, store preference and willingness to pay.



Seamless omnichannel experience underpinned by best-in-class digital and online offerings and state-of-the-art distribution and supply chain capabilities



- Nahdi has created a seamless omnichannel experience connecting our pharmacies and online platforms, thereby keeping Guests firmly at the center of all our activities.
- The pharmacy presence has evolved from convenience to experience by optimizing the store mix and investing heavily in our IT infrastructure to best serve our Guests, which resulted in an NPS of 90, and a 11% increase in the basket size to become ₪ 101 as at year-end.
- Nahdi's online transactions increased by 48%, including the website and mobile application, with the online sales reaching ₪ 2 billion this year.
- Nahdi's digital platforms have had around 200 million sessions in 2024, including our applications and online websites.
- Following the launch of our state-of-the-art distribution center (IMDAD) in 2022, Nahdi delivered 222 million units in 2024.

11%

Increase in the basket size

48%

Increase in online transactions

222m+

Units delivered

OUR INVESTMENT CASE continued



- Nahdi's integrated omnichannel experience, with our healthcare services, creating a unique omnihealth gateway that meets the healthcare needs of our Guests. This is a model that is yet to evolve globally and would deem Nahdi to be one of the leading companies in the segment.
- Nahdi's virtual medical consultation services, home healthcare and polyclinics go above and beyond the standard retail pharmacy to become the gateway for healthcare in the Kingdom.
- Nahdi currently operates 10 polyclinics that have served millions of the Kingdom's residents, while home healthcare services reached around 21,000 visits at year-end 2024.
- In 2024, the total number of virtual medical consultation services exceeded 797,000 from 565,000 at year-end 2023.
- Nahdi built a strategic partnership with world-class medical providers to enhance the Guest experience and be the most trusted health and well-being partner.
- The synergy between healthcare and pharmacy retail in Nahdi's core business, driven by the Build and Borrow Model, has increased prescription flow, generating 1.3x more revenue and adding ₪ 257 million to the pharmacy retail segment in 2024.

Integrated healthcare services delivered through a comprehensive omnihealth platform



797,000+

Virtual consultation sessions

21,000+

Home visits

Generating **1.3x**

more revenue from synergy

Robust business and financial profile



- Nahdi witnessed a healthy revenue increase of 8.4% in 2024 (₪ 9.4 billion compared to ₪ 8.7 billion at year-end 2023).
- Nahdi's gross profit increased by 0.3% reaching ₪ 3,533 million in 2024 compared to ₪ 3,522 in 2023, delivering a gross margin of 37.4%.
- In 2024, Nahdi delivered a net profit of ₪ 821 million, representing an 8.7 margin, compared to ₪ 893 million (10.3% of revenue) in 2023. While this represents a slight decrease, Nahdi maintained its position among the best-in-class. This performance was impacted by continued investments to support sales growth, partially offset by OPEX efficiency programs.
- Highly profitable business with 31.7% ROE and 13.3% ROA in 2024.
- Well-invested business to support the next phase of growth with limited working capital requirements as Nahdi enjoys zero debt to date and a very strong financial position that can self-fund our future expansion plans in both omnichannel, omnihealth and other growth opportunities.
- In 2024, Nahdi's Board approved a cash dividend distribution of 87%, which is above the historical dividend payout average.

₪ 3,533 million

Gross profit

31.7%

ROE

13.3%

ROA



OUR INVESTMENT CASE continued

Deep commitment to long-term sustainability and positive impact in our communities



- Nahdi enhances healthcare accessibility through initiatives like Convoys of Hope, providing medical services to underserved communities and reaching tens of thousands across rural Saudi Arabia.
- Nahdi empowers women and fosters inclusion, with over 20% of our workforce now female and 27.8% Saudi pharmacists, aligning with Vision 2030 goals to drive growth and innovation.
- Nahdi promotes health and wellness through impactful programs like Wazen Hayatak and the Motherhood Club, inspiring healthier choices and reaching hundreds of thousands of citizens.
- Nahdi leads environmental sustainability efforts by reducing medical waste, recycling materials and cutting paper and plastic use to lower our environmental footprint.
- Nahdi drives innovation with digital solutions like the Nahdi Academy mobile app and e-pharmacist services, transforming access to healthcare education and virtual consultations.
- Nahdi invests in employee development with over 500,000 hours of annual training, building national talent and delivering excellence for Guests and communities.
- Nahdi strengthens community engagement with initiatives supporting orphans, collaborating with the Ehsan platform and winning recognition for outstanding CSR programs.

Nahdi's social sustainability pillars

<p>Yesterday Effective diabetes disease management</p> 	<p>Today Activating preventive care and well-being</p> 	<p>Tomorrow Women empowerment in health</p> 
---	---	--



INVESTOR RELATIONS & SHAREHOLDER INFORMATION

At Nahdi, we keep shareholders and investors informed year-round through quarterly financial announcements, performance reports, the annual report, general assembly meetings and a variety of other communication channels.

We prioritize our shareholders with the same level of care and dedication we extend to our Guests. In 2024, Nahdi was honored as the Fastest Growing Investor Relations Healthcare Company in Saudi Arabia, reflecting our dedication to excellence in investor communication and engagement. Our Investor Relations team is staffed by IFSAH and CIRO-certified professionals, ensuring transparent, professional and dependable communication. We actively engage with our shareholders and investors through multiple channels, including:

• **The Saudi Exchange website:**
Saudi Exchange

• **Our Investor Relations website:**
Nahdi Investor Relations

• **Investor Relations email:**
IR@nahdi.sa

• **Investor Relations direct phone number:**
+966 556 315822

Address:
7296 King Abdul Aziz Road al Murjan
Jeddah 23715 - 3985
Kingdom of Saudi Arabia
Tel: +966 (12) 653 5353
Fax: +966 (12) 607 4399

Through our dedication to transparent and timely access to information, we ensure our stakeholders are able to make informed investment decisions based on accurate data. Our communication extends to participants in both local and global capital markets, including institutional and individual investors, as well as financial analysts from buy-side and sell-side firms.

Throughout the year, we actively engaged with the market and investor community through various channels. In addition, we participated in two major events (local and international):

- **SCMF24 in Riyadh:** Engaged with 90+ guests from 60+ different companies.
- **EFG-Hermes in London:** Met with 50+ guests representing 40+ companies.

In 2024, we hosted four earnings calls, drawing around 400 attendees. Beyond these, we conducted nearly 40 investor meetings – both in-house and virtual – and facilitated site visits to polyclinics, pharmacies and the IMDAD facility. To ensure seamless communication, we also provided direct access through a dedicated phone line and email for investor inquiries.



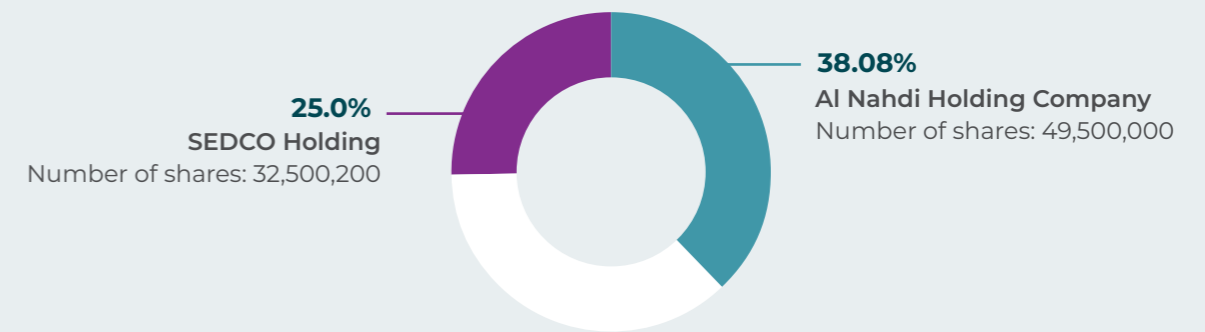
Regulatory compliance

Nahdi is firmly committed to upholding all policies and procedures related to the disclosure of financial statements and performance reports, in strict accordance with legal requirements and applicable regulations from relevant authorities.

Share information

Date established	18 June 1986
Listing date	22 March 2022
Trading name	NAHDI
Tadawul code	4164
ISIN code	SA15HG521213
Exchange	Saudi Market Exchange – Main Market – Tadawul
Sector	Consumer Staples Distribution & Retail
Number of shares issued	130 million shares
Paid capital	ﷲ 1.3 billion
Par value/share	ﷲ 10
Free float	30%
Foreign ownership as at December 2024	8.36%
Closing price as at December 2024	117.60
Market cap as at December 2024	ﷲ 15,288,000,000

Major shareholders

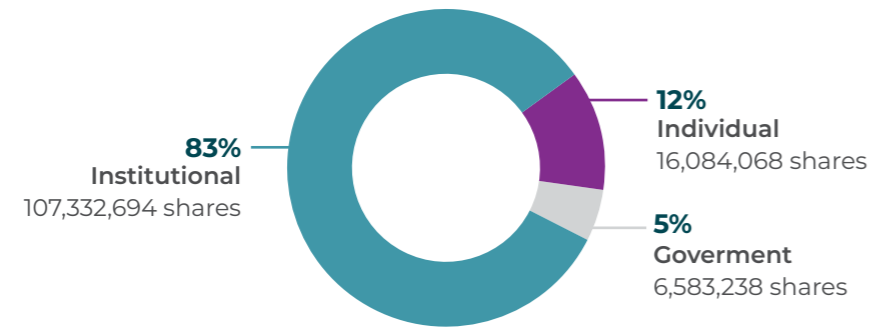


2024 financial events calendar

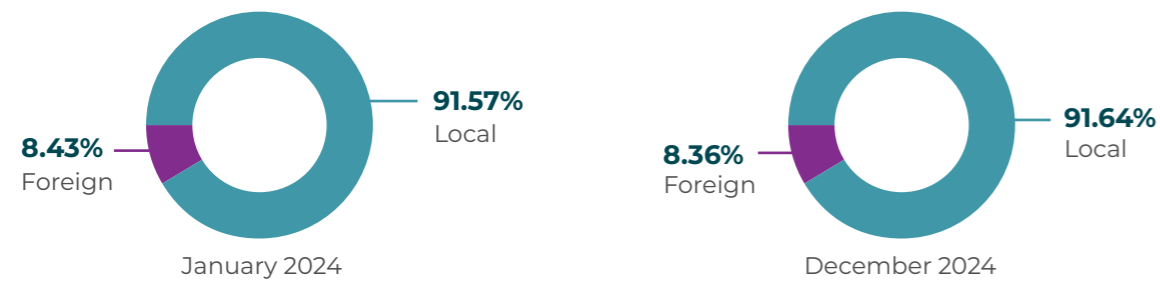
Date	Events
17 March 2024	FY 2023 Annual Financial Results
17 March 2024	H2 2023 Dividends Announcement
08 May 2024	Q1 2024 Financial Results (three months)
29 May 2024	The Results of the EGM
31 July 2024	Q2 2024 Financial Results (six months)
31 July 2024	H1 2024 Dividends Announcement
19 September 2024	The Results of the EGM
22 October 2024	Reappointment of the Company's Board of Directors committees
30 October 2024	Q3 2024 Financial Results (nine months)

♥ INVESTOR RELATIONS & SHAREHOLDER INFORMATION continued

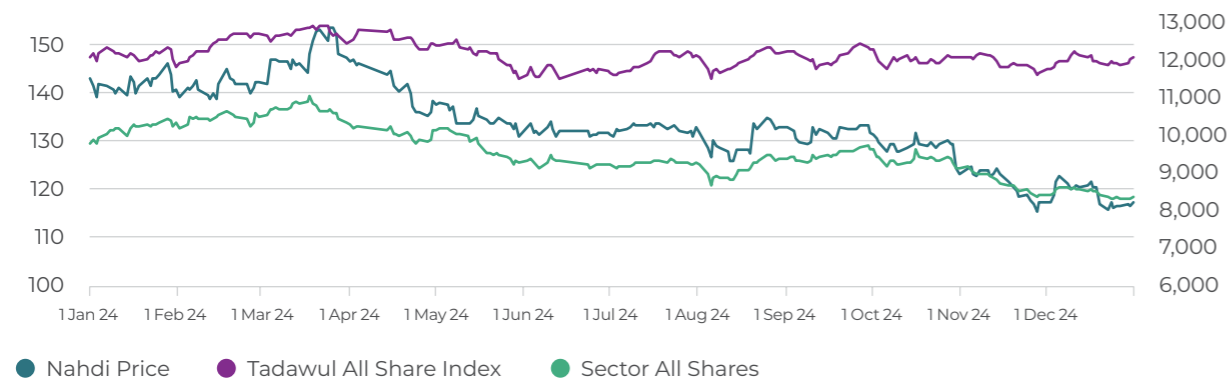
Shareholding by type



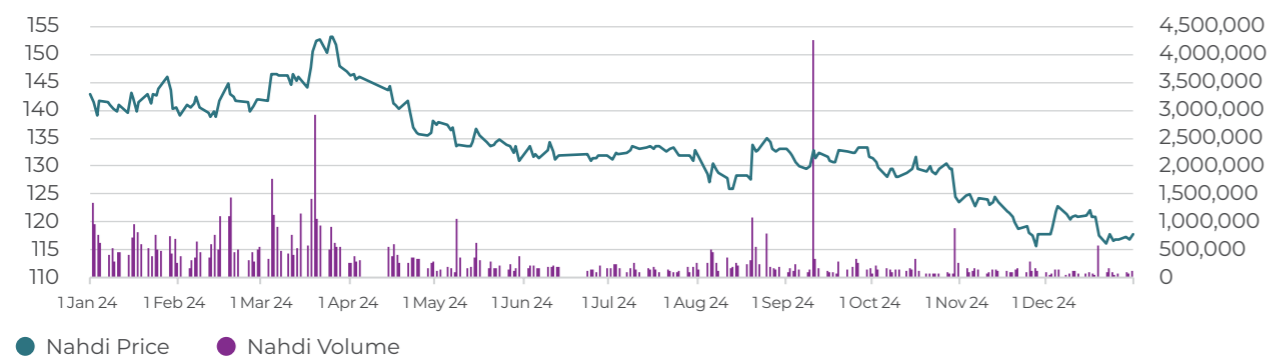
Shareholding by region



Share price performance vs. TASI and sector



Share performance – monthly volume traded



Dividend distribution

Nahdi's Board of Directors recommended the distribution of dividends to shareholders for the fiscal year ending 31 December 2024 which was approved by the General Assembly, as stated below.

	Announcement date	Eligibility date	Distribution date	Profit distributed per share	Status
1	31 July 2024	11 August 2024	25 August 2024	₪ 2.50	Approved and distributed in August 2024
2	10 March 2025	17 March 2025	25 March 2025	₪ 3.00	Approved and will be distributed in March 2025

We continue to lead the sector with the highest market capitalization from January to December 2024.



Share book requests

The Company requested 12 share books in 2024, as detailed below.

Request number	Date of the request	Reasons
1	04 February 2024	Company procedure purposes
2	04 March 2024	Company procedure purposes
3	02 April 2024	Company procedure purposes
4	02 May 2024	Company procedure purposes
5	28 May 2024	General Assembly Meeting purposes
6	03 July 2024	Company procedure purposes
7	04 August 2024	Company procedure purposes
8	13 August 2024	Dividends distribution purposes
9	18 September 2024	General Assembly Meeting purposes
10	04 November 2024	Company procedure purposes
11	02 December 2024	Company procedure purposes
12	31 December 2024	Company procedure purposes



STRATEGIC REVIEW

Chairman's Statement	32
CEO's Message	36
CFO's Review	40
Market Review	44
Our Business Model	48
Stakeholder Engagement and Value Creation	50
Our Strategy & KPIs	56
Delivering on the Kingdom's Healthcare Vision	60
Technology and Innovation	64
Strengthening Nahdi's Supply Chain	68
Risk Management	70



During 2024, Nahdi remained close to its Guests, continuously evolving to meet their needs in the Kingdom's competitive pharmacy market. Through strategic partnerships, expansions and new product lines, the Company strengthened its market presence, driving growth and increasing its competitive advantage.

CHAIRMAN'S STATEMENT

Growing and shaping the future with our Guests



For the past 38 years, Nahdi has helped to redefine the healthcare ecosystem in Saudi Arabia, extending our leadership in the retail space to offer a full spectrum of services that support the health and well-being of our Guests. Our successful transition from a pharmacy provider to a full healthcare provider has further transformed the healthcare landscape, providing comprehensive and accessible care to communities nationwide.

Saleh Salem Ahmed Bin Mahfouz
Chairman



At Nahdi, we take pride in being a purpose-driven organization that cares deeply about our country and the communities we serve. In 2024, our significant revenue growth was driven by our mission to place our Guests at the heart of everything we do. This approach not only fuels our success, but also underscores our genuine commitment to enhancing the overall Guest experience, ensuring that every interaction reflects our dedication to their satisfaction and well-being.

Our financial performance in 2024 reflects our Guest-centric strategy, as well as the strength and resilience of our operations. We achieved **ﷲ 9.4 billion** in revenue, marking an 8.4% increase from the previous year, and delivered a net profit of **ﷲ 821 million**. Additionally, we announced a dividend distribution of **ﷲ 715 million**, reaffirming our commitment to delivering value to our shareholders.

Adding beats to lives across the Kingdom

Our role in elevating the delivery of personalized primary healthcare aligns seamlessly with the Kingdom's Vision 2030 and the Health Sector Transformation program. Through these initiatives, we are actively contributing to making the healthcare sector more accessible, reducing the burden on public healthcare systems in line with the directives of the Ministry of Health, and

enhancing the quality of life for our Guests across the Kingdom.

In the highly fragmented and intensely competitive Saudi retail pharmacy market, it remains critical we remain close to our Guests, continuously growing, innovating and adapting to their evolving needs. Alliances, collaborations and partnerships with local and global healthcare providers further strengthen market presence, while facility expansion, entry into new segments and product lines, and acquisitions to reach more Guests are all pathways to increasing market share and competitive advantage.

ﷲ 715 million dividend payout in 2024, representing 87% of net profit

Nahdi is proud to operate the Kingdom's largest retail network, ensuring 97% of the population has convenient access to our pharmacies and our Private Label and Differentiated Brands, which includes our newly launched Private Label medicines. In 2024, we continued to grow and

shape the future of healthcare by providing a full suite of innovative products and services through our omnihealth model. Our range of offerings now includes NahdiCare polyclinics, virtual consultations, home healthcare and delivery.

As part of our mission to provide superior personalized lifecare experiences every day, everywhere, Nahdi is ambitiously expanding our physical footprint. We drove retail expansion in Riyadh, which is on the way to achieving the Saudi 2030 ambition to become one of the 10 largest economic cities in the world with a population of 15 to 20 million.

Welcoming Guests from across the world

At Nahdi, we are honored to help elevate healthcare services in the Kingdom, not only for our own residents, but for the growing number of international visitors. According to the United Nations' World Tourism rankings, tourism to Saudi Arabia has increased by more than 200% in the past five years. Providing world-class healthcare services is an important driver and supporter of this trend and an example of Saudi hospitality at its best. The number of religious tourists also continues to grow, in line with the Kingdom's ambitious objective of accommodating 30 million pilgrims each year. During 2024, Nahdi reinforced our dedication to this vision by enhancing our presence in Makkah and Madinah, as the

Kingdom welcomed 1.8 million pilgrims for the Hajj season, and a total of 18.5 million pilgrims in 2024 (for both Hajj and Umrah).

Innovating to add value to our Guests' lives

At Nahdi, we are constant in our pursuit of improving the everyday lives and experiences of our Guests. Our digital transformation continues to transcend boundaries and create synergies across retail, virtual and in-person services to provide Guests with seamless access to our full healthcare ecosystem. Complementing our in-store pharmacy leadership, we continued to advance our online platforms, improving the Guest journey and providing a larger range of local and global products. By delivering these products directly to their doorsteps at competitive value, we have enhanced the shopping experience, setting a new standard for convenience and accessibility in the market.

We continue to make strides with our innovative virtual health services, adding a new layer of value and convenience to delight our Guests and build on Nahdi's brand loyalty. Our exceptional team of healthcare providers, coupled with our outstanding online user experience, has positioned Nahdi as a leader in this growing global trend towards virtual healthcare within Saudi Arabia.

♥ CHAIRMAN'S STATEMENT continued

Caring for our communities

At Nahdi, we are more than a healthcare provider. We are an active member of our communities, committed to improving the lives and well-being of our Guests across the Kingdom and playing a key role in fulfilling the promises of Vision 2030 in our communities. Our dedication to social responsibility remains steadfast through our community health programs aimed at addressing chronic diseases, promoting healthier lifestyles and fostering maternal and infant well-being.

Our focus on chronic disease management is exemplified through initiatives such as our comprehensive diabetes program, which includes the launch of the ez-pill. This program emphasizes medical adherence while raising awareness about diabetes, educating communities on how to manage the condition and empowering individuals to live healthier lives.

"We are proud to operate the Kingdom's largest retail network, ensuring 97% of the population has convenient access to our pharmacies and our Private Label and Differentiated Brands."

We are committed to promoting the well-being of children by ensuring access to essential healthcare services and educational resources. Our programs provide comprehensive support, including preventive care, early detection of health concerns, immunizations and nutritional guidance, empowering children to lead healthier lives and fostering a strong foundation for their future development.

Additionally, we are tackling obesity by encouraging active lifestyles and providing resources to help communities combat this growing concern. As part of our broader mission, we are accelerating efforts to promote and integrate local content, further contributing to the development and prosperity of our communities.

A future driven by purpose

In the year ahead, Nahdi will continue to fulfill our purpose with passion and excellence, driving growth and creating value across the health and wellness landscape. The market is set for significant expansion, not only in the beauty and personal care sectors – fueled by the increasing participation of women in the workforce – but also in health and medicine. Saudi Arabia's growing and aging population, coupled with a rise in chronic diseases, is driving an increased demand for comprehensive healthcare solutions.

The expansion of insurance coverage amplifies the need for accessible and reliable health services, positioning Nahdi to play a pivotal role in meeting these demands. By delivering innovative solutions, enhancing Guest experiences and extending our reach, we remain committed to improving the lives of our Guests and supporting the Kingdom's journey towards a healthier, more vibrant future.

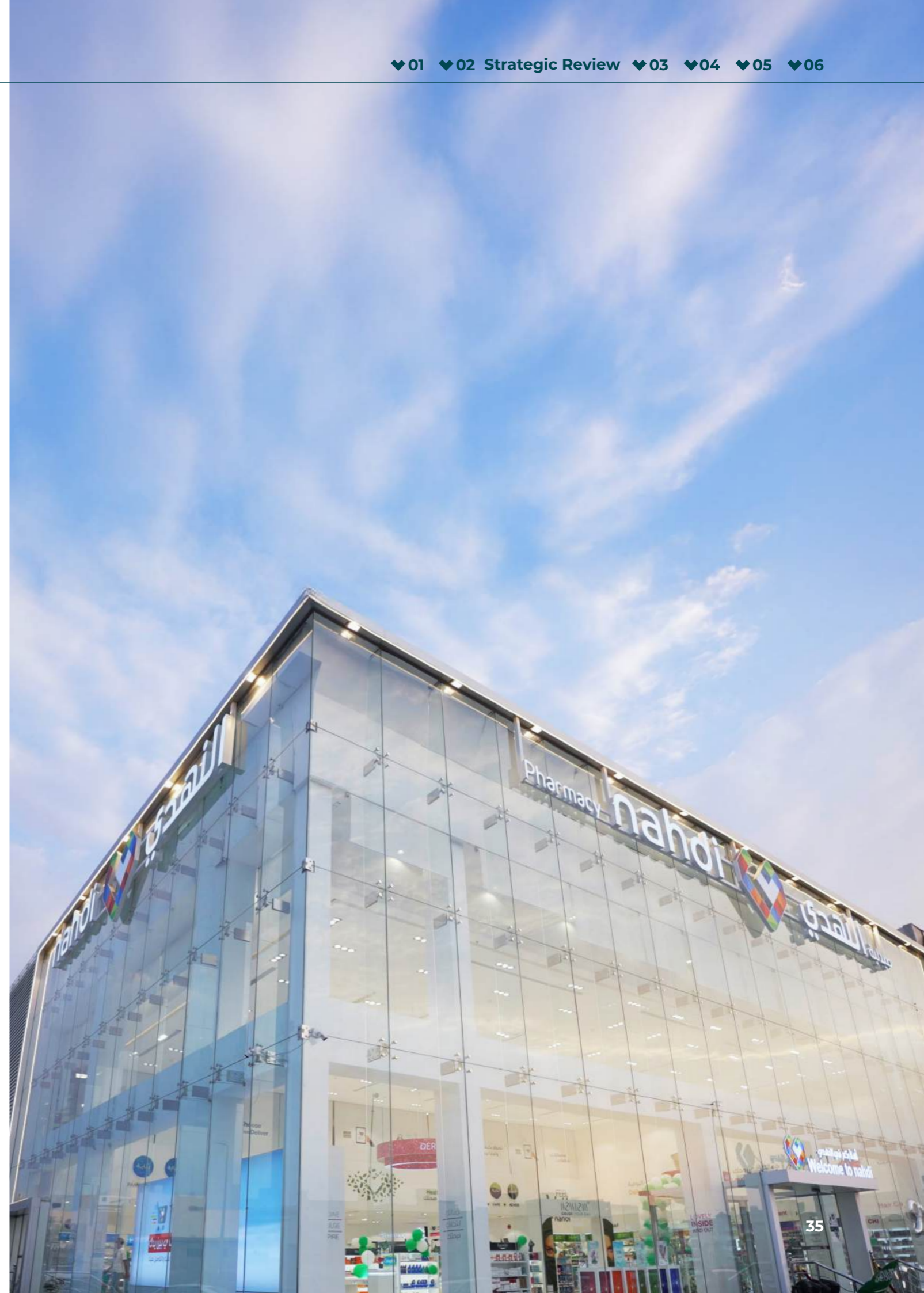
Acknowledgements

In closing, we extend our deepest gratitude to Saudi leadership, including the Custodian of the Two Holy Mosques, King Salman Bin Abdulaziz Al-Saud and His Royal Highness, The Crown Prince, Mohammed bin Salman bin Abdulaziz, for their unwavering support of progress and wellness in the Kingdom.

I also thank the Ministry of Health and other government bodies for their collaboration in advancing the healthcare sector and achieving the goals of Vision 2030. Moreover, being one of the national companies listed on the Saudi stock exchange, I would like to extend my heartfelt appreciation to the Capital Market Authority for its exceptional support as our market regulator, as well as to all our valued shareholders for their continued trust.

Finally, I recognize and appreciate the dedication of our executive team and employees, whose hard work has been instrumental in our success as a trusted national healthcare provider.

Together, we are committed to advancing healthcare in Saudi Arabia, ensuring that our services continue to meet the needs of our communities while driving innovation and excellence in the Kingdom and beyond.



CEO'S MESSAGE

Purpose-driven progress and expansion



In 2024, Nahdi made great progress towards our vision to be the most loved and trusted health and well-being partner for all our Guests. We held firm on our purpose of exceeding Guest expectations, generating returns across all strategic pillars, while strengthening each facet of our business to ensure long-term growth.

Yasser Ghulam Abdulaziz Joharji
Chief Executive Officer



Since our founding in 1986, Nahdi has become one of the most recognized brands in Saudi Arabia. Our brand equity rose to 6.9 on the Nielsen Store Equity Index this year, far above the regional and sector average. With around 100 million Guest transactions in 2024 and a presence in more than 140 cities and villages, the Nahdi brand reaches 97% of the Saudi population and is quickly earning the loyalty of our Guests in the UAE.

Our Guests continued to inspire our strategy in 2024, which focused on strengthening our core pharma-retail offering, expanding our omnichannel retail footprint, evolving into a leading omnihealth platform, and enabling our key strategic functions to achieve our vision.

The most loved pharmacy in the Kingdom

During a year of strategic progress and expansion, Nahdi reinforced our position as the number one pharmacy chain within the Kingdom of Saudi Arabia. We focused on expanding our core Pharmacy Retail business, resulting in a broader Guest base and stronger Guest loyalty. These efforts culminated in a significant increase in retail revenues by 6.5%.

We continued to expand our pharmacy network in 2024, increasing our presence in KSA from 1,120 to 1,156 pharmacies. In parallel, we strategically expanded our footprint in the UAE, adding 10 pharmacies to reach a total of 25, guaranteeing comprehensive coverage across all major Emirates.

Throughout the year, Nahdi pharmacies served around 100 million Guests, both online and in-store. Over 800,000 Guests joined the Nuhdeek loyalty program in 2024, reaching a total of 7.5 million. These members generated more than 70% of our revenue, demonstrating our ability to achieve long-term Guest satisfaction and loyalty.

Despite a competitive and evolving retail landscape, Nahdi excelled by providing best-in-class experiences, ensuring competitive value and diversifying our product portfolio. This year, we welcomed 21,000+ new SKUs to our market-leading portfolio and launched our first Private Label medicine products to support the local content and enhance variety and value. Our performance in the fast-growing Beauty sector was achieved through offering innovative and well-priced products. Similarly, in the Mom & Baby segment, we actively engaged with Guests to remain their trusted choice.

Providing seamless, integrated Guest experiences

At Nahdi, we continue to innovate our omnichannel retail footprint to transform our Guests' shopping and well-being experience. Our investments in improving the speed and flexibility of our online systems paid off in 2024, with online revenue growing significantly by 40%.

The momentum continued throughout the year, as we launched a revamped website and mobile application with a modern, user-friendly interface offering a refined, personalized experience for our omnichannel Guests.

ﷲ 9.4 Billion in Revenue

We also built on our proven omnihealth business model to roll out four new polyclinics in 2024, bringing the total to 10. This achievement positions us to fulfill our five-year strategic plan two years ahead of the projected timeline while enabling us to double our integrated healthcare revenue. The number of physical visits to NahdiCare polyclinics surged by 120% and virtual consultations grew by 41%, serving more than 1.4 million Guests during the year. Furthermore, with our new lab services becoming an increasingly

important driver of revenue – coupled with dozens of specialties and a leading team of doctors and specialists – we aim to become the next-generation healthcare and wellness hub, building our ecosystem around our Guests.

Our recipe for success

At the heart of Nahdi's success lies our unwavering commitment to engagement, efficiency and innovation. We continue to engage our people every day, connected to our purpose to add beats to our Guests' lives. This environment attracts new talent while inspiring our existing team to deliver their best performance. Our efforts have been widely recognized, earning us accolades for community impact, such as the Best CSR Award from the Ministry of Human Resources and Social Development (HRSD) and recognition as a Great Place to Work.

Efficiency has been a cornerstone of our operations, driven by systematic initiatives like our Refuel and Road to Efficiency Excellence program (R2E). Alongside this, innovation remains key as we invest in enhancing the Guest experience and growth enablers, building a solid foundation for future advancements. This approach has resulted in a virtuous cycle of success, with continuous and growing investments in technology driving solid topline growth and strong bottom-line results.

♥ CEO'S MESSAGE continued

Our ability to achieve best-in-class margins in our sector gives us the confidence to reinvest in our future and navigate intensifying competition, shifting trends and an evolving regulatory landscape. Through resilience and strategic focus, we have consistently turned challenges into opportunities, proving our ability to manage polarities, balancing short and long-term goals, topline and bottom-line growth, and core and adjacent strategies.

Transforming Guest experiences through technology

Throughout the year, we continued to advance our Technology and Innovation strategy as a key pillar of our integrated ecosystem, delivering transformative value for our Guests and stakeholders. By investing in a cloud-first infrastructure and modernizing our enterprise data platforms, we enhanced scalability, operational efficiency and Guest accessibility. AI and machine learning powered critical initiatives, from demand forecasting to personalized promotions, optimizing our value chain and enriching the Guest experience.

Through advanced digital tools, including automated business processes and a headless e-commerce platform, we streamlined operations and created seamless interactions across omnihealth, omnichannel and Pharmacy Retail services. Prioritizing cybersecurity, data privacy and regulatory compliance, we built a resilient and secure digital framework. These efforts, supported by strategic partnerships with global technology leaders, strengthened our leadership in retail and healthcare innovation, driving measurable improvements in NPS, digital engagement and operational productivity.

Prospering through partnerships

Partnerships continue to be a cornerstone of Nahdi's growth strategy. As a premier platform for local and international brands, we enable direct engagement with Guests across the Kingdom of Saudi Arabia and the UAE. Our e-commerce platform provides an entry point for international

brands to access the Saudi market, offering their innovative products while injecting millions of dollars into the local economy. We also work closely with insurance companies to ensure a seamless experience for our Guests when they need it most.

A key highlight of our partnership strategy is our collaboration with the Saudi Exports Development Authority through the "Made in Saudi" program. As part of this initiative, we introduced dedicated shelves for Saudi-made products in over 1,100 Nahdi pharmacies across the Kingdom and the United Arab Emirates. Notably, our 25th pharmacy in the UAE became the first location outside the Kingdom to showcase Saudi made products.

We have reached advanced stages in developing our Private Label portfolio, with our Private Label and Differentiated Brands performing exceptionally well, achieving 1.5x margins and a current turnover of 1.2 billion. This success positions us to extend our Private Label into medications, driving local content, building partnerships with local manufacturers and offering our Guests better value compared to market alternatives.

Looking forward to 2025

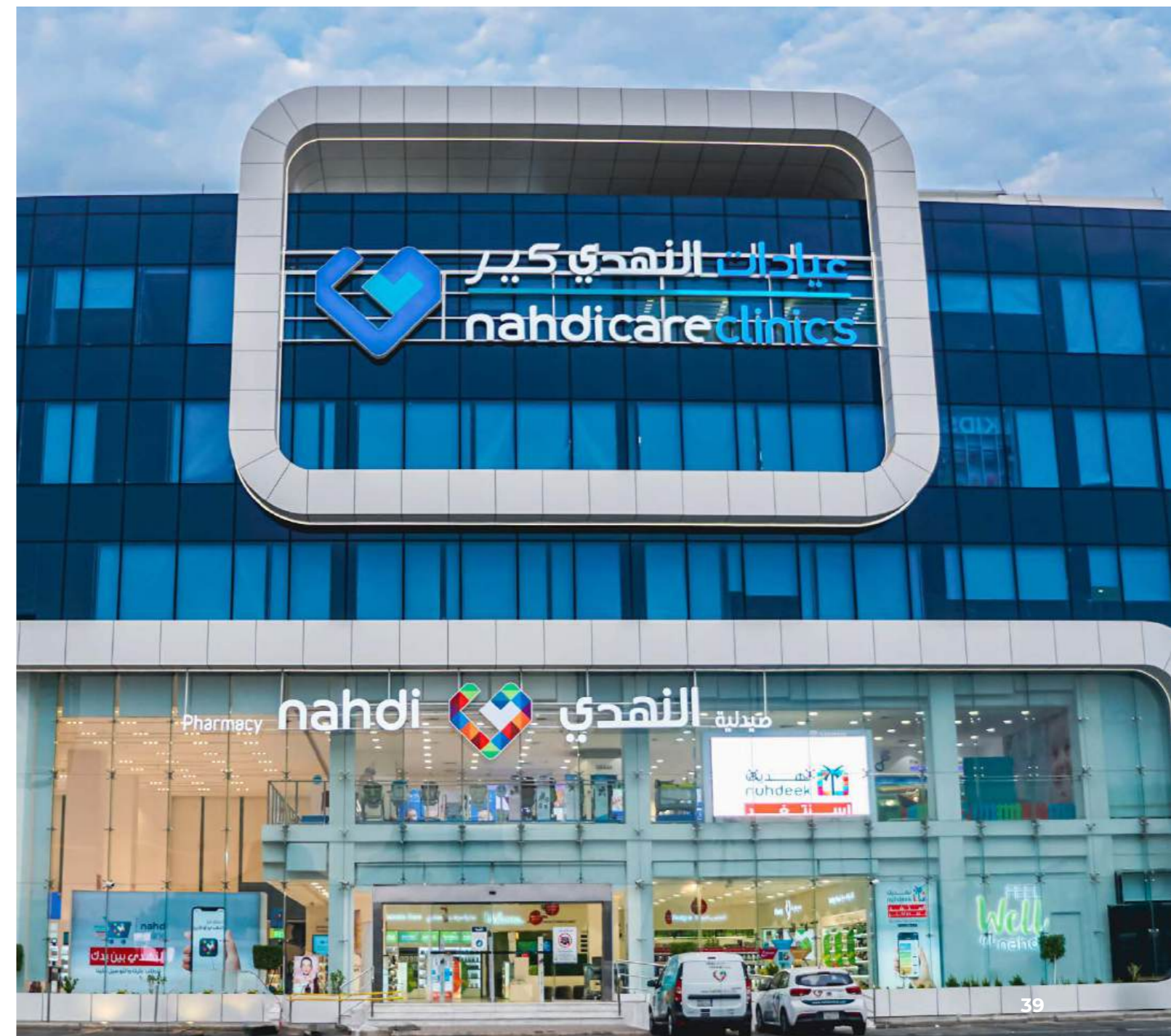
As we move into 2025, we remain steadfast in our commitment to our core strategies, consistently delivering competitive value, exceptional experiences and seamless access to both global and local solutions for our Guests. Our focus on geographic expansion continues, enabling us to serve more communities while maintaining our reputation as a trusted partner in health and wellness.

Building on our omnihealth platform remains a priority, as does investing in the fundamentals that underpin our success. With an unwavering obsession for Guest satisfaction, we will continue to refine our strategies by learning from both successes and challenges, monitoring global trends and addressing the evolving needs of the market. Guided by our ambitions for 2030, we aim to lead the industry while enriching the lives of those we serve, continuing to add beats to the lives of our Guests.

Acknowledgements

As we review another successful financial and operational year, I would like to extend my heartfelt gratitude to our Board of Directors for their unwavering guidance and strategic leadership. Their commitment to ensuring Nahdi fulfills our mission while safeguarding the long-term interests of all our stakeholders has been instrumental in our continued growth.

I am equally thankful to our passionate and dedicated employees, who consistently give their best to enhance the lives and experiences of our Guests. Lastly, I would like to express my appreciation to our partners for their steadfast support and collaboration. Together, we look forward to a future of health and success.



♥ CFO'S REVIEW



Nahdi achieved solid financial results in 2024, remaining debt free while executing our ambitious growth strategy. We successfully grew our revenue and continued to pursue market share, balanced by investments that will ensure long-term profitability and returns for our shareholders.

Mohammed Al-Khubani
Chief Financial Officer



This was a decisive and transformative year for Nahdi, as we expanded our retail footprint, accelerated our digital innovation and diversified our products and services to maintain and elevate our status as a preferred healthcare provider in Saudi Arabia. We demonstrated resilience and strategic foresight to challenge increased competition in the market, offering competitive value and exceptional Guest experiences. Deliberate planning and exemplary execution of our strategy led to the delivery of high single-digit growth ahead of our initial plans, with gross margin and net profit margin remaining among the best-in-class despite their declines. We turned negative macroeconomic trends into positive results, overcoming declines in some of the sectors.

In 2024, Nahdi demonstrated our resilience and strong proposition by delivering solid topline growth, focusing on evolving consumer trends, operational efficiency and strategic initiatives to pave the way for long-term results for shareholders. Our investments focused on key areas to drive growth and elevate Guest experiences, including opening new retail stores and polyclinics as well as expanding our stores in the UAE, which significantly contributed to our topline performance. Additionally, our digital

transformation efforts have seen delivered solid outcomes, with investments in operational and capital expenditures driving a 40% increase in online revenue. We also continued to enhance the omnichannel Guest experience, adding more SKUs to our online platform and pursuing further regional growth.

Achieving accelerated growth

Building on our strong foundation, Nahdi's successful execution of our growth strategy drove revenue expansion to ₪ 9.4 billion, an 8.4% increase compared to the previous year. This robust performance was fueled by a 6.5% surge in retail revenue, driven by the continued momentum of our Pharmacy retail business. This was supported by increased prescription flow from the Healthcare business, expanded partnerships with medical insurance companies and the introduction of innovative product ranges. Furthermore, Nahdi's investment in its digital platforms is driving strong results, with the online business witnessing accelerated growth, contributing to 22% of total revenue in 2024, up from 16.6% in the previous year. Growth was primarily powered by front-shop categories and fueled by the expanded product assortment on Nahdi Online. This was further supported by the addition of 21,000+ new SKUs across all channels.

Furthermore, Nahdi strategically expanded its market presence in the UAE, opening 10 new pharmacies in 2024, to reach a total of 25 pharmacies across all major Emirates. This expansion contributed to a significant revenue increase of 8.4%.

Healthcare performance in 2024 was also exceptional, with revenue showing a 98.3% increase. Our four mature polyclinics are profit generating and contributing to expanding the healthcare business.

8.4% Revenue increase from 2023

Advancing operational efficiency

Our operational efficiency improvement journey continued in 2024, balancing continued investments in strategic initiatives such as network expansion, healthcare, digitalization and UAE operations. Savings from established cost-efficiency programs like Refuel and R2E (Road to Efficiency Excellence) program enabled the Company to accelerate these strategic investments.

Nahdi achieved a market-leading gross margin of 37.4%, adjusting our pricing strategy as the industry returned to pre-COVID levels of demand and increased price competition. Gross profit grew slightly by 0.3%, despite the continued investments to support robust sales performance, which resulted in solid topline growth. Additionally, a higher base in the previous year, driven by a ₪ 32.7 million inventory provision release owing to a change in inventory policy, contributed to the comparative decline.

Efficient OPEX management resulted in a 1.2% improvement in operating expenses as a percentage of revenue, bringing OPEX down to 28.5% in 2024 compared to 29.7% in 2023. Notably, OPEX in absolute value increased by ₪ 104 million, reaching ₪ 2,689 million in 2024 from ₪ 2,585 million in 2023, primarily to support the Company's strategic initiatives. These results demonstrate our commitment to balancing investment in growth with disciplined cost management. As a result, operating profit recorded ₪ 873 million. Net profit for the year reached ₪ 821 million, reflecting a solid 8.7% margin. Furthermore, the income from Islamic Murabaha time deposits and a one-time Zakat provision release of ₪ 32.7 million, resulting from the completion of Zakat assessments for previous years, contributed positively to the Company's financial position.

♥ CFO'S REVIEW continued

EBITDA for 2024 slightly increased, reaching ₪ 1,595 million compared to ₪ 1,581 million the previous year. Nahdi remained a highly profitable business, achieving a best-in-class EBITDA margin in the sector for another year at 16.9%

Robust financial fundamentals

Nahdi remained in a solid financial position this year. Our exemplary balance sheet underscores the strength of our financial foundations, demonstrating the unique value we provide to shareholders and significant opportunities for future growth.

In 2024, we maintained our zero-debt position while generating strong cash flows. Capital expenditures were ₪ 383 million for 2024, in line with our growth strategy and representing 4.1% of sales. Cash and cash equivalents reached ₪ 957 million by year-end. Total assets increased by 14.9% to ₪ 6,173 million, up from ₪ 5,371 million at the end of 2023.

Total equity reached ₪ 2,586 million by the end of 2024, while total liabilities were ₪ 3,587 million. These strong financial fundamentals were further reflected in our industry-leading key performance indicators. Return on assets reached 13.3%, while Return on equity was 31.7%.

In line with this strong performance, the Board of Directors approved a cash dividend distribution of ₪ 2.50 per share for the first half of 2024.

Additionally, the Board authorized a second-half dividend distribution of ₪ 390 million (₪ 3.0 per share), scheduled for Q1 2025, bringing the total dividend payout to ₪ 715 million. This represents 87% of 2024's net profit and aligns with our longstanding commitment to rewarding shareholders through a consistent dividend distribution policy.

In addition, the Company successfully funded all growth initiatives and maintained an industry-leading dividend payout ratio while preserving a solid cash position and maintaining zero debt. This achievement underscores our commitment to financial stability and sustainable growth, delivering all set guidance.

Looking ahead to 2025

In the year ahead, we anticipate Nahdi will achieve steady growth amid a competitive market landscape, reaping returns from our growth strategy and exemplary financial management. Our focus remains on driving both topline and bottom-line growth while continuing to invest in key strategic initiatives, including digital transformation, healthcare expansion and regional development.

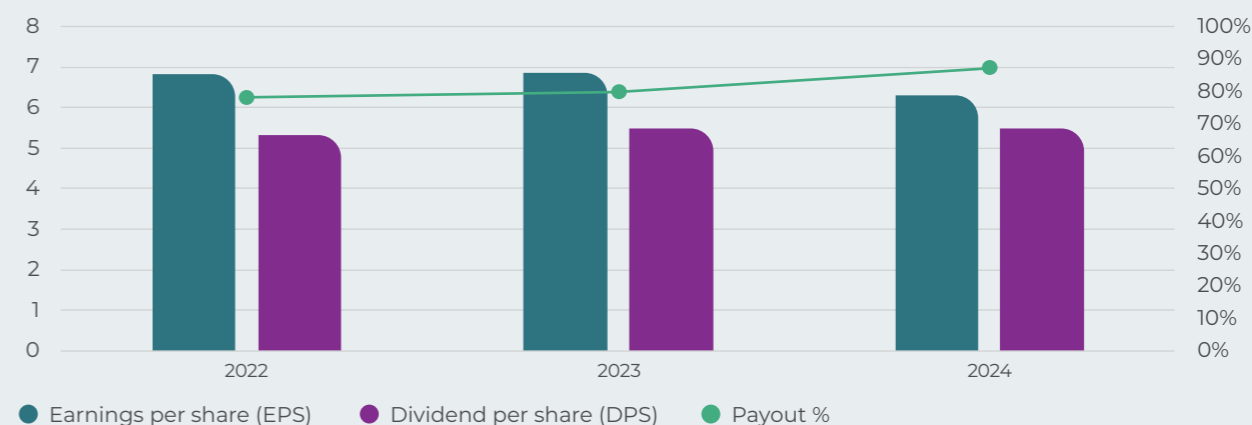
In 2025, we will reinforce our retail presence, further solidifying our position as a national player in healthcare and enhance our capabilities to better serve our Guests. Continuous investments in digital platforms and the UAE market are central to our strategy for sustainable growth and innovation in the coming years, as we seek to deliver on our vision and create further value for our shareholders.

Outstanding financial fundamentals

Financial metric	2022	2023	2024
Revenues (₪ million)	8,616	8,714	9,446
EBITDA (₪ million)	1,602	1,581	1,595
EBITDA margin	18.6%	18.1%	16.9%
Net profit (₪ million)	888	893	821
Net profit margin	10.3%	10.2%	8.7%
CAPEX (₪ million)	275	384	383
Cash flow from operations (₪ million)	1,668	1,369	1,491
Total assets (₪ million)	4,945	5,371	6,173
Total equity (₪ million)	2,243	2,463	2,586
Total liabilities (₪ million)	2,702	2,909	3,587
Return on assets	18.0%	16.6%	13.3%
Return on equity	39.6%	36.2%	31.7%

	2022	2023	2024
Net profit for the year (₪ million)	888	893	821
Dividends (₪)			
Interim dividends distribution	300	325	325
Final dividends distribution	390	390	390
Total dividends distribution	690	715	715
Dividend per share (interim)	2.31	2.50	2.50
Dividend per share (final)	3.00	3.00	3.00
Dividend per share (total)	5.31	5.50	5.50
Earnings per share (EPS)	6.83	6.87	6.31
Dividend per share (DPS)	5.31	5.50	5.50
Payout %	78%	80%	87%

Dividends Payout %



MARKET REVIEW

As a leading healthcare provider, Nahdi is strategically positioned to capitalize on Saudi Arabia's economic diversification and increased consumer spending. Demographic shifts and investments in the Kingdom's healthcare sector support the Company's strategic growth in the years ahead.

In 2024, global economic growth maintained its modest trajectory at 3.2%, according to the International Monetary Fund's World Economic Outlook Update. While inflationary pressures, geopolitical tensions and the lingering impacts of the COVID-19 pandemic persist, economic growth within the 2020s remains the weakest since the 1990s, although sectors like healthcare and technology have demonstrated resilience. Emerging outperformed advanced economies, with the former registering a growth rate of 4.2% and the latter demonstrating a sluggish 1.8%.

The GCC region showed a notable rebound in 2024, with growth climbing to 1.7% from 0.4% in 2023. More specifically, GCC oil exporters grew by 2.9% compared to 2.0% the previous year.

Following a stagnant 2023, Saudi Arabia's economy achieved a modest growth rate of 1.3% in 2024. The contribution of the oil sector to the nation's economy continues to decline, as evidenced by a sharp and sustained reduction in oil activities since 2022. However, non-oil economic activities are displaying resilience, with year-on-year growth expanding to 4.6% in 2024, compared to 3.8% in the previous year. This marks a positive shift towards economic diversification and a more sustainable growth model.

Riyadh's successful bid to host the 2030 World Expo marks a transformative moment, expected to inject 355 billion into the city's economy. While travel, tourism and hospitality are poised to gain significantly, sectors like real estate, banking and insurance are also set to benefit from this economic boost. Expo 2030 is projected to deliver a 0.75% annualized impact over the next 25 years. The pre-Expo phase will drive growth in construction, while the event and post-event periods are forecast to boost sectors such as hospitality, healthcare, aviation, telecom and advertising, solidifying Riyadh's position as a global economic and cultural hub.

In addition, the landmark win to host the 2034 World Cup represents a significant step in realizing Vision 2030's objectives of economic diversification. This milestone is poised to drive substantial investments, foreign capital inflows and growth across key sectors such as tourism, transportation and hospitality.

In Saudi Arabia, the Purchasing Managers' Index (PMI) remains above the 50-threshold, which is significant as it indicates expansion rather than contraction, signaling a favorable outlook for the growth of non-oil private sector activities.

4.6%

Growth in non-oil markets

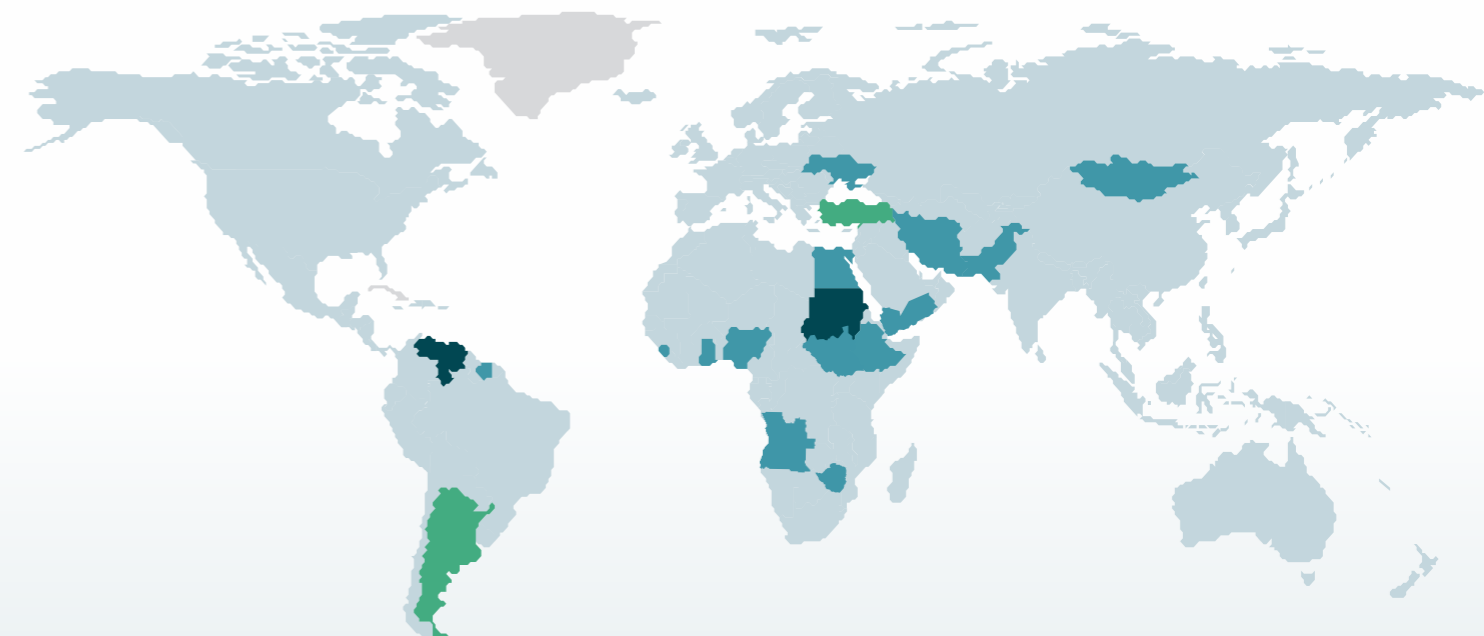
4.2%

Growth rate in emerging economies

Consumer spending trends in Saudi Arabia

Consumer spending in Saudi Arabia is expected to remain robust in 2024, supported by one of the lowest inflation rates globally. According to the Ministry of Finance's 2024 budget statement, inflation stabilized at 1.9%, a decline from 2.6% in 2023. With the containment of inflation and the expectation of slow price growth, interest rates are unlikely to significantly affect credit-based consumer activity in 2024. This stability – alongside potential wage increases and government efforts to maintain high living standards – is anticipated to encourage consumer spending, particularly in sectors such as travel, tourism and hospitality.

Point-of-sale (POS) and e-commerce transactions continue to reflect robust consumer activity, serving as key indicators of private consumption growth. Both segments have demonstrated consistent upward momentum since 2017. Notably, the year 2024 is positioned to achieve record-breaking performance, with Q1 sales figures surpassing those of the same period in 2021 by an impressive 200%.



Saudi 2024 inflation among lowest globally

Global inflation rates

- 1%-10%
- 11%-50%
- 51%-100%
- Above 100%
- No data

IMF World Economic Outlook
April 2024



♥ MARKET REVIEW continued

Benefiting from a thriving labor force

The Saudi labor market demonstrated significant progress in 2024, with the unemployment rate among Saudis declining to 7.1% in the second quarter, down from 7.6% in the first quarter, as reported by the General Authority for Statistics. This marks a historic low since data collection began in 1999. The overall unemployment rate for the working-age population also saw a notable decrease, reaching 3.3% in Q2 2024 compared to 3.5% in Q1 2024.

A particularly encouraging development was observed in women's employment, with the labor force participation rate of Saudi females increasing to reach 36.2% in Q3 2024 compared to 35.9% during the same period in 2023.

The Public Investment Fund, the National Development Fund and other government-led non-oil initiatives continued to bolster job creation through investments in fixed capital formation. The introduction of special economic zones with favorable regulatory frameworks has been a significant driver, attracting investments exceeding ₪ 30 billion.

Healthcare investments in the Kingdom

The Health Sector Transformation program (HSTP), a key component of Saudi Arabia's Vision 2030, is set to drive significant growth in the healthcare market in the coming years. With its overarching objective of "Empowering a fulfilling and healthy life," the program demonstrates the Kingdom's dedication to enhancing healthcare accessibility, quality and innovation. The program focuses on improving livability and the quality of services provided in Saudi cities. Key goals include facilitating access to healthcare, enhancing traffic safety and promoting the prevention of health risks.

As part of this transformation, the Kingdom is working to improve the efficiency of healthcare services and develop sustainable and modern healthcare solutions. The HSTP is also set to increase private sector participation in healthcare from 25% to 65% by 2030; transformation includes the privatization of 290 hospitals and 2,300 primary healthcare centers.

Progress towards HSTP objectives is evident in measurable outcomes. Life expectancy in the Kingdom has increased from a baseline of 77 years to 78 years since 2022, with a target of 80 years by 2025. The inclusiveness of healthcare services has improved significantly, with coverage in rural areas rising from 78% to 96% over the same period. Infrastructure development has seen notable advancements, such as an increase in ICU beds per 100,000 population from 12.5 to 15, exceeding the target of 14. Furthermore, the digitization of healthcare is transforming patient outcomes, with 89.6% of the population now having access to digital health records, a figure that is expected to reach 100%.

This transformation aligns with Saudi Arabia's broader vision of enhancing healthcare inclusivity, accessibility and quality, while addressing public health outcomes and strengthening the economic prospects of the healthcare sector.

A growing pharmaceutical market

Saudi Arabia stands as the largest pharmaceutical market in the Middle East and North Africa region, with a projected robust growth trajectory. Market revenue is expected to reach ₪ 29.37 billion (USD 7.83 billion) by 2025, with a compound annual growth rate (CAGR) of 5.25% between 2025 and 2029, ultimately valuing the market at an estimated ₪ 36 billion (USD 9.61 billion) by 2029. This remarkable expansion is underpinned by substantial government investments in healthcare infrastructure and a growing demand for pharmaceuticals driven by structural factors such as population growth, demographic shifts, regulatory reforms and increased private sector participation.

The Saudi Arabian retail pharmacy market is led by several companies, including Nahdi, Al-Dawaa Medical Services Co., United Pharmacies, Planet Pharmacy, Al Mujtama Pharmacies). These players have established a strong presence through extensive networks, loyalty programs and a diverse product range that includes both over-the-counter and prescription medicines.

The country's population is forecasted to exceed 40 million by 2030, growing at a CAGR of 2.8% from 2022 to 2030, with Riyadh playing a significant role in this growth. The capital's

population is expected to rise from approximately eight million in 2022 to 10 million by 2030, reflecting a CAGR of 3.6%.

Simultaneously, the population aged 45 and older is projected to reach 14 million by 2030, up from six million in 2022; and over 6.5 million people in Saudi Arabia will be aged 65 or older by 2030. This aging demographic is driving a surge in demand for healthcare services, particularly in managing chronic conditions such as diabetes, hypertension and cardiovascular diseases. The Kingdom has one of the highest prevalence rates of diabetes globally, with more than 18% of the population between the ages of 20 and 79 affected.

Alongside domestic population growth, the influx of expatriates, as the economy diversifies, has increased the demand for private-sector healthcare. The rising participation of women in the workforce has driven sales of non-pharmaceutical products, including beauty and baby care items, as purchasing power and health awareness grow.

As part of the Kingdom's efforts to enhance the health care system, the Saudi Health Ministry announced the New National Healthcare Insurance program, which will provide state-funded health insurance for all Saudi citizens and requiring employers to provide private health insurance for expatriates and private-sector employees. Currently, only 37% of the population – approximately 12 million people – has health insurance coverage, presenting significant opportunities for insurers and healthcare service providers. Under the new policy, expatriates and their families not covered by public health insurance must secure private insurance, driving demand for pharmaceuticals and medical services.

These factors position Saudi Arabia as a vital growth market in the region, offering significant opportunities for pharmaceutical companies, healthcare providers and related industries. The country's commitment to expanding healthcare infrastructure and increasing access to medical services is paving the way for sustained market expansion.

Revolutionizing healthcare retail with AI

Artificial intelligence (AI) holds the potential to revolutionize the pharmacy and healthcare retail sector globally and in Saudi Arabia by enhancing customer experiences, streamlining business operations and propelling data-driven decision-making. To keep up with the growing need for AI specialists in Saudi Arabia, the Kingdom's government established the Saudi Authority for Data and Artificial Intelligence Academy in 2019 to facilitate the training of 10,000 specialists and experts in data science and artificial intelligence by 2025.

AI has the potential to optimize operations end-to-end, from backend processes to customer-facing services. Its application in pharmacy and healthcare retail includes tailoring product recommendations and services to individual health needs, enhancing customer interactions through AI-powered virtual health agents, and predicting the demand for pharmaceuticals and healthcare products to safeguard availability and minimize waste. Additionally, AI is transforming supply chain logistics, improving inventory management and ensuring the timely delivery of essential products. It also plays a critical role in fraud detection and security, enhancing transaction safety and reducing financial losses.

By leveraging automation and predictive analytics, businesses will reduce costs and utilize data-driven insights for strategic decision-making. AI also enables advanced forecasting, allowing businesses to predict trends and effectively meet our Guest's needs.

With Saudi Arabia's commitment to innovation and digital transformation under Vision 2030, the role of AI in pharmacy and healthcare retail is expected to expand, driving improved outcomes for customers and businesses alike. The integration of AI into this sector will not only enhance operational efficiency, but also elevate the overall healthcare experience for individuals and communities.

OUR BUSINESS MODEL

Creating strong and sustainable value for our Guests and stakeholders

Nahdi is at the forefront of Saudi Arabia’s healthcare transformation, creating value for its Guests and stakeholders through a holistic and innovative approach. With a highly skilled workforce, a robust governance framework and market-leading pharmacy services, Nahdi delivers exceptional care while expanding our footprint across untapped markets.

Our seamless omnichannel experience, advanced distribution capabilities and integrated healthcare services ensure unmatched accessibility and quality for Guests. Through strategic investments in technology, sustainable practices and partnerships with healthcare institutions, Nahdi continues to grow our business while enriching lives and contributing to national goals, embodying our commitment to shaping the future of the Company and the Kingdom’s healthcare landscape.

Our strengths

Highly qualified staff led by strong Board and management	Market-leading pharmacy with growing Saudi-made, Private Label and Differentiated Brands	State-of-the-art distribution capabilities
<ul style="list-style-type: none"> Experienced independent Board members with multinational market-leading companies Executive team with a deep understanding of the sector and over 200 years of cumulative management experience Supported by comprehensive corporate governance structure with policies and procedures Exceptionally highly trained talents of more than 10,000 employees (500,000+ training hours) 	<ul style="list-style-type: none"> Access to 97% of the Saudi population 1,181 stores regionally in more than 140 cities High-quality and competitively priced Private Label and Differentiated Brands contributed around 13% of revenue and exceeded ₪ 1 billion sales this year 	<ul style="list-style-type: none"> State-of-the-art distribution center (IMDAD) that delivers more than 222 million units each year System reliability rate of 99.6% Implementation of a Planner View tool for improved inventory management Launch of SC Academy program

Seamless omnichannel experience underpinned by best-in-class digital and online offerings	Integrated healthcare services delivered through omnihealth platform	Robust business and financial profile
<ul style="list-style-type: none"> Delivering a compelling omnichannel experience by providing Guests with seamless online and offline optionality Regional footprint (KSA and UAE) with mix of flagship, destination, neighborhood and other stores Market-leading digital platforms, with more than 16 million monthly sessions Best-in-class digital and online offerings including e-commerce, Nahdi Global, e-pharmacists, store to home and click & collect Nahdi Online is growing rapidly and already contributes around ₪ 2 billion in revenue Huge amount of proprietary market and Guest data can be leveraged to create more valued and personalized experiences and solutions for our Guests 	<ul style="list-style-type: none"> More than 1.4 million Guests visited NahdiCare polyclinics in 2024 (+50% YoY) Digitized self-checkout kiosks provide improved user experience 797,000+ virtual consultations in 2024 (+41% YoY) 	<ul style="list-style-type: none"> High profitability with above market growth Zero debt Strong cash flow and cash position generated through our operations Growing revenue and market share and delivering targets

How we create value

<p>Our Purpose: We exist to add beats to our Guests’ lives every day.</p>	<p>Our Vision: To be the most loved and trusted health and wellbeing partner for all our Guests.</p>	<p>Our Mission: To exceed our Guests’ expectations by providing superior personalized life care experiences every day, everywhere.</p>	<p>Our core values:</p> <ul style="list-style-type: none"> Integrity Leading with Purpose Care Excellence Collaboration
--	---	---	---

Driving growth and continuous improvement:

<p>Pharmacy Retail</p> <p>Expanding our network and opening new locations to tap into untapped markets, including 10 new pharmacies to reach 25 in total in the UAE</p>	<p>Training employees to contribute to growth and maintain high service standards</p>	<p>Partnering with hospitals, polyclinics and private insurance companies to expand our reach</p>
<p>Omnichannel</p> <p>Introducing innovative products to meet Guest needs and stay competitive</p>	<p>Adopting sustainable practices for ethical growth and stronger brand loyalty</p>	<p>Investing in technology to streamline operations and improve engagement</p>

STAKEHOLDER ENGAGEMENT & VALUE CREATION



For our shareholders

Value created

- ₪ 2.5 dividend per share for first half of 2024
- Approved second half of 2024 cash dividend distribution of ₪ 3.0 per share
- Delivering solid revenue growth (8.4% in 2024), best-in-class margins and operational efficiency
- Highest market capitalization (₪ 15.288 billion) and return on equity (31.7%) in the Saudi pharmacy retail sector
- Continued investment in strategic growth initiative, including healthcare, UAE and digitalization
- Maintaining market leadership position with high brand equity score and Guest engagement score
- Enable direct communication with the Investor Relations (IR) team for retail investors, analysts and institutions, ensuring transparency and upholding high standards of corporate governance

Key priorities

- Regular updates on key Company matters and financial performance
- Transparent communication with regulatory bodies and market authorities
- Active engagement and information sharing with investors and analysts

How we engaged

- Maintaining active communications with the Capital Market Authority (CMA) and Saudi Exchange (Tadawul)
- Hosting four earnings calls and regular investor/analyst meetings
- Operating a dedicated Investor Relations department with multiple communication channels
- Holding two General Assembly Meetings in 2024

Engagement channels

- AGM and EGM
- International conference in London (EFG Hermes)
- Local conference in Riyadh (SCMF 2024)
- Four earnings calls
- Quarterly disclosures (IFSAH, press release, investor presentation and fact sheet)
- Yearly Annual Report
- Open channel for a one-on-one meeting with investors (current and potential) and analysts
- Site visits to our facilities (IMDAD distribution center, polyclinics and pharmacies)
- IR website, email and direct telephone

Engagement frequency

- Daily for market requirements and investor inquiries and meetings
- Quarterly for announcements
- Twice a year for conferences
- Twice a year for AGM and EGM
- Twice a year for dividend distribution
- Key updates as needed

Highest market capitalization (₪ 15.288 billion) and return on equity (31.7%) in the Saudi pharmacy retail sector

₪ 5.5

dividend per share in 2024



For our Guests

Value created

- Transformed pharmacy retail with quality medications, affordable generics and Private Label and Differentiated Brands tailored to Guests' needs
- World-class pharmacists providing personalized consultations, best-in-class care and expert advice to Guests each day
- Improved healthcare access through ez-pill, boosting medication adherence and swift delivery of international wellness products
- Simplified primary care with polyclinics, online consultations, home healthcare and integrated health cards
- Pioneered digital solutions like e-commerce, e-pharmacist services and home deliveries for personalized, accessible care
- Mastered supply chain with IMDAD logistics, ensuring availability, fast delivery and cost-efficiency
- Built Guest trust with a market-leading NPS of 90, showcasing excellence and reliability
- Providing Guests with a wide range of exciting brands from across the world through Nahdi Global

Key priorities

- Access to pharmaceutical services and products
- Convenient and efficient healthcare delivery
- Home healthcare options for convenience
- Personalized offers and value through the "Nuhdeek" loyalty program
- Access to digital services and online assistance

How we engaged

- Engaging with around 100 million Guests annually through pharmacies and omnichannel networks
- Providing access to services via Nahdi's unique omnichannel ecosystem (online and offline)
- Facilitating telemedicine sessions (797,000+ in 2024)
- Providing home healthcare visits (21,000+ in 2024)
- Providing personalized offers through the Nuhdeek loyalty program, contributing 70% of total sales in 2024
- Delivering digital engagement through platforms with 200+ million sessions in 2024
- Providing accessible Guest Care Center through phone, email and social media channels
- Offering e-pharmacist sessions (nearly 270,000 in 2024)

Engagement channels

- Pharmacy retail (products)
- Primary care polyclinics (services)
- Nahdi website (solutions)
- Nahdi Application (solutions)

Nuhdeek loyalty program

Our Nuhdeek members benefit from even greater value and contributed 70% of Nahdi's total sales in 2024.

Nearly
270,000

e-pharmacist sessions

♥ STAKEHOLDER ENGAGEMENT & VALUE CREATION continued



For our employees

Value created

- Recognized as a top employer in Saudi, GCC and Asia, consistently ranked among the Top 20 Great Places to Work since 2014
- Upheld exceptional standards with employees highlighting safety, a welcoming culture for new hires, meaningful responsibilities and a strong ethical code
- Fostered a positive environment through facilities and practices that prioritize employee well-being and engagement
- Excellent Great Places to Work rankings in 2023 & 2024:
 - Best Workplace for nationals – rank #22 (2023)
 - GPTW in KSA – rank #2 (2024)
 - GPTW in Pharma and Healthcare sector in GCC – rank #2 (2024)
 - GPTW in GCC Middle East – rank #3 (2024)
 - GPTW in Asia, Large Organization – rank #8 (2024)

Key priorities

- Advancing career development through initiatives like the Nahdi Leadership program and the Talent Magnet program
- Providing continuous education opportunities to foster professional growth and skill enhancement
- Maintaining ethical integrity with a strong employee Code of Ethics, cybersecurity training and competition law compliance
- Promoting a safe, inclusive environment with a focus on empowering women in the workplace
- Cultivating a positive culture by investing in internal talent and earning top employee satisfaction through GPTW recognition

How we engaged

- Delivering 500,000+ training hours in 2024, reinforcing employee growth and skill development
- Developing future leaders through the Nahdi Leadership program, reaching its third batch in 2024, and empowering young Saudi talents for dynamic roles
- Empowering career advancement with the Talent Magnet program, resulting in 62% of participants receiving promotions and reshaping their professional journeys
- Earning recognition for NahdiCare polyclinics as an accredited Life Support Training Center, honored among the top three training centers by the Saudi Heart Association in 2024
- Strengthening ethical practices by implementing the employee Code of Ethics, mandatory cybersecurity training and Competition Law Compliance programs to ensure regulatory adherence
- Promoting internal talent growth with 51% of positions filled internally in 2024, highlighting Nahdi's dedication to fostering career advancement.

Engagement channels

- The "5 Is" concept empowers employees to align with Nahdi's vision by **Informing** them about its goals and values, **Involving** them in decisions and improvements, **Inspiring** pride and purpose, **Incentivizing** desired behaviors through rewards, and **Instructing** them with the training and support needed to succeed, including division-specific engagement calendars with initiatives like Women's Days, promotion celebrations, and more.
- HR Business Partner (HRBP) Closer Than Ever" to foster a more accessible and supportive HR environment, ensuring employees can easily connect with HR
- Engagement action plans in collaboration with executive leaders, reviewed quarterly in the talent talk forum to drive continuous improvement

500,000+

training hours delivered in 2024



For our society

Value created

- Reached 33,416 underprivileged individuals in rural areas, providing healthcare support and services to chronic and elderly patients
- Promoted healthy lifestyles through the Wazen Hayatak program, offering personalized solutions, digital awareness campaigns and compassionate care for breast cancer patients with specialized post-operative goods
- Enhanced healthcare access with the Convoys of Hope, delivering medical care and advice via mobile units staffed by experienced professionals to underserved rural areas
- Supported pilgrims during Hajj and Umrah by partnering with local health authorities to provide blood sugar tests, blood pressure measurements and other health services at holy sites
- Enriched the lives of 1,068 orphans in rural areas by supplying essential goods through nearby Nahdi branches at discounted rates
- Guided parents proactively by introducing a platform offering professional advice and support on key issues to enrich the parenting journey
- Awarded Best Company in the Healthcare Sector for Social Responsibility, and Best Practices Award for Corporate Social Responsibility from the Ministry of Human Resources and Social Development.

Key priorities

- Chronic disease screening and control
- Health and well-being of individuals
- Access to wellness services to underprivileged and rural areas
- Accurate medication usage and timing for Guests
- Support for parents
- Healthcare for pilgrims around Makkah and Madinah
- Creating a lasting impact

How we engaged

- Expanding the free Wazen Hayatak program, launched in 2018, to reach 259,917 enrollments and 458,000 online sessions, supported by informative awareness campaigns
- Providing the free ez-pill service to help Guests manage medication accuracy and timing for improved health outcomes
- Launching a dedicated Mom & Baby portal, offering expert guidance to educate parents on raising healthy, balanced children in a harmonious home environment
- Activating the Ehsan platform, enabling donations to support NGOs specializing in chronic disease management and early detection

Engagement channels

- Online
- Digital/social media
- Ehsan crowdfunding
- Onsite (pharmacies) and Convoys

Awarded Best Company in the Healthcare Sector for Social Responsibility, and Best Practices Award for Corporate Social Responsibility from the Ministry of Human Resources and Social Development

1,068

orphans supplied with essential goods

♥ **STAKEHOLDER ENGAGEMENT & VALUE CREATION** continued



For our suppliers and partners

Value created

- Recognized as best retailer by suppliers in an Advantage survey, showcasing exceptional supplier engagement and relationship management
- Built strong supplier partnerships with local and global suppliers, serving as a gateway for international businesses to enter the Saudi market via bonded zones or direct distribution models
- Positioned as a preferred partner for insurance companies, strengthening mutual benefits through healthcare service integration
- Achieved double-digit growth, fostering mutual success by driving growth for both the Company and its local and global suppliers
- Introduced market-leading innovations by collaborating with suppliers to deliver new products and trends, ensuring Guests have access to the latest advancements

Key priorities

- Access to the Saudi market through local channels and infrastructure
- Collaboration with insurance companies to benefit Guests

How we engaged

- Access to Nahdi's bonded zone through Nahdi Global for global suppliers
- Being named a preferred partner by insurance companies

Engagement channels

- Engaging through global platforms to build strategic partnerships and enhance collaboration with international suppliers
- Participating in major exhibitions to connect with industry leaders and identify new opportunities for product innovation
- Monitoring global trends to stay ahead of market demands and deliver cutting-edge products to Guests

Engagement frequency

- Ongoing, flexible approach to supplier engagement, fostering continuous collaboration without a fixed calendar
- Quarterly reviews with suppliers to understand their needs and explore opportunities for innovation
- Adding ever-increasing value by introducing new products and innovations that benefit Guests



First place as the Preferred Partner Retailer in Saudi Arabia by Advantage Awards



For government and regulators

Value created

- Cooperation with ZATCA on the Nahdi Global launch and the successful implementation of e-invoicing and ZATCA recognition as one of the first companies to do so
- Nahdi primary healthcare services are in line with Ministry of Health's (MOH) 2030 healthcare strategy (10 polyclinics)
- Working hand in hand with the Ministry of Human Resources and Social Development to drive Saudization (currently 35% and 20% female contribution)
- IMDAD cooperation with MODON to achieve food and medical security for the Kingdom
- Cooperation with Ehsan and Saudi Sports for All Federation towards a healthier community

Key priorities

- Enhancing healthcare access and quality across the Kingdom
- Ensuring fair competition and adherence to laws and regulations
- Compliance with healthcare regulations on data security standards
- Promoting innovation in health data exchange and cybersecurity

How we engaged

- Aligned with the Ministry of Health's healthcare objectives
- Complied with regulations set by the Saudi Council of Competition and other government bodies

- Partnered with key regulators and stakeholders (e.g. Ministry of Health, SFDA, insurance companies)
- Adhered to the National Cybersecurity Authority's (NCA) regulations with the Himaya security program
- Activated the NPHIES platform for health insurance data exchange
- Implemented the Drug Track and Trace System (RSD) with the Saudi Food and Drug Authority
- Co-created the first bonded zone within IMDAD with ZATCA
- Collaborated with MODON to build the IMDAD smart distribution center

Engagement channels

- Forming partnerships, MoUs and strategic alliances
- Collaborating through diverse programs and events, such as industry conferences, exhibitions and committees
- Engaging through digital platforms (e.g. NAPHIES, RSD, e-invoicing)
- Licensing and regulatory support
- Welcoming site visits and high-level delegations

Engagement frequency

- Ongoing/continuous: monthly insurance operations, continuous licensing, regulatory compliance and policy discussions with MOH, SFDA and Council of Health Insurance
- Periodic/annual: ZATCA conferences, Global Health Exhibition, 2024 initiatives

35%

Saudization

20%

female contribution

OUR STRATEGY & KPIS

Our Purpose

We exist to add beats to our Guests' lives every day.

Our Vision

To be the most loved and trusted health and well-being partner for all our Guests.

Our Mission

To exceed our Guests' expectations by providing superior personalized life care experiences every day, everywhere.

Our Values

Integrity: We aim to deliver on our promises and do what is right – in Nahdi, and for our Guests and the entire community.

Excellence: We aim to work for our Guests with a high level of efficiency and effectiveness and to take ownership of everything we do, while striving to be the 'Best in Class.'

Leading with purpose: We aim to lead with curiosity and innovation in all that we do for the benefit of our Guests, while remaining true to our mission.

Collaboration: We aim to work collaboratively among ourselves, with our business partners and with the entire community to achieve shared success.

Care: We aim to care for our Guests and respect their preferences, needs and values. We are committed to 'going the extra mile' for our Guests each and every day.

Our strategy

Our corporate strategy is centered on delivering value across our three-core business division, underpinned by strategic enablers that drive operational excellence and sustainable growth. This holistic approach ensures we fulfill our commitment to Guests, partners, investors and the Kingdom, aligning our objectives with national priorities while creating impactful, long-term benefits for all our stakeholders.



♥ OUR STRATEGY & KPIS continued

Pharmacy Retail		Omnichannel		Omnihealth		Strategic enablers	
We will grow our core pharmacy retail business, expanding our Guest base and cultivating our Guests' loyalty.		We will transform our omnichannel retail footprint – in stores and online – to make a difference to our Guests' shopping and well-being experience.		We will become a leading omnihealth platform; the next generation healthcare and wellness hub, building our ecosystem around our Guests.		We will build the right capabilities and capacities to ensure we can deliver on our strategic growth plan and progress towards our vision.	
KPIs							
8.4% Growth in total revenue for Nahdi	First Private Label medicine by Nahdi	133% Growth in UAE	22% Online contribution to Nahdi with a growth of 40%	98.3% Growth in polyclinics	Launched Wellness Cards	35% Nationalization	93.3% Shelf availability
₹ 1.2 billion Private Label and Differentiated Brands contribution	800,000+ new Nuhdeek members	87 new pharmacies bringing total to 1,156 pharmacies in KSA	10 new pharmacies in UAE bringing total to 25 pharmacies	81 Guests NPS	4 new polyclinics, bringing the total number to 10 polyclinics in the Kingdom	Compliance with new information security regulations	478 Newly hired national pharmacists
6.9 Equity score	90 Guest NPS	30% Growth in Providers pharmacies		1.4m+ Guests visited	797,000+ Online consultations	20% Female employees	
2024 Strategic progress							
<ul style="list-style-type: none"> Strengthened our core retail offering by boosting strategic product categories, enhancing brand image and loyalty, and increasing the contribution of Private Label and Differentiated Brands to elevate Guest engagement and drive differentiation Achieved 8.4% total revenue growth for Nahdi, a 22% growth in the medicine category, and successfully launched the first Private Label medicine by Nahdi, marking a significant milestone in our product portfolio 		<ul style="list-style-type: none"> Successfully expanded our omnichannel retail footprint by achieving significant growth across Saudi Arabia and UAE In Saudi Arabia, we added 87 new pharmacies, bringing the total to 1,156 pharmacies, and achieved a 30% growth in Providers' Pharmacies and delivered a seamless omnichannel experience with a 40% growth in online contribution representing 22% of Nahdi's business In the UAE, we achieved 133% growth, with 10 new pharmacies bringing the total to 25 		<ul style="list-style-type: none"> Evolved into a leading omnihealth platform by expanding health services through polyclinics and home healthcare, achieving 98.3% growth in polyclinic services, and launching four new polyclinics, bringing the total to 10 largest polyclinic expansion in the Saudi market Further enhanced Nahdi's virtual medical consultation services and introduced Wellness Cards to provide comprehensive and accessible healthcare solutions 		<ul style="list-style-type: none"> Nahdi's Supply Chain division delivered outstanding performance by achieving 99.6% reliability and 100% planned preventive maintenance Hiring 478 national pharmacists, increasing the total to 35%, of which 43.7% are females Significant improvements in technology by migrating key operations to advanced cloud platforms, boosting scalability and efficiency, incorporating AI and machine learning 	
Risk factors							
<ul style="list-style-type: none"> Intense market competition Supply chain disruptions owing to global political environment 		<ul style="list-style-type: none"> Continuing expansion in a new market (UAE) with different market dynamics against core market (KSA) 		<ul style="list-style-type: none"> Cybersecurity and data privacy Medical errors Market competition 		<ul style="list-style-type: none"> Regulation changes and requirements Cybersecurity and data privacy 	

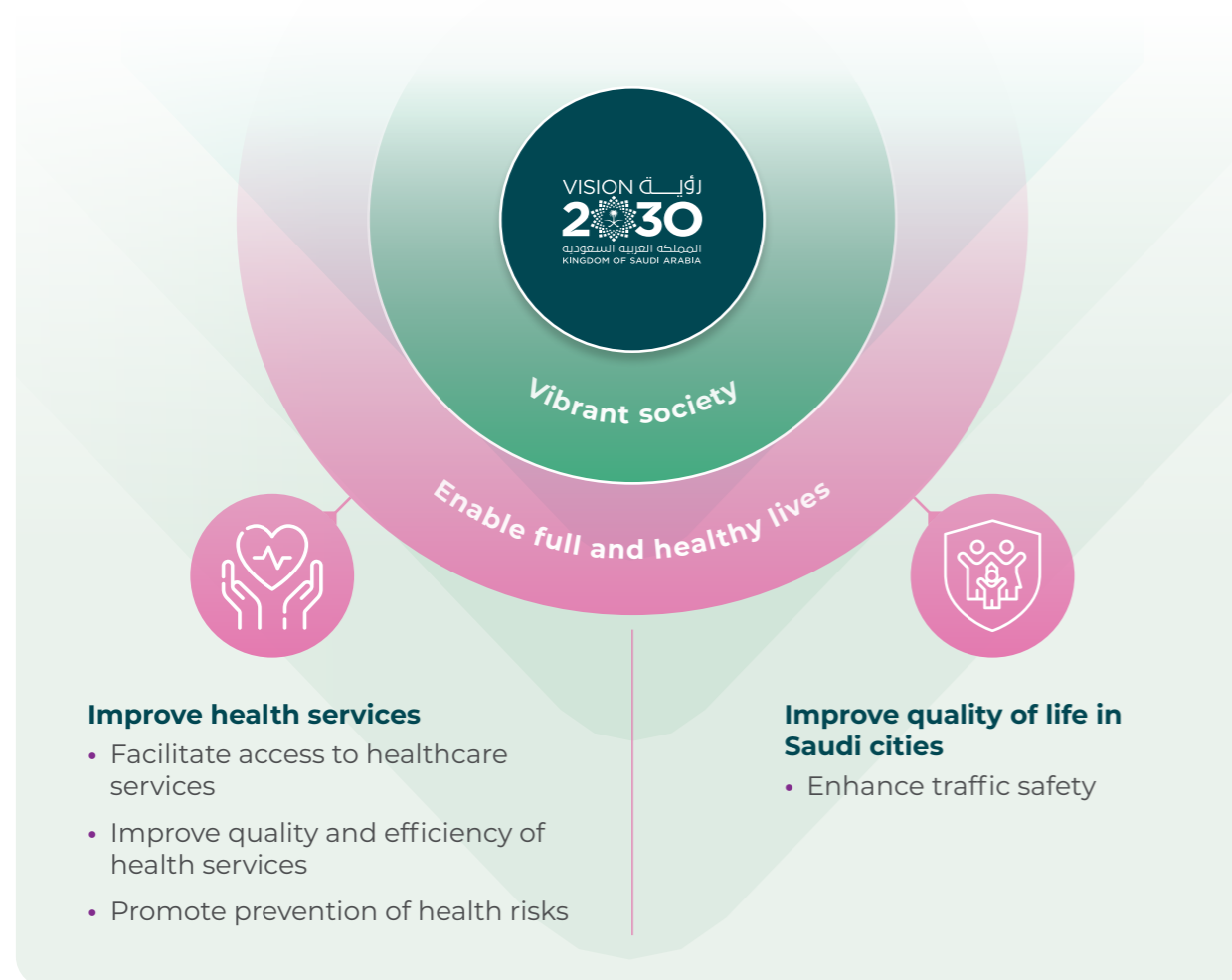
DELIVERING ON THE KINGDOM'S HEALTHCARE VISION

Nahdi is committed to driving healthcare transformation and economic growth in alignment with Vision 2030. As a leader in pharmacy retail and digital health, we invest in innovation, human capital and strategic partnerships to enhance accessibility, affordability and quality of care. Our Yesterday, Today and Tomorrow sustainability framework strengthens this commitment by addressing past healthcare challenges, advancing preventative care and shaping the future of well-being. By integrating governance, technology and local content development, we continue to expand our impact, supporting a healthier society and a thriving economy.

The Kingdom's healthcare vision

Saudi Arabia's Ministry of Health (MOH) is driving a transformative healthcare program under Vision 2030's Vibrant Society pillar, reshaping the sector to improve quality, accessibility and

efficiency. As a key player in the healthcare ecosystem, we are fully aligned with this vision, leveraging our capabilities to support national healthcare objectives and drive sustainable growth.



This transformation prioritizes service quality and efficiency, integrating evidence-based practices and optimized resource utilization to elevate healthcare delivery. Primary care expansion remains central, increasing access to essential services, enabling early disease detection and strengthening preventative care. With chronic diseases on the rise, investments in disease management, lifestyle interventions and early detection programs are critical to improving long-term health outcomes.

Technology is a cornerstone of this evolution, with digital advances enhancing accessibility and efficiency through e-health services, telemedicine and AI-driven clinical integration. Simultaneously, human capital development is accelerating, with targeted investments in training, education and international partnerships to build a skilled and future-ready healthcare workforce.

Driving healthcare transformation

The private sector plays a vital role in realizing Saudi Arabia's Vision 2030 and Nahdi is at the forefront of this transformation. As one of the largest national companies in the retail pharmacy sector, we are committed to enhancing accessibility, affordability and innovation in healthcare. Our mission is to build a world of health around every Guest, delivering personalized, digital and seamless solutions that empower individuals to take control of their well-being.

Our leadership in pharmacy retail, healthcare services and digital transformation reflects our deep responsibility to contribute to national progress. We actively harness our operations, capabilities and strategic initiatives to drive economic and community health development. By expanding our reach through an extensive pharmacy network and the establishment of NahdiCare polyclinics across major cities in Saudi Arabia, we are enhancing accessibility and delivering high-quality healthcare services to millions.

Collaboration is essential to achieving Vision 2030's goals. We are dedicated to fostering strategic partnerships with both public and private sector entities, positioning ourselves as the preferred partner in healthcare transformation. Through close cooperation with government institutions, we contribute to national health initiatives, ensuring alignment with the Kingdom's ambitious development plans.

Our commitment to innovation and foresight has been instrumental in navigating an evolving healthcare landscape. Recognizing the need for digital transformation early on, we invested in a robust e-commerce infrastructure, including a user-friendly mobile application and a seamless delivery network. This proactive approach enabled us to respond effectively to the COVID-19 pandemic, ensuring uninterrupted access to essential healthcare products and daily necessities. Our expertise in pharmacy operations allows us to optimize pharmaceutical costs, improve health outcomes and deliver unparalleled accessibility, reinforcing our role as a trusted healthcare leader in Saudi Arabia and the UAE.



♥ DELIVERING ON THE KINGDOM'S HEALTHCARE VISION continued

Governance and transparency for a thriving economy

Strong governance is fundamental to our sustainability strategy, ensuring continuous growth, investor confidence and alignment with Vision 2030's economic goals. Since our listing on the Saudi Stock Exchange in 2022, we have maintained full compliance with Capital Market Authority (CMA) regulations and collaborated with Tadawul to enhance transparency through quarterly financial reports and performance updates. Additionally, we have proactively implemented ZATCA's electronic invoicing system, strengthening financial oversight and compliance.

Our Strategic Sustainability framework

Our Yesterday, Today and Tomorrow sustainability strategy is fully aligned with Vision 2030 and the Ministry of Health's transformation program, making sure we contribute meaningfully to national health priorities. By addressing past healthcare challenges, advancing preventative care and empowering future generations, we are creating a more resilient and accessible healthcare ecosystem.

Yesterday: Effective diabetes disease management

We have taken significant steps to address past healthcare challenges by enhancing chronic disease management and improving medication adherence. Through our Medication Adherence program (MAP) and ez-pill solutions, we leverage data science, refill reminders and virtual consultations to ensure better compliance, significantly increasing adherence rates. Our Convoys of Hope initiative, in collaboration with healthcare NGOs, expands access to essential healthcare and medication in underserved areas, reducing the burden on the healthcare system and contributing to Vision 2030's goal of increasing life expectancy from 75 to 80 years.

Ensuring drug availability and quality remains a core priority. Through our IMDAD distribution center, including a bonded zone, we facilitate the efficient delivery of essential health products across our 1,100+ pharmacies, supporting the Saudi Food and Drug Authority's (SFDA) strategic goals. We comply with SFDA's electronic tracking system (RSD) to guarantee the safe movement of medications from production to Guests, maintaining the highest quality and regulatory standards. Our Private Label health products and adherence solutions are fully licensed by SFDA, reinforcing our commitment to accessibility, affordability and excellence in healthcare.

Strengthening Saudi Arabia's position as a global logistics hub is integral to our strategy. We have built a robust supply chain network that supports the expansion of our omnichannel model within and beyond the Kingdom. In collaboration with ZATCA, we inaugurated the first bonded zone within IMDAD, optimizing cross-border trade and product availability. Additionally, our partnership with MODON positions Nahdi as a key player in the National Industrial Development and Logistics program (NIDL), driving growth in healthcare, e-commerce and logistics services.

Today: Activating preventative care and well-being

Preventative healthcare is central to our approach. Through the Wazen Hayatak program, we empower individuals to take charge of their well-being by promoting exercise, dietary programs and lifestyle awareness. This initiative directly supports Vision 2030's target of increasing weekly exercise participation from 13% to 40%, helping reduce obesity and chronic disease risks and fostering a healthier society.

Tomorrow: Empowering women and developing future talent

As we look to the future, we remain committed to empowering women in health through education and professional development. Our dedicated parenting program, available on the Nahdi app, provides over 100 educational videos from leading healthcare and family specialists, supporting new and expectant mothers with essential health guidance. Additionally, we invest in the professional development of female pharmacists, equipping them with the tools and opportunities to excel in their careers while balancing personal and professional responsibilities.

Talent development is at the heart of our long-term sustainability efforts. In partnership with the Saudi Commission for Health Specialties, NahdiCare polyclinics provide continuous professional development for physicians, strengthening the nation's healthcare workforce. We are also actively supporting the Ministry of Human Resources and Social Development's training objectives, committing to 55,000 training opportunities for national talent between 2024 and 2028. Through partnerships with 24 Saudi universities, we train over 1,500 pharmacy students annually, making certain that they gain hands-on experience and are well prepared for the job market.

We are committed to supporting Saudi-made products by expanding our Private Label portfolio and promoting high-quality, locally manufactured goods. As a strategic partner of the Saudi Export Development Authority's Made in Saudi program, we showcase locally produced pharmaceutical and medical supplies across our pharmacy network. Dedicated shelves featuring the Made in Saudi logo build consumer trust and awareness, while our UAE expansion extends the reach of Saudi products beyond the Kingdom, reinforcing our role in economic diversification.

By continuously evolving our sustainability initiatives, strengthening governance and enhancing our contribution to healthcare and economic development, we are ensuring Nahdi remains at the forefront of Vision 2030, delivering meaningful impact for our Guests, investors and the wider community.



TECHNOLOGY & INNOVATION

Technology and innovation serve as a critical enabler of our corporate strategy. From the outset, our healthcare business has been designed as a digital-first operation, ensuring we can reach a broader audience and provide a seamless, integrated experience for our Guests. This vision aligns with our holistic ecosystem approach, connecting omnihealth, omnichannel and Pharmacy Retail to deliver unparalleled value and convenience.

The journey began with the complete modernization of our enterprise data platform, laying a solid foundation for future advancements. Building on this, we have transformed core business processes by adopting innovative solutions powered by AI and machine learning. By moving our data into cloud-based data and AI platforms, we have unlocked advanced capabilities that drive efficiency, scalability and enhanced Guest experiences.

Our technology and innovation strategy

Our technology and innovation strategy reflects our commitment to leveraging cutting-edge technology to create value for our Guests, partners and stakeholders while supporting our vision of a modern, integrated ecosystem. It consists of five strategic pillars, each designed to drive scalability, improve the Guest's experience and support operational excellence, ensuring we remain at the forefront of technological innovation in retail, healthcare and beyond.

Composable architecture strategy

We have embraced a composable architecture to develop agility and scalability. This includes our headless e-commerce platform, which has improved performance and enabled innovative marketing strategies like personalized promotions and dynamic pricing. Our strategy extends to creating a digital-first healthcare ecosystem, leveraging interoperability to deliver seamless, integrated services.

Cloud-first approach

Through our cloud-first strategy, we have transformed operations across multiple domains. Our Guest engagement platforms and store operations now leverage cloud technology to heighten scalability and reliability. Innovations such as next-generation POS systems enable mobility and self-checkout, while our cloud-based inventory management simplifies processes. In healthcare, tele-consultations and home healthcare are supported by a robust CRM system, ensuring exceptional Guest experiences.

Our partnership with Microsoft was established in 2024, covering a new Enterprise Data Platform for Advanced Analytics supported by state-of-the-art AI technology. Through access to these cutting-edge technologies, we will accelerate our ambitions in advanced analytics to drive insight and offer more personalized experiences for our Guests.

Enterprise data and analytics transformation

We are advancing our data capabilities through platform modernization, improved business intelligence (BI) and enhanced data governance. By integrating AI and machine learning, we support key operational areas like promotion optimization and demand planning, driving informed decision-making and operational efficiency.

Business process automation

Our automation initiatives have significantly improved efficiency and transparency. Self-checkout systems, automated insurance claims processing and contract management tools streamline operations while enhancing Guest and partner experiences.

Security transformation

We prioritize robust cybersecurity measures, aligning with international standards and local regulations. We are actively preparing for ISO 27001 certification, renewing our ISO 22301 accreditation, and ensuring compliance with the National Cybersecurity Authority (NCA) and Saudi Arabia's Personal Data Protection Law (PDPL).

Value created for our Guests

Through the effective implementation of technology and innovation, we deliver tangible value to our Guests by enhancing their experience, improving accessibility and guaranteeing their data security.

Personalization and enhanced experience

We leverage headless architecture and AI-driven personalization to create tailored interactions, while our flexible e-commerce platform increases digital loyalty and improves shopping experiences. Advanced Guest analytics further ensure a more intuitive and personalized journey.

Seamless and accessible digital-first healthcare

Our digital-first ecosystem transforms healthcare by integrating convenience and accessibility into every touchpoint.

Teleconsultations anytime

Connect with qualified doctors for instant advice, diagnosis or follow-ups from anywhere; no in-person visits required.

Home healthcare services

Receive personalized care, from virtual consultations to at-home nurse visits and therapy, all managed within the platform.

E-prescription and lab integration

Access e-prescriptions instantly, with automatic sharing to partner pharmacies for medication delivery or pickup. Schedule lab tests, track results and seamlessly consult providers.

Self-check-in for streamlined visits

Our self-check-in kiosks simplify in-person visits by enabling quick appointment verification and service selection.

Loyalty and QR code integration

QR codes empower loyalty program members to redeem rewards, track benefits and manage their healthcare journey effortlessly.

Unified digital healthcare experience

From teleconsultations to lab services, our platform delivers a seamless, Guest-centered experience designed for modern healthcare needs.

Improved product availability

With AI and machine learning powering demand forecasting and inventory replenishment, we ensure products are consistently in stock. Our streamlined cloud-based inventory management system reduces stockouts and delays, enhancing reliability for Guests.



♥ TECHNOLOGY & INNOVATION continued

Faster and more convenient solutions

Cross-platform applications offer faster updates and a unified app experience across Android and iOS. Cloud-based POS systems enable greater mobility and deliver an improved self-checkout experience, making shopping quicker and more efficient.

Data privacy and security

We maintain strong compliance with data protection laws, prioritizing the safeguarding of Guest data and ensuring privacy across all interactions.

Value created for our Company

By harnessing the power of technology and innovation, we have driven significant value for the Company, strengthening our operational capabilities, market position and financial performance.

Operational efficiency and scalability

Our composable and headless architecture enables seamless system scaling and faster updates, while cloud migration enhances backend reliability and operational efficiency. Business process automation streamlines critical functions, including insurance claims, contract management and Guest interactions, driving cost savings and productivity.

Strategic advantage through AI/ML

AI initiatives optimize key areas such as promotions, demand planning and supply chain management, while generative AI accelerates data analysis and decision-making through conversational insight. These technologies provide a strategic edge in a competitive market.

Improved digital transformation

A cloud-first strategy has modernized our enterprise data platforms and analytics tools, while increased omnichannel integration seamlessly connects e-commerce, healthcare and pharmacy retail, ensuring a cohesive digital transformation journey.

Stronger market position and recognition

We have bolstered our market position through strategic partnerships with Microsoft, Oracle and Adobe, driving analytics and retail innovation. Industry recognition, such as the Retail Asia Store Initiative of the Year award, highlights our leadership in the sector.

Increased productivity

AI-powered SaaS applications enhance team productivity and frontline efficiency, while automation of repetitive tasks allows resources to focus on high-value work, improving overall operational output.

Regulatory compliance and risk management

ISO certifications and strict adherence to local data protection laws ensure robust compliance, minimizing both legal and reputational risks while building stakeholder confidence.

Financial impact

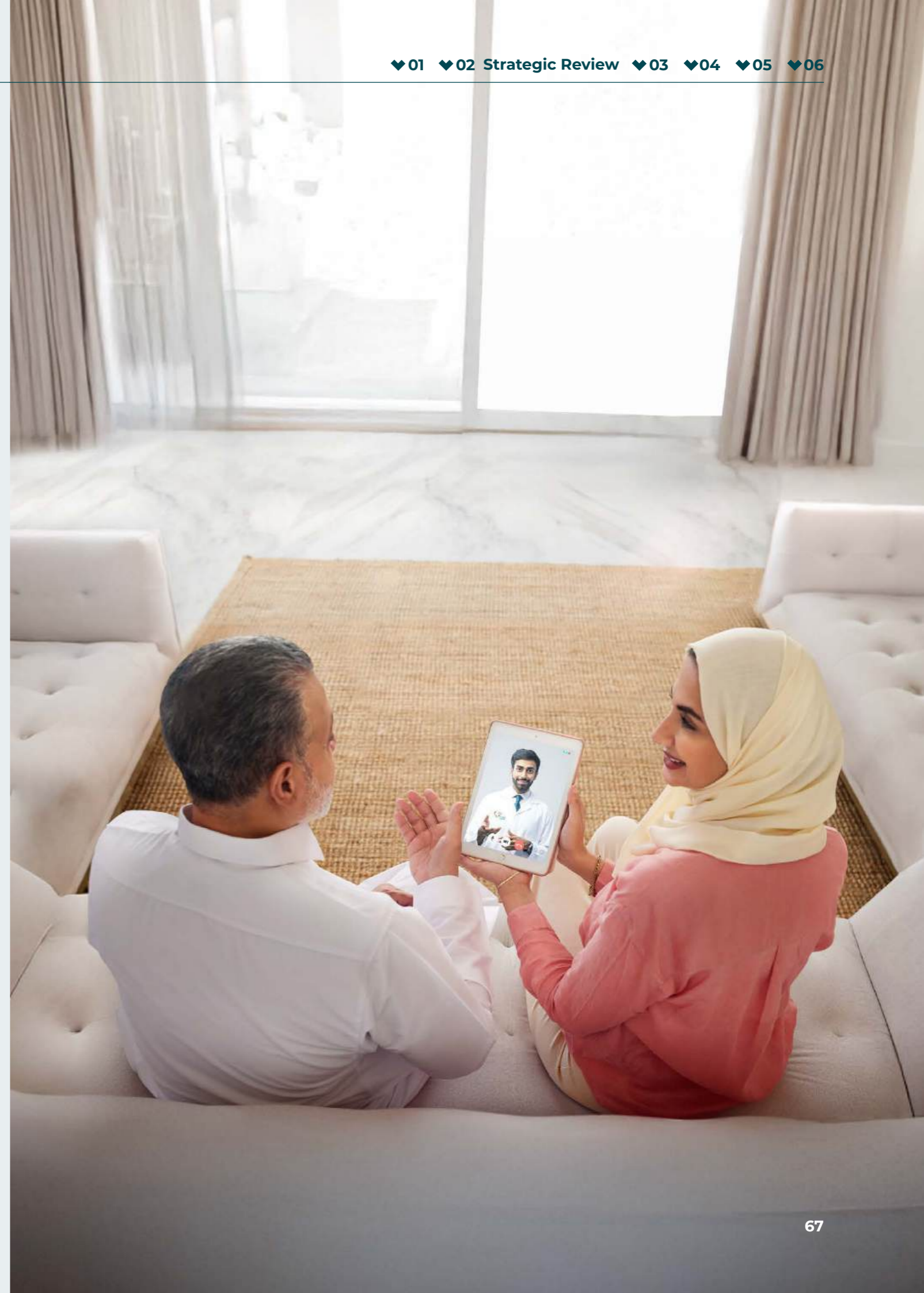
Consistent investment in transformative technologies has delivered measurable KPIs such as improved NPS and digital channel usage growth. Enhanced efficiency has led to cost savings and better resource allocation, reinforcing our financial performance.

2025 Technology & innovation focus

Looking forward, we will continue advancing our technology and innovation strategy with key initiatives aimed at scaling capabilities and delivering greater value to our business and stakeholders.

A major focus will be the migration of our Core Merchandise Management Application to the cloud, augmenting our Cloud First Journey. Following the December 2024 launch of our new website and platform transformation, we will fully leverage these advancements throughout 2025 to enrich the shopping experience with increased mobility and self-checkout options. Accelerated initiatives in advanced analytics will also play a pivotal role, enabling more data-driven decision-making and operational efficiency.

These integrated efforts are designed to ensure both our Guests and frontliners benefit directly from the projects, reinforcing our commitment to seamless experiences and impactful innovation.



▼ STRENGTHENING NAHDI'S SUPPLY CHAIN

The Supply Chain division delivered exceptional results in 2024, driving efficiency, fostering innovation and aligning operations with strategic objectives. Through advancements in logistics, planning, safety and strategic projects, the division demonstrated a commitment to operational excellence and value creation.

Operational performance reached new heights, with a system reliability rate of 99.6% and the successful implementation of 100% Planned Preventive Maintenance across all facilities. Strategic foresight enabled the R2E (Road to Efficiency Excellence) program cost optimization goal for 2026 to be met two years early. The inauguration of a new bonded zone in Riyadh, complementing the existing one in Jeddah within the IMDAD smart distribution center, reinforced Nahdi's omnichannel strategy. These facilities improved operational excellence, streamlined service delivery and strengthened the Company's ability to meet growing demands.

Planning and digital transformation efforts played a significant role in the division's success. The implementation of the Planner View tool improved inventory management and mitigated shortages, while departmental restructuring enhanced cross-functional alignment and efficiency. Digital advancements included the launch of five automated processes and a fully operational Operations Dashboard, which provided greater visibility and productivity across the supply chain.

Safety and quality remained at the forefront, achieving 247 days without a Lost Time Accident and a 100% training completion rate. The introduction of Safety Engagement Days fostered a robust safety culture, while guest defect rates were reduced to 0.010%, reinforcing Nahdi's commitment to excellence. External audits yielded zero non-conformities and ISO certifications were maintained, complemented by the transition to a paperless Quality Management System that further streamlined operations.

Strategic initiatives delivered substantial outcomes, including the successful execution of the Supply Chain of Choice action plan and the launch of the SC Academy program. This program, tailored to individual competencies, supported talent development and succession planning. Sustainability efforts included adopting the Global 24-hour delivery model, enhancing responsiveness and service reliability. These accomplishments were underscored by external recognition, with the division receiving the Best Automations Warehouse award and collaborating with industry leaders like Gartner to maintain its position at the forefront of supply chain innovation.

With a strong foundation laid in 2024, the Supply Chain division is positioned to continue driving strategic objectives, enhancing collaboration and leveraging digital advancements to achieve lasting growth and operational excellence in 2025 and beyond.



♥ RISK MANAGEMENT

Nahdi integrates effective risk management into its core operations, ensuring alignment with its strategic goals and fulfilling commitments to Guests, investors and stakeholders. This robust risk management framework enables Nahdi to safeguard its business continuity, minimize financial exposure and protect its reputation as a trusted leader in the healthcare sector.

Nahdi remains deeply committed to mitigating risks and strengthening resilience, ensuring the organization can deliver long-term value to its stakeholders. The Executive team takes a proactive approach to identifying and articulating significant risks that could impact the Company's objectives. This includes a thorough evaluation of external factors such as economic conditions, political developments, regulatory shifts and changing consumer behavior, alongside internal considerations like management quality, business processes and systems. By addressing these factors, Nahdi remains agile in responding to an evolving landscape while preserving its strategic focus, upholding its position as a forward-thinking, reliable partner in the dynamic markets it serves.

Enterprise Risk Management

Nahdi views risk as a critical value creation function, seamlessly integrating risk management into every aspect of its business operations. Enterprise risk management forms a cornerstone of Nahdi's governance framework, underpinning the Board and Executive team's internal controls and ensuring a proactive approach to managing challenges and opportunities.

This forward-thinking mindset, supported by robust frameworks and a well-defined operating model, enables Nahdi to protect and enhance its strategic objectives. Risk management is recognized as a driver of agility, innovation and brand differentiation. Central to this approach is the adoption of the Three Lines of Defense Model, which highlights the pivotal role of internal audit in assuring effective risk management and reinforcing its integral position within Nahdi's corporate governance structure.









Principal risks

In the course of executing its strategy and conducting its operations, Nahdi is exposed to various risks that have the potential to impact the Company directly and indirectly.

It takes a proactive approach to managing and mitigating these risks, applying its Enterprise Risk Management framework, which is aligned with leading global standards and industry practices.



♥ RISK MANAGEMENT continued

Principal risk	Risk description	Mitigation and management approach	Principal risk	Risk description	Mitigation and management approach
Global political and microeconomic risk 	<p>The Red Sea crisis of 2024 has significantly disrupted global supply chains, compelling vessels to bypass the Suez Canal and take longer routes around Africa, leading to increased shipping costs and delays. This disruption has particularly affected trade between Asia and Europe, intensifying inflationary pressures and causing potential supply shortages. Concurrently, conflicts in the upper Middle East have further strained economic growth and stability in key sectors, contributing to a complex and volatile global economic environment.</p>	<p>Nahdi is actively monitoring these geopolitical and economic developments to assess their potential impact on its operations and supply chain. The Company has implemented auxiliary sourcing methods and established alternative supply chain routes to mitigate risks associated with supply shortages and cost increases. By maintaining flexibility and resilience in its operations, Nahdi aims to ensure the continuity of its services and uphold its commitments to Guests and stakeholders amid these global challenges.</p>	Single source risk 	<p>Nahdi's business has evolved beyond a traditional in-store model to encompass multiple Guest interaction channels, including online platforms. However, its significant reliance on Brick & Mortar operations in Saudi Arabia poses a potential risk, as losing market leadership in this area could expose the business to vulnerabilities. With rapidly evolving omnichannel and differentiated retail models, keeping pace with shifting Guest expectations and competitor developments is essential.</p>	<p>To mitigate this risk, Nahdi focuses on delivering a seamless and convenient shopping experience across all channels. The Company invests in augmenting Guest-facing technologies to align with emerging trends and expectations, while continuously advancing its e-commerce capabilities. Additionally, Nahdi accelerates the national expansion of its healthcare model and explores adjacent opportunities such as diagnostics and geographical growth to ensure a diversified and resilient business approach.</p>
Market risk 	<p>Nahdi operates in a highly competitive retail pharmacy and healthcare sector, facing pressure from both domestic and international operators. Increasing competition, industry consolidation, new entrants and strategic alliances present challenges that could materially impact Nahdi's market position and financial performance. Adapting to these rapidly changing market dynamics requires agility and foresight.</p>	<p>To address these risks, Nahdi continuously evolves its offerings, ensuring alignment with market demands while maintaining our Guests' loyalty. The Executive team actively monitors competitor pricing and promotions, leveraging data-driven insight to refine strategies. By investing in emerging technologies and adopting a dynamic, tech-enabled risk management approach, Nahdi stays ahead of disruptive innovations, enabling it to act decisively and maintain a competitive edge while adhering to local and international regulations.</p>	Operational risk 	<p>Nahdi faces challenges in competing for suitable store locations, which may be influenced by local land use, zoning, environmental regulations and other requirements that affect the cost and feasibility of new or renovated stores. Additionally, shifting local demographics at existing locations could impact revenue and profitability. The Company also navigates increasing operational costs, supply chain challenges, skills availability and growing regulatory compliance demands, all of which could affect its ability to execute its growth strategy effectively.</p>	<p>To mitigate these risks, Nahdi conducts thorough feasibility studies, incorporating predictive financial analysis and demographic insight to make informed decisions. The Executive team drives economies of scale, enhances operational performance and utilizes advanced digital technologies to improve efficiency. Furthermore, Nahdi has implemented a robust process to manage regulatory compliance risk and maintains strong relationships with local regulatory authorities, ensuring adherence to evolving laws and policies while fostering sustainable business operations.</p>
Cybersecurity risk 	<p>Nahdi relies extensively on advanced computer systems to manage critical operations, such as ordering, pricing, inventory replenishment, pharmacy fulfillment, loyalty programs and finance. These systems face potential risks from power outages, communication failures, natural disasters, human error and sophisticated cyber threats, including ransomware and other attacks. Additionally, an increasingly stringent regulatory environment for data security and privacy presents challenges that, if unmet, could lead to enforcement actions, fines and litigation.</p>	<p>Cybersecurity remains a top priority for Nahdi, with a zero-tolerance approach to misinformation and disinformation and a culture where security is everyone's responsibility. The Company continuously adopts advanced technologies and tools to identify and mitigate threats, ensuring compliance with high security standards and regulations. Nahdi maintains a robust Business Continuity Management System, including IT disaster recovery and crisis management capabilities, to safeguard operations against disruptions. By improving its cyber resilience and continuously maturing its security and continuity frameworks, Nahdi remains committed to providing a secure environment for its employees, Guests and stakeholders.</p>	Organization growth and financial stability risk 	<p>Nahdi is committed to achieving its growth strategy by expanding its retail offerings, omnichannel capabilities and omnihealth ecosystem while making targeted investments to improve operational capabilities in the healthcare sector.</p>	<p>The Company prioritizes strengthening its brand and improving product and service quality, particularly through its Private Label offerings, while enhancing its omnichannel model and online services to effectively meet Guests' needs. A robust loyalty program helps retain existing Guests and build trust, fostering long-term engagement.</p> <p>Nahdi maintains financial stability by avoiding institutional loans and minimizing exposure to foreign currency risks. Its treasury function, under close oversight by the CFO and other Executives, ensures proactive monitoring of risks that could impact the Company's financial health. This disciplined approach enables Nahdi to sustain a strong financial position and confidently pursue its strategic objectives and long-term growth.</p>

03



BUSINESS REVIEW

Pharmacy Retail	76
Case Study: Medical Adherence	80
Omnichannel	82
Case Study: Nahdi Global®	86
Omihealth	88



In 2024, Nahdi prioritized Guests, shaping its strategy to strengthen core pharmacy retail, expand omnichannel reach, evolve into a leading omnihealth platform, and empower key strategic functions to realize its vision.

PHARMACY RETAIL

Nahdi reinforced its leadership in Pharmacy Retail during a year that showcased its commitment to innovation, Guest-centric strategies and operational excellence. With a focus on delivering value across people, Guests and business operations, the Company successfully enhanced its services, expanded its footprint and maintained its role as a trusted healthcare partner.

This year, Nahdi achieved a Brand Equity Score of 6.9, the highest among pharmacy retailers in Saudi Arabia. The Pharmacy Retail Net Promoter Score (NPS) also reached a record of 90, well above global and regional standards. These accomplishments underscore Nahdi's stellar reputation, Guest loyalty and deep emotional connection with the community. They reflect the Company's unwavering commitment to delivering exceptional service, offering a diverse range of products, and ensuring a Guest experience that consistently meets and exceeds expectations.

Year of significant results

In 2024, Nahdi's Pharmacy Retail Division achieved remarkable regional revenue growth, reflecting the success of its strategic initiatives. Pharmacies in the UAE posted a staggering 133% revenue growth, owing to the rapid expansion of stores across the Emirates. In Saudi Arabia, the Riyadh Leadership strategy established the city as an anchor for growth with a 12% increase in revenue, compared to a 6.5% increase across the region.

As the number of pilgrims continues to rise, Nahdi's Haram stores remain a key driver of growth, contributing remarkably to the business during the year. Through the opening of new polyclinics in Makkah and Madinah, Nahdi strengthened its commitment to supporting the Kingdom's Vision 2030 ambition of welcoming more visitors for Umrah and Hajj.

The Medicine segment remained the core driver of the Nahdi's revenue growth in 2024. This success was underpinned by the Company's strategic focus on healthcare and retail pharmacy synergies, partnerships with medical insurance companies, provider pharmacy growth and the introduction of innovative products.

Nahdi's Private Label and Differentiated Brands reached ₪ 1.2 billion in sales in 2024, representing 13% of total sales. These products, which include categories such as medical accessories, beauty products and health food, are sourced from Nahdi's international manufacturing partners. Additionally, Nahdi has launched Private Label products in its core Medicine division, in line with the Kingdom's vision to support locally sourced goods. This initiative will improve the availability of medicine in the Kingdom and reduce the prices for Guests by driving down supply chain costs.



Expanding the regional retail footprint

In 2024, Nahdi achieved remarkable progress in expanding its network domestically and in the UAE, reflecting its commitment to convenience, accessibility and growth. The Company strategically opened 87 new stores across Saudi Arabia while closing 36 underperforming locations to optimize its footprint. Regionally, the Company marked a significant milestone by opening 10 new stores in the UAE, establishing a presence across most Emirates. This thoughtful and data-driven expansion seamlessly aligns with Nahdi's strategic vision for regional growth and positions the Company as a leading pharmacy retailer in the region. It underscores Nahdi's dedication to bringing its services closer to communities, maintaining operational efficiency and long-term profitability.

Notably, the Provider business continued to be a cornerstone of Nahdi's growth framework, focusing on expanding its market presence and optimizing profitability. In 2024, the Company surpassed expectations by opening 20 new Provider pharmacies*, contributing to sales around ₪ 1 billion. This achievement highlights Nahdi's ability to address evolving market needs through targeted initiatives.

Innovating omnichannel offerings

Nahdi's omnichannel strategy serves as a core pillar of its commitment to delivering seamless and personalized experiences across all Guest touchpoints. The strategy integrates physical stores, online platforms and advanced delivery services to create a unified ecosystem that meets diverse Guest needs. Nahdi ensures that products are readily available while streamlining order preparation and fulfillment processes. This operational excellence enables Nahdi to maintain a leading position in retail and healthcare services.

These advancements were complemented by the diversification of Guest offerings and enhancements to the digital experience. Personalized services, including on-the-spot consultations, virtual specialist appointments and e-prescriptions, elevated the quality of care provided. Additionally, digital health capabilities were bolstered through e-pharmacist services, delivering 270,000 video consultations. In-body measurement services also provided 250,000 health assessments across 170 stores, supporting Nahdi's vision for holistic wellness.

Nahdi continued to prioritize investments in its online infrastructure throughout the year to elevate the Guest experience and strengthen its position as a leader in omnichannel retail. Significant advancements were made in digital platforms, enhancing the seamless integration between online and in-store services. Nahdi's e-commerce capabilities were expanded to ensure faster, more reliable delivery, with strategic improvements enabling 24-hour delivery in key cities, including Riyadh, Jeddah and Makkah. Personalized services, powered by data-driven insight, enriched the Guest journey, offering tailored recommendations and accessible healthcare solutions. These efforts, coupled with the launch of advanced digital tools and process automations, solidified Nahdi's commitment to creating a convenient, engaging and Guest-centric omnichannel experience.

This year, Nahdi was proud to receive the Best Innovation of the Year award for the Solution Project, an initiative designed to improve Guest experiences through personalized recommendations. The project has redefined the retail pharmacy landscape by seamlessly integrating advanced AI with personalized Guest care, reflecting the Company's commitment to innovation and ambition to continually set new benchmarks in Guest-centric retail solutions.

* Provider pharmacies are pharmacies integrated within healthcare facilities to meet patients' and Guests' needs.

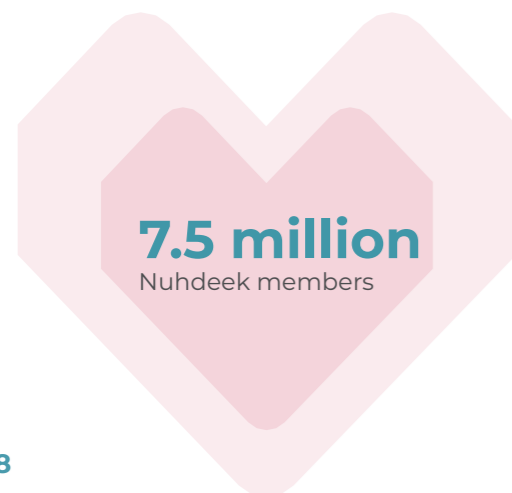
♥ PHARMACY RETAIL continued

Growing Guest loyalty

Guest-centricity remained at the heart of Nahdi's strategy in 2024. By expanding innovative offerings such as ez-pill, virtual consultations and improved wellness programs like Wazen Hayatak, Nahdi provided an enriched healthcare experience. New services, such as in-body measurement and Scan & Go, along with drive-thru pharmacy options, further elevated Guest satisfaction. This dedication was reflected in the record-high NPS of 90, showcasing the trust and loyalty of Guests who continue to make Nahdi their preferred healthcare and retail partner.

The Nuhdeek loyalty program continued its remarkable growth, welcoming 800,000 new members in 2024 to reach a total of 7.5 million active participants. Enhancements to the program, including QR scanning features on the Nahdi App, simplified the process of earning and redeeming points. These innovations significantly increased Guest engagement and loyalty, solidifying Nuhdeek's reputation as one of the largest and most successful loyalty programs in the region.

This year also saw Nuhdeek further establish itself as a leading engagement platform by partnering with renowned brands across various industries. The loyalty program introduced card-linked offers and established redemption partnerships with telecom providers and banks, enabling seamless point redemption at Nahdi stores. As Nahdi expanded its store footprint across the UAE, Nuhdeek aligned with this growth by forging additional alliances with major brands. These collaborations enhanced the program's flexibility, boosted Guest engagement and contributed to revenue growth.



Promoting medication adherence

In alignment with the healthcare goals of the Kingdom's Vision 2030 and Healthcare Sector Transformation program, Nahdi's medication adherence strategy is designed to enhance the quality of life for its Guests by improving medication compliance and overall health outcomes. This comprehensive approach combines innovative services, advanced technology and personalized support to address the unique needs of its diverse Guest base.

Key initiatives include the expansion of adherence services to the UAE, leveraging reminders through emails, SMS, WhatsApp notifications and in-store solution screens to ensure timely refills. Nahdi's Salemtum Health Club enables guests to manage dose reminders online, while rewarding consistent adherence with personalized offers. The ez-pill service further simplifies medication management, particularly for elderly Guests, by offering customized packaging for chronic medications, enhancing both convenience and compliance.

The ez-pill program significantly improved medication adherence, with rates rising from 30% to 52%, including diabetic adherence at 56%. Seamlessly integrated with wellness initiatives, the program supported over 60,000 prescription refills, directly impacting 23,540 Guests, and sent more than one million dose reminders to enhance health outcomes. With coverage across 13 cities and 70% of the population, ez-pill contributed to an outstanding NPS of 96, reflecting strong Guest satisfaction and loyalty.

By integrating these solutions with its omnichannel ecosystem, Nahdi not only ensures better health outcomes for its Guests, but also reinforces its position as a trusted partner in personalized healthcare management, underscoring Nahdi's commitment to addressing the adherence challenge and improving lives.

♥ **Making medication easy**

The ez-pill service is a cornerstone of Nahdi Medical Company's commitment to enhancing medication adherence and Guest convenience. Designed to support Guests with chronic conditions, particularly the elderly, ez-pill provides customized packaging that organizes medications by dose and time, ensuring Guests never miss a dose. This innovative solution simplifies medication management and empowers Guests to maintain better health outcomes.

In 2024, the service expanded its geographic coverage to 70% of the Kingdom, processing over 60,000 refills. ez-pill's capabilities are enhanced by its integration with Nahdi's omnichannel ecosystem, allowing seamless refills through the Nahdi Online platform with just a few clicks. Future improvements, including AI-powered counseling through the ez-pill coach, will provide personalized recommendations on drug interactions, stability and availability, underscoring Nahdi's leadership in healthcare innovation and Guest-centric services.



Leading with operational excellence

Operationally, Nahdi's Pharmacy Retail division achieved excellent results across its key metrics in 2024. Nahdi pharmacists improved their productivity by 8.6% compared to 2023 and reached an impressive prescription adherence rate of 52%.

Sustainability initiatives, such as the TARSHID electricity savings program and the R2E (Road to Efficiency Excellence) program cost-efficiency measures, reinforced Nahdi's commitment to operational excellence and environmental stewardship. Governance and quality assurance also remained central to operations, with Nahdi achieving a 98.2% average Quality Assurance Visit score across 1,576 visits, ensuring adherence to regulatory requirements and operational integrity.

The division's success was underpinned by a strong focus on people, with Pharmacy Retail staff completing a total of 490,000 training hours. Nahdi made significant strides in nationalization, achieving a 35% ratio with the hiring of more than 470 national pharmacists in 2024.

Looking forward to 2025

In the year ahead, Nahdi will focus on sustaining its growth momentum by expanding its store network, refining omnichannel integration and enhancing Guest-centric offerings.

Key priorities for Pharmacy Retail include the continuous improvement of the self-checkout systems, expanding wellness services and scaling up the beauty expert program. The division aims to increase wellness card sales, increase the number of ez-pill refills and strengthen medication adherence programs to deliver a harmonious and personalized Guest experience, accelerating the Company's Private Label growth trajectory. These focused efforts will enable Nahdi to reinforce its leadership position and drive continued success in the coming year.

Nahdi's TRUST, CLARITY and MOMENTUM strategies will continue to guide its people-focused initiatives, ensuring employee engagement and satisfaction.

CASE STUDY

MEDICAL ADHERENCE

Building a chronic care ecosystem

Redefining chronic care in Saudi Arabia

As chronic diseases continue to rise in Saudi Arabia, addressing medication adherence has become a crucial opportunity to improve the quality of life for millions. As the Ministry of Health aims to increase life expectancy to 80 years as part of Vision 2030, making sure patients manage their chronic conditions effectively is essential. For Nahdi, this presented a chance to play a transformative role in healthcare by simplifying medication management and improving adherence, ultimately helping our Guests live healthier, longer lives.



Personalized and integrated care with MAP

In response to this need, Nahdi launched its innovative Medication Adherence program (MAP), designed to provide personalized support and smooth integration for chronic patients. Leveraging advanced data science, the program identifies Guests requiring assistance and offers tailored solutions, including refill reminders, e-prescriptions and direct pharmacist consultations through digital and in-store platforms.

The ez-pill service, a standout feature of MAP, re-sorts and repackages medications into daily dose envelopes, simplifying complex regimens. This program, spanning 13 cities and covering 70% of the population, ensures patients receive the right medications at the right time, creating a truly Guest-centric healthcare experience.



A healthier tomorrow

Nahdi's MAP has driven a remarkable increase in medication adherence rates, rising from 30% to 52%, with diabetic adherence reaching 56%. The program's personalized reminders and easy-to-use tools have enhanced patient safety, reduced medication errors and minimized health complications.

By simplifying medication management, MAP has provided unparalleled convenience and peace of mind for thousands of Guests. These results underscore Nahdi's commitment to creating tangible benefits that improve lives and redefine chronic care.



Building a sustainable ecosystem

The early success of this program in addressing medication adherence highlights the potential of a Guest-centric, technology-driven approach. Looking ahead, Nahdi aims to expand the reach and impact of MAP, integrating further advancements in digital health and personalized care. By continuing to align with Vision 2030 and supporting patients with chronic diseases, Nahdi is building a sustainable healthcare ecosystem that transforms the way care is delivered in Saudi Arabia.



Through innovation and personalized care, Nahdi empowers its Guests to take control of their health and redefines what it means to deliver exceptional healthcare.

OMNICHANNEL

In 2024, Nahdi added more beats to its Guests' lives through its omnichannel strategy, driving phenomenal returns and solidifying its position as a leader in integrated Guest experiences. By strengthening its online and delivery offerings, the Company increased its presence in the market and positioned itself for exponential growth in the future.

Nahdi has proven its model as a full-suite healthcare retailer by delivering outstanding Guest experiences through a comprehensive omnichannel strategy that encompasses the entire Guest journey. The Company's commitment to providing a seamless omnichannel experience ensures Guests have flexible online and offline options across a wide range of healthcare touchpoints. The omnichannel platform includes Nahdi Online, Nahdi Global, e-pharmacists, store to home, click & collect and more, making healthcare access incredibly convenient and user-friendly with just a click of a button.

The contribution of the omnichannel platform to total Group revenue increased from 16.6% in 2023 to 22% in 2024, with total revenue reaching a record $\text{R} 2$ billion. The omnichannel platform recorded an impressive 16+ million sessions per month in 2024, ranking among the highest in the Saudi market. Meanwhile, Nahdi Online and Nahdi Global processed an average of 15,801 deliveries per day, compared to 10,466 the previous year.

Additionally, the e-pharmacist continues to demonstrate significant growth, conducting around 270,000 sessions in 2024. The innovative service, which provides Guests with free virtual consultation services with a pharmacist via the Nahdi app, plays a vital role in the Company's omnichannel ecosystem. By increasing efficiency and improving Guest health outcomes, the e-pharmacist serves as an outstanding example of innovation in the Kingdom, supporting the Government's Healthcare Transformation strategy.

About omnichannel

We are transforming our omnichannel retail footprint to make a difference to our Guests' shopping and well-being experience.

Ambition

Expand our omnichannel retail footprint in stores and online in Saudi Arabia and the UAE.

Also, in the omnichannel space, Nahdi achieved around $\text{R} 1$ billion in business within the provider pharmacy segment, reflecting the success of its digital-first approach to healthcare services.

The Company's achievements continued to earn accolades and recognition in 2024. Nahdi increased its standing in the Nielsen Store Equity Index and ranked far above its peers, a testament to the growing strength of its brand equity and the high levels of Guest satisfaction.

The Company was also awarded first place at the Advantage Awards as the Preferred Partner Retailer for Saudi Arabia and received two prestigious honors at the Retail ME 2024 edition: Most Admired Retailer of the Year in the Pharmacy and Healthcare category in Dubai, UAE; and Most Admired Retailer of the Year in the Pharmacy and Healthcare category in Riyadh, KSA. These accomplishments reinforce Nahdi's ambition to sustain its leadership in the well-being retail space across Saudi Arabia and beyond.

Exponential expansion

Nahdi's omnichannel success in 2024 was supported by the enhancement of delivery capabilities, which now cover the entire Kingdom. The Company reached a major milestone this year when it reduced delivery times across the country to under two hours, representing a significant advancement in meeting Guest expectations and delivering unparalleled convenience.

The Nahdi Global gateway also provided Guests with unmatched access to premium international brands via a seamless e-commerce platform, tripling the number of SKUs imported from outside Saudi Arabia. In 2024, these efforts led to significant growth in e-commerce revenues, streamlined operations and elevated Guest satisfaction, solidifying Nahdi's market leadership and commitment to innovation. This growth was further supported by the introduction of same-day delivery for Nahdi Global in Riyadh, Makkah and Jeddah, significantly improving on the previous 48-hour delivery timeframe.

To enhance supply chain efficiency, Nahdi inaugurated two new bonded zones in Riyadh and the UAE during 2024. The new zones complement the existing bonded zone in Jeddah within Nahdi's smart distribution center (IMDAD). IMDAD is a key driver of Nahdi's omnichannel strategy, improving operational excellence and streamlined service delivery.

On the ground, Nahdi's physical footprint grew significantly, reaching a total of 1,156 locations in Saudi Arabia and 25 pharmacies in the United Arab Emirates. Through Nahdi.com, Nahdi Global and its e-pharmacist network, Guests in the UAE can now access a diverse range of products and services. By 2025, select products from Nahdi's portfolio will also be available in retail locations across the UAE, further strengthening the Company's regional presence and supporting its growth strategy.



♥ OMNICHANNEL continued

Elevating the Guest experience

To further improve convenience and accessibility, Nahdi launched a fully revamped user experience for its website and mobile application at the end of 2024. Nahdi Online 3.0 features a host of benefits, including faster checkouts, improved search functionality, personalized recommendations and educational content on healthcare and well-being, symbiotically integrated with a robust back-end cloud infrastructure, driving engagement and personalization through AI-driven analytics. The transformation aims to provide a seamless, user-friendly interface, ensuring an efficient, modern and personalized journey for all Guests.

As part of the Company's commitment to enhancing Guest engagement, Nuhdeek, Nahdi's flagship loyalty program, is also undergoing a comprehensive revamp. This initiative leverages predictive AI tools to deliver a more personalized experience for Guests. Nuhdeek members already account for 70% of Nahdi revenues. By enhancing both the user experience and digital offerings, Nuhdeek is set to become a cornerstone of Nahdi's broader business transformation strategy.

In 2024, Nahdi became the first retail pharmacy chain to launch shelves dedicated to Saudi-made products outside the Kingdom of Saudi Arabia. This initiative was part of a memorandum of understanding signed with the Saudi Export Development Authority under the Made in Saudi program. The launch of the 25th UAE pharmacy in Dubai marked a key milestone, showcasing Saudi products to an international audience and heightening Nahdi's global exposure.

Nahdi also strengthened its network through strategic partnerships. Agreements with several leading banks in Saudi Arabia now allow Guests to convert their card points into Nuhdeek points, providing diverse payment methods and adding convenience to the retail experience.

Additionally, Nahdi launched its first Private Label of medicine in 2024, setting the stage for further innovation and growth in the coming years.

Looking forward to 2025

In 2025, Nahdi aims to significantly enhance its omnichannel strategy by leveraging advanced AI systems and partnerships with leading international technology firms to become more insight driven. By utilizing data more effectively, the Company plans to gain deeper Guest insight and create more personalized, impactful engagement across all channels. Additionally, Nahdi will prioritize the growth of its Private Label offerings in 2025, aligning with its broader plan to deliver innovative and Guest-centric solutions.

To enhance supply chain efficiency, Nahdi inaugurated two new bonded zones in Riyadh and the UAE during 2024. The new zones complement the existing bonded zone in Jeddah within Nahdi's smart distribution center (IMDAD).



CASE STUDY

NAHDI GLOBAL[®]

Gateway between Saudi Arabia and the world

A transforming market and rising expectations

Saudi Arabia's retail sectors reached a turning point in 2024, with Guests seeking broader access to international front shop and wellness products. The booming e-commerce landscape added urgency, offering a chance to meet this demand through innovation and convenience. For Nahdi, this was a great opportunity to lead the way and revolutionize how Guests experience global and local retail in the Kingdom.



The Nahdi Global[®] solution

Nahdi responded with the groundbreaking Nahdi Global[®] Gateway, a platform designed to bring the world's best products to its Guests. By introducing internationally trending products to the Saudi and UAE markets more quickly, Nahdi is able to test demand and receive rapid market feedback. At the same time, Nahdi Global[®] serves as a gateway, providing a platform for international suppliers to showcase their products to Guests in Saudi Arabia and the UAE. Meanwhile, Nahdi will have the opportunity to evaluate these products prior to their registration.

The Nahdi Global[®] platform is powered by the state-of-the-art IMDAD smart distribution center, which was developed in collaboration with MODON and features Saudi Arabia's first bonded zone in partnership with ZATCA. To increase supply chain capacity and support Nahdi Global[®], Nahdi opened a bonded zone in both Riyadh and the UAE in the fourth quarter of 2024. Together, these logistics hubs have redefined efficiency and compliance, with market-leading 24-hour delivery in Jeddah, Makkah and Riyadh, and two-day delivery for other cities across the Kingdom and the UAE.

On the digital front, the enhanced Nahdi Online[®] platform seamlessly integrates global products into a vibrant e-commerce ecosystem, offering the possibility of endless shelves, backed by rigorous quality assurance that Guests can trust. The Nahdi Online[®] platform surged ahead in 2024, blending the digital and physical retail worlds to create a shopping experience that was both innovative and accessible.

Transformative impact in 2024

The results of this strategic initiative were extraordinary. Nahdi Online's share of revenue soared to 22%, cementing its place as a leader in the e-commerce space and setting the stage for future expansion into selected international markets.

The platform also achieved an impressive NPS of 90, well above the average for the retail sector. The IMDAD smart distribution center streamlined operations, handling imports and deliveries with precision, while collaborations with ZATCA ensured seamless regulatory compliance. Together, these achievements elevated Guest satisfaction, reinforced Nahdi's market leadership and laid the foundation for continued innovation and growth.



Through Nahdi Global[®], we are opening doors to the world for our Guests, delivering not just products, but a promise of excellence, convenience and innovation. This is the future of retail and healthcare in Saudi Arabia and the UAE.



OMNIHEALTH

In 2024, Nahdi strengthened its position as a leading provider of integrated healthcare in the Kingdom, providing holistic Guest experiences across physical, digital and home healthcare channels. This year, the segment achieved staggering growth as it opened its 10th polyclinic, expanded its network to over 250 outpatient polyclinics and 100 emergency room beds, and achieved over 1.4 million visits to the omnihealth ecosystem.

Guided by its omnihealth strategy, Nahdi is at the forefront of transforming Saudi Arabia's healthcare sector by seamlessly integrating polyclinics, virtual consultations, home services, laboratories and pharmacy retail, ensuring a truly end-to-end Guest journey.

This evolution aligns with the strategic objectives of Saudi Vision 2030 and the National Healthcare Transformation program, providing a comprehensive suite of high-quality, affordable and accessible healthcare services to Guests across the Kingdom.

The Company's omnihealth footprint now extends to 10 NahdiCare polyclinics across seven cities: Jeddah, Makkah, Taif, Madina, Yanbu, Najran and Khamis Mushait, delivering this outstanding result a full two years ahead of its 2026 target.

With a wide range of 20 specialties and a team of reputable general practitioners, specialists and western and Arab board-certified consultants, the Company continued to deliver trustworthy healthcare to its communities. In 2024, Nahdi proudly achieved an outstanding Guest NPS of 81.

The number of Guest visits to NahdiCare polyclinics increased by 47%, totaling more than 1.4 million visits in 2024 compared to 985,000 the previous year. Virtual consultations also surged by 41%, reaching 797,000+ compared to 565,000 in 2023, equivalent to an average of one telemedicine consultation every 30 seconds. This rapid adoption enabled Nahdi to extend its strategic reach across more than 120 cities with minimal capital investment, reinforcing its position as a strategic differentiator in digital healthcare.



About omnihealth

We aim to become the next generation healthcare and wellness hub, building our ecosystem around our guests.

Ambition

To evolve into a leading omnihealth platform

Nahdi also expanded its diagnostic services as part of its commitment to providing accessible, quality healthcare for its communities. The Company conducted 154,000 diagnostic tests during the year, opened several new labs and has plans to disrupt the market by expanding the lab virtually, as was previously successfully accomplished with Wellness Cards and virtual consultations. This included launching the highly successful Wellness Card pilot program, which offered diagnostic packages tailored to a range of Guests' needs. Between June and the end of 2024, Wellness Card sales more than doubled, from 500 to 12,000 a month.

Improved financial performance

Nahdi's omnihealth revenue exceeded expectations with exceptional growth of 98.3% in 2024. This impressive performance highlights Nahdi's unwavering commitment to expanding its healthcare services, solidifying its position for continued growth and long-term success in the years ahead.

Overall profitability for NahdiCare polyclinics improved thanks to Nahdi's agile profitable model focused on increased sales, reduced capital and operational expenses, as well as strategic partnerships. Mature polyclinics delivered a solid net profit margin in 2024, which contributed to expanding the healthcare business.

Key achievements

NahdiCare polyclinics made significant strides this year in improving Guest experience and streamlining service delivery. With a focus on reducing waiting times, 90% of booked Guests experienced a waiting time of less than 15 minutes. The Company also achieved a 30% reduction in waiting times by introducing self-check-in services across all polyclinics. This improvement allows Guests to bypass the receptionist queue and check in directly for their doctor visits via mobile app, kiosks and Guest Care Center (GCC) channels. Additionally, the Company offered greater convenience and flexibility by enabling follow-up appointments through telemedicine and introducing valet parking services.

Nahdi's omnihealth segment earned recognition and developed strategic partnerships that underscore its commitment to providing quality and innovative services to its Guests. The Saudi Heart Association honored the Company for its contributions to cardiac health at SHA24, and Nahdi launched a pilot Population Health Management program in collaboration with the Council of Health Insurance (CHI) during the Global Health Exhibition in Riyadh.

Nahdi's diagnostic labs achieved accreditation from the College of American Pathologists (CAP), attesting to their reliability and quality. Furthermore, Nahdi signed a memorandum of understanding with ROCH Diagnostics for scientific support, as well as the provision of medical lab equipment and supplies.

Looking forward to 2025

Nahdi has set ambitious goals for the omnihealth segment in 2025, with a primary objective to double the healthcare business revenue for the third consecutive year. The expansion plan includes the opening of additional NahdiCare polyclinics in Abha and Riyadh.

A key initiative for the year is the full launch of the Wellness Card program, with Guest-friendly wellness and beauty health cards sold across all Nahdi pharmacies. By leveraging a network of over 3,500 trusted pharmacists across 135+ cities and villages, the Company is well positioned to make the cards accessible to a broad population. Importantly, the initiative marks a shift from a traditional illness-focused approach to a proactive wellness model. The ultimate aim of the program is to reduce non-communicable diseases and promote the management of chronic disease, in support of the objectives of the Healthcare Transformation program and Saudi Vision 2030.



SUSTAINABILITY REVIEW

Overview	92
Environmental Stewardship	94
Social Responsibility	96



Nahdi continues to invest in its people, fostering a culture of engagement, efficiency and innovation. This commitment attracts top talent and empowers its team to grow and excel.





OVERVIEW

At Nahdi, our purpose to add beats to everyday lives is deeply embedded in our sustainability strategy. From our heart to yours, we are dedicated to making a positive impact on both people and the planet.

Our commitment is reflected in our daily actions and our active engagement in various initiatives is designed to reduce environmental impact and improve community well-being. Through these efforts, we strive to create a better world for current and future generations.

Our focus on sustainability and corporate social responsibility through proactive environmental initiatives, robust employee development programs, community health efforts and enhanced access to healthcare services, all align with the goals of Vision 2030.



<p>Environmental Stewardship</p>	<p>Social Responsibility</p>		
<p></p> <p>We strive to reduce our ecological footprint, and we continue to establish various initiatives that reflect this commitment across all our operations, supply chains and networks.</p>	<p></p> <p>Guests</p> <p>We prioritize the health and well-being of our Guests with initiatives like the Wazen Hayatak weight-loss program, e-pharmacist services and year-round donations.</p>	<p></p> <p>Communities</p> <p>We are committed to serving our communities through initiatives like Convoys of Hope, providing essential healthcare to underserved areas, in addition to supporting vulnerable groups with donations and collaborations.</p>	<p></p> <p>Employees</p> <p>We work towards equipping our people with the tools and guidance they need. Through initiatives such as the Nahdi Academy mobile app, we help them cultivate both technical and leadership skills and supporting their ongoing growth.</p>



ENVIRONMENTAL STEWARDSHIP

At Nahdi, our environmental efforts are rooted in a strong commitment to sustainability and resource conservation. We recognize the critical role we play in protecting the planet and our comprehensive initiatives are designed to minimize our ecological footprint. Through these efforts, Nahdi continues to lead by example, demonstrating that economic growth and environmental responsibility can go hand in hand.

Nahdi adopts sustainable practices in its supply chain, ensuring adherence to environmental compliance standards and minimizing negative ecological impacts. In 2024, this included energy conservation, running on demand for most electrical usage (automation, lighting, etc.). By optimizing electrical energy consumption and usage, we successfully reduced consumption by 12.3% compared to 2023.

At our main IMDAD distribution center in Jeddah, 96% of our forklifts are electric, with the near-term goal of reaching 100%. The zero-diesel vehicles have led to the reduction of carbon emissions by approximately 2.568 tons per year.

The IMDAD water treatment facility processes approximately 1.644 tons of gray water per year. In 2024, we planted 846 trees through the IMDAD Green initiative.

We are proud to be certified under ISO 14001, an Environmental Management System standard that demonstrates our commitment to minimizing environmental impact and fostering responsible resource use. Additionally, our IMDAD distribution center has achieved LEED Certification, a prestigious green building rating system. This certification underscores our dedication to environmental stewardship by providing a framework for designing and operating highly efficient, cost-saving and eco-friendly facilities.



Nahdi continues to prioritize sustainable packaging and minimize waste across its initiatives. We are committed to using biodegradable shopping bags in our stores, amounting to approximately 1,690 tons per year, and encouraging the use of plastic boxes instead of cartons, with a 2024 saving of 7.3 million cartons (approximately 2,717 tons). We have also implemented electronic processes to significantly decrease paper consumption and reduce reliance on single-use plastics. We have replaced the previous five-paper documentation process in pharmacies with the introduction of a digital paper slip system.

In 2024, Nahdi recycled significant quantities of materials, including wooden pallets and cartons, contributing to waste reduction and resource conservation. The recycling process included 1,180.6 tons of carton, 2,801.3 tons of wood pallets and 103 tons of plastic. We also collaborated with specialized companies to guarantee the safe disposal of medical waste in accordance with established guidelines.

Over the past year, we successfully recycled 35.605 tons of e-waste, preventing harmful materials from entering landfills and contributing to the circular economy. This milestone underscores our dedication to environmental stewardship. A total of 3,801.50 kg of uninterruptible power supply and batteries were safely decommissioned and recycled, achieving an estimated carbon savings of 950 to 1,140 kg of CO₂ equivalent. Additionally, we securely shredded 600 hard disk drives to protect sensitive company and Guest data, making certain of the secure and environmentally friendly disposal of data storage devices. These initiatives reflect our ongoing commitment to environmental sustainability and resource conservation.

We are committed to using biodegradable shopping bags in our stores, amounting to approximately 1,690 tons per year, and encouraging the use of plastic boxes instead of cartons, with a 2024 saving of 7.3 million cartons (approximately 2,717 tons).



♥ SOCIAL RESPONSIBILITY

At Nahdi, promoting health and well-being extends far beyond our pharmacies. Through initiatives like the Convoys of Hope the Company enhances healthcare access in rural areas, offering medical consultations and promoting health awareness. In collaboration with non-governmental organizations (NGO), we bring essential medical services, including checkups, mobile laboratories and mobile pharmacies, to underserved rural communities.



Our sustainability strategy

With three strategic pillars – Yesterday, Today and Tomorrow – our sustainability strategy aligns closely with Vision 2030 and the Ministry of Health's transformation agenda, reinforcing our commitment to national health priorities. By tackling past healthcare challenges, promoting preventative care and investing in future generations, we are building a stronger, more accessible and sustainable healthcare system.

Nahdi's social sustainability initiatives fall under three pillars.

Effective diabetes disease management



Activating preventive care and well-being



Women empowerment in health



♥ SOCIAL RESPONSIBILITY continued



Effective diabetes disease management



Activating preventive care and well-being



Women empowerment in health

Goal

Individuals can live longer, healthier lives, reducing the burden on healthcare systems and strengthening the community.

In 2024, our convoys spanned 83 days, benefiting nearly 37,000 individuals across the Kingdom. Partnering with Al Hayat NGO in Madinah, we organized 35 days of convoys, serving approximately 19,000 beneficiaries.

Additionally, our partnership with Enaya NGO in the Central Region supported 1,300 beneficiaries over 10 days, while our collaboration with Al Ehsan NGO in the Southern Region provided medical care to almost 1,400 beneficiaries over four days.

During the Hajj season, our convoys extended to pilgrims, reaching nearly 14,000 individuals over 34 days. Our efforts include collecting donations to provide 120 wheelchairs to pilgrims and visitors in need in Makkah.

Nahdi's digital transformation initiatives, including the Nahdi Academy app and e-pharmacist services, allow for continuous healthcare education and virtual consultations, significantly increasing accessibility to health services.

We also collaborate with the Ehsan Platform to collect financial donations, which are distributed monthly to facilitate the needs of chronic care patients through NGOs.

Goal

Prioritizing well-being, Guests can enhance quality of life, reduce chronic diseases risk and contribute to society.

Nahdi's community health programs promote healthy lifestyles among the Saudi population, including the weight-loss initiative Wazen Hayatak. Since its inception in 2018, the program has helped participants lose a cumulative total of 102 tons, engaging over 251,302 Guests through weight-loss challenges, competitions, event activations and community support and motivation.

Additionally, Nahdi has sponsored a pharmathon event aimed at promoting pharmaceutical innovation to combat antimicrobial resistance, particularly with antibiotics, in partnership with Um Al-Qura University in Makkah.



Goal

Society's backbone, shaping futures: caregivers in families, educators in communities and influencers of economies.

We are dedicated to female-centric care, donating specialized care products for breast cancer patients in collaboration with Zahra Breast Cancer Association.

Our children's health initiatives also aim to educate parents about healthy dietary choices, connecting with over 850,000 Guests through our Motherhood Club, which provides mothers with access to expert health advice and support.

Further, we support orphaned children in rural areas in the Western Region by giving them discounted coupons to purchase their needs from our pharmacies.

These diverse initiatives reflect our ongoing commitment to corporate social responsibility and our dedication to making a meaningful difference in the communities we serve.



♥ SOCIAL RESPONSIBILITY continued

Best Company in the Healthcare Sector for Social Responsibility

Nahdi remains steadfast in its dedication to social responsibility, a commitment that has been recognized with prestigious accolades. This year, we were honored to receive the Best Company in the Healthcare Sector for Social Responsibility award during the inaugural Social Responsibility Awards organized by the Ministry of Human Resources and Social Development.

Engineer Yasser Joharji, CEO of Nahdi Medical Company, received the award from His Excellency, the Minister of Human Resources and Social Development, Engineer Ahmed bin Sulaiman Al-Rajhi, during the special ceremony held in Riyadh in October 2024 to honor leading companies in the field of social responsibility.

This prestigious award underscores our commitment to driving and achieving the social responsibility goals outlined in Saudi Vision 2030. It is a testament to Nahdi's exceptional efforts, considering the competitive landscape with over 1,758 companies (ranging from small to large-scale) participating in the CSR competition across diverse sectors.

It also will serve as a powerful motivator for Nahdi, inspiring us to expand the reach and impact of our CSR initiatives in 2025 and beyond. We are committed to ensuring a wider segment of the community can access quality healthcare and benefit from our social responsibility.



This award underscores our commitment to driving the social responsibility goals outlined in Saudi Vision 2030.



♥ SOCIAL RESPONSIBILITY continued

Employee development and well-being

At Nahdi, we take immense pride in our unwavering commitment to nationalization and talent empowerment, aligning with government regulations and our core values. We have reached an impressive 35% nationalization rate, achieving full compliance with the nationalization requirements set by the government. This year, we celebrated a significant milestone: surpassing the remarkable count of over 1,100 Saudi pharmacists, who now comprise nearly 28% of our pharmacist team. This achievement underscores our dedication to nurturing local talent and fostering a workforce that reflects the vibrant diversity of our nation.

We continue to drive diversity and inclusivity within our workforce. In Nahdi KSA and NahdiCare polyclinics, our feminization rate is 20%. With more than 450 female pharmacists in the Nahdi family, representing 12% of our pharmacists, we surpass the private sector's rate of 9.7%. One in five national female pharmacists in the private sector is a Nahdawiya. In 2024, 50% of our external hires were female, demonstrating our commitment to fostering gender equality. As the industry evolves, we are proud to contribute to providing equitable opportunities for women, reflecting our dedication to a balanced and inclusive workforce.

Our management trainee program, the Nahdi Leadership program (NLP), continues to nurture and empower the next generation of Saudi leaders. The program, which began in 2022, is currently in its third batch as at the end of 2024. Spanning two years, the NLP offers trainees the opportunity to gain hands-on experience across various retail tracks, including operations management, commercial, marketing, supply chain, information technology, finance, corporate governance and network development.

Demonstrating our steadfast commitment to nurturing the future of healthcare in Saudi Arabia, we have been actively involved in comprehensive training and development initiatives. With more than 2,000 pharmacy students from 25 pharmacy colleges across the Kingdom and a 40% capacity increase over three years, 50% of our national pharmacist hires passed through a pre-employment training experience with Nahdi.

This year, we also participated in the Wa'ad initiative of the Ministry of Human Resources and Social Development for training in the private sector as the only participant from the healthcare sector. Through this initiative, Nahdi has pledged to provide 55,000 training opportunities to national talent from 2024 to 2028, highlighting Nahdi's leadership in empowering the national workforce and supporting the nation's vision for sustainable development.

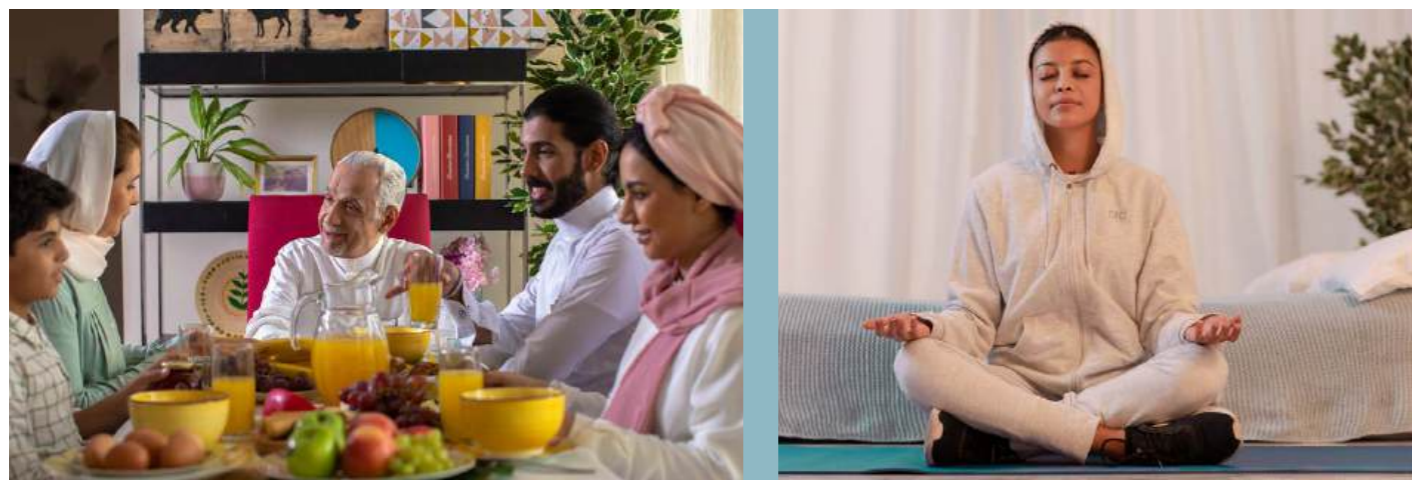
At Nahdi, our commitment to advancing the field of community pharmacy is evident through our collaboration on 15 research projects with six esteemed pharmacy colleges. This partnership not only fosters academic growth, but also drives innovation within the industry.

Each year, Nahdi collaborates with the Saudi Pharmaceutical Society to hold the Inspirational Pharmacist Awards. This competition recognizes and celebrates the impactful work of young pharmacists in the pharmaceutical industry at large. By inspiring and empowering the next generation of healthcare professionals, this initiative empowers and advocates for the members of the field, inspiring the next generation of pharmacists to reach their highest potential.

Nahdi's unwavering dedication to continuous education aligns with our goal of empowering healthcare professionals in Saudi Arabia, ensuring they are adequately equipped to provide the highest standard of patient care and respond effectively to emergencies. Our NahdiCare polyclinics have achieved notable training milestones, including Continuous Professional Development accreditation from the Saudi Commission for Health Specialties and recognition as a life support training center by the Saudi Heart Association.

Our initiatives at NahdiCare polyclinics are designed to elevate healthcare quality by making sure practitioners engage in accredited Continuous Medical Education (CME) and life support training. These programs help healthcare professionals stay updated with evidence-based practices and enhance Guest safety through rigorous life support training. By promoting quality improvement, disease prevention and multidisciplinary collaboration, our CME and life support training significantly contribute to preventive healthcare.

The Company will once again pursue the Great Place to Work Award in 2025. Through these initiatives, Nahdi is ideally positioned to reinforce its leadership in pharmacy retail, delivering exceptional Guest experiences and operational excellence for years to come.





CORPORATE GOVERNANCE

Board Members, Committee Members, and Executive Management	108	Debt Instruments	129
Description of the Board Committees	120	Dividend Policy	129
Remuneration Disclosure	125	Board Meetings and Attendance	130
Internal Controls	126	Related Parties Transactions	130
Audit Committee's Recommendation	127	Acknowledgment	132
General Assemblies and Attendance	127	Auditor's Report Reservations	132
Subsidiaries and Main Activities	127	Litigation	132
		Violations	132
		Share Book Requests	133

▼ CORPORATE GOVERNANCE

This report has been drafted to comply with the Corporate Governance Regulations issued by Saudi Arabia’s Capital Market Authority, and to be compatible with the disclosure and transparency requirements of the registration and listing rules. This report is divided, according to the Corporate Governance Regulations, into several sections, as follows.

Introduction

Nahdi Medical Company has worked on developing its own Corporate Governance Regulations in order to comply with the provisions of the regulations issued by the Capital Market Authority.

The administrative structure of Nahdi consists of the Board of Directors, three Board committees and an Executive Management team. The Board of Directors has the overall responsibility of establishing, supervising and reviewing Nahdi’s governance principles and policies to ensure full compliance with the relevant regulations to enhance the Company’s growth and sustainability.

The Board formed three committees to support its responsibilities: the Audit Committee, the Remuneration and Nomination Committee, and the Digital Transformation and Cyber Security Committee. The performance of these committees is subject to periodic review by the Board of Directors in accordance with the statutory requirements and according to the Board’s need for the recommendations issued by these committees.

Shareholders are considered particularly important in the framework of Nahdi’s governance, as the Board of Directors’ Charter allows “the attendance of the Board members at the meetings of the General Assembly”. Therefore, the Governance Manual aims for Board members to meet with shareholders to listen to their suggestions, observations and directions about the Company and its performance.

The Company has also established a dedicated Investor Relations department to strengthen the relationship between shareholders and Nahdi.



Members of the Board of Directors, members of committees, Executive Management, their positions in the Company, their qualifications and experience



**Saleh Salem
Ahmed Bin Mahfouz**

Chairman

An accomplished business leader, Mr. Bin Mahfouz was appointed Chairman of Nahdi's Board of Directors in 2021. He also chairs the boards of Red Sea Markets Company, Red Sea Market for Real Estate, Al Mahmal Development, Numu Real Estate Development Company, Chairman of the Investment Committee and Board member at Khumasia Tabah Holding Company, and Board member at Al Khomasiah International Real Estate Development Company.

Mr. Bin Mahfouz has a bachelor's degree in Civil Engineering from King Fahd University of Petroleum and Minerals, Saudi Arabia.



**Abdullah Amer
Abdullah Al-Nahdi**

Vice Chairman

Mr. Al-Nahdi was appointed to the position of Vice Chairman in 2021. He holds a number of business leadership positions, including Chairman of Al Nahdi Holding Company, and Chairman of the Board of Trustees at Al Nahdi Humanitarian Institution. Previously, he held Board memberships at King Salman Center for Disability Research, and at Endowments of King Abdulaziz University, General Director of Nahdi Transportation Company.

Mr. Al-Nahdi holds a Bachelor of Business Administration (BBA) from King Abdulaziz University, Saudi Arabia.



**Abdelelah Salem
Ahmed Bin Mahfouz**

Board Member

Mr. Bin Mahfouz joined the Nahdi Board in 2021. An accomplished business leader, he is also Vice Chairman of SEDCO Holding. In addition, Mr. Bin Mahfouz is Chairman at Methak Holding Company and Vice Chairman at Salem bin Mahfouz Foundation (SBMF), a non-profit organization.

Mr. Bin Mahfouz graduated from Ohio State University, USA, with a bachelor's degree in Business Administration.



**Yasser Ghulam
Abdulaziz Joharji**

**Board member and
Chief Executive Officer**

Eng. Joharji was appointed Nahdi's CEO in 2014 and became a Board member in 2021. With over 31 years of sectorial experience, he has held a number of leadership positions at Unilever Saudi Arabia and Savola Group.

Eng. Joharji has a Bachelor's in Industrial Engineering from King Saud University, Saudi Arabia.



**Abdulatif Ali
Abdulatif Al-Seif**

Board Member

Joining the Nahdi Board in 2021, Mr. Al-Seif is a non-Executive member of the Board. He also sits on the boards of Al Rajhi Bank, Saudi Agricultural and Livestock Investment Company, Wisayah Global Investment Company, Southern Province Cement Company, Arabian Internet & Communications Services Company, and Albilad Tourism Fund. Additionally, he is currently Managing and Executive Director at Sabeen Investment Company.

Mr. Al-Seif has a master's degree in Economics and an MBA from Boston University, USA.



**Junaid
Ezmat Bajwa**

Board Member

Appointed to the Nahdi board in 2021, Dr. Bajwa holds board positions at the Medicines and Healthcare Products Regulatory Agency, Nuffield Health, University College London Hospital, Trustee at University College London Charity Hospital, and Director at Essential Guides UK Limited.

Dr. Bajwa has an MBA from Imperial College London, UK, and a master's degree in Medical Administration from the University of Birmingham, UK.



**Romain
Voog**

Board Member

Mr. Voog was appointed to the Nahdi Board in 2021. A seasoned digital and retail senior executive, he is a Board member and Director at GetGo Lte and previously held senior positions at OLX Group, Airbnb and Amazon.

Mr. Voog's academic qualifications include a master's degree in Economics and Business from École Centrale Paris, and a diploma in Mathematics and Physics from the Lycée Chaptal in Paris.

The composition of the Board of Directors and the statement of its members as follows (Executive Board Member | Non-Executive | Independent)

The table below shows the members of the Board of Directors of Al Nahdi Medical Company.

Name	Title	Position
Saleh Salem Ahmed Bin Mahfouz	Chairman	Non-Executive
Abdullah Amer Abdullah Al-Nahdi	Vice Chairman	Non-Executive
Abdelelah Salem Ahmed Bin Mahfouz	Board Member	Non-Executive
Yasser Ghulam Abdulaziz Joharji	Board Member and CEO	Executive
Abdulatif Ali Abdulatif Al-Seif	Board Member	Independent
Junaid Ezmat Bajwa	Board Member	Independent
Romain Voog	Board Member	Independent

Names of companies where a member of the Board of Directors is a member (or was previously a member) of the Board of Directors, or is a member of the Executive Management

Saleh Salem Ahmed Bin Mahfouz	
Company	Title
Saudi Economic and Development Company – SEDCO Holding	Chairman of the Board of Directors – Former
Nahdi Medical Company	Chairman of the Board of Directors – Present
Red Sea Markets Company Ltd.	Chairman of the Board of Directors – Present
Red Sea Markets for Real Estate Investment Company – Asir	Chairman of the Board of Directors – Present
Al Mahmal Development Company	Chairman of the Board of Directors – Present
Numu Real Estate Development Company Limited	Chairman of the Board of Directors – Present
Al Khomasiah International Real Estate Development Company	Board Member – Present
Khumasia Tabah Holding Company	Chairman of the Investment Committee – Present Board Member – Present
Al Mahmal Facilities Services Company	Chairman of the Board of Directors – Former
Al-Balad Al-Ameen Company	Board Member – Former
Yanbu Saudi Kuwaiti Paper Products Company	Board Member – Former
Yanbu Cement Company	Board Member – Former
Saudi Economic and Development Company (SEDCO Holding)	Chairman of the Executive Committee – Former

Abdullah Amer Abdullah Al-Nahdi	
Company	Title
Nahdi Transportation Company	General Director – Present
Al Nahdi Humanitarian Institution	Chairman of the Board of Trustees – Present
Al Nahdi Holding Company	Chairman of the Board of Directors – Present
Nahdi Medical Company	Vice Chairman – Present
King Salman Center for Disability Research	Board Member – Former
Endowments of King Abdulaziz University	Board Member – Former

Abdelelah Salem Ahmed Bin Mahfouz	
Company	Title
Mithaq Holding Company	Chairman of the Board of Directors – Present
Al-Mahwar Investment Holding Company	Chairman of the Board of Directors – Present
Ta'alum Association	General Assembly Member – Present
University of Prince Mugrin	Honorary Board Member – Present
Distinguished Initiatives Association	Board Member – Present
SEDCO Holding Company	Vice Chairman – Present
Salem Bin Mahfouz Foundation	Vice Chairman of the Board of Trustees and Chairman of the Executive Committee – Present
Nahdi Medical Company	Board Member – Present
Saudi National Bank	Deputy Regional Director for the Riyadh Region – Former
SEDCO Capital	Chairman of the Board of Directors – Former
National Center for Non-Profit Sector	Board Member – Former

Yasser Ghulam Abdulaziz Joharji	
Company	Title
Nahdi Medical Company	Borad Member and Chief Executive Officer – Present
Saudi Unilever Company	General Director – Former
Unilever Arabia Company	Marketing General Manager – Former
The Savola Group	Brand Manager – Former

Abdulatif Ali Abdulatif Al-Seif	
Company	Title
Awqaf Investment Company	Board Member – Present
Sabeen Investment Company	Managing and Executive Director – Present
Saudi Agricultural and Livestock Investment Company	Board Member – Present
Nahdi Medical Company	Board Member – Present
Al Rajhi Bank	Board Member – Present
Wisayah Global Investment Company	Board Member – Present
Southern Province Cement Company	Board Member – Present
Albilad Tourism Fund	Board Member – Present
Arabian Internet and Communications Services Company	Board Member – Present
National Petrochemical Company	Board Member – Former
Riva Investment	Board Member – Former
Abdullah Al Othaim Investment Company	Board Member – Former
Arabian Cement Company	Board Member – Former
HSBC Saudi Arabia	Board Member – Former
Al Raidah Investment Company	Board Member – Former
Shared Vision Company	Managing Director – Former

Junaid Ezmat Bajwa	
Company	Title
Flagship Pioneering	Senior Partner – Present
Medicines and Healthcare Products Regulatory Agency	Board Member – Present
Nuffield Health	Board Member – Present
University College London Hospital	Board Member – Present
University College London Charity Hospital	Trustee – Present
Essential Guides UK Limited	Director – Present
MSD Health Services Company	Medical Executive Director – Former

Romain Voog	
Company	Title
Get Go Lte – Singapore	Board Member – Present
Ecoalf – Spain	Consultant – Present
OLX	Chief Executive Officer – Former
OLX BV Group	Board Member – Former
OLX Global BV Group	Board Member – Former
OLX India BV Group	Board Member – Former
Airbnb Inc.	Vice President of Operations, Sales and Global Geography – Former
Global Fashion Group (Xetra, GFG.DE)	Chief Executive Officer – Former
Amazon France	President and General Manager – Former
Carrefour	Board Member – Former

Board committees

Audit Committee*		
Name	Name	Qualifications
Abdulatif Ali Abdulatif Al-Seif	Chairman	MBA from Boston University
Wael Kamal Eid	Member	PhD in Risk Management from Durham University
Abu Bakr Ali Ba Jaber*	Member	PhD in Financial Management and Accounting from the University of Strathclyde
Walid Abdullah Temairik*	Member	Bachelor's degree in Management and Economics from King Abdulaziz University

*The Audit Committee was reconstituted, and the member, Mr. Abu Bakr Ali Omar Ba Jaber, was replaced by the new member, Mr. Walid Abdullah Temairik, by a decision of the Board of Directors dated 22 October 2024.

Remuneration and Nomination Committee*		
Name	Title	Qualifications
Junaid Ezmat Bajwa	Chairman	MBA from Imperial College Business School
Walid Ahmed Bahamdan	Member	Bachelor of Science in Electrical Engineering from Purdue University
Assaf Abdulkareem Alquraishi	Member	Bachelor's degree in Finance and International Business from the McDonough School of Business, Georgetown University

*The Remuneration and Nominations Committee was reconstituted by the Board of Directors' decision dated 22 October 2024.

Digital Transformation and Cyber Security Committee*		
Name	Title	Qualifications
Romain Voog	Chairman	Master's degree in Economics and Commerce from the University of Paris
Junaid Ezmat Bajwa	Member	MBA from Imperial College Business School
Juan Carlos Sacristan	Member	Master's degree in Physics from the Autonomous University of Madrid

*The Digital Transformation and Cyber Security Committee was reconstituted by the Board of Directors' decision dated 22 October 2024.



Executive Management



Yasser Joharji
Chief Executive Officer

Eng. Joharji was appointed Nahdi's CEO in 2014 and became a Board member in 2021. With over 31 years of sectorial experience, he has held several leadership positions at Unilever Saudi Arabia and Savola Group.

Eng. Joharji has a Bachelor's in Industrial Engineering from King Saud University, Saudi Arabia.



Mohammed Al-Khubani
Chief Financial Officer

Mr. Al-Khubani joined Nahdi in 2013 as Senior Director of Planning and Financial Analysis. Previously, he held a number of managerial positions at Procter & Gamble, including Regional Financial Director of Strategic Planning.

Mr. Al-Khubani has a bachelor's degree from King Fahd University of Petroleum and Minerals, Saudi Arabia, and is a Certified Management Accountant.



Zuhair Aytah
Chief Network Development Officer

Mr. Aytah joined the Company in 2006 and was promoted to his current role in 2016. He has held several leadership positions at Nahdi, including Vice President of Network Development. Previously, he was General Manager of Retail at Abdulatif Jameel Electronics & Air Conditioning.


Mr. Aytah has a bachelor's degree in Sciences from King Abdulaziz University, Saudi Arabia.



Hossam Khattab
Chief Commercial and Marketing Officer

Dr. Khattab joined Nahdi in 2016. With 21 years' experience in retail and marketing, he joined the Company from Unilever, where he held several marketing roles, including Head of Personal Care Marketing.

Dr. Khattab has a master's degree in Executive Management from the Arab Academy for Science and Technology and a bachelor's degree in Pharmacy from Alexandria University, Egypt.



Khalid Tadlaoui
Chief Information Technology Officer

Dr. Tadlaoui has held his current position since 2011. Beginning his career in 1993 as an EMEA Communications Project Manager at Procter & Gamble, he subsequently held managerial roles at Hewlett Packard Enterprise and Savola.

Dr. Tadlaoui has an engineering degree and a PhD in Computer Science from the Institute National des Sciences Appliquées, France.



Raed Monagel
Chief Corporate Governance and Business Support Officer

Eng. Monagel has more than 24 years' experience across retail, warehouse and supply chain management. He joined Nahdi in 2013. Previously, Eng. Monagel was Vice President of Supply Chain at Panda Retail.

Eng. Monagel holds a Bachelor of Industrial Engineering from King Abdulaziz University, Saudi Arabia.



Samer Bokharee
Chief Human Resources Officer

Mr. Bokharee joined Nahdi in 2018. Before joining the Company, he was at Pfizer and the National Commercial Bank (NCB), where he held several HR roles.

Mr. Bokharee has a bachelor's degree in Management Information Systems and Decision Sciences and a master's degree in Information Systems from George Mason University, USA.



Yasir Jamal
Chief Supply Chain Officer

Eng. Jamal has more than 33 years' experience in supply chain. He joined Nahdi from Unilever, where he held several positions, including Vice President of Supply Chain.

Eng. Jamal has a bachelor's degree in Chemical Engineering from King Abdulaziz University, Saudi Arabia, and a certificate in organizational leadership from INSEAD Business School, Singapore.



Mohamed Abdellatif
Chief Operation Officer

With more than 23 years' experience in Nahdi's Operations sector, Dr. Abdullatif is CM for the Riyadh, Jeddah, and Makkah regions. Previous Nahdi roles include Senior Director of Omnihealth Excellence.

Dr. Abdellatif has a bachelor's degree in Pharmaceutical Science from Tanta University in Egypt and a certificate in Healthcare Management from Yale University, USA.



Mohamed Mustafa
Chief Omnihealth Officer

Dr. Mustafa leads the NahdiCare polyclinic business. His 20+ years at Nahdi include leading strategy, operations and growth.

Dr. Mustafa has a bachelor's degree in Pharmaceutical Science from Mansoura University, Egypt, and has conducted advanced studies in leadership, strategy, finance and healthcare management at Harvard Business School, INSEAD, Yale School of Management, and the University of Maryland, USA.

Board committees, the tasks and responsibilities of the Committees emanating from the Council, stating the number of their meetings, the date of their convening and attendance data for each meeting

Audit Committee

Developing an effective internal control system is one of the responsibilities assigned to the Board of Directors. The main task of the Audit Committee is to verify the adequacy of this system and ensure it is being used effectively, and to make any recommendations to the Board of Directors to further develop the system.

Other committee responsibilities include approving policies and procedures, reviewing risk assessment activities and plans to reduce the impact of those risks before they are presented to the Board of Directors, and confirming compliance with the rules and practices of corporate governance as detailed by the Capital Market Authority and the Company's Governance Manual.

Audit Committee responsibilities

Financial reports

1. Analyzing the Company's interim and annual financial statements before presenting them to the Board of Directors, and providing opinions and recommendations to ensure integrity, fairness and transparency.
2. At the request of the Board, providing a technical opinion on whether the Board's report and the Company's financial statements are fair, balanced and understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
3. Analyzing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's Chief Financial Officer (or any person assuming his duties), the Company's compliance officer or an auditor.

5. Examining the accounting estimates relating to significant matters that are contained in the financial reports and the accounting policies followed by the Company and providing opinions and recommendations to the Board on these matters.

Auditors

1. Providing recommendations to the Board on the nomination, dismissal, remuneration and performance of auditors, including reviewing the scope of their work and the terms of their contracts.
2. Verifying the independence of auditors, and the objectivity, fairness and effectiveness of audit-related activities, while taking into account the relevant rules and standards.
3. Reviewing the plans of Company auditors, and ensuring they do not undertake any technical, administrative or consulting activities that are outside the scope of their work.
4. Responding to queries from the Company's auditors, reviewing auditor reports and comments on financial statements, and providing follow-up support.

Internal audit

1. Examining and reviewing the Company's internal and financial control systems and risk management system.
2. Analyzing the internal audit reports and ensuring any appropriate corrective measures are taken in response to the reports' findings.
3. Monitoring and overseeing the activities of the internal auditor and Company's Internal Audit department, ensuring the necessary resources are available and their effectiveness in performing the assigned activities and duties.

4. Providing a recommendation to the Board on the appointing of a manager for the Internal Audit department or an internal auditor, and suggesting remunerations.

Ensuring compliance

1. Reviewing the findings from supervisory authority reports and ensuring the Company has taken the necessary actions to address any issues.
2. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
3. Previewing contracts and proposed related party transactions, and providing recommendations to the Board.
4. Reporting any issues related to these transactions to the Board and providing recommendations on how these should be addressed.

Risk management

1. Defining a comprehensive strategy for risk management in proportion to the nature and size of the Company's activities, verifying its implementation, and reviewing and updating it, based on internal and external variables.
2. Determining an acceptable level of risk that the Company may be exposed to, and ensuring the Company does not exceed this level.
3. Analyzing the ability of the Company to continue performing its activities successfully during the next 12 months and identifying any potential risks.
4. Overseeing the Company's risk management system and assessing how effectively the system identifies, measures and monitors potential risks, to determine any shortcomings.
5. Periodically re-evaluating the Company's ability to withstand risks; for example, by conducting endurance tests.

6. Preparing detailed reports for the Board on risk exposure and the proposed steps to manage these risks and submitting them to the Board.
7. Providing recommendations to the Board on issues related to risk management.
8. Ensuring adequate resources are available and systems are in place for risk management.
9. Reviewing the organizational structure of risk management roles and making recommendations before approval by the Board.
10. Checking the independence of risk management staff and their involvement in any activities that could expose the Company to risks.
11. Checking that risk management staff members are aware of the potential risks surrounding the Company and working to raise awareness of risk culture.
12. Reviewing issues raised by Audit Committee members that may affect the Company's approach to risk management.

IT control system

1. Considering the effectiveness and weaknesses of the Company's information and security systems.
2. Exploring any important results and recommendations related to external auditors, internal audit management and management responses, including evaluating any weaknesses observed in controls and security systems, and any risks related to the main controls.
3. Monitoring the efficiency and adequacy of administrative IT systems.
4. Supporting the coordination of review efforts between internal and external auditors to ensure the audit includes the main regulations and risk areas related to IT controls.

Audit Committee meetings and attendance

Name	Title	Meeting 1 05/03/2024	Meeting 2 07/05/2024	Meeting 3 11/06/2024	Meeting 4 30/07/2024	Meeting 5 03/09/2024	Meeting 6 29/10/2024	Meeting 7 03/12/2024
Abdulatif Ali Abdulatif Al-Seif	Chairman	✓	✓	✓	✓	✓	✓	✓
Wael Kamal Eid	Member	✓	✓	✓	✓	✓	✓	✓
Abu Bakr Ali Ba Jaber	Member	✓	✓	✓	✓	✓	NA	NA
Walid Abdullah Temairik	Member	NA	NA	NA	NA	NA	✓	✓

Remuneration and Nomination Committee

The main responsibility of the Remuneration and Nomination Committee is to define policies and procedures related to the nomination of members of the Board of Directors, the Board committees and the Executive Management team. The Committee is also tasked with determining policies and procedures related to compensation.

Remuneration and Nomination Committee responsibilities

1. Preparing a clear remuneration policy for members of the Board, the Board committees, and the Executive Management team, and presenting this policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards, which are linked to performance, and disclosing and ensuring the implementation of such policy.
2. Clarifying the relationship between the paid remuneration and the adopted remuneration policy, and highlighting any financial deviation from that policy.
3. Periodically reviewing the effectiveness of the remuneration policy, assessing its effectiveness in achieving its objectives, and providing recommendations to the Board in respect of the remunerations for its members, Board committee members and senior executives (in accordance with the approved policy).
4. Proposing clear policies and criteria for membership of the Board and Executive Management team.
5. Recommending that the Board nominates and re-nominates its members in accordance with the approved policies and standards.
6. Taking into account the nomination of any person previously convicted of a breach of trust.
7. Preparing a description of the capabilities and qualifications required for Board membership and Executive Management team positions.
8. Determining the amount of time a member should allocate for Board-related work.
9. Carrying out an annual review of the necessary requirements of the appropriate skills and experience required for Board and the functions of the Executive Management team.
10. Reviewing the structure of the Board and the Executive Management team, and recommending appropriate changes.
11. Annually verifying the independence of the independent members, and the absence of any conflict of interest if the member is also on the Board of Directors of another company.
12. Developing job descriptions for Executive members, Non-Executive members, independent members and senior executives.

13. Developing special procedures for when a Board member or Executive Management team position becomes vacant.
14. Determining the strengths and weaknesses of the Board, and proposing solutions to address them in line with the Company's interest.
9. Proposing clear policies and standards for membership in the Board of Directors and Executive Management.
10. Recommending to the Board of Directors the nomination and re-nomination of members in accordance with the approved policies and standards, taking care not to nominate any person who has previously been convicted of a crime involving breach of trust.

Remuneration policy

Without prejudice to the provisions of the Company's law and the Capital Market Authority law and executive regulations, the remuneration policy must take the following into account.

1. Remuneration should be provided in line with the Company's strategy and objectives.
2. Bonuses should motivate Board and Executive Management team members to commit to the long-term success and development of the Company, such as linking the variable part of the bonuses to long-term performance.
3. Remuneration should be determined based on the individual's position, their tasks and responsibilities, their scientific qualifications and their experience.
4. Its consistency with the size, nature and degree of risk for the Company.
5. The remuneration process should take into account the bonus practices of other companies, while avoiding the resulting unjustified rises in bonuses and compensation.
6. Remuneration should aim to attract, maintain and motivate skilled individuals' professional competencies while not exaggerating them.
7. In order to prevent individuals from exploiting the situation and obtaining undeserved bonuses, there should be a mechanism for bonus payments to be suspended or refunded in cases where inaccurate information has been provided by a member of the Board or Executive Management team.
8. Organizing the granting of shares in the Company to members of the Board and Executive Management team, whether it is a new issue, or shares purchased by the Company.
11. Preparing a description of the capabilities and qualifications required for membership in the Board of Directors and holding Executive Management positions.
12. Determining the time a member must devote to the work of the Board of Directors.
13. Annually reviewing the necessary skills or experiences appropriate for membership in the Board of Directors and Executive Management positions.
14. Reviewing the structure of the Board of Directors and Executive Management and making recommendations regarding the changes that can be made.
15. Annually verifying the independence of independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
16. Developing a job description for Executive members, Non-Executive members, independent members and senior executives.
17. Developing special procedures in the event that the position of a member of the Board of Directors or senior executives becomes vacant.
18. Identifying the strengths and weaknesses of the Board of Directors and proposing solutions to address them in a manner consistent with the Company's interests.

Remuneration and Nomination Committee meetings and attendance

Name	Title	Meeting 1 03/03/2024	Meeting 2 09/06/2024	Meeting 3 08/09/2024	Meeting 4 01/12/2024
Junaid Ezmat Bajwa	Chairman	✓	✓	✓	✓
Walid Ahmed Bahamdan	Member	✓	✓	✓	✓
Assaf Abdulkareem Alquraishi	Member	✓	✓	✓	✓

Digital Transformation and Cyber Security Committee

The primary responsibility of the Digital Transformation and Cyber Security Committee is to advise the Board of Directors and help the Company to adapt and grow effectively in the digital age.

The Committee reports to the Board and represents it when reviewing and updating the comprehensive digital transformation strategy and recommending its update, taking into account the strategic direction of the Company. Other overarching objectives and responsibilities include the following:

1. Reviewing and discussing with management the Company's overall digital and innovation strategy (including goals, strategic initiatives, investments and research and development activities), and providing recommendations to the Board when appropriate. The review and discussion include the following topics:
 - Participating in the strategic planning process for digital transformation and innovation.
 - Recognizing the need to respond quickly to a rapidly evolving market environment, and assisting management to prioritize technical support in line with the Company's strategic initiatives.
2. Periodically monitoring and evaluating the performance of the Company's initiatives to support its digital strategy and innovation, with a focus on overall capabilities and the improvement of operations (including

3. the provision, consumer acceptance and integration of new products and services).
3. Reviewing and discussing with management (as appropriate) the Company's digital risks, and key opportunities, emerging issues and trends in the broader market.
4. Submitting regular reports to the Board on its work and deliberations.

While carrying out its responsibilities, the Committee's practices and policies should remain flexible in order to effectively respond to changing realities and circumstances.

Digital Transformation and Cyber Security Committee responsibilities

1. Building intellectual leadership, and guiding, facilitating and inspiring the digital transformation of the Company's retail and healthcare businesses.
2. Aligning the Company with local and global technical trends and the data transformation map:
 - Contributing to building a dynamic innovation environment that stimulates competitiveness and new areas of growth for the Company.
 - Improving productivity by building an overall healthy environment for the Company, which is automated and digital.
 - Qualifying workers in the field of comprehensive health for the future by developing relevant training programs that improve digital competences.

3. Developing partnerships with relevant stakeholders to lead the digital transformation of the retail and healthcare industries.
4. Raising awareness of relevant technical developments that would support the digital transformation of the Company's business through education and awareness (i.e., by inviting technology service providers and fast-growing startups to provide information on the latest sector developments to the Committee members).
5. Collaborating on the development and co-creation of technology solutions capable of positively impacting the Company's business.
6. Communicating with other committees as appropriate on matters related to digital transformation (e.g., governance, people, processes and policies).

Digital Transformation and Cyber Security Committee meetings and attendance

Name	Title	Meeting 1 11/03/2024	Meeting 2 12/06/2024	Meeting 3 05/09/2024	Meeting 4 07/12/2024
Romain Voog	Chairman	✓	✓	✓	✓
Junaid Ezmat Bajwa	Member	✓	✓	✓	✓
Juan Carlos Sacristan	Member	✓	✓	✓	✓

Disclosure of the remuneration of Board members, committee members and senior executives

Board of Directors	Title	Annual bonus (ﷲ)	Expense allowance per meeting (ﷲ)
Non-Executive members			
Saleh Salem Ahmed Bin Mahfouz	Chairman	500,000	None
Abdullah Amer Abdullah Al-Nahdi	Vice Chairman	500,000	None
Abdelelah Salem Ahmed Bin Mahfouz	Board member	500,000	None
Executive members			
Yasser Ghulam Abdulaziz Joharji	Board member and CEO	500,000	None
Independent members			
Abdulatif Ali Abdulatif Al-Seif	Board member	500,000	None
Junaid Ezmat Bajwa	Board member	500,000	None
Romain Voog	Board member	500,000	None

Audit Committee	Title	Annual bonus (ﷲ)	Expense allowance per meeting (ﷲ)
Abdulatif Ali Abdulatif Al-Seif	Chairman	125,000	5,000
Wael Kamal Eid	Member	125,000	5,000
Abu Bakr Ali Ba Jaber	Member	101,541	5,000
Walid Abdullah Temairik	Member	23,459	5,000

Remuneration and Nomination Committee	Title	Annual bonus (AED)	Expense allowance per meeting (AED)
Junaid Ezmat Bajwa	Chairman	100,000	5,000
Walid Ahmed Bahamdan	Member	100,000	5,000
Assaf Abdulkareem Alquraishi	Member	100,000	5,000

Digital Transformation and Cyber Security Committee	Title	Annual bonus (AED)	Expense allowance per meeting (AED)
Romain Voog	Chairman	100,000	5,000
Junaid Ezmat Bajwa	Member	100,000	5,000
Juan Carlos Sacristan	Member	100,000	5,000

Executive Management team	Title	Annual bonus (AED)	Expense allowance per meeting (AED)
5 Executive Management team members		25,619,268	

Annual review of the effectiveness of the Company's internal controls and the Audit Committee's opinion on their efficiency

The above-mentioned audit reports reveal that there are no significant weaknesses in the Company's internal control system concerning financial reporting. The majority of observations focused on enhancing performance, optimizing departmental operations, increasing efficiency and completing documentation of procedures to strengthen the control system and better utilize available resources.

The objectives of the internal control system are to:

1. Ensure accurate preparation of accounting records
2. Enhance the accuracy and reliability of accounting data
3. Safeguard assets and property
4. Uphold integrity during transactions
5. Improve the Company's efficiency and maximize its resources
6. Comply with applicable laws, regulations and contracts

The Audit Committee is of the opinion that the internal control system objectives set by Nahdi Medical Company have been reasonably achieved. The Committee views the overall internal control environment positively, highlighting that most activities are governed by established policies and procedures, with management being open to suggested policy improvements. Furthermore, there were no conflicts between the Audit Committee's recommendations and the decisions of the Board of Directors during the year.

It is important to note that no internal control system – regardless of its design or implementation effectiveness – can provide absolute assurance. The Committee, along with the Company departments, will continue to enhance and strengthen the internal control procedures to ensure their robustness and effectiveness.

The Audit Committee's recommendation to appoint an external auditor

The Audit Committee studied the offers submitted by companies approved for annual auditing for the fiscal year ending on December 31, 2024 and made a recommendation to the Board of Directors to change the Company's auditors (and recommend this to the General Assembly).

The Committee recommended the appointment of (KPMG) Professional Services with total fees amounting to AED 1,550,000.

The dates of the general assemblies of shareholders held during the last fiscal year and the names of the Board members attending these assemblies

The Company held two General Assemblies, the following is a statement of the assemblies and the attendance details.

Assembly type	Date	Board member attendees
Annual General Assembly	May 28, 2024	Saleh Salem Ahmed Bin Mahfouz Abdulatif Ali Abdulatif Al-Seif Yasser Ghulam Abdulaziz Joharji
Extraordinary General Assembly	September 18, 2024	Saleh Salem Ahmed Bin Mahfouz Abdulatif Ali Abdulatif Al-Seif Yasser Ghulam Abdulaziz Joharji

Activities of the Company and its subsidiaries

Affiliate	Commercial registration number	Main activity
Nahdi Medical Company (listed company)	4030053868	Selling medical devices and equipment (wholesale); carrying out pharmacy activities; carrying out pharmaceutical warehouse activities; and selling medical devices, equipment and supplies (retail).
Nahdi Care Co. Ltd.	4030158847	Providing administrative and support service activities, human health and social work activities, public administration services, compulsory defense services and social security services.
Sakhaa Golden for Contracting and Trading Co. Ltd.	4030163145	Providing cleaning services for general buildings.
Nahdi Investment Company LLC (UAE)	1384313	Investing in, establishing and managing health and commercial projects.
Sakhaa Integrated Solutions (Egypt)	194304	Providing consultations, technical support, project management and online trading.

The management of each subsidiary company, its capital, the percentage of the Company's ownership therein, its main activity, the country of its main operations, and the country of its establishment

The Company practices a group of medical and pharmaceutical activities, in general, in accordance with what is stated in the main activities in the Company's articles of association and the articles of association of the subsidiary companies, where the Company owns three companies with full and direct ownership and one company with indirect ownership, inside and outside the Kingdom of Saudi Arabia, as follows.

Nahdi Care Co. Ltd.	
Capital	ﷲ 50,000
Percentage owned by the Company	100%
Main activity	Providing administrative and support service activities, human health and social work activities, public administration services, compulsory defense services and social security services.
Main headquarters	Saudi Arabia
Place of incorporation	Saudi Arabia

Sakhaa Golden for Contracting and Trading Co. Ltd.	
Capital	ﷲ 1,000,000
Percentage owned by the Company	100%
Main activity	Cleaning services for general buildings
Main headquarters	Saudi Arabia
Place of incorporation	Saudi Arabia

Nahdi Investment Company LLC (UAE)	
Capital	AED 200,000
Percentage owned by the Company	100%
Main activity	Investing in, establishing and managing health and commercial projects
Main headquarters	United Arab Emirates
Place of incorporation	United Arab Emirates

Sakhaa Integrated Solutions (Egypt)	
Capital	EGP 50,000
Percentage owned by the Company	99% (Sakhaa Golden for Contracting and Trading Co. Ltd.) 1% (Nahdi Investment Company LLC)
Main activity	Providing consultations, technical support, project management and online trading
Main headquarters	Egypt
Place of incorporation	Egypt

Shares and debt instruments issued for each subsidiary company

Nahdi Care Co. Ltd.	
Number of shares	50
Share details	Cash
Debt instruments	None

Sakhaa Golden for Contracting and Trading Co. Ltd.	
Number of shares	1,000
Share details	Cash
Debt instruments	None

Nahdi Investment Company LLC (UAE)	
Number of shares	100
Share details	Cash
Debt instruments	None

Sakhaa Integrated Solutions (Egypt)	
Number of shares	4,950 (Sakhaa Golden for Contracting and Trading Co. Ltd.) 50 (Nahdi Investment Company LLC)
Share details	Cash
Debt instruments	None

Dividend policy

Dividend distribution

The Company's dividends are distributed in accordance with Article 48 of the Company's by-laws, which state the following:

1. The Ordinary General Assembly, when determining the share of shares in net profits, may decide to form reserves to the extent that it achieves the Company's interest or ensures the distribution of fixed profits – as far as possible – to shareholders. The said association also has the right to deduct amounts from net profits to achieve social purposes for Company employees.
2. The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.
3. The Company may distribute semi or quarterly interim dividends to its shareholders, and it may authorize the Board of Directors to assume this task.

Board meetings in 2024 and members' attendance

The Board of Directors held four scheduled meetings for the fiscal year 2024, and Nahdi paid ₪ 3,500,000 to the Board members.

Board member	Meeting 1 17/03/2024	Meeting 2 30/06/2024	Meeting 3 15/09/2024	Meeting 4 15/12/2024	No. of meetings attended
Saleh Salem Ahmed Bin Mahfouz	✓	✓	✓	✓	4 out of 4
Abdullah Amer Abdullah Al-Nahdi	✓	✓	✓	✓	4 out of 4
Abdelelah Salem Ahmed Bin Mahfouz	✓	✓	✓	✓	4 out of 4
Yasser Ghulam Abdulaziz Joharji	✓	✓	✓	✓	4 out of 4
Abdulatif Ali Abdulatif Al-Seif	✓	✓	✓	✓	4 out of 4
Junaid Ezmat Bajwa	✓	✓	✓	✓	4 out of 4
Romain Voog	✓	✓	✓	✓	4 out of 4

Related Parties Transactions

Transactions and contracts with related parties

The members of the Board of Directors of the Company acknowledge that all contracts with related parties described in this section do not include any preferential terms, and they have been conducted in a regular and legal manner, and on appropriate and fair commercial bases. The Company also acknowledges that it is not involved in any dealings, agreements, commercial relationships or real estate deals with any related parties.

In addition, the members of the Board of Directors agree to abide by the Company's laws and the implementation regulations issued by the Capital Market Authority in accordance with any related party transaction. Therefore, the Company acknowledges that all related party transactions have been approved by the General Assembly.

The nature of the Company's transactions with related parties is represented in lease contracts, providing contracting services, engineering labor, supervision services for implementation, construction and finishing, in addition to providing administrative services.

Agreements with related parties

1. The business and contract with Al Nahdi Company for Commercial Investments represents an indirect interest for a member of the Board of Directors, Mr. Abdullah Amer Abdullah Al-Nahdi. The contract is a lease agreement for a period of one year, knowing that the total value of the contract is ₪ 700,000. However, it has been executed under standard commercial terms without preferential benefits.

2. The business and contract with Al Nahdi Company for Commercial Investments represents an indirect interest for a member of the Board of Directors, Mr. Abdullah Amer Abdullah Al-Nahdi. The contract is a lease agreement for a period of one year, knowing that the total value of the contract is ₪ 300,000. However, it has been executed under standard commercial terms without preferential benefits.
3. The business and contract with Al Nahdi Company for Commercial Investments represents an indirect interest for a member of the Board of Directors, Mr. Abdullah Amer Abdullah Al-Nahdi. The contract is a lease agreement for a period of one year, knowing that the total value of the contract is ₪ 350,000. However, it has been executed under standard commercial terms without preferential benefits.
4. The business and contract with Red Sea Limited Company represents an indirect interest for the Chairman of the Board of Directors, Mr. Saleh Salem Ahmed Bin Mahfouz and member of the Board, Mr. Abdulelah Salem Ahmed Bin Mahfouz. The contract is a lease agreement for a period of one year, knowing that the total value of the contract is ₪ 1,050,000. However, it has been executed under standard commercial terms without preferential benefits.
5. The business and contract with Al Mahmal Facilities Services Company represents an indirect interest for the Chairman of the Board of Directors Mr. Saleh Salem Ahmed Bin Mahfouz and member of the Board, Mr. Abdulelah Salem Ahmed Bin Mahfouz, in order to provide maintenance services for the headquarter building for a period of one year knowing that the total value of the contract is ₪ 937,398. However, it has been executed under standard commercial terms without preferential benefits.
6. The business and contract with Al-Nahdi for Transportation Company represents an indirect interest for a member of the Board of Directors, Mr. Abdullah Amer Abdullah Al-Nahdi, in order to provide goods transportation services for a period of one year, knowing that the total value of the contract is ₪ 6,419,898. However, it has been executed under standard commercial terms without preferential benefits.
7. The business and contracts concluded between the Company and Al-Rajhi Banking and Investment Company represents an indirect interest for a member of the Board of Directors, Mr. Abdulatif Ali Abdulatif Al-Seif, in exchange for the services of the points gained from the loyalty programs of both companies for a period of one year, knowing that the total value of the contract is ₪ 24,000,000. However, it has been executed under standard commercial terms without preferential benefits.
8. The business and contracts concluded between the Company and Ray Al-Alam Medical Company represents an indirect interest for the Chairman of the Board of Directors, Mr. Saleh Salem Ahmed Bin Mahfouz, in order to provide medical analysis services to the Company and its sister companies for a period of one year, knowing that the total value of the contract is ₪ 178,456. However, it has been executed under standard commercial terms without preferential benefits.

Acknowledgment

Nahdi Medical Company acknowledges that the account records have been correctly prepared, that the internal control system has been prepared on a sound basis and has been effectively implemented, that the Company is committed to all the articles of the Corporate Governance Regulations, and there is no doubt about the ability of the Company to continue its activities.

Auditor’s report reservations about the annual financial statements

Nahdi Medical Company acknowledges that the Auditor’s Report did not include any reservations about the annual financial statements. In addition, no information was received from the auditor indicating the necessity of taking any order or precautionary measures in accordance with the financial statements audited by them.

Litigation

The Company and its subsidiaries have a number of cases filed with various courts. As at the end of 2024, there were 57 cases, with a total value of ₪ 5,010,708.

The Company also acknowledges that there are no legal disputes, lawsuits, actual or potential complaints or existing investigation procedures, which could have – collectively or individually – a material impact on the Company. The Company has also not been made aware of the existence of any material legal disputes currently under consideration (or potential material legal disputes) or facts that could – taken together or individually – have a material effect on the Company.

Violations

Since the Company’s activities are linked to a wide range of licenses and permits issued by various government agencies, the control of the Company’s business is from all of those agencies. Therefore, it is natural for there to be minor violations, which do not pose any threat, fears or risks to the Company’s management. These do not affect the validity of the licenses for the Company’s facilities, nor does it affect the continuity of the Company’s business in any way. At the end of 2024, there were 658 fines and violations, with a total value of ₪ 2,947,033.

Share book requests

The Company requested 12 share books in 2024, as follows.

Request number	Date of the request	Reasons
1	February 4	Company procedure purposes
2	March 4	Company procedure purposes
3	April 2	Company procedure purposes
4	May 2	Company procedure purposes
5	May 28	General Assembly Meeting purposes
6	July 3	Company procedure purposes
7	August 4	Company procedure purposes
8	August 13	Distribution Dividends purposes
9	September 18	General Assembly Meeting purposes
10	November 4	Company procedure purposes
11	December 2	Company procedure purposes
12	December 31	Company procedure purposes



FINANCIAL STATEMENTS

Independent Auditor's Report	136
Consolidated Statement of Financial Position	140
Consolidated Statement of Profit or Loss and Other Comprehensive Income	141
Consolidated Statement of Changes in Equity	142
Consolidated Statement of Cash Flows	143
Notes to the Consolidated Financial Statements	144



Nahdi maintained a strong financial position throughout the year, with a robust balance sheet that supports shareholder value and provides significant opportunities for future growth.

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.

Independent Auditor’s Report

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

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
<p>As at 31 December 2024, the gross value of Inventories amounted to ₪ 1,817 million. (2023: ₪ 1,507 million) and the provision for inventories amounted ₪ 106.6 million (2023: ₪ 97.7 million).</p> <p>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.</p> <p>The Group has a perpetual inventory count system in place to conduct the stock count in stores throughout the year.</p> <p>We considered it to be a key audit matter given that:</p> <ul style="list-style-type: none"> 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. 	<p>We performed the following procedures, amongst others to address the key audit matter:</p> <ul style="list-style-type: none"> 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.

Independent Auditor's Report

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

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.

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.

Independent Auditor's Report

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

- 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.
- 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



Nasser Ahmed Al Shutairy
License No. 454

Jeddah, 12 March 2025
Corresponding to 12 Ramadan 1446H



NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Consolidated Statement of Financial Position

As at 31 December 2024

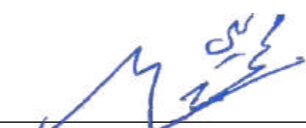
	Note	31 December	31 December
		2024	2023
		ﷲ	ﷲ
ASSETS			
Property and equipment	6	1,112,587,787	1,040,465,089
Investment properties	7	255,900,823	254,304,184
Intangible assets	8	68,616,979	51,170,546
Right-of-use assets	9	1,607,005,320	1,266,643,835
Prepayments and other non-current assets	12	18,279,079	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:
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"
Please ensure it is on all the pages it is meant to be on.

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

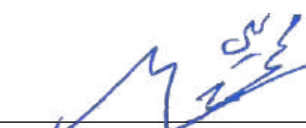
	Note	31 December	31 December
		2024	2023
		ﷲ	ﷲ
Revenue	19.1	9,446,420,046	8,713,675,990
Cost of revenue	19.2	(5,913,553,658)	(5,191,432,333)
Gross profit		3,532,866,388	3,522,243,657
Other operating income	20	29,446,113	23,921,030
Selling and distribution expenses	21	(2,342,299,850)	(2,248,580,681)
General 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:
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"
Please ensure it is on all the pages it is meant to be on.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
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"
Please ensure it is on all the pages it is meant to be on.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	31 December 2024	31 December 2023
		ﷲ	ﷲ
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"
Please ensure it is on all the pages it is meant to be on.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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 ("ﷲ") 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:

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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:

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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 ("ﷲ"), 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

3.4 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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).

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

3.11 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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
- 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:

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

6. PROPERTY AND EQUIPMENT

	Lands 共	Buildings 共	Leasehold improve- ment 共	Furniture, fixture, office equip- ment and tools 共	Machinery and equip- ment 共	Vehicles 共	Computers 共	Capital work in progress 共	Total 共
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

	Lands س	Buildings س	Leasehold improvement س	Furniture, fixture, office equipment and tools س	Machinery and equip- ment س	Vehicles س	Computers س	Capital work in progress س	Total س
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

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

	31 December 2024 س	31 December 2023 س
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 س 36.6 million (31 December 2023: س 19.5 million) and for the construction of the clinics amounting to س 13.4 million (31 December 2023: س 39.9 million) which are expected to be capitalized in the following year upon completion and when it is ready for the intended use.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

7. INVESTMENT PROPERTIES

	31 December 2024 س	31 December 2023 س
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 س 346.9 million (31 December 2023: س 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.

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 س 1,596,639 was recorded in the Group's consolidated financial statements (31 December 2023: س 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 س 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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) (ﷲ 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 (ﷲ 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

8. INTANGIBLE ASSETS

	Software ﷲ	Acquisition of pharmacies licenses ﷲ	Others ﷲ	Total ﷲ
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

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

	31 December 2024 ﷲ	31 December 2023 ﷲ
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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 ﷲ 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	31 December 2023
	ﷲ	ﷲ
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 ﷲ 476 million in 2024 (ﷲ 486 million in 2023). The Group also had non-cash additions to right-of-use assets and lease liabilities of ﷲ 804 million in 2024 (ﷲ 611 million in 2023).

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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, ﷲ 5,717 million (2023; ﷲ 5,127 million) was recognized as a cost of revenue.

Movement in the provision for inventories was as follows:

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

11. TRADE RECEIVABLES

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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

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

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

12. PREPAYMENTS AND OTHER ASSETS

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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 ﷲ 51 million (2023: ﷲ 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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 ﷲ 10 each (31 December 2023: ﷲ 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 ﷲ 390,000,000 as cash dividends (ﷲ 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 ﷲ 325,000,000 as cash dividends (ﷲ 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.

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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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	31 December 2023
	ﷲ	ﷲ
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
	ﷲ	ﷲ
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

The quantitative sensitivity analysis for principal assumptions is as follows:

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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)

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

17. ACCRUALS AND OTHER LIABILITIES

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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

During the year, 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

Status of assessments**Nahdi Medical Company****For the year ended 31 December 2015**

Zakat assessment was received for the year above amounting to ﷲ 6,017,417 and the Company has submitted an objection to ZATCA during the statutory period. The Company paid partial amount of ﷲ 1,017,416 as of 29 December 2022 then ZATCA has requested the committee to waive the co remaining assessment amount of ﷲ 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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

For the year ended 31 December 2024

The zakat status remains as mentioned above.

Tax Status

Nahdi Investment CO. LLC 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

	For year ending	
	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

20. OTHER OPERATING INCOME

	For year ending	
	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

22. GENERAL AND ADMINISTRATIVE EXPENSES

	For year ending	
	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

24. FINANCE INCOME

	For year ending	
	31 December 2024	31 December 2023
	ﷲ	ﷲ
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	31 December 2023
	ﷲ	ﷲ
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).

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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

Receivable from customers

Ageing	2024			2023		
	Gross carrying amount	Expected credit loss range	Loss allowance	Gross carrying amount	Expected credit loss range	Loss allowance
	ﷲ	%	ﷲ	ﷲ	%	ﷲ
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

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:

	Within 1 year	1 to 5 years	After 5 years	Total
	ﷲ	ﷲ	ﷲ	ﷲ
31 December 2024				
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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

	Within 1 year	1 to 5 years	After 5 years	Total
31 December 2023	ﷲ	ﷲ	ﷲ	ﷲ
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.

	31 December 2024	31 December 2023
	ﷲ	ﷲ
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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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	31 December 2023
	ﷲ	ﷲ
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.

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.

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

31. COMMITMENTS AND CONTINGENCIES

As at 31 December 2024, the Group has commitments of ﷲ 69 million (31 December 2023: ﷲ 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

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

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
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			

NAHDI MEDICAL COMPANY (A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements

At 31 December 2024

34. EVENTS AFTER THE REPORTING PERIOD

On 10 March 2025 (corresponding 10 Ramadan 1446H) the Board of Directors announced the distribution of ₪ 390 million as cash dividends (₪ 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).



investors.nahdi.sa
IR@nahdi.sa