ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

THE CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENTAUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

THE CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Almunajem Foods Company

(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Almunajem Foods Company ("the Company"), and its subsidiary ("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 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 Saudi Organization for Certified Public 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.

Key Audit Matters (continued)

Revenue recognition

Refer to Note (4.3) for the accounting policy of revenue from contracts with customers, and as Note (15) related to disclosure of revenue contracts with customers.

Key audit matter	How the matter was addressed in our audit
The Group's revenues for the year ended 31 December 2024 amounted to SAR 3,347 million. Revenue is recognized in accordance with International Financial Reporting Standard 15 (IFRS 15 – Revenue from Contracts with Customers). Revenue is one of the key critical financial metrics for assessing the Group's overall performance and there is a presumed inherent risk that revenues may be overstated at more than its actual value to improve the profitability of the entity. Additionally, given the size and the volume of transactions of revenues, and in certain cases, the involvement of judgement and estimates made by management, revenue was considered as a key audit matter.	We have performed the following, among other audit procedures: - Assessed the Group's revenue accounting policies for compliance with the requirements of IFRS 15. - Obtained an understanding of the revenue cycle and evaluated the design and implementation and tested the operating effectiveness of relevant key controls, including anti-fraud controls. -Inspected the key contractual arrangements with key customers and assessed the impact of those arrangement on revenue recognition. - Selected a sample of sales transactions throughout the year and inspected the supporting documents to assess whether they were recognized at the correct amounts and were included in the appropriate period. - Inspected a sample of sales transactions recorded before and after the year-end to assess whether revenue was recorded in the appropriate accounting period. - Assessed the adequacy of the relevant disclosures in accordance with the requirements of IFRS 15 included in the consolidated financial statements.

Independent Auditor's Report

To the Shareholders of Almunajem Foods Company (Saudi Joint Stock Company) (continued)

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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, the 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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report

To the Shareholders of Almunajem Foods Company (Saudi Joint Stock Company) (continued)

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

- 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 disclosure, 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 consolidated 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 **Almunajem Foods Company ("the Company") and its Subsidiary ("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

Fahad Mubark Aldossari
License No. 469

Riyadh on 20 Ramadan 1446H
Corresponding to: 20 March 2025G

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Notes	**2024 SAR**	2023 SAR
ASSETS			
Non-current assets			
Property, plant and equipment	8	**287,224,511**	265,419,060
Right-of-use assets	7	**95,393,398**	42,293,830
Intangible assets	9	**1,692,191**	1,515,399
Investment in associate	10	**335,008,358**	-
Total non-current assets		**719,318,458**	309,228,289
Current assets			
Inventories	16	**710,136,194**	569,156,460
Trade receivables	12	**296,950,158**	251,006,879
Due from related parties	14-a	**9,773,927**	10,536,453
Prepayments and other assets	13	**157,437,829**	175,901,345
Cash and cash equivalent	11	**42,628,379**	248,927,926
Total current assets		**1,216,926,487**	1,255,529,063
Total assets		**1,936,244,945**	1,564,757,352
EQUITY AND LIABILITIES			
Equity			
Share capital	17-a	**600,000,000**	600,000,000
Statutory reserve	17-b	**96,818,580**	96,818,580
Actuarial valuation reserve		**(6,375,512)**	(5,168,148)
Retained earnings		**319,531,748**	235,878,819
Total equity		**1,009,974,816**	927,529,251
Non-current liabilities			
Lease liabilities	7	**86,978,929**	37,014,636
Employees' benefit obligations	18	**59,587,226**	53,342,696
Total non-current liabilities		**146,566,155**	90,357,332
Current liabilities			
Short term loans	20	**92,000,000**	-
Trade payables, accruals and other liabilities	19	**636,208,297**	494,674,866
Due to related parties	14-b	**124,029**	477,767
Zakat payable	21	**12,603,459**	19,541,041
VAT payable		**26,549,908**	23,585,712
Lease liabilities	7	**12,218,281**	8,591,383
Total current liabilities		**779,703,974**	546,870,769
Total liabilities		**926,270,129**	637,228,101
Total equity and liabilities		**1,936,244,945**	1,564,757,352

Mohamed Salman Mahmoud	Thamer Abdulaziz Abanumay	Saleh Abdullah Almunajem
CFO	CEO	Chairman

The attached notes 1 to 33 form part of these financial statements.

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Notes	***2024 SAR***	*2023 SAR*
Revenue	15	**3,346,984,084**	3,314,403,329
Cost of revenue	16	**(2,780,559,632)**	(2,732,096,401)
Gross profit		**566,424,452**	582,306,928
Other income	24	**14,385,332**	8,003,155
Selling and distribution expenses	22	**(270,820,676)**	(260,628,267)
General and administrative expenses	23	**(30,601,587)**	(26,701,783)
Impairment loss on financial assets	12	**(1,401,864)**	(1,340,278)
Operating profit		**277,985,657**	301,639,755
Finance income	25	**3,280,711**	6,988,591
Finance cost	25	**(12,991,757)**	(6,998,632)
Finance costs, net		**(9,711,046)**	(10,041)
Share in results of associate	10	**22,157,010**	-
Profit before zakat		**290,431,621**	301,629,714
Zakat	21	**(11,778,692)**	(19,416,472)
Net profit for the year		**278,652,929**	282,213,242
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of employees' benefit obligations	18	**(1,283,613)**	(195,714)
Investment in associate - share of OCI	10	**76,249**	-
Total other comprehensive loss		**(1,207,364)**	(195,714)
Total comprehensive income for the year		**277,445,565**	282,017,528
Earnings per share			
Basic and diluted earnings per share from net profit	27	**4.64**	4.70

Mohamed Salman Mahmoud
CFO

Thamer Abdulaziz Abanumay
CEO

Saleh Abdullah Almunajem
Chairman

The attached notes 1 to 33 form part of these financial statements.

ALMUNAJEM FOODS COMPANY
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital SAR	Statutory reserve SAR	Actuarial valuation reserve SAR	Retained earnings SAR	Total SAR
As at January 1, 2023	600,000,000	68,597,256	(4,972,434)	236,886,901	900,511,723
Profit for the year	-	-	-	282,213,242	282,213,242
Other comprehensive loss	-	-	(195,714)	-	(195,714)
Total comprehensive income	-	-	(195,714)	282,213,242	282,017,528
Dividends (note 28)	-	-	-	(255,000,000)	(255,000,000)
Transfer to statutory reserve	-	28,221,324	-	(28,221,324)	-
As at December 31, 2023	600,000,000	96,818,580	(5,168,148)	235,878,819	927,529,251
Profit for the year	**-**	**-**		**278,652,929**	**278,652,929**
Other comprehensive loss	**-**	**-**	**(1,207,364)**	**-**	**(1,207,364)**
Total comprehensive income	**-**	**-**	**(1,207,364)**	**278,652,929**	**277,445,565**
Dividends (note 28)	**-**	**-**	**-**	**(195,000,000)**	**(195,000,000)**
As at December 31, 2024	**600,000,000**	**96,818,580**	**(6,375,512)**	**319,531,748**	**1,009,974,816**

Mohamed Salman Mahmoud CFO	Thamer Abdulaziz Abanumay CEO	Saleh Abdullah Almunajem Chairman

The attached notes 1 to 33 form part of these financial statements.

ALMUNAJEM FOODS COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Notes	***2024 SAR***	*2023 SAR*
OPERATING ACTIVITIES			
Profit before zakat		**290,431,621**	301,629,714
Adjustments:			
Depreciation of right-of-use assets	7	**10,028,718**	8,057,423
Depreciation of property, plant and equipment	8	**28,760,888**	27,532,737
Amortization of intangible assets	9	**544,391**	763,380
Interest on lease liabilities	25	**2,326,978**	3,010,297
Interest on employees' benefit obligations	25	**2,371,593**	2,456,315
Interest charged on short term loans	25	**8,293,186**	1,532,020
Allowance for expected credit losses	12	**1,401,864**	1,340,278
Inventory provision	16	**314,788**	778,476
Share in results of associate	10	**(22,157,010)**	-
Gain on disposal of property, plant and equipment	24	**(9,826,465)**	(8,255,740)
Provision for employees' benefit obligations	18	**5,275,368**	4,656,747
		317,765,920	343,501,647
Change in Working capital:			
Trade receivables		**(47,345,143)**	(5,964,491)
Prepayments and other assets		**18,463,516**	(29,775,022)
Inventories		**(141,294,522)**	91,719,739
Trade payables, accruals, and other liabilities		**141,533,431**	51,187,155
VAT payable, net		**2,964,196**	(694,078)
Due to related parties		**(353,738)**	466,200
Due from related parties		**762,526**	(3,568,440)
		292,496,186	446,872,710
Finance costs paid		**(10,083,689)**	(3,169,490)
Employees' benefit obligations paid	18	**(2,686,044)**	(2,229,294)
Zakat paid	21	**(18,716,274)**	(18,716,219)
Net cash generated from operating activities		**261,010,179**	422,757,707
INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment	8	**(50,979,220)**	(24,036,909)
Proceeds from disposal of property, plant and equipment		**10,239,346**	3,377,181
Payments for purchase of intangible assets	9	**(721,183)**	(757,194)
Payments for investment in associate	10	**(316,125,799)**	-
Dividends received from associate	10	**3,350,700**	-
Net cash used in investing activities		**(354,236,156)**	(21,416,922)
FINANCING ACTIVITIES			
Payments of lease liabilities	7	**(10,073,570)**	(8,442,263)
Proceeds from short-term loans	20	**791,000,000**	30,000,000
Repayment of short-term loans	20	**(699,000,000)**	(30,000,000)
Dividends paid	28	**(195,000,000)**	(255,000,000)
Net cash used in financing activities		**(113,073,570)**	(263,442,263)
Net change in cash and cash equivalent		**(206,299,547)**	137,898,522
Cash and cash equivalent at the beginning of the year	11	**248,927,926**	111,029,404
Cash and cash equivalent at the end of the year	11	**42,628,379**	248,927,926
Non-Cash transactions:			
Compensation for expropriation of land and a building	8	**-**	8,271,036
Right of use assets	7	**63,128,286**	8,272,029
Lease liability	7	**63,128,286**	8,272,029

Mohamed Salman Mahmoud CFO	Thamer Abdulaziz Abanumay CEO	Saleh Abdullah Almunajem Chairman

1. ORGANISATION AND ACTIVITIES

Almunajem Foods Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration numbered 1010231822, dated 7 Rabie Al Thani 1428H (corresponding to 24 April 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11441, KSA.

The Company is a subsidiary of Abdullah Al Ali Almunajem Sons Group (the "Ultimate Parent") which is a Closed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010000565 dated 11 Dhu Al-Qidah 1376H (corresponding to 10 June 1957). The registered address of the Company is located at Riyadh, P O Box 2395, Riyadh 11451, KSA.

On 20 December 2021, 30% of the Company's shares were listed in Saudi Stock Exchange market (Tadawul). Currently, 69.3% of the Company is owned by Abdullah Al Ali Almunajem Sons Group and 0.7% by AlKafaa Real Estate Company.

During the year ended 31 December 2024, the Company has amended its bylaws to align with the new Regulations for Companies issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") which came into force on 26/6/1444 H (corresponding to 19 January 2023).

The Company is engaged in wholesale and retail trading in fruits, vegetables, cold and frozen poultry and meat, bottled, food stuff, through its following branches

Commercial registration	***Branch location***
1131026002	Burieda
2050059043	Dammam
4030176226	Jeddah
5855030212	Khamis Mushait
4650046753	Madina
3550027505	Tabouk
3350031238	Hail
2250045420	Al-Ahsa
4031067309	Makkah
4032032800	Taif
5900017953	Jizan
1010401313	Riyadh
1010465454	Riyadh
4030291805	Jeddah
1010653210	Riyadh
3400119907	Sakaka

For the year ended December 31, 2024, these consolidated financial statements include the Company and its subsidiary, " the Group".

Subsidiary	**Year of incorporation**	**Ownership 2024**	**Principal activity**	**Country of incorporation**
The Optimal Solutions Company for Logistics Services	2024	**100%**	Activities of third-party logistics	Kingdom of Saudi Arabia

Optimal Solutions Company for logistics services is a limited liability Company registered in the Kingdom of Saudi Arabia under commercial registration number 1009107581 dated on 29 September 2024 (Corresponding/ to 26 Rabi' al-Awwal1446 H), with a share capital of SAR 1,000,000.

2. BASIS OF PREPARATION

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

2.2 Judgments and Estimates
The preparation of consolidated financial statements in conformity with the IFRS as endorsed in KSA requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Refer to (Note 4).

2.3 Basis of measurement
These consolidated financial statements have been prepared under the historical cost basis except for the employees' benefit obligations, which has been measured in accordance with the projected unit credit method.

2.4 Basis of consolidation
The subsidiary is controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through 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 it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement in the investee;
- The ability to use its power over the investee to affect its returns.

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 off 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. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Loss of control
A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair
value when control is lost.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses and cash flows relating to transactions arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.5 Going concern

The consolidated financial statements have been prepared on the going concern basis.

3. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated financial statements are presented in Saudi Riyals (SAR) which is the functional currency of the Company and its subsidiary.

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Current versus non-current classification

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

(a) it expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle.
(b) it holds the asset primarily for the purpose of trading.
(c) it expects to realise the asset within twelve months after the reporting date; or
(d) the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

(a) it expects to settle the liability in the entity's normal operating cycle.
(b) it holds the liability primarily for the purpose of trading.
(c) the liability is due to be settled within twelve months after the reporting date
(d) 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.; or

The Group classifies all other liabilities as non-current.

4.2 Operating Profit

Operating profit is the result generated from the continuing principal revenue- activities of the Group as well as other income and expenses to operating activities. Operating profit excludes net finance costs, and zakat.

4.3 Revenue from contracts with customers

The Group is in the business of wholesale and retail trading of fruits, vegetables, cold and frozen poultry and meat, bottled, food stuff.

Non-retail sales are related to sales to wholesale suppliers who typically buy in bulk and on the contrary, retail sales are related to sales to end customers.

The Group is also engaged in providing storage services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has assessed that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue is income arising from the sale of goods in the ordinary course of the Group's activities, net of discounts and volume rebates and value added taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Storage services

The entity is engaged in storage revenue, where customers rent a space in the warehouses of the company to store their own goods for a short period of time. These spaces are not specific spaces or locations inside the warehouses of the company and are usually for a period less than twelve months. Revenue from storage is recognized over time.

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 recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide customers with a right to return the goods within a specified period. The rights of return give rise to variable consideration.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Revenue from contracts with customers (continued)

Rights of return
The Group uses the expected value method to estimate the variable consideration given the large number contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of revenue) is also recognised for the right to recover the goods from the customer.

Volume rebates
The Group applies the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price). All volume rebates are treated as discounts and the customers pay the net amount after discount.

The disclosures of estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in (note 5).

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments.

Assets and liabilities arising from rights of return
Right of return assets
A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

4.4 Segmental reporting
An operating segment is a component: i) engaged in business activities from which it may earn revenue and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components; ii) the results of its operations are continuously analyzed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and iii) for which financial information is discretely available. Segment results that are reported to the chief operating decision maker and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Property, plant, and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant, and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

Freehold lands is stated at cost, and capital work-in-progress is stated at cost net of accumulated impairment, if any and represents all costs relating directly or indirectly to the acquisition or construction of assets where acquisition or construction is in progress and will be transferred to relevant category of property, plant and equipment once completed.

The cost less estimated residual value of remaining property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, effective from the date when it was available for use, as follows:

Category of property, plant, and equipment	***Useful lives***
Buildings	33.3 years or lease term, whichever is less
Plant and equipment	5 to 10 years
Furniture and fixtures	4 to 10 years
Computers	5 years
Motor vehicles	5 to 8 years

An item of property, plant, and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income, in other income, when the asset is derecognised.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

4.6 Leases

Group as a lessee

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.

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.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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, 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:

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6 Leases (continued)

Category of lease	***Lease term***
Land	20 years
Buildings	3 to 10 years
Motor vehicles	3 to 5 years

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) that depend on a rate.

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.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Most of the storage contracts are short term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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 and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The Group applies an annual rate of amortization of 5 years to its computers' software and accounted for on a straight- line basis.

An intangible asset is derecognized on disposal (i.e., at the date the recipient obtains control), or when no future economic benefits are expected from use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in other income.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate.

When the Group’s share of losses of an associate exceeds the Group’s interest in that an associate (which includes any long-term interests that, in substance, form part of the Group’s net investment
in the associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of associate's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the Consolidated Statement of Profit or Loss in the period in which the investment is acquired

4.10 Financial instruments

i) Financial Instruments

The Group has applied the following classification and measurement requirements for financial instruments.

Recognition of financial instruments
The financial asset and liability are recognized when the Group becomes a party to the contractual obligations of the instrument, and this generally occurs on the trade date. The Group derecognizes the financial assets when the contractual cash flows of those assets expire or when the Group transfers the right to obtain contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership of the financial assets are substantially transferred. Any interest arising from the transferred financial assets that the Group creates or retains is recognized as a separate asset or liability.

Derecognition
On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the consolidated statement of profit or loss. However, in respect of equity securities designated as at FVOCI, any cumulative gain / loss recognized in the consolidated statement of other comprehensive income is not recognized in the profit or loss on de-recognition.

The financial liability is derecognized from the statement of consolidated financial position when the Group pays the obligation arising, the contract is canceled or expired.

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the 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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (continued)

Classification of financial instruments

The Group classifies its financial assets in the following measurement categories:

1) Assets to be measured at amortized cost; or
2) Fair value through profit or loss (FVTPL).
3) Fair value through other comprehensive income (FVOCI).

4.10 Financial instruments

The classification depends on the Group’s business model for managing financial assets and the contractual terms of the financial assets' cash flows.

Financial assets are not reclassified subsequently to initial recognition unless the Group changed business model for managing the financial assets. In such case, all affected financial assets are reclassified at the first day of the first financial period subsequent to business model change.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:
-is held within a business model whose objective is to hold assets to collect contractual cash flows;
and
-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial measurement of investments in financial instruments that the Group does not hold for the trading purposes, the Group may elect to present any subsequent changes in the fair value of those investments in the statement of other comprehensive income. This election is made on an investment-by-investment basis.

Any other financial assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Accounts Receivable

Account receivable are non-derivative financial assets with fixed or determinable payments that are not listed in an active market and arise primarily by providing goods and services to customers (such as trade receivables). It also includes other types of contractual financial assets that are initially recognized at fair value plus direct costs associated with obtaining it, and they are subsequently recognized at amortized cost using the effective interest method less provision for impairment.

The trade receivables, recorded in a separate account after deducting the provision, are recognized in the consolidated statement of profit or loss and when their collectability is confirmed, their gross carrying amount is written off against their associated provision.

Reclassification

When an entity changes its business model for managing financial assets it shall reclassify all affected financial assets in accordance with the above-mentioned classification requirements.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of consolidated financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.10 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

<u>Trade payables and accruals</u>

Trade payables and other payables are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. The Group derecognizes a financial liability (or part of the financial liability) from its consolidated statement of financial position when, and only when its contractual obligations are discharged or cancelled, or expired.

4.11 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, and deposits with original maturities of three months or less, if any.

4.12 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, including other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit

Goods-in-transit are goods for resale or finished goods or raw materials that have been shipped by a supplier but have not yet been received by the buyer. The Group recognizes goods-in-transit when it has control over the goods. Goods-in-transit are recorded at landed cost included freight and insurance, if any.

4.13 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.13 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-zakat rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the consolidated statement of profit or loss and other comprehensive income.

4.15 Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable are recorded in the consolidated financial statements under accounts payable and accruals. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

4.16 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations. The provision is recognised in the consolidated statement of profit or loss and other comprehensive income. Zakat liability is estimated in the consolidated financial statements which is finally calculated at year end. Additional amounts, if any, that may become due on finalisation of an assessment are accounted for in the year in which assessment is finalized.

4.17 Withholding tax

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

4.18 Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4.19 Dividends distribution

The Company establishes the obligations related to paying the cash dividends to the Company's shareholders when approving the distribution and interim dividends are distributed in accordance with the authorization from the Shareholders' General Assembly to the Board of Directors. According to the Companies Law, dividends are approved upon approval by the shareholders. The corresponding amount is directly recognized in the consolidated statement of change in equity.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.20 Employees' defined benefit obligations

Defined employees' benefits plans

According to the Saudi Labor Law in the Kingdom of Saudi Arabia, the Group is required to pay end-of-service benefits (a defined benefit plan), which are calculated based on the half of the last month's salary of each year of the first five years of service, including the fractions of the year plus the full last month's salary for each year of the next or remaining service includes fractions of the year. End-of-service benefit plan is unfunded.

Valuation technique and key assumptions for the actuarial study

Under requirements of IAS 19 "Employees' benefits", end-of-service benefits obligations are calculated using the actuarial valuation and using the projected unit credit method at the end of each fiscal year. Gains or losses arising from the actuarial revaluation are recorded in the consolidated statement of comprehensive income for the period in which the revaluation occurred. The recognized remeasurement in OCI is immediately included under the retained earnings and is not included under profit or loss. Past service cost is calculated in profit or loss during the plan amendment period. The interest is calculated using the discount rate at the beginning of the period, on the employees' defined benefits obligations.

The current service cost of the defined benefit plan is recognized in the consolidated statement of profit or loss under employee's benefits expense, to reflect the increase in the liability resulting from employee services for the current year and cases of change, curtail or settlement of benefits. The cost of services for previous years is included immediately in the consolidated statement of profit or loss.

Actuarial gains and losses resulting from adjustments and changes in actuarial assumptions are charged and included in the equity in the consolidated statement of other comprehensive income in the period in which they arise. Defined benefit costs are classified as follows:

-Service cost (including current service costs and past service costs, in addition to gains and losses resulting from employees' promotions and reimbursements).

-Interest cost, and

-Re-measurement.

Short-term employees' benefits

The liability is recognized and measured for benefits related to wages, salaries, annual leave and sick leave xxin the period in which the service is provided on the undiscounted amounts of the benefits expected to be paid in exchange for those services.

4.21 Foreign currency transactions

Transactions in foreign currencies are recorded in Saudi Riyals at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. Differences arising on settlement or translation of monetary items are recognised in cost of sales. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. 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.

4.22 General and administrative and selling, disruption expenses

General and administrative and selling, disruption expenses include direct and indirect costs not specifically part of cost of revenues. Allocations between general and administrative and selling, disruption expenses and cost of revenues, when required, are made on a consistent basis.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

a) Judgements

i- Determining *the lease term of contracts with renewal and termination options – Group as 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 has lease contracts that include extension and termination options. 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 customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of two buildings. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of land and buildings with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

ii- 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. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

b) Assumptions and estimation uncertainties.

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.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

i- Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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 forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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 customer’s actual default in the future.

ii- 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 for disposing off the asset. The value in use calculation is based on a 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 Group is not yet committed to or significant future investments that will enhance the asset’s performance of the Cash Generating Unit ("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.

iii- ***Provisions***

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management’s judgment in estimating the expected cash outflows for severance payments and site closures or other exit costs. Provisions for uncertain liabilities involve management’s best estimate of whether cash outflows are probable.

iv- ***Economic useful lives of property and equipment and intangible assets***

The useful lives of property, plant and equipment and intangible assets are estimated based on its economic and intangible assets and on the collective assessment of industry practice and experience with similar assets. The estimated useful lives of the property, plant and equipment and intangible assets are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in any of the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

v- ***Revenue recognition - Estimating variable consideration for returns and volume rebates.***

The Group estimates variable considerations to be included in the transaction price for the sale of the products with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group’s expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer’s historical rebates entitlement and accumulated purchases to date.

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

v- Revenue recognition - Estimating variable consideration for returns and volume rebates (continued).

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future.

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

6. STANDARDS ISSUED BUT NOT YET EFFECTIVE AND OTHER AMENDMENTS

There are no new standards issued, however, there are a number of amendments to current standards that are effective from January 1, 2024. These amendments do not have a significant impact on these consolidated financial statements.

Effective for annual periods beginning on or after	**New standards and amendments**
January 1, 2024	Non-Current Liabilities with Covenant - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments IAS1.
	Lease Liability in a Sale and Leaseback-Amendments to IFRS 16.
	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

Standards issued but not yet effective:

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

Effective for annual periods beginning on or after	**New standards and amendments**
January 1, 2025	Lack of Exchangeability – Amendments to IAS 21.
January 1, 2026	Classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7
	Annual improvements to IFRS accounting Standards - Volume 11
January 1, 2027	IFRS 18 presentation and disclosure in financial statements
	IFRS 19 Subsidiaries without Public Accountability Disclosures
Available for optional adoption/ effective date deferred indefinitely	Sale or contribution of assets between the investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

7. LEASES

The Group has lease contracts for buildings, land and motor vehicles used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets.
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings	*Land*	*Motor vehicles*	*Total*
As at 1 January 2023:	7,801,872	26,540,235	12,287,883	46,629,990
Adjustments *	(293,875)	(3,192,328)	(59,191)	(3,545,394)
Additions	3,877,965	-	4,394,064	8,272,029
Depreciation expense	(2,021,360)	(1,376,785)	(5,664,650)	(9,062,795)
At 31 December 2023	**9,364,602**	**21,971,122**	**10,958,106**	**42,293,830**
Additions	**52,119,623**	**4,366,056**	**6,642,607**	**63,128,286**
Depreciation expense	**(2,665,574)**	**(1,430,093)**	**(5,933,051)**	**(10,028,718)**
Balance at 31 Dec 2024	**58,818,651**	**24,907,085**	**11,667,662**	**95,393,398**

Set out below are the carrying amounts of lease liabilities recognized and the movements during the year:

	2024	2023
As at 1 January	**45,606,019**	48,954,192
Adjustments *	-	(3,179,891)
Additions	**63,128,286**	8,272,029
Interest (note 25)	**2,326,978**	1,639,422
Payments	**(11,864,073)**	(10,079,733)
As at 31 December	**99,197,210**	45,606,019
Current	**12,218,281**	8,591,383
Non-Current	**86,978,929**	37,014,636
	99,197,210	45,606,019

* This adjustment is related to the year ended December 31, 2023, where the effect of adjustments was allocated in the consolidated statement of profit or loss and other comprehensive income between the depreciation charge of the right-of-use assets and the interest on lease liabilities with the amount of SAR 1.01 million and SAR 1.37 million, respectively. The classification of lease repayment is divided into principal repayment of lease liability of SAR 10,073,570 (2023: SAR 8,442,263) as cash flow from financing activities and finance cost paid of SAR 1,790,503 (2023: SAR 1,637,470) as cash flow from operating activities.

Land leased includes a lease from the shareholder. Refer to (note 14) for further details on related parties' transactions and balances.

The following are the amounts recognized in the consolidated statement of profit or loss:

	2024	2023
Depreciation allocated to selling and distribution expenses (note 22)	**8,339,799**	7,278,966
Depreciation allocated to general & administrative expenses (note 23)	**1,202,548**	745,497
Depreciation allocated to cost of revenue	**486,371**	32,960
Interest expense on lease liabilities (note 25)	**2,326,978**	3,010,297
Short-term leases (note 22)	**3,116,011**	3,229,706
Total amount recognized in profit or loss	**15,471,707**	14,297,426
Total cash outflow	**14,980,084**	13,309,439
Repayment of lease liability	**11,864,073**	10,079,733
Short-term leases (note 22)	**3,116,011**	3,229,706

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Computers	Motor vehicles	Capital work in progress*	Total
Cost:								
At January 1, 2023	72,462,268	186,661,726	137,090,566	24,511,703	14,778,535	103,800,755	1,386,994	540,692,547
Additions	-	1,692,409	9,824,160	2,154,341	887,386	8,892,808	585,805	24,036,909
Transfers	-	239,566	966,008	67,670	113,750	-	(1,386,994)	-
Write-off	-	-	(2,153,727)	(4,193,645)	(424,769)	(1,212,300)	-	(7,984,441)
Disposals	(1,075,450)	(4,533,461)	(50,200)	(76,587)	(13,694)	(9,536,778)	-	(15,286,170)
At December 31, 2023	**71,386,818**	**184,060,240**	**145,676,807**	**22,463,482**	**15,341,208**	**101,944,485**	**585,805**	**541,458,845**
Additions	**-**	**-**	**14,997,783**	**3,107,004**	**1,101,064**	**25,576,250**	**6,197,119**	**50,979,220**
Transfers	**-**	**-**	**585,805**	**-**	**-**	**-**	**(585,805)**	**-**
Disposals	**-**	**(10,628)**	**(1,710,873)**	**(141,693)**	**(887,721)**	**(19,985,663)**	**-**	**(22,736,578)**
At December 31, 2024	**71,386,818**	**184,049,612**	**159,549,522**	**25,428,793**	**15,554,551**	**107,535,072**	**6,197,119**	**569,701,487**
Accumulated Depreciation:								
At January 1, 2023	-	57,326,161	104,691,005	15,772,231	12,133,112	78,462,673	-	268,385,182
Charge for the year	-	5,516,904	9,359,266	1,805,181	935,587	9,915,799	-	27,532,737
Write-off	-	-	(2,151,756)	(4,149,293)	(424,452)	(1,212,200)	-	(7,937,701)
Disposals	-	(2,877,194)	(14,532)	(71,641)	(12,036)	(8,965,030)	-	(11,940,433)
At December 31, 2023	**-**	**59,965,871**	**111,883,983**	**13,356,478**	**12,632,211**	**78,201,242**	**-**	**276,039,785**
Charge for the year	**-**	**5,519,111**	**8,464,858**	**1,962,986**	**1,015,802**	**11,798,131**	**-**	**28,760,888**
Disposals	**-**	**(1,700)**	**(1,706,610)**	**(135,653)**	**(864,116)**	**(19,615,618)**	**-**	**(22,323,697)**
At December 31, 2024	**-**	**65,483,282**	**118,642,231**	**15,183,811**	**12,783,897**	**70,383,755**	**-**	**282,476,976**
Net book value:								
At December 31, 2024	**71,386,818**	**118,566,330**	**40,907,291**	**10,244,982**	**2,770,654**	**37,151,317**	**6,197,119**	**287,224,511**
At December 31, 2023	71,386,818	124,094,369	33,792,824	9,107,004	2,708,997	23,743,243	585,805	265,419,060

* The capital work in progress balance as of December 31, 2024, includes SAR 3.9 million related to construction works for new meat factory located in Jeddah.

8. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

a) During the year ended December 31, 2023, land and building in Jeddah were disposed as a result of expropriation, with a net book value of SAR 2.7 million as at December 31, 2023. Refer (Note 24).

b) Building with net book value amounting to SAR 22.6 million (December 31, 2023: SAR 23.8 million) are constructed on land leased from a related party under long-term lease for a period of 20 years starting from January 1, 2020.

c) Building with a net book value amounting to SAR 13.5 million (December 31, 2023: SAR 14.03 million) is constructed on land leased from Saudi Industrial Property Authority (Modon) for a period of 20 years and the Group exercised an extension option for similar period starting from March 26, 2018 (corresponding to 9 Rajab 1439 H). The Group has the option of renewing the lease agreement on the expiry of the initial lease term based on the new terms and conditions to be agreed on that time.

Depreciation charge for the year is allocated as follows:

	2024	2023
Cost of revenue	**3,985,413**	3,611,790
Selling and distribution expenses (note 22)	**24,362,912**	23,539,496
General and administrative expenses (note 23)	**412,563**	381,451
	28,760,888	27,532,737

9. INTANGIBLE ASSETS

	Computer software
Cost:	
At January 1, 2023	24,312,983
Additions	757,194
At December 31, 2023	**25,070,177**
Additions	**721,183**
At December 31, 2024	**25,791,360**
Accumulated amortization:	
At January 1, 2023	22,791,398
Charge for the year	763,380
At December 31, 2023	**23,554,778**
Charge for the year	**544,391**
At 31 December 2024	**24,099,169**
Net book value:	
At December 31, 2024	**1,692,191**
At December 31, 2023	1,515,399

Amortization charge for the year is allocated as follows:

	2024	2023
General and administrative expenses (note 23)	**537,796**	639,756
Selling and distribution expenses (note 22)	**6,595**	123,624
	544,391	763,380

10. INVESTMENT IN ASSOCIATE

The Company has signed binding share purchase agreement on 25/8/1445H (corresponding to March 6, 2024G) to acquire shares in Balady Poultry Trading Company, the investee, in accordance with which the Company purchased 1,116,900 shares (representing 17% of investee's shares) from existing shareholders of Balady Poultry Trading Company through a private transactions, at a purchase price of SAR 120 per share with total amount of SAR 134.1 million including transaction costs of SAR 397.90 thousand, the Transaction was self-financed by the Company.

Subsequent to the above agreement, on 20 Shawwal 1445 H (corresponding to April 29, 2024G) the Company signed another binding share purchase agreement with the major shareholders of Balady Poultry Trading Company, under which the Company purchased an additional 1,511,100 shares, which represents an additional 23% of the investee's shares at a purchase price of SAR 120 per share for a total of SAR 181.33 million including transaction costs of SAR 367.9 thousands. The transaction was partially self-financed, and the remaining was from external sources**.** The transaction was approved by the relevant authorities and completed on 18 Safar 1446 H (Corresponding to 22 August 2024), and the Company's ownership increased from 17% to 40% of the total shares of Balady Poultry Trading Company.

The movement in investment in associate is as follows:	**2024**
At the beginning of the year	**-**
Purchases during the year	**316,125,799**
Share of results *	**22,157,010**
Share of OCI	**76,249**
Dividends declared during the year	**(3,350,700)**
At the end of the year	**335,008,358**

***** The share in results of associate were calculated from the date of acquisition up to December 31, 2024.

The following table summarizes the financial information of Balady Poultry Trading Company.

As of December 31, 2024	
Percentage of ownership	**40%**
Non-current assets	**247,631,664**
Current assets	**122,419,363**
Non-current liabilities	**(27,172,229)**
Current liabilities	**(33,938,037)**
Net assets of the associate	**308,940,761**
Share in the net assets of the associate (40%)	**123,587,651**
Amounts paid in excess of the share of the investee's net assets	**211,420,707**
Book Value as of December 31, 2024	**335,008,358**
Results for the year ended December 31 ,2024	
Revenues	**887,117,339**
Cost of sales	**(742,671,443)**
Gross profit	**144,445,896**
Selling and marketing expenses	**(14,132,664)**
General and administrative expenses	**(14,699,004)**
Impairment loss of financial assets	**(256,326)**
Other income, net	**6,021,512**
Net profit for the period from main operations	**121,379,414**
Finance income	**240,906**
Financing costs	**(450,616)**
Net profit for the period before zakat	**121,169,704**
Zakat	**(3,056,152)**
Net profit for the year	**118,113,552**
Remeasurement of employees' defined benefit liabilities	**316,512**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (100%)	**118,430,064**
Net profit for the year (from 6 March 2024 to 21 August 2024) (17%)	**10,015,137**
Net profit for the year (from 22 August 2024 to 31 December 2024) (40%)	**12,141,873**
Share of results for the year	**22,157,010**

11. CASH AND CASH EQUIVALENT

	2024	2023
Cash at banks	**40,961,264**	137,092,371
Cash on hand	**1,667,115**	1,835,555
Short-term deposits *	-	110,000,000
	42,628,379	248,927,926

* Cash and cash equivalent include Murabaha Islamic short-term deposits with a maturity period within three months.

12. TRADE RECEIVABLES

	2024	2023
Trade receivables	**302,171,385**	254,826,242
Less: Allowance for expected credit losses	**(5,221,227)**	(3,819,363)
	296,950,158	251,006,879

Terms and conditions of the above financial assets:
Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days. It is not the practice of the Group to obtain collateral over receivable balances.

The movement in the allowance for expected credit losses is as follows:

	2024	2023
Opening balance	**3,819,363**	13,781,430
Provided during the year	**1,401,864**	1,340,278
Write-off *	-	(11,302,345)
Closing balance	**5,221,227**	3,819,363

* The Board of Directors, in their meeting dated August 15, 2023, approved to write-off certain balances which were 100% provided for in prior years.

Please refer to (note 26.2) for information about the credit risk exposure on the Group's trade receivables using a provision matrix.

13. PREPAYMENTS AND OTHER ASSETS

	2024	2023
Advance to a related party *	**127,647,019**	147,582,501
Prepayments	**16,389,962**	13,789,491
Advances to suppliers and contractors **	**9,696,537**	3,601,741
Right of return assets	**1,253,863**	1,049,728
Employee receivables	**647,826**	998,570
Accrued compensation (Note 24)	-	8,271,036
Others	**1,802,622**	608,278
	157,437,829	175,901,345

*This amount represents advance payments to France Poultry (a subsidiary of the parent Company) for future deliveries of goods. Refer (note 14).
** This amount included SAR 2.5 million for Bureida Trading and Refrigeration Company (a subsidiary to the parent Company) to install refrigeration boxes, refer (note 14).

14. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors, and key management personnel of the Group and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the consolidated financial statements are as follows:

2024	*Relationship*	*Sales*	*Purchases*	*Expenses**	*PPE purchase/ Selling*
France Poultry	Subsidiary of ultimate Parent Company	**-**	**573,239,857**	**-**	**-**
Shawaya House Company	Subsidiary of ultimate Parent Company	**13,679,429**		**201,089**	**-**
Gulf Catering Company	Subsidiary of ultimate Parent Company	**7,581,420**		**1,606,070**	**-**
Nutrition and Diet Center Company	Subsidiary of ultimate Parent Company	**6,335,654**	**5,186,001**	**960,602**	**25,765**
Azzad Saudi Company	Subsidiary of ultimate Parent Company	**348,815**	**-**	**194,729**	**-**
Thati Limited Company	Subsidiary of ultimate Parent Company	**33,950**	**-**	**21,536**	**-**
Bureida Trading and Refrigeration Company	Subsidiary of ultimate Parent Company	**-**	**-**	**223,375**	**15,657,905**
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	**-**	**-**	**1,253,950**	**-**
Abdullah Al Ali Almunajem Sons Company	The ultimate Parent Company	**-**	**-**	**3,115,186**	**-**
Four Steps International Company	Owned by a member of the BOD	**-**	**-**	**129,000**	**-**
Entertainment Mine Company Ltd	Owned by a closed family member	**280,090**		**-**	
Balady Poultry Trading Company	Associate Company		**15,505,362**	**-**	**-**
Others	Shareholder in the ultimate Parent Company	**-**	**-**	**23,300**	**-**

2023	*Relationship*	*Sales*	*Purchases*	*Expenses**	*PPE purchase/ Selling*
France Poultry	Subsidiary of ultimate Parent Company	-	545,935,099	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	30,879,098	-	205,732	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	7,609,468	-	607,613	-
Nutrition and Diet Center Company	Subsidiary of ultimate Parent Company	5,351,440	5,639,948	971,539	-
Azzad Saudi Company	Subsidiary of ultimate Parent Company	475,754	-	137,081	-
Thati Limited Company	Subsidiary of ultimate Parent Company	9,270	-	33,074	-
Bureida Trading and Refrigeration Company	Subsidiary of ultimate Parent Company	-	-	158,901	3,476,500
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	890,032	-
Abdullah Al Ali Almunajem Sons Company	The ultimate parent Company	-	-	2,474,579	-
Four Steps International Company	Owned by a member of the BOD	-	-	105,000	-
Balady Poultry Trading Company	Associate Company	-	-	-	-
Others	Shareholder in the ultimate Parent Company	-	-	23,300	-

* These expenses generally include expenses paid on behalf of the entity or its related parties, shared services centers, leases and other expenses within the normal course of business.

Related parties balances included in the consolidated statement of financial position are as follows:

a) Due from related parties

	2024	2023
Shawaya House Company	**5,519,489**	6,752,516
Nutrition and Diet Center Company	**2,374,561**	1,529,993
Gulf Catering Company	**1,832,701**	2,223,642
Entertainment Mine Company Ltd	**32,325**	-
Azzad Saudi Company	**12,233**	30,302
Thati Limited Company	**2,618**	-
	9,773,927	10,536,453

14. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

a) Due from related parties (Continued)

The above balances are unsecured, interest-free, and having settlement terms within 30-45 days. The management estimates the allowance on due from the related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balances from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate. Management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

b) Due to related parties

	2024	2023
Burieda Trading and Refrigeration Company	**94,241**	429,064
Abdullah Al Ali Al Munajem Sons Company	**29,788**	46,330
Thati Limited Company	-	2,373
	124,029	477,767

Land leases include a lease with the ultimate parent Company, Abdullah Al Ali Almunajem Sons Company. Right of use assets amounting to SAR 20,202,741 (2023: SAR 21,552,540) and lease liability amounting to SAR 23,240,204 (2023: SAR 24,369,974) pertain to this lease (note 7). The payment of this land lease amounting to SAR 1.99 million (2023: SAR 1.99 million).

d) Key management compensation

Key management personnel of the Group comprise key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Group. The compensation to key management is shown below:

	2024	2023
Short-term employee benefits *	**11,384,429**	9,005,081
Post-employment benefits	**678,699**	779,774
	12,063,128	9,784,855

* Key management remuneration includes SAR 1.98 million (2023: SAR 1.94 million) pertaining to the Board of Directors' remuneration.

15. REVENUE

	2024	2023
Revenue recognized at a point in time		
Non-retail - goods transferred	**1,945,424,565**	1,978,421,555
Retail - goods transferred	**1,389,558,715**	1,322,565,585
	3,334,983,280	3,300,987,140
Revenue recognized over-time		
Storage rent revenue	**12,000,804**	13,416,189
	3,346,984,084	3,314,403,329

All revenue is generated in the Kingdom of Saudi Arabia.

16. INVENTORIES

	2024	2023
Goods for sale	**385,465,396**	318,050,021
Goods in transit	**298,924,291**	228,253,273
Raw materials and consumables	**23,487,713**	20,325,142
Spare parts and consumables	**4,352,058**	4,306,500
Less: Inventory provision	**(2,093,264)**	(1,778,476)
	710,136,194	569,156,460

The movement of inventory provision is as follows:

	2024	2023
Opening balance	**1,778,476**	1,000,000
Provided during the year*	**314,788**	778,476
Closing balance	**2,093,264**	1,778,476

* The provision pertains to specifically identified spares that are no longer usable and slow-moving goods.
The provision for the year is allocated into cost of revenues by SAR 243,258 and selling and distribution expenses by SR 71,530.

During 2024, SAR 2,797,857,533 (2023: SAR 2,739,040,238) of the Inventory was recognized as an expense in the cost of revenue. Other items included in the cost of revenue include suppliers' volume rebates with an amount of SAR 24,216,629 (2023: SAR 14,580,307).

17. SHARE CAPITAL AND STATUTORY RESERVE

a) Share Capital

Authorized, issued and paid-up capital is divided into 60,000,000 shares of SAR 10 each (December 31, 2023: 60,000,000 shares of SAR 10 each).

b) Statutory Reserve

The Company transferred 10% of its profits to statutory reserve annually based on the previous regulations of the Companies and Company's bylaws. During 2024, the Company updated it's bylaws based on the new Regulations for the Companies , which doesn't require the transfer of profits to reserve, accordingly no transfers were made to the reserves during the year.

18. EMPLOYEES' BENEFITS OBLIGATIONS

	2024	2023
Opening balance	**53,342,696**	48,263,214
Current service cost	**5,275,368**	4,656,747
Interest cost (note 25)	**2,371,593**	2,456,315
Benefits paid	**(2,686,044)**	(2,229,294)
Actuarial loss	**1,283,613**	195,714
Closing Balance	**59,587,226**	53,342,696

18. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2024	2023
Discount rate	**%5.20**	4.80%
Average duration of liability (in years)	**5**	8
Rate of salary increases	**(4% - 4.2)**	4.00%

All movements in the employees' benefit obligations are recognized in the consolidated statement of profit or loss except for the actuarial (gain)/loss, which is recognized as other comprehensive income.

Movements in actuarial loss reserve recognized in OCI are as follows:

	2024	2023
Opening balance	**5,168,148**	4,972,434
Actuarial loss on the obligation	**1,283,613**	195,714
Closing balance	**6,451,761**	5,168,148

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. A positive amount represents an increase in the liability, whilst a negative amount represents a decrease in the liability.

	2024	2023
Increase in the discount rate of 1%	**(2,529,914)**	(3,715,995)
Decrease in the discount rate of 1%	**2,805,545**	4,249,128
Decrease in the rate of a salary increase of 1%	**2,942,031**	4,498,361
Increase in the rate of a salary increase of 1%	**(2,700,555)**	(3,997,212)

The following are the expected payments or contributions to the employees in future years:

	2024	2023
Within the next 12 months (next annual reporting period)	**16,028,149**	7,868,996
Between 2 and 5 years	**25,347,765**	17,232,680
Beyond 5 years	**36,996,157**	55,588,868
	78,372,071	80,690,544

19. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	2024	2023
Trade payables *	**579,705,900**	427,362,439
Accrued expenses	**44,437,263**	62,848,190
Advances from customers	**1,272,336**	1,199,945
Other payables **	**10,792,798**	3,264,292
	636,208,297	494,674,866

Trade and other payables are non-interest bearing and have a term of 30 to 90 days.

* Trade Payables include liability to Balady Poultry Company (Associate Company) by SAR 2.19 million (2023: Nil). refer (note 14).

* Trade Payables include supply chain agreements compatible with Islamic Sharia granted from Saudi local bank during the year ended December 31, 2024, with an amount of SAR 169.7 million (December 31, 2023: SAR 128.4 million).

The Group participates in a supplier finance arrangement referred to above, under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group has incurred interest towards the bank due to the suppliers with an amount of SAR 7,405,525 for the year ended 31 December 2024 (2023: 1,478,492). The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables. All payables under the arrangement are classified as current as at 31 December 2024 and 2023.

** Other payables include deferred customs duties by SAR 7.2 million (December 31, 2023: SAR 2.5 thousand).

20. SHORT-TERM LOANS

The Group has obtained Murabaha loans from local banks to finance the Group's working capital requirements and carry interest at commercial rates at SIBOR + 0.8% and have a maturity of less than a month.

As at December 31, 2024, the Group had total loan facilities amounting to SAR 500,000,000 (2023: SAR 500,000,000).

The movement in short-term loans is as follows:

	2024	2023
Opening balance	**-**	-
Proceeds from short-term loans	**791,000,000**	30,000,000
Payments of short-term loans	**(699,000,000)**	(30,000,000)
Closing balance	**92,000,000**	-

21. ZAKAT PAYABLE

The Group obtained approval from the Zakat, Tax and Customs Authority (ZATCA) on 14th October 2024 (corresponding 10 2nd Rabi 1446 H) to submit its zakat returns on a combined basis to include the Company and its subsidiary, The Optimal Solution Company from 2024 and onwards.

Zakat expense

The zakat charge for the year comprises of the following:

	2024	2023
Current year provision	**12,278,692**	19,541,041
Prior year adjustment	**(500,000)**	(124,569)
Total provided during the year	**11,778,692**	19,416,472

The principal elements of the zakat base attributable to Saudi Shareholders are as follows:

	2024	2023
Equity	**731,321,887**	650,482,843
Allowances and other adjustments	**12,603,459**	114,496,837
Book value of long-term assets	**(723,312,019)**	(313,578,921)
Non-current and current Liabilities	**149,363,456**	-
	169,976,783	451,400,759
Profit subject to Zakat for the year	**280,335,353**	311,231,553
Zakat base	**450,312,136**	762,632,312
Zakat charge for the year	**11,778,692**	19,541,041

Movement in the Zakat provision:	**2024**	2023
Opening balance	**19,541,041**	18,840,788
Current year provision	**12,278,692**	19,541,041
Prior year adjustment	**(500,000)**	(124,569)
Payment during the year	**(18,716,274)**	(18,716,219)
Closing balance	**12,603,459**	19,541,041

Status of assessments

Zakat assessments for 2021 and 2022 were completed and no additional claims or settlements required.

The Company filed its Zakat return for the year 2023, and paid Zakat based on it and obtained Zakat certificate for the year 2023 during April 2024.

The Company was inspected for the value-added tax (VAT) for 2022, which was completed on 6 November 2023, resulting in adjustments against VAT returns and the Company paid the differences amounting to SAR 37,994.

The Company was inspected for the value-added tax (VAT) for 2023, completed on 21 May 2024, resulting in adjustments against VAT returns and the Company paid the differences, which was amounting to SAR 2,386.

Zakat assessment for 2023 is still under processing with Zakat, tax, and customs authority till the date of the issuance of these consolidated financial statements.

22. SELLING AND DISTRIBUTION EXPENSES

	2024	2023
Employee costs	**125,427,593**	119,378,382
Marketing expenses	**38,730,717**	38,817,631
Depreciation of property, plant and equipment (note 8)	**24,362,912**	23,539,496
Sales commission	**15,238,068**	15,072,562
Utilities	**14,536,696**	14,627,443
Maintenance and car running expenses	**17,002,448**	14,190,898
Transportation and uploading expenses	**8,878,790**	7,165,185
Depreciation of right-use-assets (note 7)	**8,339,799**	7,278,966
Insurance	**5,305,997**	4,312,047
Rental expenses (short term lease) (note 7)	**3,116,011**	3,229,706
Amortization of intangible assets (note 9)	**6,595**	123,624
Other expenses	**9,875,050**	12,892,327
	270,820,676	260,628,267

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
Employee costs	**22,511,352**	19,141,691
Professional fees	**1,394,148**	1,917,651
Depreciation of right-of-use assets (note 7)	**1,202,548**	745,497
Bank charges	**966,849**	803,114
Repair and maintenance	**897,017**	530,790
Amortization of intangible assets (note 9)	**537,796**	639,756
Utilities	**459,782**	629,171
Depreciation of property, plant, and equipment (note 8)	**412,563**	381,451
Other expenses	**2,219,532**	1,912,662
	30,601,587	26,701,783

24. OTHER INCOME

	2024	2023
Gain on disposal of property, plant and equipment *	**9,826,465**	8,255,740
Foreign currencies gain/ (loss)	**3,786,265**	(1,343,286)
Other income	**772,602**	1,090,701
	14,385,332	8,003,155

* During the year ended December 31, 2023, the Group realized and booked a net gain of SAR 5.5 million resulting from insured government compensation for a building owned by the Group located in Jeddah. The property was having a net book value of SAR 2.7 million (note 8). During April 2024, the formal procedure of collecting the compensation amount was finalized and the Group received an amount of SAR 11.1 million.

25. FINANCE COSTS, NET

	2024	2023
Finance Cost		
Interest on employees' benefit obligations (note 18)	**2,371,593**	2,456,315
Interest on lease liabilities (note 7)	**2,326,978**	3,010,297
Interest on short-term loans*	**8,293,186**	1,532,020
	12,991,757	6,998,632
Finance Income		
Profit from short-term deposits**	**(3,280,711)**	(6,988,591)
	9,711,046	10,041

* The interest on short-term loans is for Murabaha Islamic loans obtained from local banks for working capital requirements.
** This relates to profits generated from Murabaha Islamic short-term deposits with a maturity period of less than three months.

26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets

Financial assets at amortised cost:	**2024**	2023
Trade receivables	**296,950,158**	251,006,879
Due from related parties	**9,773,927**	10,536,453
Prepayments and other assets	**1,608,476**	8,271,036
	308,332,561	269,814,368
Cash and cash equivalent	**42,628,379**	248,927,926
Total financial assets	**350,960,940**	518,742,294

b. Financial liabilities

Financial liabilities at amortised cost:	**2024**	2023
Trade payables, accruals, and other liabilities	**633,442,125**	492,150,190
Short term loans	**92,000,000**	-
Lease liabilities	**99,197,210**	45,606,019
Due to related parties	**124,029**	477,767
	824,763,364	538,233,976

The Group's financial liabilities include trade payables, certain other payables, lease liabilities, and due to related parties. At December 31, 2024, all the Group's financial liabilities are classified at amortised cost.

26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

26.1 Fair Values

Financial instruments comprise financial assets and financial liabilities.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group's financial assets consist of cash and cash equivalent, trade receivables, other current financial assets due from related parties, and prepayments and other assets. The Group’s financial liabilities consist of trade payables, certain other payables, short-term loans, lease liabilities, and due to related parties.

The fair values of the above financial assets and liabilities approximate their carrying amounts.

26.2 Financial Instruments Risk Management Objectives And Policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s management monitors and manages of these risks. The Management regularly reviews and agrees policies and procedures to ensure that all financial risks are identified, measured and managed in accordance with the Group’s policies and risk objectives, which are summarized below.

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. The Group is exposed to two types of market risk: interest rate risk, and foreign currency risk. Financial instruments affected by market risk include short term loans and payables denominated in foreign currency. There were no changes in these circumstances from the previous year.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s short-term loans have a short tenure and carry a floating rate of interest and is carried at amortized cost. Accordingly, management believes that the Group is not subject to any significant interest rate risk because it is a practice of the Group to settle all short-term debt obligations at the time of maturity which is generally one months.

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. Other than Saudi Riyals, the Group undertakes transactions denominated in foreign currencies principally in United States Dollars, United Arab Emirates Dirhams and Euros; consequently, exposures to exchange rate fluctuations arise. The management believes that there is no currency risk arising from the transactions in currencies to which Saudi Riyal is pegged. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s purchases from outside suppliers mainly denominated in Euros. The foreign currency SAR equivalent of Euro exposure in 2024 is SAR 73,544,033_(2023 : SAR 58,940,057), represents trade payable balances.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in SAR and Euro exchange rates, with all other variables held constant.

The impact on the Group’s profit before zakat is due to changes in the fair value of monetary assets and liabilities.

	5% increase in exchange rate	*5% decrease in exchange rate*
2024	**(3,677,202)**	**3,677,202**
2023	(2,947,003)	2,947,003

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables, other current financial assets and related parties’ balances) and from its financing activities, including balances with banks.

26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

26.2 Financial Instruments Risk Management Objectives And Policies (Continued)

Trade receivables

The average credit period granted terms is from 15 to 60 days. No interest is charged on outstanding trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns. 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. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

			Trade receivable – days past due			
	Not past due	***<90***	***90-180***	***181-365***	***>365***	***Total***
December 31, 2024						
Expected credit loss rate %	**0.09%**	**0.24%**	**14.38%**	**32.54%**	**87.23%**	
Total gross carrying amount at default	**199,241,794**	**96,403,834**	**670,384**	**729,903**	**5,125,470**	**302,171,385**
Expected credit losses	**(182,940)**	**(233,292)**	**(96,400)**	**(237,526)**	**(4,471,069)**	**(5,221,227)**
	199,058,854	**96,170,542**	**573,984**	**492,377**	**654,401**	**296,950,158**

			Trade receivable – days past due			
	Not past due	*<90*	*90-180*	*181-365*	*>365*	*Total*
December 31, 2023						
Expected credit loss rate %	0.18%	0.59%	20.06%	45.28%	95.79%	
Total gross carrying amount at default	183,558,415	64,946,851	2,962,037	1,384,771	1,974,168	254,826,242
Expected credit losses	(323,402)	(383,747)	(594,153)	(627,086)	(1,890,975)	(3,819,363)
	183,235,013	64,563,104	2,367,884	757,685	83,193	251,006,879

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

December 31, 2024	***Within 3 months***	***3 months to 1year***	***1 to 5 years***	***More than 5 years***	***Total***
Trade payables, accruals, and other liabilities	**633,442,125**	**-**	**-**	**-**	**633,442,125**
Lease liabilities	**7,027,843**	**10,223,313**	**50,180,178**	**61,749,741**	**129,181,075**
Due to related parties	**124,029**	**-**	**-**	**-**	**124,029**
Short term Loans	**92,000,000**	**-**	**-**	**-**	**92,000,000**
	732,593,997	**10,223,313**	**50,180,178**	**61,749,741**	**854,747,229**

December 31, 2023	*Within 3 months*	*3 months to 1year*	*1 to 5 years*	*More than 5 years*	*Total*
Trade payables, accruals, and other liabilities	492,150,190	-	-	-	492,150,190
Lease liabilities	5,257,434	4,684,677	21,278,647	23,275,252	54,496,010
Due to related parties	477,767	-	-	-	477,767
	497,885,391	4,684,677	21,278,647	23,275,252	547,123,967

27. EARNING PER SHARE (EPS)

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are the same as the basic earnings per share as the Company does not have any convertible securities or diluted instruments to exercise.

The following table reflects the profit for the year attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

Basic and diluted earnings per share from net profit.

	2024	2023
Net profit for the year	**278,652,929**	282,213,242
Weighted average number of ordinary shares	**60,000,000**	60,000,000
Basic and diluted earnings per share	**4.64**	4.70

28. DIVIDENDS

The Board of Directors meeting held on November 28, 2024G (Corresponding to 26 Jumada al-Awwal 1446 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 26, 2024G (corresponding to 18 Dhul-Qi'dah 1445 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2024, has approved to distribute dividends for the second half of the year 2024 amounting to SAR 120 million to the Company's shareholders at 2 riyal per share, or 20% of the capital.

The Board of Directors meeting held on May 28, 2024G (Corresponding to 20 Dhul-Qi'dah 1445 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 26, 2024G (corresponding to 18 Dhul-Qi'dah 1445 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2024, has approved to distribute dividends for the first half of the year 2024 amounting to SAR 75 million to the Company's shareholders at 1.25 riyal per share, or 12.5% of the capital.

The Board of Directors meeting held on November 14, 2023 (corresponding to 30 Rabi' al-Awwal 1445H), based on authority granted by shareholders during their ordinary General Assembly meeting dated May 8, 2023G (corresponding to 18 Shawwal 1444 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2023, has approved to distribute cash dividends of SAR 120 million to the Company's shareholders for the second half of 2023 amounting to SAR 2 per share, or 20% of the capital

The Board of Directors meeting held on July 17, 2023 (corresponding to 29 Dhu'l Hijjah 1444H), based on authority granted by shareholders during their ordinary General Assembly meeting dated May 8, 2023G (corresponding to 18 Shawwal 1444 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2023, have approved to distribute cash dividends of SAR 75 million to the Company's shareholders for the first half of 2023 amounting to SAR 1.25 per share, or 12.5% of the capital

The ordinary General Assembly meeting held on May 8, 2023G (corresponding to 18 Shawwal 1444 H) based on the recommendation of the Group's Board of Directors meeting held on March 23, 2023G, (Corresponding to 1 Ramadan 1444 H) approved to distribute dividends for the second half of the year 2022 amounting to SAR 60 million to the Company's shareholders at 1 riyal per share, or 10% of the capital.

29. CAPITAL MANAGEMENT

The Company's capital includes issued share capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize shareholders' value, maintain market confidence, and sustain the future development of its business by maintaining an efficient capital base. It manages its capital structure and makes adjustments in light of changes in economic conditions.

30. SEGMENT INFORMATION

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the Group manages them separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

For management reporting purposes, the Group is divided into business units based on their geographical regions, as follows:

2024	***Central region***	***Eastern & Northern regions***	***Western & Southern regions***	***Total***
Revenue	**1,397,010,380**	**677,996,168**	**1,271,977,536**	**3,346,984,084**
Cost of revenue	**1,163,284,252**	**567,425,831**	**1,049,849,549**	**2,780,559,632**
Depreciation and amortization	**11,252,865**	**5,465,567**	**12,586,847**	**29,305,279**
Depreciation of right of use assets	**5,286,588**	**1,560,709**	**3,181,421**	**10,028,718**
Segment profit before Zakat	**132,034,689**	**53,036,507**	**105,360,425**	**290,431,621**
Total assets	**1,061,391,821**	**308,820,463**	**566,032,661**	**1,936,244,945**
Total liabilities	**844,757,419**	**25,761,263**	**55,751,447**	**926,270,129**

2023	*Central region*	*Eastern & Northern regions*	*Western & Southern regions*	*Total*
Revenue	1,388,904,227	672,203,320	1,253,295,782	3,314,403,329
Cost of revenue	1,152,289,048	555,028,234	1,024,779,119	2,732,096,401
Depreciation and amortization	9,909,816	5,408,553	12,977,748	28,296,117
Depreciation of right of use assets	3,696,975	1,442,077	2,918,371	8,057,423
Segment profit before Zakat	116,516,443	64,466,819	120,646,452	301,629,714
Total assets	837,661,843	254,442,618	472,652,891	1,564,757,352
Total liabilities	596,489,145	12,489,656	28,249,300	637,228,101

All the operating segments revenue and non-current assets are generated and based in the Kingdom of Saudi Arabia. There is no sole customer contributing 10% or more of the total revenue in both 2024 and 2023.

2024	***Central Region***	***Eastern & Northern Regions***	***Western & Southern Regions***	***Total***
Revenue				
Non-retail	**771,525,191**	**406,493,402**	**767,405,972**	**1,945,424,565**
Retail	**621,091,697**	**268,768,427**	**499,698,591**	**1,389,558,715**
Storage rent revenue	**4,393,492**	**2,734,339**	**4,872,973**	**12,000,804**
Total revenues	**1,397,010,380**	**677,996,168**	**1,271,977,536**	**3,346,984,084**
Cost of revenues				
Non-retail	**(655,314,359)**	**(348,718,785)**	**(646,332,660)**	**(1,650,365,804)**
Retail	**(503,493,888)**	**(218,095,248)**	**(401,822,880)**	**(1,123,412,016)**
Storage rent revenue	**(4,476,005)**	**(611,798)**	**(1,694,009)**	**(6,781,812)**
Total Cost of revenues	**(1,163,284,252)**	**(567,425,831)**	**(1,049,849,549)**	**(2,780,559,632)**
Total Gross profit	**233,726,128**	**110,570,337**	**222,127,987**	**566,424,452**

30. SEGMENT INFORMATION (CONTINUED)

For management purposes, the Company is into revenue streams based on its geographical regions, as follows:

2023	*Central Region*	*Eastern & Northern Regions*	*Western & Southern Regions*	*Total*
Revenue				
Non-retail	790,351,085	410,286,432	777,784,038	1,978,421,555
Retail	594,837,150	258,289,035	469,439,400	1,322,565,585
Storage rent revenue	3,715,992	3,627,853	6,072,344	13,416,189
Total revenues	1,388,904,227	672,203,320	1,253,295,782	3,314,403,329
Cost of revenues				
Non-retail	(662,370,447)	(343,223,959)	(641,207,838)	(1,646,802,244)
Retail	(486,486,683)	(210,984,596)	(381,110,203)	(1,078,581,482)
Storage rent revenue	(3,431,918)	(819,679)	(2,461,078)	(6,712,675)
Total Cost of revenues	(1,152,289,048)	(555,028,234)	(1,024,779,119)	(2,732,096,401)
Total Gross profit	236,615,179	117,175,086	228,516,663	582,306,928

31. CONTINGENCIES AND COMMITMENTS

No outstanding letters of guarantee as of 31 December 2024 (31 December 2023: Nil), in respect of contract performance, and letters of credit amounting to SAR 13,853,034 (31 December 2023: SAR 3,522,799). There are capital commitments amounting to SAR 30,470.553 as of 31 December 2024 (31 December 2023: SAR 1,318,818) related to property, plant, and equipment.

32. SUBSEQUENT EVENTS DISCLOSURES

No other matters have occurred up to the date of the approval of these consolidated financial statements that could have a material affect on these consolidated financial statements and the related disclosures for the year ended December 31, 2024.

33. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended December 31, 2024, were approved for issuance by the Board of Directors on 13 March 2025G according to 13 Ramadan 1446H.