



Cenomi Retail
Annual Report 2024



Sharper. Leaner. Ready for growth.



The Custodian of the Two Holy Mosques

King Salman Bin Abdulaziz Al Saud



His Royal Highness Crown Prince

**Mohammad Bin Salman Bin Abdulaziz
Al Saud**

Theme of the Year

Sharper. Leaner. Ready for growth.

Cenomi Retail has now entered a new era of ambition and clarity. The Company has reimagined how it operates, where it wants to grow and what it stands for. 2024 was a year shaped by conviction - a readiness to act decisively and reshape the business for long-term advantages. Every decision was anchored in purpose and every change brought Cenomi Retail closer to being the company it aspires to be.

This transformation wasn't incremental. It was foundational. Cenomi Retail recalibrated not only what it does, but how it does it - from the ground up. With sharper priorities and a simplified structure, the Company focused its efforts on initiatives that will drive a lasting impact. The result is a more agile business with the confidence and capability to lead, adapt and thrive in a fast-moving landscape.

As the Company moves into 2025, it is investing with intention, expanding with discipline and moving faster in the markets that matter. The foundation is set. The strategy is clear. Cenomi Retail is now - undeniably sharper, leaner and ready for growth.

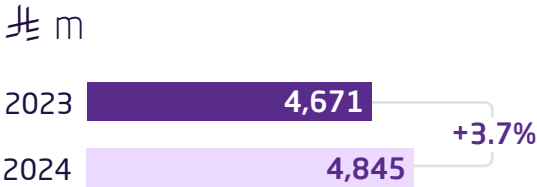


2024 At a Glance

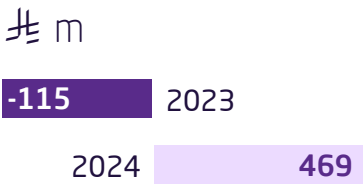
A pivotal year of focused execution and bold transformation, 2024 marked a turning point in Cenomi Retail's journey. With sharper priorities, a leaner structure and a clear path forward, the Company is now firmly positioned to accelerate growth with confidence and purpose.

Financial Highlights

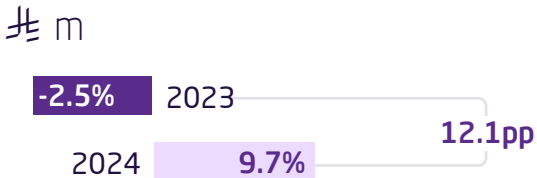
Revenue



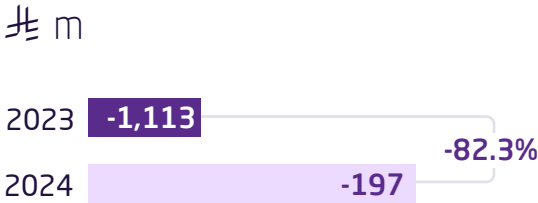
EBITDA



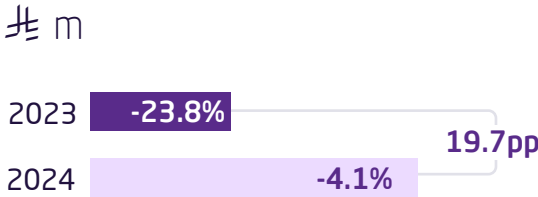
EBITDA Margin



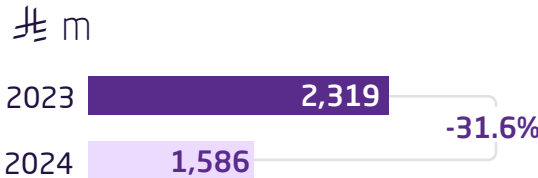
Net Loss



Net Loss Margin



Net Debt



Operational Highlights

12 Subway stores in one day in October and another **14 Subway stores** in one day in December a **global record**



Renovated Zara in Al Nakheel Mall - the **Kingdom's largest Zara**



Launched **four Inditex brands** on Trendyol



Divested **24 brands** as part of portfolio optimization



Entered Uzbekistan with **8 Tier 1** Champion Brand stores



Hired 1,499 Saudi nationals and reduced store staff turnover from 70% to 40%



Expanding strategic presence in Azerbaijan with a new Zara store, following the opening of 6 new Inditex stores



For more information,
Visit our website
www.cenomiretail.com



Table of Contents

01

Overview

About Cenomi Retail12

Geographical Footprint14

Our Brand Portfolio16

Year in Review20

Investment Case22

Shareholders' Information24

02

Strategic Review

Chairman's Statement28

CEO's Message30

Strategy and KPIs34

Business Model36

Market Overview38

Stakeholder Engagement46

Financial Review50

Our People56

03

Operating Review

Kingdom of Saudi Arabia - Retail Segment62

International Retail68

Food and Beverage82

E-commerce88

04

Governance

92

05

Financial Statements

136

₹ 4.8 bn
Revenue

₹ 468.6m
EBITDA

Cenomi Retail is entering a new era of focus and ambition.



Over the past year, we have taken significant steps to refine our portfolio, enhance operational efficiency and reinforce our financial foundations.

01

Overview

Cenomi Retail remains committed to delivering sustainable value through a balanced multi-format, multi-market strategy

About Cenomi Retail	12
Geographic Footprint	14
Our Brand Portfolio	16
Year in Review	20
Investment Case	22
Shareholders' Information	24



About Cenomi Retail

Cenomi Retail is the largest and foremost franchise retailer in Saudi Arabia and the only listed business of its kind in the Middle East. Founded in 1991 by Fawaz Bin Abdulaziz Alhokair, alongside his brothers Salman and Abdulmajid, Cenomi Retail has gone from strength to strength to rapidly grow from a handful of stores into a powerhouse of regional retail.

Today, Cenomi Retail operates more than 850 stores across 159 shopping malls in nine countries, anchored by a retail platform spanning over 360,000 square meters. The Company's portfolio includes 51 leading brands across differing price points, from luxury to value in womenswear, menswear, children's and baby products, shoes, accessories, cosmetics, department stores and an award-winning food and beverage (F&B) portfolio of 271 restaurants and coffee shops.

Cenomi Retail stands as Saudi Arabia's pioneering brand partner, bringing premium international names to one of the world's fastest-evolving consumer markets. Its reach extends across the MENA and CIS regions, with a diversified footprint in fashion, beauty, F&B, sports and entertainment. Driving Cenomi Retail's operations is a diverse and talented workforce of more than 6,500 employees, delivering exceptional retail experiences across every market it serves.

With a sharper focus, a leaner model, demonstrable financial improvement and a clear path ahead, Cenomi Retail is poised for the next phase of sustainable growth, ready to capture the opportunities of an accelerating regional retail landscape.

Our Vision

To become the largest and most admired integrated omnichannel lifestyle retailer in MENA, and partner of choice for local and international brands.

Strategic Focus

Cenomi Retail is focused on delivering exceptional value to its customers, partners and shareholders. By offering a wide selection of quality products, delivering superior service and forging long-term partnerships, the Company is building a stronger, more resilient business. Cenomi Retail's strategic priorities are clear and focused:

- Continuing to develop international presence and positioning the Company's Tier 1 Champion Brands in high-potential markets.
- Seamlessly blending physical and digital retail to create an unparalleled innovative shopping experience for its customers.
- Establishing Cenomi Retail as a pioneer in delivering innovative retail concepts , while reinforcing its position of market dominance across key geographies.

Our Values

1 Delight customers: We always focus on our customers' needs and wants

2 Commit to deliver: Show personal commitment to delivering results

3 Execute with excellence: How we work is as important as what we deliver

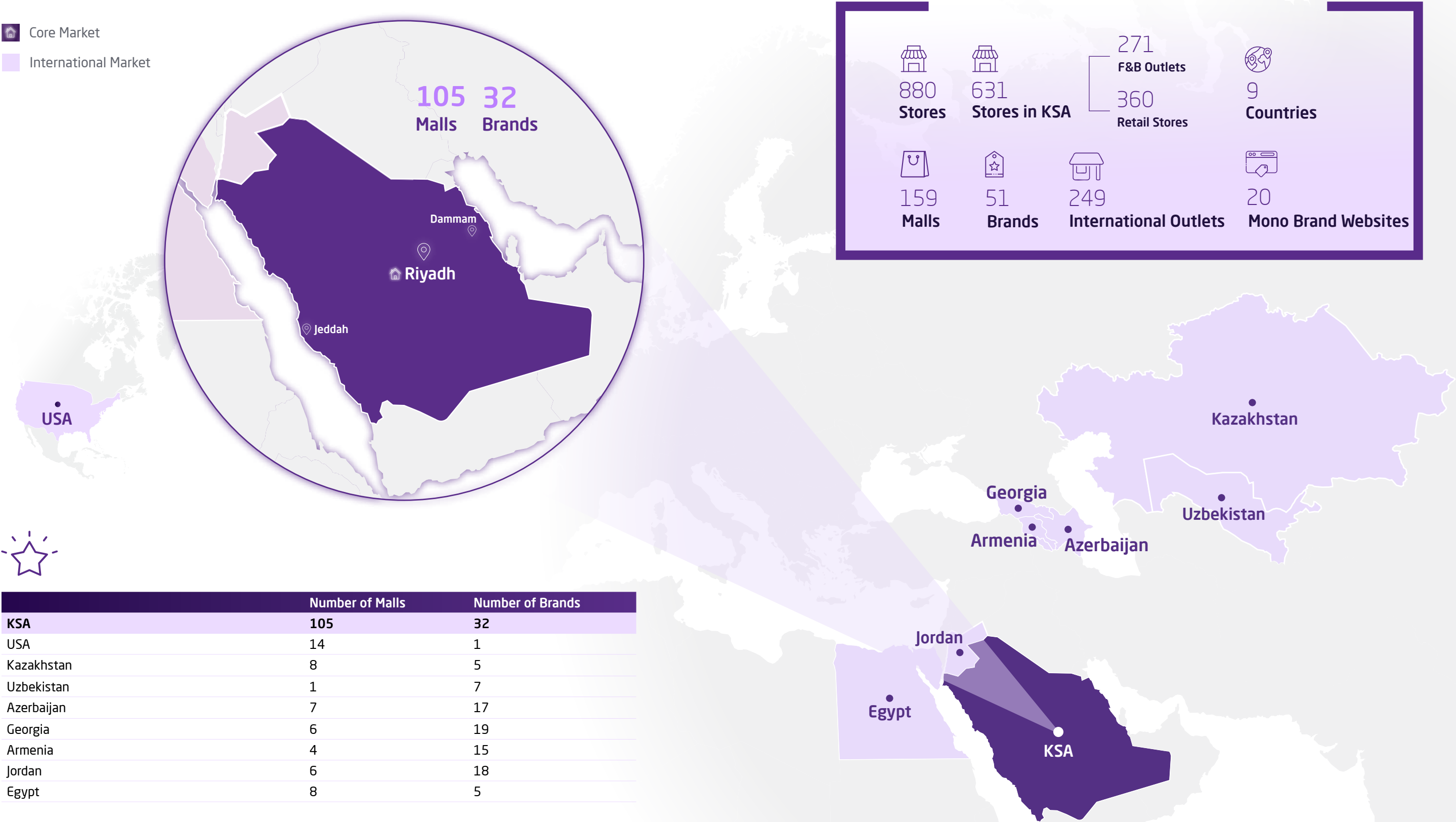
4 Win together: We work together for speed and execute for success

5 Embrace change: Have courage to think about and shape a better future delivering results



Geographical Footprint*

Core Market
International Market



	Number of Malls	Number of Brands
KSA	105	32
USA	14	1
Kazakhstan	8	5
Uzbekistan	1	7
Azerbaijan	7	17
Georgia	6	19
Armenia	4	15
Jordan	6	18
Egypt	8	5

*AS OF 31 DECEMBER 2024

Our Brand Portfolio

Brands delivered, as of 2024, by **CENOMI**

 Tier 1 Champion Brands

ZARA

ZARA HOME

OYSHO

lefties

PULL&BEAR

Bershka

MANGO



Massimo Dutti





Inditex

ZARA

ZARA HOME

OYSHO

lefties

PULL&BEAR


Bershka



Massimo Dutti

Fashion

MANGO




LC WAIKIKI

NEW YORKER

IPEKYOL

adL

M&S
EST. 1984



TWIST


U.S. POLO ASSN.
SINCE 1890

FANÇO

MONSOON

ACCESSORIZE
LONDON

CHARLES & KEITH



CALL IT SPRING

O X X O

Marie
FRANCE

LIPSY
LONDON

Clarks

la Vie en Rose


flormar

La Senza

QUIZ


ALDO

ALDO
Accessories



ZIDDY

PARFOIS



sunglass hut

F&B





crepeaffaire

jamba










CAFFE
BY CLASSE



Multimedia



aleph


fnac

Lifestyle

flying tiger
copenhagen



Sports



Beauty

KIKO
MILANO

Brands divested in the Kingdom of Saudi Arabia as of 2024

Cenomi Retail’s strategic decision to sharpen its portfolio and concentrate on high-impact, high-potential assets resulted in the deliberate divestment of selected brands in 2024. By exiting non-core brands, the Company reinvested in priority brands and key markets. This realignment supports Cenomi Retail’s long-term vision of building a more agile, brand-focused organization, capable of scaling the strongest names across high-growth geographies while improving profitability and operational efficiency.

adL

bizou

flormar

La Senza

LIPSY

LONDON

QUIZ

ESTÉE LAUDER

OXOXO

undiz

MONSOON

CHARLES & KEITH

NINE WEST

CALL IT SPRING

ZIDDY

women'ssecret

Marie

France

ALDO

ALDO

Accessories

GERRY WEBER

BIJOU

BRIGITTE

SPRINGFIELD

Man & Woman

IKKS

ACCESSORIZE

LONDON

P e d r o

laVie en Rose



Year in Review

2024 was a year of decisive transformation. The Company sharpened its focus, streamlined its portfolio and expanded strategically across high-potential markets - emerging leaner, stronger and primed to accelerate growth in 2025 and beyond.

During 2024, Cenomi Retail focused sharply on three important pillars: Strengthening its operational efficiency, executing the brand optimization program and implementing its cost reduction program

Q1

- Finalized the sale of the franchise rights of 16 brands to Al-Othaim Fashion Company (capital gain of ₪ 35 million)
- Expanded in Uzbekistan with eight additional brands

Q2

- Received the sales proceeds from the franchise rights sold to Al-Othaim of an additional three brands: Aldo, Aldo Accessories and La Vie en Rose (capital gain of ₪ 131 million)

Q3

- Continued with the portfolio optimization program in the Kingdom of Saudi Arabia and sold the franchise rights of five brands: Charles & Keith, Pedro, Estee Lauder and Nine West to Apparel Group, and Call it Spring to Al-Othaim Fashion Company (sales proceeds of ₪ 47 million plus inventory)
- Renovated and reopened a flagship Massimo Dutti Store with the latest brand concept in Armenia

Q4

- Set a new Subway world record by opening 12 new Subway branches on the same day in October and raised the bar in December by opening 14 new Subway branches simultaneously on one day
- Opened a new Zara store in Azerbaijan, following the opening of six new Inditex stores
- Renovated and reopened the Zara store at Al Nakheel Mall in Riyadh, Saudi Arabia
- Introduced four Inditex brands on Trendyol, the online platform, expanding its reach to a new audience



Investment Case

Cenomi Retail offers a unique investment proposition being the only listed business of its kind in the Middle East and on the Tadawul. It is supported by its market-leading scale, a focused portfolio of Tier 1 Champion Brands and disciplined execution and is underpinned by operating in markets which have underlying fundamental structural drivers. Cenomi Retail remains committed to delivering sustainable value through a balanced multi-format, multi-market strategy.

01

Unmatched Scale in the KSA

Cenomi Retail operates 631 stores across the Kingdom, giving it unparalleled reach and market presence, spanning over different sectors such as retail, F&B and e-commerce.

02

Leading Brands

Cenomi Retail's portfolio includes unparalleled Tier 1 Champion Brands spanning retail, F&B and e-commerce, offering a balanced mix of international names, high-performing local concepts and ranging from luxury to value. These are supported by a diverse portfolio of leading brand quick-service restaurant (QSR) outlets.

03

Diversified Footprint

Cenomi Retail maintains a presence across nine countries with a total of 880 stores globally, with its focus concentrated in high-potential markets such as Azerbaijan, Georgia and Uzbekistan.

04

Digital Powerhouse

Offering its customers the broadest retail experience, Cenomi Retail's robust digital infrastructure continues to drive omnichannel expansion, with online sales contributing a significant 8% to the overall Group revenue. Supported by 20 active monobrand websites, this approach strengthens customer engagement and overall retail growth.

05

Investing Strategically

Focused investment in scaling high-performing brands across existing and new markets is central to Cenomi Retail's strategy to drive profitable growth and unlock long-term value.



Shareholders' Information

Share Information

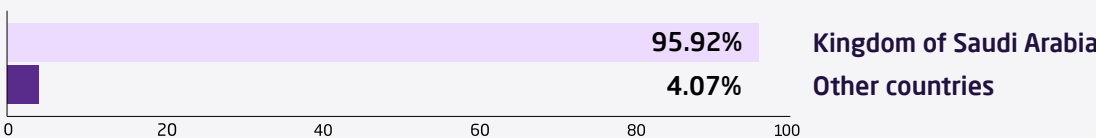
Listing date	Exchange	Symbol	ISIN
23 December 2006	Tadawul	4240	SA000A0LB2R6
Number of shares issued:	Closing price as of 31 December 2024:	Market cap as of 31 December 2024:	
114,766,448	﷼ 13.22	﷼ 1,517,212,442.56	
Free float	Foreign ownership limit		
47.28%	49%		

Shareholding by Geography

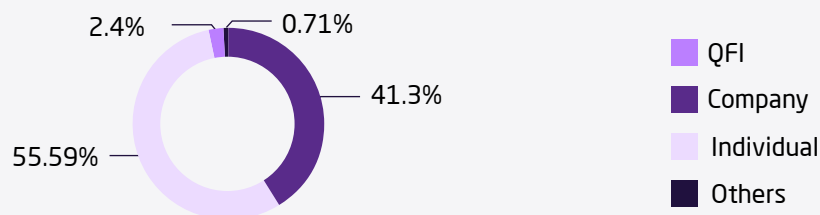
1. Kingdom of Saudi Arabia



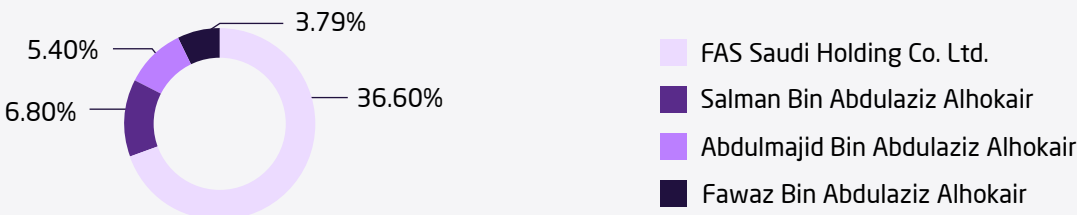
2. Other countries such as Luxembourg, Scotland, United Arab Emirates, Oman, Egypt, United States and Jordan



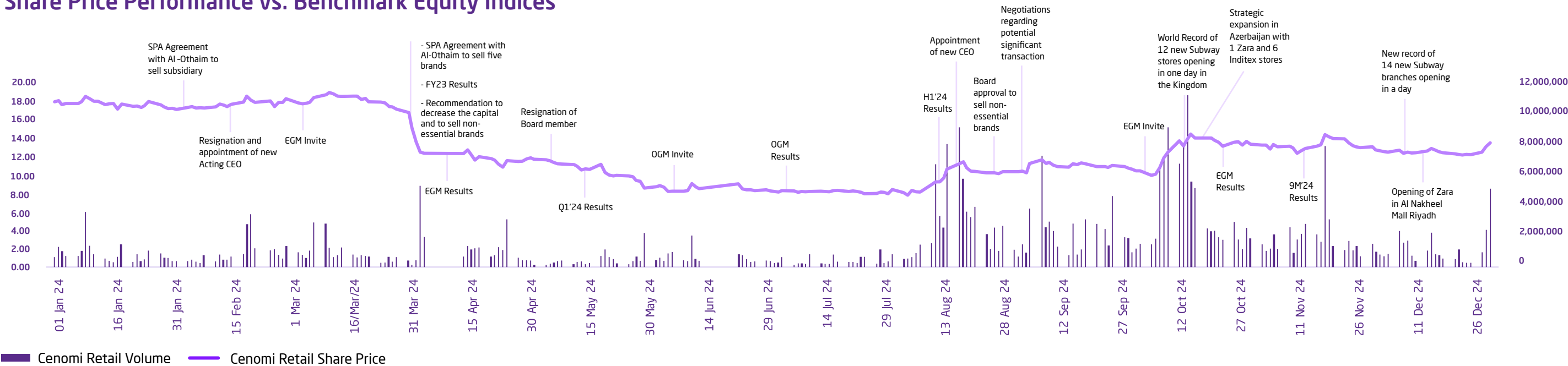
Shareholding by Type



Major Shareholders



Share Price Performance vs. Benchmark Equity Indices



02

Strategic Review

As a leading retail powerhouse with a clear strategic vision, Cenomi Retail integrates premier global brands with deep local insight

Chairman's Statement	28
CEO's Message	30
Strategy and KPIs	34
Business Model	36
Market Overview	38
Stakeholder Engagement	46
Financial Review	50
Our People	56



Chairman's Statement



We remain focused on further refining our brand portfolio and strengthening our financial position

₹ 4.8 bn

Revenue



Building a Stronger Foundation for Sustainable Growth

Cenomi Retail is entering a new era of focus and discipline. Over the past year, we have taken significant steps to refine our portfolio, enhance operational efficiency and reinforce our financial foundations. These strategic actions position the Company for long-term growth, ensuring we maximize value creation for our shareholders moving forward. While the retail landscape continues to evolve, we remain committed to driving sustainable profitability and strengthening our position as the Kingdom of Saudi Arabia's leading franchise retailer.

Strategic Transformation and Performance

The past year was marked by decisive execution of our multi-phase strategy, beginning with "Fix the House" and transitioning toward a "Sustainable Growth" model. Our actions have been deliberate - rightsizing our portfolio through brand optimization, prioritizing Tier 1 Champion Brands and enhancing operational efficiency. This structured transformation has not only strengthened our financial health but also positioned Cenomi Retail as a leaner, more agile business with the ability to scale profitably.

During the year, we successfully streamlined our business, divesting several non-core brands, generating capital gains and closing underperforming stores. This has allowed us to concentrate resources on high-performing brands, ensuring sustainable revenue growth. Key markets within our international portfolio also demonstrated robust performance during 2024, led by Azerbaijan and Georgia. The successful market entry into Uzbekistan, which delivered solid revenue in its first year, reaffirms our focus on scalable, high-potential retail destinations.

Saudi Arabia's Evolving Retail Landscape

Saudi Arabia's retail sector continues to experience rapid transformation, fueled by Vision 2030 initiatives, urban development and evolving consumer preferences. As of year-end 2024, the total market value reached ₹ 670 billion, with projected annual growth of 7.1% over the next five years. Consumer confidence remains high, and the demand for premium international brands, value-driven shopping experiences and omnichannel retail solutions is increasing. Cenomi Retail is strategically positioned to benefit from this transformation through selective store expansion, premium brand partnerships and omnichannel retail innovation.

The real estate sector is also evolving, with major flagship developments, including Jawharat Jeddah, awharat Riyadh and Diriyah, set to redefine the retail environment. Cenomi Retail is strategically positioned to capitalize on these changes, securing prime locations in high-traffic destinations and introducing new store formats that enhance customer experience.

E-commerce remains a critical component of the retail ecosystem, with online sales expected to reach ₹ 90 billion by 2026. While our online sales were temporarily impacted by the brand divestment program, we are actively strengthening our digital capabilities to meet shifting consumer behavior.

Driving Growth of Tier 1 Champion Brands

Our focus on Tier 1 Champion Brands throughout the year has strengthened our relationships with global brand partners, ensuring long-term growth potential. The renovation and expansion of Zara in Al Nakheel Mall in Riyadh - the top-performing Zara store in Saudi Arabia - demonstrates the value of investing in flagship locations. With its increased footprint, this store is expected to generate revenue uplift in the coming year.

In F&B, we set two world records by opening 12 Subway branches in a single day in October and 14 Subway branches in a single day in December, expanding our footprint with a mix of cloud kitchens, corporate locations and traditional outlets. This strategic expansion supports our cost optimization efforts while positioning Subway for long-term growth in Saudi Arabia's fast-growing QSR sector.

Looking Ahead to 2025

Cenomi Retail is entering a critical phase in its strategic journey. Having made significant progress in portfolio optimization and financial discipline in 2024, we remain focused on further refining our brand portfolio and strengthening our financial position in 2025. The year ahead will be about activating our long-term growth strategy.

Key focus areas will include expanding our Tier 1 Champion Brands, ensuring sustained market leadership and long-term growth. Digital transformation will accelerate, with AI-driven retail innovation enhancing customer engagement and operational agility. Efficiency remains a priority, as we drive further Selling, General and Administrative (SG&A) expense optimization to maintain the cost discipline. We will also advance our international

expansion, prioritizing scalable, high-margin markets with strong growth potential. At the same time, we will continue strengthening cost efficiency and deleveraging, reinforcing our financial resilience and positioning Cenomi Retail for sustained profitability.

Acknowledgments

On behalf of the Board, I extend my sincere gratitude to our shareholders for their trust and support. I would also like to thank our brand partners, lenders and suppliers for their collaboration and commitment. Finally, I recognize the dedication of our employees, whose efforts have been instrumental in shaping Cenomi Retail's progress.

The past year was about strengthening our foundation and positioning the Company for future growth. As we move forward, we remain committed to delivering value, seizing new opportunities and ensuring long-term success for all stakeholders.

Fawaz Bin Abdulaziz Alhokair

Chairman



CEO's Message

Sharper. Leaner. Ready for growth.

We entered 2024 with a clear intention: reshape the business into a more focused, responsive and scalable platform for growth. That meant becoming sharper in execution, leaner in structure and more aligned with where value lies - both for today and in the years to come. The transformation we undertook was not just about efficiency, it was about building the capability and clarity to grow with intention. What follows is a summary of how we've laid that foundation, and how Cenomi Retail is now positioned to move forward with strength and direction.

Resetting with Resilience. Transforming for the Future.

In 2024, Cenomi Retail executed the most comprehensive transformation in its history. We set out to turn the business around across all dimensions - portfolio, operations and structure - with a clear objective: to prepare for disciplined, scalable growth. That meant making tough decisions, from streamlining our brand portfolio to optimizing store formats, in order to concentrate our efforts on high-performing, high-potential assets. Our strategy centered on strengthening the core: prioritizing Tier 1 Champion Brands, right-sizing our footprint and establishing the conditions for long-term value creation.

Transforming our store portfolio was a critical lever in this reset. Rather than focusing on volume or absolute store count, we pursued quality and efficiency. Closures were intentional and aligned with our view that scale should be driven by productivity, not presence. Our flagship Zara store at Al Nakheel Mall is symbolic of this shift: larger, renovated and digitally enabled to elevate the customer experience while supporting future growth. Across the portfolio, we have continued to invest in higher-quality retail space for key brands in premium locations, reinforcing our strategy of scaling where it matters.

Transformation extended deep into the operating model. We embedded greater discipline in procurement, optimized staff structures and restructured core processes, to increase responsiveness and control. Inventory was managed with more precision, reducing inefficiencies and aligning stock with customer demands. These changes were much more than cosmetic - they were structural, designed to position Cenomi Retail as a sharper, more agile business. As we enter our next phase of growth, we do so with a business that is uncomplicated, more focused and better equipped to capture the opportunities that lie ahead.

Stronger Results. Strengthening the Core.

Cenomi Retail delivered a significantly improved financial performance in 2024, with revenue rising 3.7% year-on-year (YoY) to ₪ 4.8 billion. Gross profit grew 5.8% to ₪ 631.5 million, supported by improved sales, lower inventory provisions and the continued execution of cost and brand optimization initiatives. EBITDA improved from negative ₪ 115 million in 2023 to a positive ₪ 469 million in 2024, marking a clear inflection point in the Company's profitability trajectory. EBITDA margin reached 9.7%, supported by effective cost optimization and better operating leverage across core markets.

The net loss narrowed sharply from ₪ 1.1 billion in 2023 to ₪ 197 million in 2024, driven by disciplined SG&A management and improved sales efficiency, with overall SG&A declining by 23% year-on-year. Inventory shrinkage averaged 0.75% of revenue - well below global benchmarks of 1.38% to 1.62% - reflecting tighter control and improved stock visibility, reinforcing the impact of operational streamlining.

Cenomi Retail also made substantial progress on deleveraging the balance sheet, with total debt payments of ₪ 664 million and a 31.6% year-on-year reduction in net debt. Leverage improved, with the net debt to equity ratio falling from 20.1x in 2023 to 3.4x in 2024. These gains, combined with targeted investments in high-performing brands and geographies, have created a leaner, more financially resilient platform from which to drive sustainable growth.

Accelerating Divisional Progress and Performance

Cenomi Retail's 2024 performance reflects the progress of its strategy across all business units. The Company continues to focus on improving the retail experience, optimizing operations and deepening customer engagement across physical and digital channels. Total full-year revenue rose to nearly ₪ 5 billion, supported by strong international growth and the contribution of new store openings for Tier 1 Champion Brands.

Our Saudi Retail operations remain the anchor market for Cenomi Retail. Full-year revenue reached ₪ 3.2 billion, representing 66% of the total consolidated revenue. While this reflects a 1.7% decline year-over-year due to the impact of the brand optimization program, Q4 results point to a recovery trend supported by marketing campaigns and targeted store investments. The grand reopening of the Kingdom's largest Zara store at Al Nakheel Mall in Riyadh exemplifies the strategy to drive growth through key flagship locations. This site alone delivered a 40% year-on-year revenue increase in December 2024.

Our International Retail operations delivered a standout performance in 2024, with revenue reaching ₪ 1.3 billion, up 26.5% year-over-year. The Company continues to expand its footprint in high-potential growth markets, with outstanding contributions from Azerbaijan and Georgia and a successful market entry into Uzbekistan, which generated ₪ 132 million in its first year. This reflects the Group's strategy of disciplined international expansion through a mix of new openings, renovations and a broader omnichannel presence.

Our F&B revenue totaled ₪ 328 million in 2024, down 13.5% year-over-year, largely due to the closure of 35 non-performing stores as part of the brand optimization. Nonetheless, Subway demonstrated exceptional momentum, with revenue up 75.6% year-over-year in 2024 (YE). This growth was driven by record-setting store rollouts, including 12 stores in a single day in October and 14 simultaneously on one day in December. These openings included a mix of traditional outlets, cloud kitchens and non-traditional venues such as banks and hospitals, signaling a more agile and diversified growth model for the business.

Our E-commerce business generated ₪ 363 million in revenue in 2024, representing 7.5% of the total turnover. While this reflects a 2.9% year-over-year decline temporarily impacted by the brand optimization program, the division made significant operational progress, and we are anticipating that better performance will be delivered from the E-commerce business, building on the operational enhancements delivered in 2024. The launch of four Inditex brands on Trendyol marked a milestone in platform integration and marketplace strategy, while investments in local logistics and the rollout of new online stores in Uzbekistan reinforced the Company's regional reach, which is part of our strategy to digitally expand whether through third-party online marketplaces or potentially promising markets such as Uzbekistan. Digital revenue from Zara and Inditex grew by 6.6% year-over-year, highlighting a clear path forward for the business in 2025.

Salim Fakhouri

Chief Executive Officer



Reshaping Our Footprint for Sustainable Growth

During 2024, Cenomi Retail took deliberate and strategic action to realign its physical footprint in support of its ongoing brand optimization program. A total of 558 stores were closed throughout the year, including 486 in Saudi Arabia, as part of the Company's disciplined exit from non-core brands and underperforming locations. These closures were balanced by 93 new store openings - 41 in Retail and 52 in F&B - focused on market-leading brands in key locations. Performance across the refreshed network is being closely monitored to ensure alignment with long-term profitability goals. The result is a more focused and efficient store network, designed to support long-term profitability and performance.

The fourth quarter reflected the same strategic intent, with 17 closures and 45 new openings for a net addition of 28 stores. Importantly, all Q4 closures were part of natural business attrition and not linked to divestments, underscoring the Company's commitment to healthy portfolio pruning as part of regular performance evaluation. In the F&B segment, Cenomi Retail opened 35 new outlets and closed 10, maintaining an expansion strategy centered on high-traffic formats and locations.

This rationalization of the portfolio is delivering tangible operational efficiencies. Store counts across Saudi retail now stand at 360, while the international network totals 249 stores. F&B, bolstered by record-setting expansion activity, closed the year with 271 outlets. These adjustments - combined with improved inventory control, streamlined store operations and a sharpened focus on top-performing brands - are reinforcing Cenomi Retail's foundation for growth. The Company enters 2025 with a leaner, nimbler store network aligned to its long-term vision.

Developing Our Workforce. Empowering Our Talent

Cenomi Retail's transformation over the past year has been matched by a renewed investment in our people. As the business evolved, we prioritized workforce alignment to support new strategic goals. Key hires across eight countries ensured our store network remained operational and responsive, with 2,676 new employees recruited and 85% of the workforce completing at least one training program. Targeted upskilling, particularly around new brand concepts and

digital tools, helped drive operational performance, while focused communication and internal mobility initiatives sustained engagement during a period of significant change.

Store staff turnover declined to 40% in 2024 from 70% the previous year, reflecting our strengthened retention efforts. Career development opportunities, improved onboarding and recognition programs across all markets helped foster a culture of belonging and resilience. In the Kingdom alone, 1,499 Saudi nationals were hired, underscoring our continued commitment to Saudization and local talent development. Meanwhile, broader initiatives across Jordan, Uzbekistan, Armenia and others enhanced team cohesion and maintained service quality during restructuring.

Our people strategy is closely tied to our broader sustainability agenda. In 2024, we continued to embed inclusive hiring practices, promote diversity and ensure fair employment conditions across our markets. Employee well-being, from mental health to workplace flexibility, remained a key focus, and our cultural initiatives boosted employee morale. These efforts are just a sample of the overall push we are making to shape a stronger, more agile Cenomi Retail, prepared for the next chapter of growth.

Moving with Purpose for Long-term Growth

Looking ahead, Cenomi Retail will transition from a period of brand portfolio optimization to a new phase of focused expansion and operational scalability. Following the successful divestment of 24 non-core brands and a 34.6% reduction in total store count, our attention now remains focused on reshaping the store portfolio. This will involve targeted investments in renovating and expanding Tier 1 Champion Brand stores in high-traffic locations, enhancing the customer journey and elevating in-store experiences through upgraded layouts, fitting room technology and self-checkout innovations. The renovation program will prioritize stores that offer both scale and strategic value, building on the encouraging results seen from flagship transformations such as Zara at Al Nakheel Mall.

Our broader objective in 2025 is to build on the efficiencies gained across the business. With a 31.6% reduction in net debt already achieved in 2024, the Company is well-positioned to reinvest in growth without compromising financial discipline. We will continue to enhance operational performance by deepening our presence in key domestic and international markets, scaling e-commerce initiatives and launching new formats that support profitable expansion. As we prepare to enter Phase 2 of our strategy, Cenomi Retail remains sharply focused on execution, customer-centric innovation and unlocking value across every part of the business.

Acknowledgments

I would like to thank our Chairman and the Board of Directors for their clear vision and unwavering support throughout this critical phase of transformation. Their guidance has been instrumental in helping us navigate complexity with discipline and purpose. I also extend my sincere appreciation to our employees across all markets, whose dedication and adaptability continue to power our progress.

We are equally grateful to our brand and business partners for their continued trust, and to our customers, whose loyalty inspires us to keep raising the bar. Every milestone we've reached this year reflects the strength of these relationships and our shared commitment to delivering exceptional value.











As we look to the future, we do so with clarity, confidence, and renewed determination. Cenomi Retail is now more focused, more agile and more prepared than ever to lead the next chapter of modern retail in the region.



Strategy and KPIs

Cenomi Retail’s strategy follows a phased roadmap, driving transformation, sustainable growth and operational excellence to unlock the Company’s full potential and deliver long-term value for all stakeholders. With its sharpened focus and disciplined execution, the Company

is strengthening core operations, expanding market reach and positioning the business for scalable, profitable growth.

<div><h3>Our Values</h3></div> <div><h3>Delight customers</h3><p>We always focus on our customers-needs and wants</p></div> <div><h3>Commit to deliver</h3><p>Show personal commitment to delivering results</p></div> <div><h3>Execute with excellence</h3><p>How we work is as important as what we deliver</p></div> <div><h3>Win together</h3><p>We work together for speed and execute for success</p></div> <div><h3>Embrace change</h3><p>Have courage to think about and shape a better future</p></div>	<div>Strategic Phase</div> <div>Phase 1 Fix the House (2023-2024)</div>	<div>Phase 2 Embark on Sustainable Growth (2024-2026)</div>	<div>Phase 3 Achieving Optimal Potential (2026+)</div>	
	<div>Description</div>	<ul style="list-style-type: none">• Rationalize brand and store portfolio• Exit/stabilize non-strategic markets• Revamp processes and systems to ensure efficiency• Onboard new Brand Champions in core markets• Deleverage the Company and secure cash for growth	<ul style="list-style-type: none">• Invest to scale existing brands across markets• Identify white space opportunities and secure new franchises in key markets• Grow e-commerce	<ul style="list-style-type: none">• Scale existing brands to maximum potential ensuring comprehensive coverage of key cities in target markets• Invest in scaling new brands
	<div>KPIs</div>	<ul style="list-style-type: none">• Sell 24 non-core brands• Increase efficiency and cost optimization throughout the whole organization• Enter new markets with potential for growth• Commit to deleveraging the balance sheet	<ul style="list-style-type: none">• Invest in prime-location stores• Further increase operational efficiency• Select prime locations (Prime Malls) to further expand Tier 1 Champion Brands	<ul style="list-style-type: none">• Continue expansion in domestic market and internationally
	<div><div>2024 Achievements</div><div><ul style="list-style-type: none">• 24 non-core brands were sold with a ₪ 210 million capital gain• Store network decreased by 34.6%, from a total number of 1,345 stores in 2023 to 880 stores in 2024• Total net debt was reduced by 31.6% and financial charges were reduced by 4.2%• Entered Uzbekistan in February 2024 and opened seven Inditex stores. Achieved sales revenue of ₪ 132 in less than one year• The focus on optimizing cost efficiency led to a reduction in SG&A by 23.2% YoY• Digital presence expanded by launching Zara and Massimo Dutti online stores in Uzbekistan</div><div><div>Zara Nakheel Mall: Redefining Flagship Retail in the Kingdom of Saudi Arabia on page 67</div><div>Azerbaijan: Elevating Global Retail Presence in a Growing Market on page 73</div></div></div>	<ul style="list-style-type: none">• Renovated Zara in Al Nakheel Mall and reopened the store in December 2024, generating approximately a 40% increase in sales• Opened 47 new Subway stores, achieving a world record twice in 2024 by opening 12 new stores in one day and 14 new stores on another day• Launched four Inditex brands on an online channel, Trendyol, in December 2024• Improved inventory efficiency from an average of 15.3 weeks on hand in 2023 to 11.3 weeks in 2024• Cenomi Retail expands its strategic presence in Azerbaijan with a new Zara store, following the opening of 6 new Inditex stores in 2024, at Baku’s iconic shopping destination	<div><div>Subway: A Record-Breaking Year of Innovation and Expansion on page 87</div><div>Trendyol Partnership: Expanding Reach, Elevating Digital Retail on page 91</div></div>	
	<div>2025 Goals</div> <div><div>Continue investing in Tier 1 Champion Brands in both Fashion and F&B</div><div>Drive further operation efficiency</div><div>Provide the best online customer experience catering to all consumer brands in all the countries where the Company operates</div><div>Adapt the latest technology adopted by</div></div> <div><div>Zara and Inditex worldwide, such as:<ul style="list-style-type: none">Pay & Go service for customers to purchase garments by scanning them with their mobile phonesRenovation program centered on customer journey improvements - lay out flow and fitting room reservation optionsOnline pick-up point with an automated storage areaAssisted self-checkout area with cash</div><div><ul style="list-style-type: none">Customer cardboard recycling areaSpecific checkout areas for returns• Improve F&B performance through:<ul style="list-style-type: none">Customer-centric innovation, by expanding offerings aligned with customers’ needs throughout the day<p>Focus product innovation across brands</p><p>Targeted campaigns across key cultural moments delivering elevated, differentiated brand experiences</p></div><div><p>Digital and delivery excellence through strengthening digital presence and growth of delivery as a corefor sustainable growth</p><p>Build profitable traffic growth, operational efficiencies and loyalty ecosystem</p><p>Brand relevance through deepening of emotional connections with consumers and modernizing brand perception to match evolving lifestyle</p></div></div>			

Business Model

Cenomi Retail leverages its scale, brand strength and operational expertise to create strong and sustainable value for its shareholders and all the stakeholders. As a leading retail powerhouse with a clear strategic vision, the Company integrates premier global brands with deep local insight, an extensive store network and advanced digital capabilities. Cenomi Retail is building a sharper, more resilient business positioned for long-term success, through its disciplined execution and strategic growth.



Our Strengths

Brand portfolio

Robust portfolio comprising Tier 1 Champion Brands (including Zara and Inditex), diversified fashion brands as well as leading F&B franchises.

Physical assets

Extensive retail network with over 850 stores and 252 F&B outlets, covering over 360,000 square meters of gross leasable area (GLA).

Leading retail

Champion in the Kingdom

Scalable and efficient model

Strategically positioned in high growth international markets

Technological infrastructure

Advanced omnichannel capabilities, digital platforms and significant e-commerce presence with 20 monobrand websites.

Strategic partnerships

Long-term collaborations with international brand partners and suppliers, enhancing market presence and product offerings.

Understanding of consumer demand and trends enabling adaptation to evolving trends.



How We Create Value

Market expansion and optimization

Strategic expansion in high-potential markets, particularly in Saudi Arabia and the CIS region (Azerbaijan, Georgia, Armenia and Uzbekistan), combined with targeted brand portfolio optimization.

Customer experience enhancement

Continuous store renovations and flagship mall openings (e.g., Jawharat Riyadh, Jawharat Jeddah), significantly boosting footfall, customer engagement and sales productivity.

Operational efficiency

Rigorous cost optimization measures, streamlined inventory management and supply chain efficiencies, contributing to improved EBITDA margins and overall profitability.

Omnichannel retailing

Seamless integration of physical stores with digital e-commerce platforms, providing consumers with superior shopping experiences and convenience.

Innovation and adaptability

Adaptation to evolving consumer trends, integrating new product categories and service innovations, especially within lifestyle and F&B segments.



Value Created for Our Business and Stakeholders

Market leadership

Strong market positioning as the leading fashion and F&B franchise retailer in Saudi Arabia and a key player internationally.

Financial performance

Optimizing financial performance through a focused store management program, rationalization of portfolio and cost optimization.

Financial metrics

Improved financial metrics, driven by successful operational and cost management initiatives.

Diversified growth

Strong momentum in international markets and consistent domestic growth, reinforced by strategic investments in new retail spaces and continuous digital transformation.

Brand equity and customer loyalty

Increased brand value, customer satisfaction and retention, through tailored consumer experience and high-quality service delivery across retail and F&B segments.

Community and stakeholder value

Significant contributions to the local economy, employment generation and community development, aligning closely with Saudi Arabia's Vision 2030 objectives.



Our Competitive Advantages

Exclusive brand relationships

Exclusive franchise agreements with internationally renowned brands, strengthening brand loyalty and market differentiation.

Prime retail locations

Strategic presence in high-footfall malls and prime locations across Saudi Arabia and targeted international markets.

Operational excellence

Proven expertise in retail operations management, enabling rapid store openings, efficient renovations and optimal cost controls.

Digital leadership

Strong digital and e-commerce capabilities, providing competitive differentiation and enhancing customer convenience and reach.

Scalable business model

Ability to rapidly scale operations through strategic partnerships and market expansions, ensuring agility and responsiveness to market opportunities.

Market Overview

Cenomi Retail operates across some of the most dynamic and fast evolving markets in the Middle East and Central Asia. From Saudi Arabia's rapidly modernizing retail ecosystem to emerging opportunities in Uzbekistan, Azerbaijan and Georgia, the Company is well-positioned to capture growth through its growing and focused presence in regions undergoing transformation due to the underlying fundamental structural drivers of economic and population growth, digital acceleration and rising consumer sophistication and demand.



Saudi Arabia's Dynamic Retail Landscape

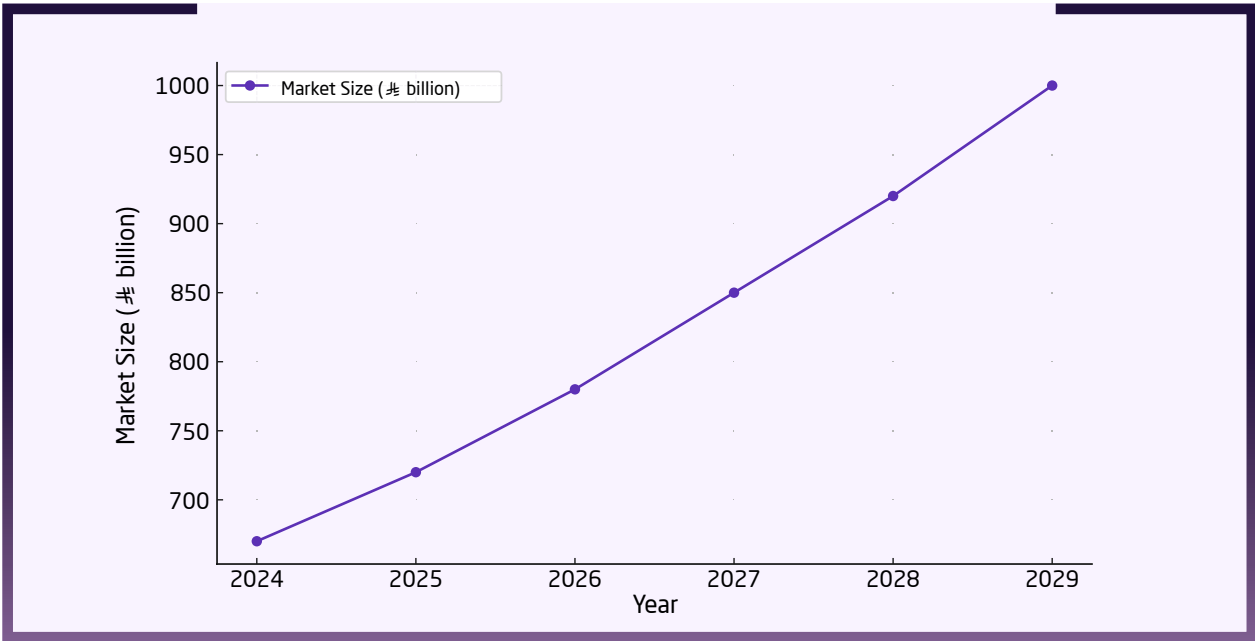
Saudi Arabia's retail sector is undergoing a rapid unprecedented transformation, fueled by structural reforms, urban expansion and a young, tech-savvy population. A combination of evolving consumer preferences and strategic government initiatives, including Vision 2030, is reshaping the landscape and driving sustained growth across segments.

Market Size and Growth Outlook

The Saudi retail market reached a total value of $\text{S\$}$ 670 billion in 2024 and currently contributes 10% to the national GDP¹. The sector is projected to grow at a compound annual growth rate (CAGR) of 7.1% from 2025 to 2029², reflecting strong long-term potential growth. Consumer sentiment remains high, with the Kingdom ranked first globally in the Consumer Confidence Index in 2024³.

Riyadh, Jeddah and Dammam continue to serve as the Kingdom's primary retail hubs, supported by infrastructure development and increasing urbanization^{3,4}. Strategic investments in real estate projects such as Diriyah, Jawharat Riyadh and Jawharat Jeddah are expected to elevate Saudi Arabia's position as a leading regional retail destination.

Saudi Retail Market Growth Projection (2024-2029)²



¹ Ken Research, 2024.

² Technavio, 2024. Saudi Arabia Retail Market Analysis - Size and Forecast 2025-2029.

³ CBRE, 2024. Saudi Arabia Real Estate Market Review Q4 2024.

⁴ JLL MENA, 2024. Kingdom of Saudi Arabia Retail Market Dynamics, Q3 2024.

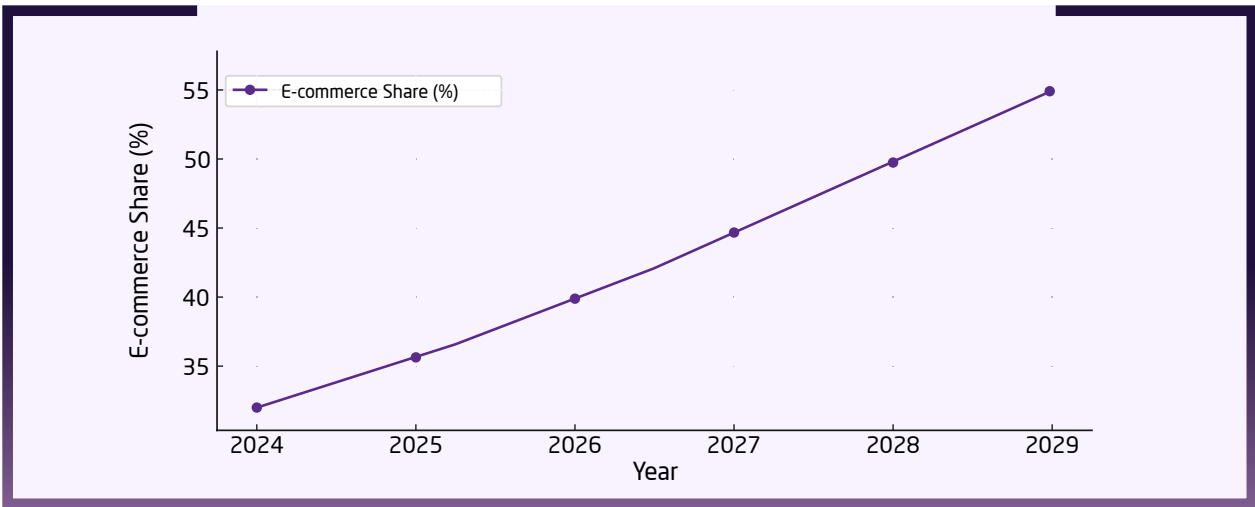


E-commerce Transformation

E-commerce is gaining momentum and is expected to reach ₪ 90 billion by 2026, driven by mobile-first consumers, digital payments and AI-enabled personalization^{2,5}. Retailers are increasingly leveraging omnichannel models to integrate digital and physical retail, with growing consumer demand for seamless, convenient and data-driven shopping experiences.

Online pre-purchase research is a growing norm, with 72% of shoppers using digital tools for price comparison and product information^{6,7}. These trends continue to shift the competitive landscape, accelerating the need for agile, digital-first strategies.

E-commerce Share of Total Retail Sales (2024-2029)^{2,5}



Food and Beverage Market Overview

The F&B sector remains a core component of the retail economy, buoyed by a growing population and evolving consumer consumption habits⁸. Within this, the QSR segment reached a market value of USD 9.35 billion in 2024 and is projected to grow to USD 14.59

billion by 2029 at a CAGR of 9.31%⁹. However, there is a changing mix as the demand for healthier QSR options is rising, with 30% of consumers preferring lower-calorie, protein-rich, vegan or gluten-free meals¹⁰.

Sectoral Performance and Consumer Trends

Consumers in Saudi Arabia are becoming more value-conscious, health aware and lifestyle aligned. Retailers who innovate, are relevant and are on trend are very well-positioned to gain market share across core categories.

The fashion retail sector is dynamic, supported by a dominant, youthful population with rising disposable incomes. International brands and local designers continue to thrive, with consumers placing value on brand, style and lifestyle alignment¹¹.

The personal and household care category continues to grow due to the continually increasing awareness of hygiene and wellness. Shoppers are seeking quality

and trusted products for both personal use and household maintenance⁸.

As digitalization continues to develop, strong demand persists for smart electronics and home appliances, driven by rising technology adoption and interest in connected living solutions⁸. Saudi consumers are early adopters, reinforcing the sector's importance to overall retail growth.

Home furnishing and hobby-related retail is expanding alongside the housing sector. The demand for toys, do-it-yourself (DIY) products and decor continues to rise in urban centers⁸.

Competitive Evolution and Future Direction

Saudi Arabia's retail landscape is technology-driven and increasingly competitive. Leading global chains and homegrown brands are innovating to capture market share across both traditional and emerging formats. In the QSR sector, for example, players like McDonald's, KFC, Al Baik and emerging health-focused outlets are competing across segments¹⁰, while growth in coffee shops has also accelerated across the Kingdom.

Technology adoption is accelerating across the board. From AI-enabled QSR kiosks to end-to-end e-commerce platforms, retailers are investing in digital tools to optimize operations, enhance personalization and streamline the consumer journey¹². The continued rise of local chains, especially in food and apparel, underscores a growing national focus on brand localization and relevance.

⁸ IMARC Group, 2024. Saudi Arabia Retail Market Report.
⁹ ResearchAndMarkets, 2024.
¹⁰ Mordor Intelligence, 2024.
¹¹ Vogue Business, 2024. Saudi Fashion and Retail Report.
¹² FFCC Global, 2024.

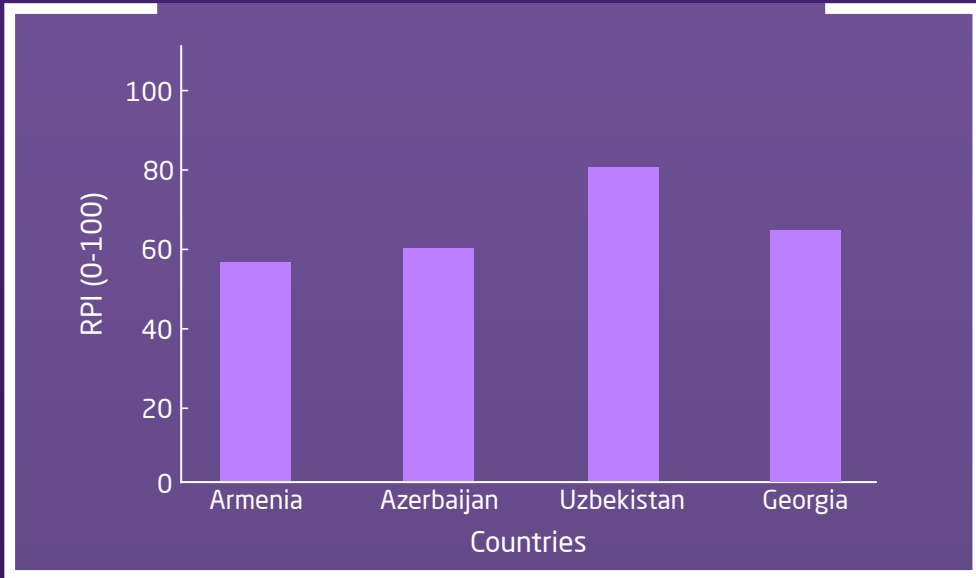
⁵ Oliver Wyman, 2024. Explore Saudi's Grocery Retail Sector From Trends To Growth.
⁶ PwC, 2024. Voice of the Consumer 2024 survey: Saudi Arabia findings.
⁷ Statista, 2024.



Strategic Opportunities in High-growth CIS Markets¹³

Cenomi Retail's presence across Uzbekistan, Azerbaijan, Armenia and Georgia positions the Company at the forefront of modern retail development in some of the region's most promising economies. Each of these markets is undergoing economic transformation, supported by policy reform, rising consumer demand and growing interest in organized retail formats (supermarkets, hypermarkets and specialized chains). As traditional retail formats give way to branded experiences and digital platforms, Cenomi Retail is well placed to capitalize on structural shifts and emerging consumption patterns.

Retail Potential Index (RPI) - 2024

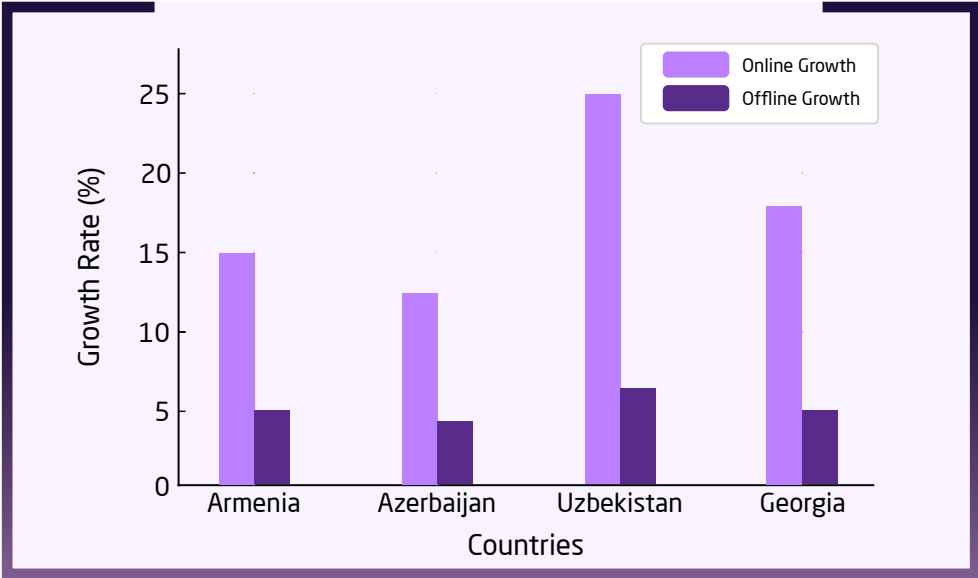


2024 witnessed moderate to strong retail prospects across Cenomi Retail's international markets. Uzbekistan currently leads its international markets due to its rapid modernization and digital growth.

Azerbaijan and Georgia show stable momentum amid structural shifts, while Armenia offers selective opportunities in niche segments, even though inflation and market complexities require a targeted, strategic approach.

¹³World Bank – Country Economic Updates & Data Portal.
International Monetary Fund (IMF) – Regional Economic Outlook: Caucasus and Central Asia.
European Bank for Reconstruction and Development (EBRD) – Country Assessments & Transition Reports.
National Statistical Committees of Armenia, Azerbaijan, Kazakhstan, Uzbekistan and Georgia – Retail Trade and Inflation Data.
United Nations Conference on Trade and Development (UNCTAD) – E-commerce and Digital Economy Reports.

Online vs. Offline Retail Growth (2024)



Uzbekistan is at the forefront of regional e-commerce growth, driven by fast-paced digital adoption and shifting consumer behavior. This supports Cenomi

Retail's continued investment in omnichannel strategies to meet rising demand and expand its customer base across high-potential emerging markets.



Uzbekistan: Youthful Demographics Fueling Modern Retail

Uzbekistan continues to stand out as one of Central Asia's fastest-growing retail markets, driven by economic liberalization, a young population and strong GDP growth. In 2024, the country recorded economic expansion of 4.9%, with projections of 5.3% in 2025, underpinned by foreign investment, public sector reform and rising consumer confidence. This growth has translated into robust demand for apparel, electronics and lifestyle goods, particularly in urban centers where income levels and retail sophistication are increasing.

While the modern retail sector is still developing, its rapid acceleration signals a clear consumer shift toward organized, branded formats. E-commerce is in a relatively new but rapidly advancing phase, with significant potential as digital infrastructure and mobile access continue to improve. The demographic tailwind - Uzbekistan has one of the youngest populations in the region - is driving demand for fast fashion, convenience-driven formats and digitally enabled experiences, creating fertile ground for scalable retail expansion.



Azerbaijan: Stable Growth Amid Diversification

Azerbaijan's retail market continues to evolve as the country balances its reliance on hydrocarbons with broader economic diversification. In 2024, GDP grew by 2.7%, supported by public investment and reconstruction efforts in non-oil sectors. The capital city, Baku, remains the center of retail activity, offering a mix of established shopping centers, specialty stores and international brands catering to middle- and upper-income consumers.

Organized retail in Baku is expanding steadily, with mid-to-high-end categories seeing the strongest growth and demand. Luxury goods remain a key driver of development, while demand also continues to grow for accessible international brands that offer broad appeal. E-commerce adoption continues to build momentum, particularly among urban consumers seeking convenience and digitally enhanced shopping experiences.



Armenia: Steady Progress in a Compact Market

Armenia continues to achieve rapid economic momentum, with GDP growth estimated at 6.0% in 2024, supported by industrial output, government reforms and inflows from the IT and services sectors. The government's focus on diversification and structural modernization is laying the groundwork for more resilient economic expansion.

Retail development remains concentrated in Yerevan, which serves as the country's primary commercial hub. The number of supermarkets and specialty stores is steadily increasing, reflecting a growing consumer appetite for more organized and branded retail experiences. While the overall market size is relatively modest and average incomes remain below regional peers, consumer demand is gradually evolving, especially among younger urban shoppers. E-commerce adoption is gaining traction within this demographic, supported by improving digital access and shifting purchasing habits. Armenia presents a stable, urban-centric environment for selective retail growth, with an opportunity to scale curated retail formats and leverage first-mover digital strategies.



Georgia: Gateway Market with Tourism-driven Momentum

Georgia has emerged as a key trade and tourism hub in the Caucasus, with a retail sector centered in Tbilisi and Batumi. The country has maintained a steady economic performance, supported by diversified trade ties, government reform and digital adoption. While growth may normalize in the short-term due to global trends, Georgia's diversified trade and expanding retail infrastructure continue to provide a stable base for long-term development.

Modern retail formats are firmly established in key urban areas. Tbilisi Mall and Batumi Mall anchor the country's organized retail presence, attracting both domestic shoppers and international visitors. The presence of international brands is growing, as consumers show increasing affinity for luxury, quality, variety and branded experiences. E-commerce is also gaining momentum, supported by Georgia's relatively tech-savvy population and digital infrastructure. The country's positioning as a tourism destination further amplifies retail activity, particularly in the fashion, electronics and lifestyle categories.



Stakeholder Engagement

Cenomi Retail is deeply committed to building trust, alignment and long-term value with all its stakeholders. As the Company sharpens its focus and operates with greater efficiency, it also

continues to listen, engage and act – ensuring its partnerships, communities, employees, investors and customers remain central to everything it does as it prepares for the next phase of its growth.

	 Our Employees	 Our Suppliers/Partners	 Our Community	 Our Shareholders	 Our Customers
How we engage	<ul style="list-style-type: none">• Structural and organizational transformation• Attracting and rewarding top talent• Local and national events for 6,500+ employees in Saudi Arabia and internationally	<ul style="list-style-type: none">• Negotiations to secure the best prices, payment terms and cost reductions• Strategic partnerships to ensure cost stability and minimize supply chain risks• Digital procurement optimization to analyze and allocate operational costs efficiently• Regular financial due diligence to assess supplier stability and compliance• Supplier diversification strategy to mitigate risks• Regular meetings to align on marketing strategies• Joint promotional campaigns• Sharing performance data for mutual growth	<ul style="list-style-type: none">• CSR campaigns (e.g., FTC campaign during Ramadan with Sanad)• Partnerships with local charities. (e.g., Aleph with Zahra for Breast Cancer awareness)• Sponsorship of local events (e.g., Decathlon for sports)	<ul style="list-style-type: none">• Various channels, such as the AGM and OGM's• Quarterly earnings release calls, and inviting institutional investors and the Company's sell side analysts to the discussions about the financial results• Attend investor conferences (e.g., Capital Market Forum, HSBC, EFG and MEIRA)• Emails, online meetings and phone calls	<ul style="list-style-type: none">• Tactical promotions in-store and online (all brands)• Social media campaigns• Customer satisfaction surveys and feedback
How often we engage	<ul style="list-style-type: none">• Ongoing• Annual events (e.g., Ramadan preparations)• As-needed (e.g., structural changes)• Monthly email newsletters• Social media interactions• Seasonal or event-driven engagements	<ul style="list-style-type: none">• Ongoing negotiations throughout the year• Long-term strategic agreements renewed periodically• Regular supplier evaluation and compliance checks	<ul style="list-style-type: none">• Regularly• Annual targets for community initiatives• Ongoing recruitment efforts	<ul style="list-style-type: none">• Ongoing throughout the year• Focused engagement around financial results announcements	<ul style="list-style-type: none">• Monthly email newsletters• Regular social media interactions• Seasonal or event-driven engagements
Key issues discussed	<ul style="list-style-type: none">• Employee well-being• Business continuity during peak seasons (e.g., Ramadan)• Feedback on organizational changes	<ul style="list-style-type: none">• Price negotiations to optimize costs• Supplier payment terms and structured settlements• Risk management, including supplier diversification and compliance verification• Implementation of digital procurement tools to improve efficiency• Financial health and long-term viability of suppliers• Product launches or promotional cycles• Joint promotions• Product availability updates• Launch plans• Supply pricing• Supply timelines• Production models• Sampling	<ul style="list-style-type: none">• Career pathways for the youth• Support for national employment goals• Local social impact initiatives• Sponsorship opportunities	<ul style="list-style-type: none">• Investors' concerns and inquiries• The Company's strategy and strategic progress• Key challenges and management's strategy to solve these challenges	<ul style="list-style-type: none">• Promotions and offers• Services• New store openings• Joint promotions with partners• Launch plans



Our Employees



Our Suppliers/Partners



Our Community



Our Shareholders



Our Customers

Key actions taken	<ul style="list-style-type: none">Improved work schedules during RamadanStreamlined communication during structural changesIncreased employee engagement initiatives	<ul style="list-style-type: none">Consolidated purchasing volumes and leveraged market tenders to secure cost reductionsEstablished long-term supplier agreements for better cost controlImplemented digital tools for procurement cost analysis and strategic decision-makingNegotiated supplier debt settlements, securing waivers on outstanding paymentsAllocated 80% of procurement needs to primary suppliers and 20% to secondary suppliers to minimize risksStrengthened collaborations with suppliers for joint marketing campaignsAligned promotional calendars with suppliers for maximum impactOptimized product availability based on demand insights	<ul style="list-style-type: none">Aligned initiatives with national employment policiesIncreased local event sponsorshipsLaunched new community-focused programs	<ul style="list-style-type: none">Proactive investor engagementContinued to enhance disclosure and ensured that the investor community kept fully updated and informed	<ul style="list-style-type: none">Strengthened collaborations with partners for joint marketing campaignsAligned promotional calendars with partners for maximum impactOptimized product availability based on demand insights
Value created	<ul style="list-style-type: none">Fostering a collaborative and supportive environmentAddressing employee needs during critical periodsImproving workplace satisfaction and loyalty	<ul style="list-style-type: none">Achieved operational cost savingsReduced operational costs, contributing to ₺ 31 million in savings and improving profit marginsNegotiated supplier settlements, saving ₺ 19 million and improving cash flowSupported expansion projects, including new Zara stores in Saudi Arabia and UzbekistanEnhanced market competitiveness through supplier-supported promotional campaigns and incentive alignmentEncouraging stronger supplier relationships and growing business through co-marketingEnsuring product availability and strategic alignment for joint promotionsReduced project lead timesReduced project costs	<ul style="list-style-type: none">Contributing to community development and national goalsSupporting local charities and eventsEncouraging a stronger connection with the community	<ul style="list-style-type: none">Improving disclosure and implementing proactive engagement with retail and institutional investorsInvestors provided with a true picture of the Company's current status and initiatives towards further growth in 2025	<ul style="list-style-type: none">Providing exclusive offers and personalized promotions that increase customer engagementEnhancing the shopping experience with customer feedbackEncouraging stronger partner relationships with strategic partners and growing the business through co-marketingEnsuring product availability and strategic alignment for joint promotions



Financial Review

Delivering improved performance. Positioned for stronger growth ahead.

Cenomi Retail’s financial results improved for the full year ending 31 December 2024 (FY-24), reflecting its continued progress in operational efficiency, ongoing brand optimization and disciplined execution. Financial performance improved across key indicators, showcasing enhanced profitability and cost discipline.

Financial Highlights

(₹ million)	FY-23	FY-24	Change
Revenue	4,671	4,845	3.7%
EBITDA	-115	469	-
EBITDA margin	-2.5%	9.7%	12.0pp
Net loss	-1,113	-197	-
Net margin	-23.8%	-4.1%	19.7pp
Net debt	2,319	1,586	-31.6%
Net debt/EBITDA	-20.1x	3.4x	-

Strengthening Revenue Streams Across Core Markets

Cenomi Retail reported a consolidated revenue of ₹ 4.8 billion for FY-24, a 3.7% YoY increase, supported by improved operational efficiencies and the execution of its brand optimization strategy. Net loss narrowed significantly to ₹ 197 million, reflecting the Company’s progress in restoring profitability.

The retail revenue from the Saudi operations totaled ₹ 3.2 billion for the year, a 1.7% YoY decline as a direct result of the brand optimization program, exiting non-core brands and markets. Despite this, key initiatives such as the reopening of the renovated flagship Zara store in Al Nakheel Mall and targeted marketing campaigns contributed to a stronger in-store performance during peak periods. During the last quarter of the year, Saudi retail revenue rose 9.1% YoY, supported by customer-centric campaigns such as White Friday and Pay Day promotions.

International operations delivered robust growth, with revenue rising 26.5% YoY to reach ₹ 1.3 billion. This was driven by greater contributions from Azerbaijan and Georgia, where full-year revenue increased by 26.6% and 26.8% respectively. Uzbekistan, where operations launched in early 2024, generated ₹ 132 million in its first year. Strategic investments in store openings, renovations and digital platforms across the CIS region supported this momentum.

The F&B segment recorded revenue of ₹ 328 million in FY-24, down 13.5% YoY as a result of 35 non-performing stores. However, Subway demonstrated substantial growth, supported by the opening of 47 new stores and improved like-for-like performance. With 61 Company-owned and 164 sub-franchised outlets, the brand is well-positioned for further expansion in 2025.

The Company advanced its strategic agenda throughout the year by prioritizing operational excellence, rationalizing its portfolio and executing selected store openings and renovations centered on Tier 1 Champion Brands in high-potential markets. The reopening of the flagship Zara store at Al Nakheel Mall in Riyadh drove a 40% surge in store revenue for December, demonstrating the impact of strategic investment in high-traffic locations and blended physical-digital experiences.

Online revenue totaled ₹ 363 million, a 2.9% YoY decline, largely reflecting the impact of the brand portfolio restructuring. However, online sales from Zara and Inditex grew 6.6% YoY, supported by continued investment in digital platforms. Online revenue

contribution (including F&B) to total revenue stood at 7.5% in FY-24, as the brand optimization program delivered.

Strengthening Profitability and Financial Discipline

Gross Profit rose 5.8% to ₹ 632 million, with the profit margin increasing to 13.0%, supported by lower provisions, rent and personnel costs. The 0.2 percentage point margin improvement for the year reflects disciplined cost management and operational recovery. Key drivers included a 62.9% reduction in inventory provisions due to improved inventory control, a 7.5% reduction in employee salaries and benefits, and a 7.6% reduction in rent expenses – reflecting the results of the Company’s ongoing cost optimization and brand rationalization programs.

SG&A expenses totaled ₹ 407 million for the year, down 23.2% YoY. This reduction reflects improved cost controls and the strategic exit of underperforming stores, in line with rationalizing the brand and store portfolio.

Net loss narrowed from ₹ 1.1 billion in FY-23 to ₹ 197 million in FY-24, marking a significant step toward restoring profitability. The improvement reflects stronger revenue performance, margin recovery and a lower cost base, partially offset by non-cash year-end accounting adjustments related to goodwill and asset impairment under IFRS standards.

Cenomi Retail also made meaningful progress in deleveraging its balance sheet. Net debt declined 31.6% YoY following ₹ 664 million in repayments, reducing total debt from ₹ 2.5 billion to ₹ 1.6 billion. Finance charges decreased 4.2% YoY to ₹ 298 million, further supporting the Company’s financial resilience and long-term deleveraging strategy.



Driving Efficiency, Simplifying Operations and Reinforcing the Core

In 2024, Cenomi Retail advanced its operational transformation through targeted store expansion, strategic brand optimization and disciplined execution. New store openings of Tier 1 Champion Brands contributed 8.5% growth to Group revenue, supported by 41 new retail outlets and 52 F&B locations - many in prime areas aligned with Tier 1 Champion Brands. These additions reflect the Company's ongoing focus on enhancing its physical footprint to drive stronger footfall, brand visibility and store performance.

International operations played a key role in this strategy, with new Zara and Inditex stores opened across Uzbekistan and Azerbaijan. Cenomi Retail also launched four Inditex brands on Trendyol in December, further strengthening its digital reach. International like-for-like sales rose 6.0% YoY, reinforcing the growth potential of the Company's global portfolio.

Meanwhile, the F&B division set a world record with the opening of 12 Subway stores on a single day in October, followed by 14 more in December. The 47 new Subway outlets launched during the year and 5.1% growth in like-for-like sales drove a 75.6% YoY increase in revenue.

The Company made tangible progress on its brand optimization program, completing the sale of 24 non-core brands over the course of the year. Key milestones included the divestment of 16 brands to Al-Othaim Fashion Company in Q1, followed by further brand sales to Apparel Group and additional agreements that collectively generated capital gains totaling ₺ 210 million. These actions helped simplify the portfolio and concentrate resources on higher-return assets.

Operational discipline extended to inventory and asset management. Full-year inventory shrinkage was maintained at just 0.75% of sales, based on over 1,200 physical counts across stores and warehouses. In line with IFRS audit requirements, Cenomi Retail conducted year-end assessments of goodwill and other assets, with impairments recorded as part of prudent financial housekeeping. These efforts reflect the Company's commitment to operating with greater clarity, control and commercial discipline.



8.5%
growth to Group Revenue from new store openings of Tier 1 Champion Brands



₺ 8.6 m
Online revenue



Positioned to Scale, Focused on Growth

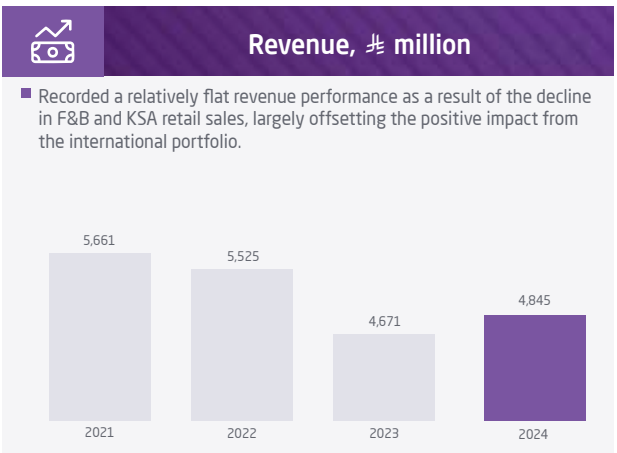
Cenomi Retail will enter FY-25 with an ongoing commitment to further deleveraging the balance sheet, a more efficient cost base and a sharpened focus on high-potential growth markets. The Company will continue executing its strategic roadmap with disciplined investments in Tier 1 Champion Brands, operational excellence and digital innovation - unlocking long-term value across its omnichannel platform.

In the short-term, Cenomi Retail will prioritize targeted store openings in high-footfall, prime locations while advancing its renovation program to elevate customer experiences. The rollout of Inditex brands on

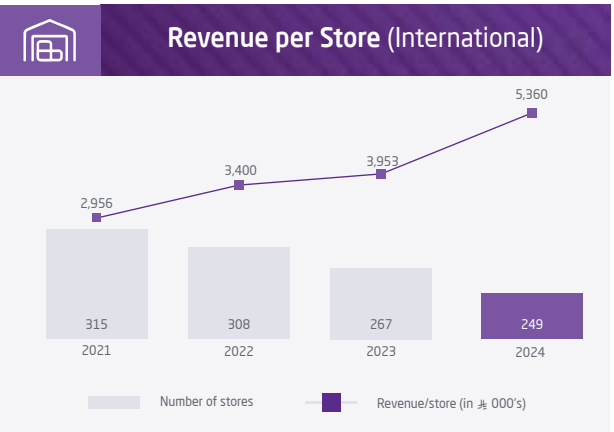
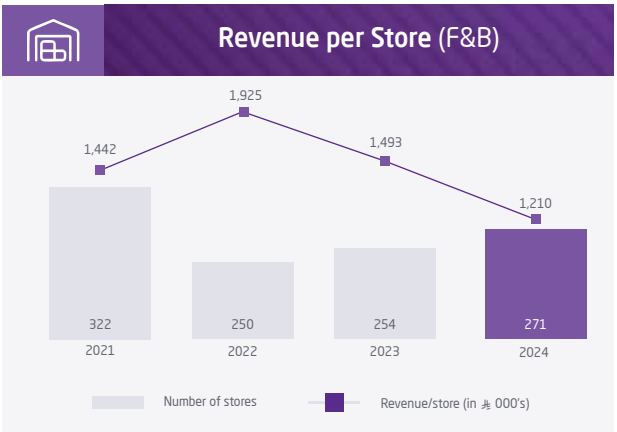
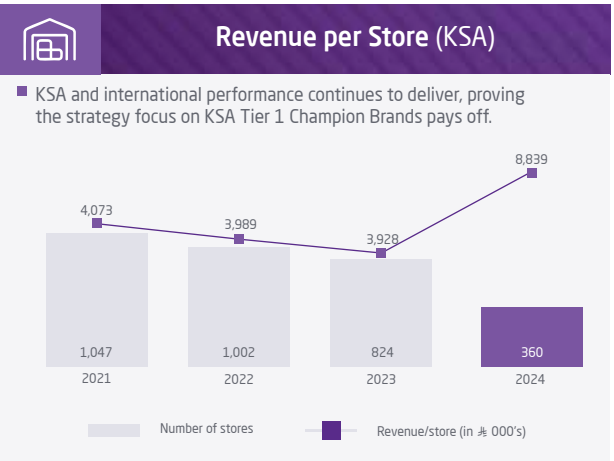
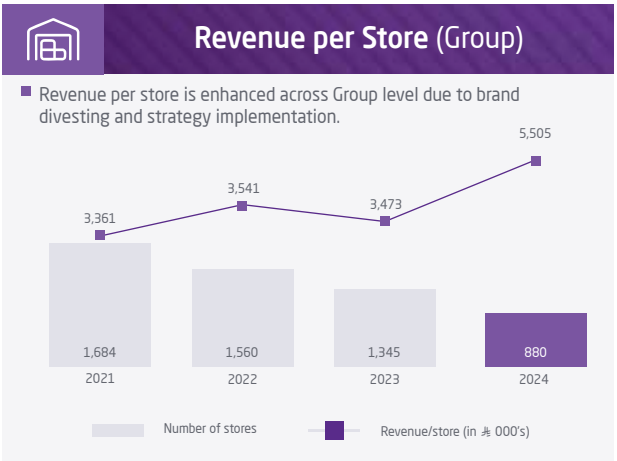
Trendyol will continue to enhance digital engagement and market penetration. In addition, the Company's brand optimization efforts are designed to continue to streamline operations and ensure resources are concentrated on scalable, high-performing assets.

From 2025, Cenomi Retail will transition into Phase 2 of its strategic journey: "Embark on Sustainable Growth" - scaling its brands across core markets, unlocking white space opportunities. The Company will maintain its commitment to deleveraging, building on the 31.6% YoY reduction in net debt achieved in FY-24, and will continue to pursue operational efficiencies to deliver sustainable, profitable growth.

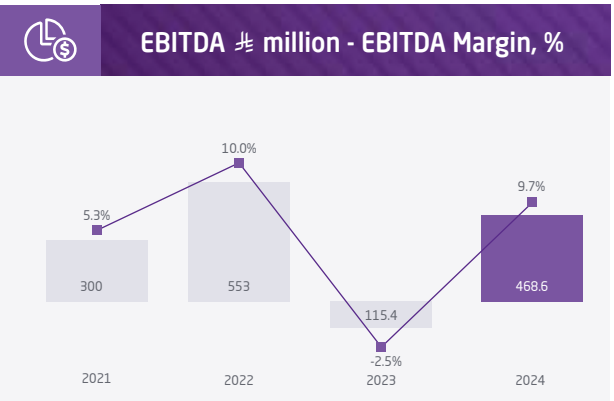
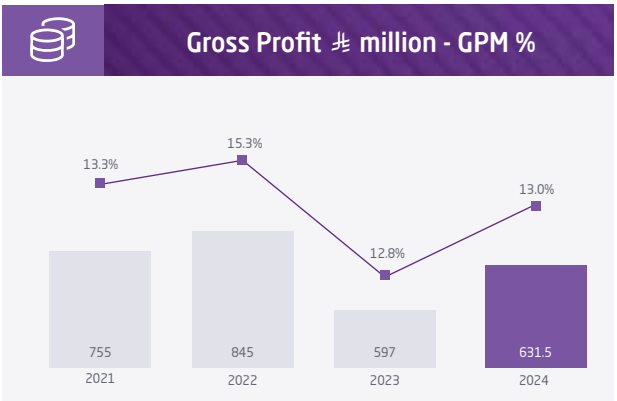
Stable Revenue amidst Store Closures Signalling Turnaround Strategy



Underlying Sales Efficiency Showing Progress as the Turnaround Strategy is Implemented



Business Transformation is Evident in the Decline of Gross Profit and EBITDA (YoY)



Our People

Cenomi Retail undertook a strategic transformation to streamline operations and refocus on core strengths. As part of this process, the Company restructured the business and divested underperforming brands, ensuring long-term sustainability. Managing this transition required a strong commitment to Cenomi Retail’s people, maintaining employee morale, retaining key talent and ensuring operational stability

In order to support the business transformation throughout the year, Cenomi Retail focused on ensuring a fit for purpose workforce across its footprint. Clear and consistent communication was central to its approach. Leadership provided regular updates on the restructuring and the Company’s long-term vision, fostering transparency and trust. Employees were encouraged to share their perspectives through town halls and one-on-one discussions, reinforcing an open dialogue that strengthened engagement.

The Company also invested in career development, equipping high-performing employees with training and growth opportunities that aligned with Cenomi Retail’s evolving needs. Internal mobility played a crucial role, offering clear pathways for advancement and ensuring that talent remained within the organization.

By focusing on these priorities, Cenomi Retail retained key employees, sustained engagement and positioned itself for a stronger, more agile future.

	2023	2024
Full-time employees	8,643	6,675
Female employees	5,045 (58.37%)	3,317 (49.69%)
Saudi employees*	74%	64%

Strategic Focus Driving Transformation

Cenomi Retail’s people strategy was designed to support organizational restructuring while driving efficiency, talent retention and workforce engagement. Its focus remained on measurable outcomes that strengthened the business and ensured long-term sustainability.

A key achievement was reducing the store staff turnover to 40%, a significant improvement from 70% in the previous year. This was driven by targeted retention initiatives, including enhanced engagement, career development opportunities and a strong focus on internal mobility as a motivational tool to enhance talent for high-performing employees.

The Company optimized the headcount which resulted in a significant reduction in employees’ salaries and benefits. This was achieved by streamlining processes, consolidating roles and directing resources

toward core business priorities while retaining essential talent to maintain operational continuity.

As the Company continued with “Fixing the House”, which included brand portfolio optimization, retaining high-performing employees remained a top priority. By identifying and supporting key talent, Cenomi Retail ensured that the organization remained strong and well-equipped to execute its strategic goals.

Commitment to workforce development remained unchanged, even amid restructuring. By year-end, 85% of employees had completed at least one training program, equipping them with the skills needed to adapt and excel in a more agile organization.

These results reflect the Company’s ability to navigate change while strengthening its foundation, retaining top talent and positioning Cenomi Retail for sustainable growth.

* Platinum Category



1,499

new hires in
Saudi Arabia



Putting Our Values into Action

Cenomi Retail remained true to its core values throughout a transformative period, reinforcing a strong culture and driving performance across the organization.

Commit to deliver guided the Company's approach during restructuring and brand sales. Cenomi Retail upheld its commitments to employees, customers and stakeholders through transparent communication and decisive action, ensuring accountability. Key objectives, including cost optimization and talent retention, were successfully met.

Execute to excellence drove operational improvements, with a focus on streamlining processes, upskilling employees and fostering a culture of continuous improvement. The reduction of head office costs reflects the Company's ability to execute with precision while maintaining high performance standards.

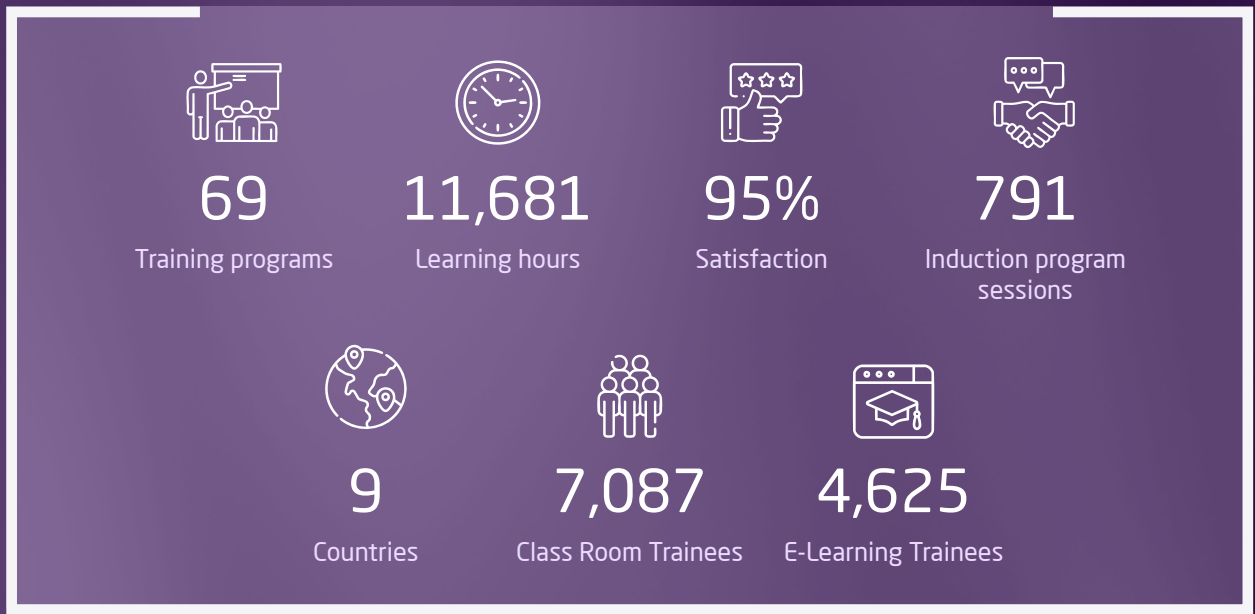
Win together was reflected in the collaboration that defined this period. Cross-functional teamwork, open communication and shared accountability helped employees unite in overcoming challenges. This collective effort was instrumental in reducing store staff turnover to 40% and retaining top talent, reinforcing the strength of the Company's workforce.

Embrace challenge shaped Cenomi Retail's response to restructuring and turning obstacles into opportunities. By encouraging adaptability, innovation and problem-solving, the organization's resilience was strengthened. Maintaining high employee engagement throughout this transition underscores the Company's ability to navigate change while positioning Cenomi Retail for future growth.

By embedding these values into every aspect of its operations, Cenomi Retail emerged stronger, more agile and well-prepared for the next phase of its journey.

Empowering Our Workforce

Cenomi Retail places its people at the heart of its success. In a year of transformation, the Company prioritized initiatives to strengthen its workforce, foster engagement and enhance skills development, ensuring the dynamic needs of the business were met. From comprehensive store staff recruitment, across nine countries - addressing stores with a high turnover, to impactful training programs and cultural celebrations, Cenomi Retail remained committed to building a motivated, skilled and inclusive team ready to drive its vision forward.



The Company's recruitment efforts focused on maintaining operational continuity in stores, which consistently experience high turnover, which is a normal attrition. Across nine countries, Cenomi Retail hired 2,676 new employees, ensuring that its stores remained adequately staffed to meet business needs. Recruitment by country included 1,499 hires in Saudi Arabia, 306 in Azerbaijan, 295 in Georgia, 244 in Uzbekistan, 124 in Armenia, 111 in Jordan, 62 in Kazakhstan and 35 in Egypt. To support these new hires, they were provided with continuous training tailored to their roles, fostering skills development and operational excellence.

Employee engagement and recognition initiatives remained a priority, driving motivation and loyalty across the workforce. Key actions included relocating the Central Region office to the Company's headquarters, organizing roadshows and recognition programs in Riyadh, Jeddah and the Eastern Province, and celebrating significant occasions such as International Women's Day, Saudi National Day, Foundation Day and International HR Day. Events like Sports Day, Ramadan Gamification Winner Announcements and Children's Day further strengthened the Company's culture and connected employees across the organization.

Retention efforts focused on creating a positive work environment and offering competitive compensation packages. These measures reinforced employee satisfaction and ensured that top talent remained engaged and committed.

Learning and development continued to be a cornerstone of our people strategy, covering six countries with 55 training programs and cohorts. In 2024, 505 employees participated in classroom training, while 3,852 accessed e-learning opportunities. With 95 induction program sessions delivered, a total of 7,043 learning hours were completed, achieving a 97% satisfaction rate. Notable programs included a specialized Zara Al Nakheel training course and Ramadan store support visits to enhance employee development.

Cenomi Retail's commitment to Saudization was reflected in the high recruitment volume in Saudi Arabia, with 1,499 new hires, underscoring the Company's focus on engaging and developing local talent.

Diversity and inclusion were celebrated through events like International Women's Day, recognizing the contributions of women, and Children's Day, which highlighted the Company's inclusive and supportive culture. These initiatives reinforced its dedication to fostering an environment where employees feel valued and empowered to succeed.

Shaping the Future of Cenomi Retail

In 2025, Cenomi Retail will focus on stabilizing the business following a transformative period, creating a positive employee experience, and establishing a robust foundation for sustainable growth. The forward-looking people strategy will encompass key initiatives aimed at enhancing engagement, fostering well-being and building leadership capacity to drive the Company's vision forward.

Priority will be placed on enhancing employee engagement and satisfaction by introducing continuous feedback mechanisms to address concerns in real time and implementing recognition programs to celebrate contributions and cultivate a culture of appreciation. Strengthening workforce stability will be a key focus, with streamlined onboarding and training programs to accelerate integration and retention strategies, such as career development pathways and succession planning, aimed at reducing turnover.

Employee well-being will take center stage with initiatives to improve work-life balance, including flexible working policies and wellness programs, as well as access to mental health resources and workshops on stress management and resilience. Leadership development will be expanded with tailored training programs to prepare managers for periods of change, and a mentorship program will be launched to foster knowledge transfer and career growth.

HR processes will be optimized by leveraging digital tools and analytics to enhance operational efficiency and transparency. Performance management systems will be refined to ensure clear, measurable goals align with organizational objectives.

Through these initiatives, Cenomi Retail aims to solidify its position as an employer of choice, ensuring its workforce is fully engaged, supported and aligned with the Company's long-term vision.

03

Operating Review

Our focus on Tier 1 champion brands throughout the year has strengthened our relationships with global brand partners, ensuring long-term growth potential.

Kingdom of Saudi Arabia - Retail Segment	62
International Retail	68
Food and Beverage	82
E-commerce	88



Kingdom of Saudi Arabia - Retail Segment

Focused Execution. Elevated Experience. Stronger Foundations.

Cenomi Retail's Saudi business continues to evolve as a streamlined, customer-led omnichannel platform anchored in operational excellence, brand strength and data-driven innovation. With a sharpened focus on flagship brands, premium locations and sustainable growth, Cenomi Retail is redefining what modern retail looks like across the Kingdom of Saudi Arabia.

Strengthening Flagship Brands. Enhancing Market Leadership.

Cenomi Retail's Saudi operations remain the cornerstone of its business, anchored by powerful brand equity, a customer-first mindset and a sharpened focus on operational excellence. In 2024, the Company accelerated its transformation by streamlining its portfolio, refining its store network and prioritizing scalable, high-performing brands including: flagship Zara, Massimo Dutti, Pull & Bear, Mango, Bershka and Decathlon, among other loved brands worldwide.

Amid a challenging start to the year - including geopolitical headwinds and shifts in consumer sentiment - Cenomi Retail executed a bold brand optimization program, divesting 24 non-core brands and closing 486 underperforming stores. These actions had an effect on the top-line performance in the short-term but enabled the Company to focus on higher-margin assets, elevate customer experience and improve profitability. From Q2 onwards, performance began to recover, boosted by strong seasonal periods such as Ramadan and Eid, followed by high-traffic campaigns like White Friday and Pay Days.

Zara remained the division's standout performer, with strong resonance among Saudi consumers driven by fast-fashion agility, cultural relevance and omnichannel convenience. Localized product curation, occasion-driven assortments and retail technology - such as online pick-up point with an automated storage area, assisted sales and self-checkout - further enhanced customer engagement. The December reopening of the expanded Zara flagship store at Al Nakheel Mall, Riyadh delivered a 40% increase in sales in Q4 2024, underscoring the power of focused reinvestment in premium, high-footfall locations (see case study below).

Operational performance also strengthened, supported by disciplined SG&A controls and enhanced in-store execution. Inventory shrinkage was reduced to just 0.75% of revenue - well below global benchmarks - while ongoing store renovations and visual upgrades helped elevate the brand experience across key malls. As a result, Cenomi Retail's Saudi business exited 2024 in a leaner, more focused and more profitable position - well placed to drive sustainable growth in the future.

About Cenomi Retail's Saudi Retail

Cenomi Retail is a leading franchise retail player in the Kingdom of Saudi Arabia. With an extensive portfolio of 22 prominent international brands, such as Zara, Massimo Dutti and Mango, it operates over 226,652 square meters of prime retail space across the Kingdom.



52 malls



360 stores

Cenomi Retail's Saudi Retail Brands*: 22 Brands



* AS OF 31 DECEMBER 2024



Zara, Al Nakheel Mall in KSA

Financial Performance

Saudi Retail recorded full-year 2024 revenue of ٣.2 billion, a 1.7% YoY decrease driven by the brand optimization program. Despite the annual decline, performance was bolstered by initiatives that enhanced customer engagement and retail experience, including strategic campaigns and the reopening of the Kingdom of Saudi Arabia's largest Zara store at Al Nakheel Mall.

Focused Execution. Evolving with Our Consumers.

In 2024, Zara's strategic focus within the Kingdom of Saudi Arabia was reinforced in response to shifting consumer expectations and broader retail trends. The brand continued to build on its strong local presence by deepening its commitment to sustainability, speed and store modernization.

A key priority was embedding sustainability across the Company's retail operations. Zara increased the use of eco-friendly materials across its product and packaging lines, including the adoption of recyclable shopping bags. Energy efficiency upgrades in new and renovated stores also contributed to reducing environmental impact, aligning with both global standards and local ambitions for greener retail.

Zara also accelerated efforts to keep pace with rapidly evolving consumer tastes. Deliveries twice a week and agile inventory planning - informed by real-time insights from store managers and commercial teams - enabled the brand to react quickly to emerging trends. Weekly visual merchandising updates and in-store strategic adjustments ensured alignment with stock levels, demand signals and customer expectations.

Under the "Less is More" initiative, the brand took a deliberate approach to growth. Rather than expanding store count, Zara prioritized upgrading its top-performing locations - focusing on contemporary designs, improved layouts and enhanced customer flow. This strategic shift reinforced Zara's position as a fashion leader while improving the overall customer experience across its Saudi footprint.

Zara increased the use of **eco-friendly** materials across its product and packaging lines, including the adoption of recyclable shopping bags.



Innovation that Elevates Every Experience

Zara continues to lead in blending fashion with innovation, setting new standards in technology-driven retail across the Kingdom of Saudi Arabia.

One of the most transformative advancements is the use of RFID technology, which allows for real-time inventory tracking across all stores. This enables store teams to maintain accurate stock levels, ensure product availability and enhance the overall shopping experience by responding quickly to consumer demands.

Data also plays a central role. Through integrated retail systems and mobile apps, Zara collects and analyzes daily, weekly and monthly data to gain insights into sales performance and customer behavior. This analytics-driven approach supports smarter merchandising decisions, personalized shopping experiences and optimized inventory management.

Zara stores are also designed with adaptability in mind. Flexible floorplans allow teams to reconfigure spaces based on changing trends, product launches and customer preferences. Each store layout is digitally mapped and synchronized with internal systems used by staff, ensuring fast and informed in-store decisions.

These innovations ensure Zara's Saudi operations remain agile, data-led and customer-focused - strengthening the brand's leadership in modern retail.

Zara continues to lead in blending fashion with innovation, setting new standards in **technology-driven** retail across the Kingdom of Saudi Arabia.

Sustainability in Action

In 2024, Cenomi Retail advanced its sustainability agenda across Saudi operations through targeted initiatives that deliver measurable impact and align with circular economy principles.

A major step forward was the deployment of advanced IBM energy management systems across five newly opened stores, improving efficiency and significantly reducing electricity consumption. These upgrades reflect the Company's commitment to integrating smart technologies for environmental benefit.

Cenomi Retail also deepened its resource recovery practices in partnership with Inditex. Approximately 1.7 million hangers and over 4.1 million hard tags and pins were returned to suppliers for reuse, helping to close the loop and reduce landfill waste. In parallel, the transition to digital e-tickets replaced traditional printed receipts across the store network, cutting down paper usage and streamlining operations.

Customer engagement remains a key pillar of Zara's sustainability platform in the Kingdom of Saudi Arabia. Reusable bags are actively promoted at checkout, while proceeds from paid paper bags are donated to charitable causes. In-store clothing donation bins - available across Zara stores - offer customers a convenient way to recycle unwanted apparel, footwear and accessories. In collaboration with Namma Charity and other non-profit partners, these items are either distributed to communities in need, sold to support social initiatives or recycled into new materials.

Through these integrated actions, Cenomi Retail is embedding sustainability across its Saudi operations - reducing waste, lowering energy use and creating meaningful social impact.



Looking Forward

In 2025, Cenomi Retail's Saudi operations will focus on a high-impact expansion strategy - prioritizing quality over quantity. The goal is to open new Zara stores only in prime, high-traffic locations, while closing underperforming outlets. This "less but better" approach ensures that each store delivers maximum commercial value, with optimal space allocation to showcase all product categories and meets the diverse preferences of local consumers.

The strategy will also emphasize driving like-for-like (LFL) growth by tailoring retail execution and marketing to the unique characteristics of each region. From curated inventory selections aligned with seasonal trends to geography-specific promotions, every decision will be designed to elevate store productivity and deepen customer connection.

The opening of Jawharat Jeddah, positioned as a flagship destination that reflects the next phase of Zara's growth in the Kingdom of Saudi Arabia, is confirmed for 2025.



Zara Al Nakheel Mall: Redefining Flagship Retail in the Kingdom of Saudi Arabia

In December 2024, Cenomi Retail reopened the Zara flagship store at Al Nakheel Mall in Riyadh, unveiling the brand's most advanced retail concept to date. Spanning over 3,000 square meters, the store integrates Zara's latest design language with cutting-edge digital innovation, offering customers a seamless and immersive shopping experience. The revamped location is now the largest Zara store in the Kingdom of Saudi Arabia and among the biggest in the MENA region.

Sustainable, Scalable and Smart

Zara's commitment to responsible retailing is reflected in the store's sustainable architecture. Energy-efficient systems, low-impact materials and integration with Inditex's Inergy platform, ensure smarter energy use and reduced environmental footprints. These features exemplify Zara's circular economy principles, from recycling stations to eco-conscious design and operations.

Seamless Integration of Technology and Fashion

The store introduces a new level of customer convenience through a full suite of tech-enabled services - including Pay & Go mobile checkout, fitting room reservations, digital product locators and automated pick-up points. This omnichannel model allows customers to move fluidly between online and physical shopping. Dedicated boutique zones for newborns, footwear and accessories offer elevated personalization and merchandise visibility, enhancing the customer journey across all categories.

A Showcase of Retail Leadership

The Al Nakheel Mall flagship store sets a new benchmark for what premium retail can be - intuitive, integrated and environmentally conscious. It reflects Cenomi Retail's ongoing strategy to renovate prime locations, elevate customer experience and position global brands for scalable success in the Kingdom's fast-growing fashion landscape.

Zara's Al Nakheel Mall flagship combines fashion and functionality in a digitally integrated, **future-ready space - marking** a bold step in the evolution of Saudi retail.

International Retail

Expanding Horizons. Deepening Impact.

Cenomi Retail's International division advanced its role as a key growth driver in 2024, fueled by strategic brand execution, geographic diversification and operational discipline. As demand for global retail experiences and brands rises across Central Asia, the Caucasus and the MENA region, Cenomi Retail is scaling its presence with precision - building momentum in high-potential markets through focused investment and innovation.

Accelerating Growth across Borders

Cenomi Retail's International division delivered strong and consistent growth in 2024, reinforcing its role as a strategic pillar of the Group's long-term expansion. As the Company reshaped its broader operations, the international business emerged as a key growth engine, driven by disciplined market selection, differentiated brand positioning and a focus on scalable Tier 1 assets.

Revenue from international operations rose 26.5% YoY, led by sustained brand demand and expansion in underpenetrated, high-potential markets. LFL sales grew 6.0% throughout the year, accelerating to 11.8% in Q4, supported by localized pricing strategies,


curated product assortments and targeted marketing activations. Continued investments in omnichannel infrastructure and immersive retail experiences helped strengthen customer engagement and brand visibility in each market.

With favorable demographics in chosen international markets, rising consumption and a growing appetite for premium retail experiences, Cenomi Retail sees significant opportunity for further growth in key international territories and remains focused on maximizing performance through precision execution and localized commercial strategies.

About Cenomi Retail's International Retail

With its 249 stores in eight countries outside the Kingdom of Saudi Arabia, Cenomi Retail's International division provides the Company with a diversified footprint in key regional markets.

 8 countries

 249 stores

 54 malls

Financial Performance

International operations delivered ₺ 1.3 billion in revenue for 2024, marking a 26.5% increase YoY. This growth was fueled by strong performances in Azerbaijan and Georgia, along with an impressive first-

year contribution of ₺ 132 million from Uzbekistan, supported by strategic investments in CIS markets and a blend of new openings, renovations and online expansion.

Cenomi Retail's International Retail Brands*



*AS OF 31 DECEMBER 2024



Azerbaijan

Leading Performance in a High-Growth Market

Cenomi Retail continued to strengthen its position in Azerbaijan, emerging as the top-performing international market in 2024. Supported by a favorable macroeconomic backdrop and rising consumer demand, the Company's operations achieved double-digit growth, driven by strong brand traction and increased market presence.

The opening of seven new Inditex stores further reinforced Cenomi Retail's footprint, bringing the total store count to 42 nationwide and deepening engagement with Azerbaijani consumers. Strategic store formats, curated merchandising and consistently high-performing locations fueled sustained momentum across the portfolio.

Looking ahead, the outlook remains strong. With strong projected sales growth, Cenomi Retail remains well positioned to capitalize on the country's evolving retail landscape and build on its leadership position in one of the region's most dynamic and rapidly growing markets.

Supporting a Diversified Growth Agenda

Azerbaijan's strategic shift toward economic diversification continued in 2024, with increased investment in retail, tourism and infrastructure aimed at reducing reliance on oil and gas. Government initiatives focused on attracting foreign brands,

improving regulatory frameworks and enhancing consumer confidence - all of which created a more favorable environment for organized retail. In alignment with these national priorities, Cenomi Retail concentrated its efforts on high-performing retail hubs such as Crescent Mall and Ganjlik Mall. The Company prioritized renovations of particular older stores to elevate customer experience, while expanding its footprint through new store openings. A key initiative was the launch of a new Kiko Milano store - one of the portfolio's strongest performers - designed to capture growing demand and unlock further market potential.


These combined efforts are strengthening and diversifying Azerbaijan's non-oil economy and positioning Azerbaijan as a competitive regional hub for modern retail. As diversification accelerates, the sector is expected to benefit from rising consumer spending and the greater demand for international brands.




Azerbaijan at a Glance

Azerbaijan remains a promising market for Cenomi Retail, supported by a rising middle class, affluent local consumers and steady tourism inflows. While economic growth


is expected to moderate, the retail sector continues to benefit from strategic expansion in key urban centers like Baku, Ganja and Sumgait, with demand concentrated in high-traffic malls and premium destinations.




Population: 10.2 million*




Forecast GDP growth (2025): 2.7%*



Strategic malls: Crescent Mall, Ganjlik Mall



Forecast GDP growth (2024): 3.8%*



Key retail hubs: Baku, Ganja, Sumgait

*Source: European Bank for Reconstruction and Development (EBRD) Transition Report 2024-25

Expanding Our Footprint

Cenomi Retail significantly expanded its footprint in Azerbaijan in 2024, with the launch of 11 new stores at Crescent Mall - one of Baku's premier shopping and lifestyle destinations. This strategic cluster of openings reflects the Company's focus on securing

high-potential locations that combine strong consumer traffic with long-term profitability. Crescent Mall's central positioning within the city's fast-growing retail corridor made it an ideal setting for expanding Cenomi Retail's brand presence.

The new stores included six Inditex brands, further cementing Cenomi Retail's leadership in the fast-fashion category. In addition, three leading European brands - Aldo, Parfois and Sunglass Hut - were introduced to offer a more diversified mix of fashion and accessories, appealing to a broad consumer base and enhancing cross-brand synergies within the mall.

A major milestone in 2024 was the introduction of Zara Home to the Azerbaijani market for the first time. This addition marks a significant step in broadening Cenomi Retail's lifestyle proposition and meeting the rising demand for premium home and décor offerings in the country.

Crowning the year's achievements was the opening of one of the region's largest Zara stores in October - a 3,400 square meter flagship built around the latest concept design. Combining modern aesthetics with seamless integration of omnichannel services, the new Zara store underscores Cenomi Retail's commitment to innovation, customer experience and long-term brand equity.

Elevating Experience through Innovation and Service

Cenomi Retail continued to enhance the customer journey in Azerbaijan this year through a series of targeted improvements across both physical and digital touchpoints. Refreshed store layouts improved navigation and product visibility, while enhanced stock availability ensured that high-demand items remained accessible across key locations. Region-specific assortments tailored to local preferences further deepened customer relevance, supported by improved service policies and focused staff training programs that elevated in-store engagement and satisfaction.

Innovation remained central to the year's progress. The successful launch of Zara Home marked the brand's debut in Azerbaijan, introducing a premium home and lifestyle experience to the market. This addition diversified the Company's portfolio while also addressing the growing demand for sophisticated, design-led living solutions - reinforcing Cenomi Retail's commitment to lifestyle innovation.

Performance that Exceeded Expectations

Cenomi Retail's operations in Azerbaijan delivered an exceptional performance in 2024, surpassing internal targets across both revenue and profitability metrics. Strong top-line growth was driven by sustained consumer demand, particularly across the Inditex portfolio, while disciplined cost control helped preserve healthy trading margins throughout the year.

Operational efficiencies also played a key role in driving profitability. Tight cost control allowed the business to scale while maintaining a lean cost base. This strong commercial and operational performance further reinforced Azerbaijan's position as one of Cenomi Retail's most strategically valuable international markets.

Top 3 Performing Brands in Azerbaijan

Stradivarius

ZARA

Massimo Dutti

Technological enhancements also advanced the shopping experience. Mobile and contactless payments gained further traction, making transactions faster and more secure. In parallel, the rollout of RFID technology improved inventory accuracy, streamlined stock management and strengthened overall operational control - laying the foundation for even more responsive and efficient customer service in the future.

Looking Forward

In 2025, Cenomi Retail's objective is to grow its Azerbaijan operations through a combination of strategic store expansions, enhanced e-commerce capabilities and a focused investment in its top-performing brands. The Company will prioritize strengthening its presence in high-traffic retail destinations while optimizing operational efficiency to support sustained, profitable growth across both physical and digital channels.

Azerbaijan: Elevating Global Retail Presence in a Growing Market

Cenomi Retail continued to scale its international operations in 2024 with the opening of a new Zara store at Crescent Mall, one of Baku's most prominent shopping and lifestyle destinations. Strategically located in the city's prime business and entertainment district, the store is part of a broader expansion effort that saw six new Inditex store openings across Azerbaijan in the same year.

Driving Innovation through Omnichannel Integration

The 3,400 square meter store offers an elevated customer journey, blending physical and digital retail to meet modern consumer expectations. Equipped with advanced omnichannel features - including integrated e-commerce, RFID inventory management and motion sensor-powered energy systems - the store sets a new benchmark for operational efficiency and customer convenience. The rollout of self-checkout systems in 2025 is expected to further streamline the shopping experience.

Positioned for Continued Growth

Backed by Azerbaijan's favorable macroeconomic environment, Cenomi Retail now has 42 stores in Azerbaijan, with 17 brands across seven malls, which generated 26.6% revenue growth for the year. Cenomi Retail operates seven Inditex brands in Azerbaijan: Zara, Pull & Bear, Stradivarius, Massimo Dutti, Bershka, Oysho and Zara Home.

The new Zara store strengthens Cenomi Retail's footprint in a market showing strong momentum across retail and tourism sectors. With footfall at Crescent Mall expected to exceed 500,000 annually, and the country hosting COP 29 in November 2024, the timing of this launch reinforces the Company's long-term commitment to growth in strategic international markets.

Zara's expansion in Baku reflects our international growth strategy in action – targeting **high-traffic locations**, leveraging smart retail technology and delivering **world-class experiences** in rising global markets.



Uzbekistan

Unlocking New Potential in Central Asia

Uzbekistan marked a major strategic milestone for Cenomi Retail in 2024, as the Company officially entered the high-growth Central Asian market with the launch of seven Inditex stores in its capital, Tashkent. This expansion reflects Cenomi Retail's long-term commitment to geographic diversification and its ability to efficiently scale Tier 1 Champion Brands in emerging retail economies.

February 2024's launch was centered around Tashkent City Mall - a key retail destination in the country - featuring global brands such as Zara, Bershka and Massimo Dutti. Within months, the stores generated strong sales, validating both the consumer appetite for international fashion and the strength of Cenomi Retail's retail execution model.

Uzbekistan's rising urban middle class, robust GDP growth and increasing appetite for global retail experiences, provide a compelling platform for growth. Despite early operational challenges, including regulatory complexity and higher-than-expected setup costs, the market delivered solid returns. Cenomi Retail exits 2024 with strong market momentum and a solid foundation for continued expansion in Uzbekistan.

Uzbekistan at a Glance

Uzbekistan's retail sector is experiencing robust growth, propelled by a youthful population, rising incomes and ongoing urban development. Tashkent, the nation's capital, stands at the forefront of this transformation, with modern

shopping centers, like Tashkent City Mall, becoming key retail destinations. The sector's expansion is further supported by government initiatives aimed at enhancing the business environment and attracting foreign investment.



Population: 37.17 million*



Forecast GDP growth (2024): 6.5%*



Forecast GDP growth (2025): 5.9%*



Key retail hubs: Tashkent, Samarkand, Bukhara



Strategic malls: Tashkent City Mall, Samarkand Darvoza, Compass Mall

*Source: World Bank

Strategic Scaling in a New Market

Following its entry into Uzbekistan in early 2024, Cenomi Retail rapidly achieved operational optimization. The Company focused on building an efficient, scalable retail model by managing overhead

costs, improving in-store processes and aligning product assortments with local consumer preferences.

Flagship stores in Tashkent City Mall served as the foundation for testing and refining its commercial approach in a new and dynamic environment.

While Tashkent remained the core market, Cenomi Retail also began laying the groundwork for geographic expansion. The Company initiated feasibility assessments in secondary cities such as Samarkand and Bukhara, targeting urban centers with rising consumer demand and untapped retail potential. These markets are considered as strategic growth corridors that can extend Cenomi Retail's reach and enhance long-term brand equity across Uzbekistan.

This multi-market strategy reflects Cenomi Retail's commitment to building a resilient international portfolio. By balancing near-term operational focus with selective geographic growth, the Company seeks to capture emerging demands, strengthen profitability and create a sustainable platform for future expansion in one of Central Asia's most promising retail markets.

Enhancing Experience through Innovation

Cenomi Retail Uzbekistan prioritized customer experience throughout the year by investing in staff training programs focused on product knowledge, service quality and cultural alignment. Tailored assortments reflecting local tastes helped deepen customer connection, while an integrated omnichannel setup enabled a seamless transition between online browsing and in-store shopping.

Cenomi Retail continues to innovate across its markets and introduced mobile and contactless payment options, to enhance transactions' speed and security. Inventory accuracy and in-store availability was improved through the introduction of RFID technology, creating a modern and efficient retail environment.

Looking Forward

In 2025, Cenomi Retail Uzbekistan will focus on driving revenue growth by expanding its store footprint, optimizing operations and further enhancing the customer experience. The strategy will prioritize top-performing brands while deepening omnichannel capabilities and evaluating opportunities to scale e-commerce. The Company remains committed to strengthening its market presence and maintaining operational efficiency across its growing footprint.

Top 3 Performing Brands in Uzbekistan

Bershka

ZARA

Massimo Dutti



Zara, Tashkent City Mall in Uzbekistan

Georgia

Accelerating Growth through Expansion and Operational Excellence

Cenomi Retail Georgia delivered an exceptional performance in 2024 and is one of the Company’s most profitable international markets. Sales surged by 26.8%, driven by a strong demand for Inditex brands and the successful expansion into Batumi with 10 new stores. Zara contributed the most revenue, while KIKO Milano delivered impressive profitability despite occupying a smaller retail footprint.

Key locations such as City Mall and the new Batumi stores outperformed expectations, supported by strategic price adjustments and enhanced merchandising. Operational improvements, including process restructuring and the rollout of self-checkout tills at Zara, boosted efficiency and elevated customer experience. Mango’s expansion and omnichannel initiatives also contributed to deeper consumer engagement.

Georgia’s strategic focus remained centered on profitable growth, store modernization and expanding its presence in high-potential secondary cities. This market continues to demonstrate strong fundamental growth drivers, which Cenomi Retail will target with ongoing renovations and refurbishments, online platform rollouts for Oysho, Stradivarius and Pull & Bear, and continued supply chain optimization.

Top 3 Performing Brands in Georgia

Massimo Dutti

ZARA

OYSHO



Population: 3.7 million*



Forecast GDP growth
(2025): 5.5%*



Forecast GDP growth
(2024): 9.4%*

*Source: World Bank



Armenia

Resilience and Strategic Focus amid Regional Challenges

Cenomi Retail Armenia closed 2024 with a solid financial performance and strong bottom-line delivery, despite a complex geopolitical environment. The year was marked by improved product flow and better seasonal collections, particularly for Marks & Spencer.

The strategic focus in Armenia remains on strengthening brand preference through curated assortments, engaging store environments, skilled teams and high-quality customer service.

Looking ahead to 2025, Cenomi Retail will prioritize stabilizing operations by mitigating risks such as parallel imports and new compliance regulations, including Data Matrix requirements for cosmetics.

Planned store renovations will help modernize key locations and lay the foundation for future organic growth, including potential new brand introductions.

Top 3 Performing Brands in Armenia

Massimo Dutti

ZARA

PULL&BEAR



Population: 3.0 million*



Forecast GDP growth
(2025): 4.5%*

*Source: IMF



Forecast GDP growth
(2024): 5.9%*



Jordan

Delivering Growth through Efficiency and Innovation

Cenomi Retail Jordan performed robustly in 2024, navigating inflationary pressures and regional instability through a sharp operational focus, strategic portfolio decisions and targeted investments in customer experience. Sales grew 9% YoY - underscoring the business's adaptability and momentum despite external challenges.

Key developments included the opening of new Mango and Ipekyol stores at Abdali Mall, while underperforming stores like Accessorize at Galleria

Mall were closed or relocated. Strategic cost control measures helped keep stock shortages at just 0.2%, aided by automated ASN processes and the introduction of a centralized data lake to optimize data access and visibility. Meanwhile, a Sea-Land freight route, via Dubai, helped overcome regional shipping disruptions and reduced logistics costs.

Top 3 Performing Brands in Jordan

MANGO

Stradivarius

PARFOIS



Population: 11.4 million*



Forecast GDP growth
(2024): 2.4%*



Forecast GDP growth
(2025): 2.6%*

*Source: IMF

The year also saw significant technological innovation, including the introduction of RFID for inventory management in Stradivarius and full system integration with the country's tax authorities. Cenomi Retail Jordan's leading brands - Stradivarius, Mango, Aldo, La Vie en Rose, Okaidi, Ipekyol and OXXO - all delivered a strong performance, particularly during the important Black Friday trading period. Okaidi ranked #1 in the Middle East for Black Friday sales, while Ipekyol and OXXO achieved top global performance.

Looking ahead, the focus in 2025 will be on optimizing store performance through strategic renovations and closures where strict operational criteria are not met, strengthening brand presence in key malls, and launching online stores to extend reach. Operational excellence will remain a core pillar, with further automation and supply chain improvements planned. Cenomi Retail Jordan also remains committed to employee development, customer-centric innovation and experiential marketing - ensuring its continued leadership in the country's evolving retail landscape.

Egypt

Navigating Challenges with Operational Discipline

Cenomi Retail Egypt managed to deliver, sustain and satisfy customer demands, despite continued macroeconomic pressure from the devaluation of the Egyptian Pound. The resumption of foreign currency allocation by banks allowed for improved inventory availability, which drove performance in top brands such as Aldo, Aldo Accessories, La Vie en Rose and Mango.

Strategically, the focus remained on ensuring profitability across the remaining portfolio and managing cash flow in a volatile environment. The Group closed seven underperforming stores

high customer satisfaction through clean, well-maintained stores and consistently friendly, service-oriented staff - ensuring brand integrity and customer loyalty remain intact.

in 2024, marking a continued shift toward a leaner, more resilient business model. Store closures included Call It Spring, GAP, Old Navy and New Yorker.

Despite market constraints, Cenomi Retail maintained

Top 3 Performing Brands in Egypt

MANGO

ALDO
Accessories

laVie en Rose

ALDO



Population: 109.4 million*



Forecast GDP growth
(2024): 3.6%*



Forecast GDP growth
(2025): 3.8%*

*Source: IMF



Food and Beverage

Pioneering the future of food and beverage (F&B)

Cenomi Retail's F&B is focused on strategic growth, customer-centric innovation and a steadfast commitment to quality and sustainability. Through targeted expansion, technological advancements and dynamic engagement strategies, the Company is shaping a future that meets evolving consumer demands while delivering exceptional value and experiences.

Key Pillars Driving Progress

Cenomi Retail's F&B success during 2024 is built on three strategic pillars that drive its growth and competitive edge in the Kingdom of Saudi Arabia's F&B sector.

The first pillar is delivering a popular menu offering that adapts to evolving consumer preferences. Cenomi Retail's F&B consistently innovates its menus to include health-conscious options, unique flavors and sustainable choices. By incorporating local ingredients and global fusion concepts, the Company appeals to adventurous consumers and those that are more traditional while aligning with sustainability goals.

The second pillar focuses on reaching customers through strategic expansion. Cenomi Retail's F&B identifies high-potential markets and employs a digital, customer first approach that includes physical locations, online ordering and delivery services. Cloud kitchens and digital platforms play an essential role in maximizing reach and ensuring accessibility for a growing customer base.

The third pillar is building brands for the future. Cenomi Retail's F&B prioritizes the development of strong, sustainable and authentic brands that resonate with changing consumer values. Investments in brand identity, customer experience and community engagement ensure lasting loyalty and a competitive position in a rapidly evolving market.

About Cenomi Retail F&B

Cenomi Retail's F&B is a leader in the Kingdom of Saudi Arabia's F&B market. The Company operates a diverse portfolio that includes both internationally recognized brands and locally inspired concepts, with a particular focus on quick-service restaurants and coffee shops.



271 F&B outlets

Three Strategic Pillars:

- 1

Delivering a popular menu offering that adapts to evolving consumer preferences
- 2

Reaching customers through strategic expansion
- 3

Building brands for the future

Cenomi Retail's F&B Brands



Strategic Focus and Alignment with Vision 2030

Cenomi Retail's F&B strategic priorities reflect evolving consumer behaviors, shifting market dynamics and advancements in technology. The Company's initiatives align with Saudi Vision 2030 by fostering local talent, supporting economic diversification and promoting sustainable growth.

A significant focus is enhancing social media and out-of-home (OOH) presence to engage and influence customers in the digital era. Platforms such as Instagram, TikTok and YouTube enable Cenomi Retail's F&B to connect with its audience through visually compelling content, influencers and user-generated material. By combining this with OOH advertising in high-traffic areas across major cities in the Kingdom of Saudi Arabia, the Company reinforces brand awareness and drives traffic to both physical and digital platforms.

Building a strategic offering system is another cornerstone of the Company's approach. With growing consumer demand for convenience, personalization, and diverse and more sophisticated menu options,

Cenomi Retail's F&B continuously adapts its menus to meet these expectations. Value-driven meal deals, for example, provide customers with affordable, health-conscious and ethically sourced options while driving sales volumes. Enhancements to digital ordering systems further streamline and augment the customer experience, ensuring efficiency and satisfaction.

Cenomi Retail's F&B commitment to Vision 2030 is evident through its focus on Saudization and local sourcing. By prioritizing the employment and development of Saudi nationals, the Company supports job creation and strengthens the workforce. Sourcing from local suppliers not only reduces reliance on imports but also fosters entrepreneurship and stimulates the domestic economy. These efforts contribute directly to Vision 2030's goals of economic diversification, job growth and the advancement of local industries.

Financial Performance

The F&B division posted ﷲ 328 million in revenue for 2024, down 13.5% YoY due to the closure of 35 non-performing stores. Despite this, momentum is building, with Subway achieving record-breaking multi-store openings and ending the year with 61 Company-owned and 164 sub-franchise locations, setting the stage for growth in 2025.

Navigating Challenges and Capitalizing on Opportunities

Cenomi Retail's F&B has demonstrated resilience and adaptability in navigating a dynamic and challenging market environment. Shifting consumer preferences and digital transformation have further enhanced its strategic focus, driving innovation and operational efficiency while maintaining its commitment to quality and sustainability.

Evolving consumer demands for healthier, sustainable and ethically sourced options are reshaping menus across the industry. Cenomi Retail's F&B has responded with menu reengineering initiatives that include plant-based options, lower-calorie meals, gluten-free offerings and transparent nutritional information to meet the needs of health-conscious customers. Simultaneously, the Company has embraced sustainable practices by transitioning to biodegradable, recyclable or reusable packaging for takeout and delivery orders.

Digital transformation continues to influence customer engagement and service delivery. Cenomi Retail's F&B is investing in digital tools, improving online ordering systems and leveraging data analytics, to create personalized customer experiences. These investments are designed to enhance convenience, increase efficiency and maintain a competitive edge in an increasingly digitalizing market.

Rising costs and inflation present ongoing challenges, particularly with fluctuating food prices. Cenomi Retail's F&B strategy to address these pressures includes cost optimization measures, strategic menu innovation and pricing adjustments, that balances affordability with quality.

The Company has also made significant progress in operational excellence. Clear KPIs were set to drive growth, including completing brand-standard training programs and achieving a 95% employee satisfaction rate for training. These goals were met, resulting in a 10% improvement in employee retention and supporting Saudization and talent development objectives. Cenomi Retail's F&B exceeded its target of introducing two to three new menu items per quarter, by launching 30 new items with over 80% positive customer feedback. Food cost management targets were also largely met, despite external challenges.

By aligning its strategies with consumer trends, sustainability goals and operational efficiency, Cenomi Retail's F&B has positioned itself for continued success, capitalizing on opportunities in a rapidly evolving landscape.

Cenomi Retail's F&B exceeded its target of introducing two to three new menu items per quarter, launching 30 new items with over **80% positive** customer feedback.

Expanding Market Presence

Cenomi Retail's F&B maintained its geographical footprint while focusing on strengthening brand visibility and enhancing customer experience through strategic expansion. The Company prioritized targeted growth in key locations, increasing accessibility and reinforcing its position in the market.

Subway, in particular, saw significant expansion with the opening of 50 new locations across major cities, including Riyadh, Jeddah, Makkah, Dammam and Khobar and achieving 100% of its expansion plan for 2024. In addition to high-traffic urban areas, Cenomi Retail's F&B extended its presence into corporate offices and healthcare facilities, launching new outlets at SABB Bank, STC and Dr. Sulaiman Al Habib Hospital, to cater to professionals and visitors seeking convenient dining options.

Cinnabon also expanded its reach with six new locations in Riyadh, Makkah and select hospitals, ensuring a wider customer base could enjoy its offerings. The plan reflects steady growth, with store openings and increased sales projected each year.

By strategically growing its store network while reinforcing marketing and customer experience initiatives, Cenomi Retail's F&B continues to strengthen its presence in the Kingdom of Saudi Arabia's dynamic F&B sector.



Transforming Customer Experience through Innovation and Engagement

Cenomi Retail's F&B places customer experience at the core of its operations, leveraging innovation, technology and workforce empowerment to deliver exceptional service and drive sustainable growth. By seamlessly integrating advanced digital tools, strategic partnerships and staff development programs, the Company is redefining the customer journey and setting new benchmarks in the F&B sector.

Cenomi Retail's F&B leverages social media and limited-time offers, creating excitement and urgency around new and **exclusive items**.

Digital innovation plays a pivotal role in enhancing convenience and engagement. Cenomi Retail's F&B has upgraded its apps and websites, introducing features like real-time order tracking to streamline the ordering process and meet the expectations of a tech-savvy audience. The implementation of digital menu boards further modernizes in-store experiences, creating a dynamic and interactive environment. Collaborations

with local vendors have enriched offerings, blending global appeal with local flavors while supporting domestic businesses.

To maintain a fresh and engaging menu, Cenomi Retail's F&B leverages social media and limited-time offers, creating excitement and urgency around new and exclusive items. These efforts attracted new customers while also encouraging repeat visits, keeping the dining experience vibrant and relevant.

Investing in the Future of Saudi's F&B Sector

Staff training and engagement are equally critical to deliver outstanding service. Comprehensive training programs focus on communication, efficient issue resolution and customer interaction, empowering employees to create seamless and welcoming experiences. Recognition programs boost morale and motivation, ensuring a workforce committed to excellence.


By integrating cutting-edge technologies, fostering meaningful partnerships and prioritizing its people, Cenomi Retail's F&B is building a foundation for growth while enhancing customer satisfaction and loyalty in an ever-evolving market.


Sustainability and operational efficiency will be at the core of its efforts. Initiatives include adopting eco-friendly packaging, increasing reliance on local sourcing, and investing in advanced kitchen technology to reduce waste and improve service speed. These measures align with the Company's commitment to environmental responsibility and operational excellence.

Geographically, Cenomi Retail will focus on expanding within the Kingdom of Saudi Arabia and entering select new regional markets. The overarching objective for 2025 will be achieving targeted sales, maintaining the highest quality of service and ensuring customer satisfaction, solidifying Cenomi Retail's F&B position as a leader in the F&B sector.

Awards and Recognition

During 2024, Cenomi Retail's F&B efforts and strategic progress received a number of prestigious awards and recognitions, including:

 Award from Subway Global for opening 12 stores in a single day

 Recognition for Best Operational Excellence in the region

Looking Forward

In 2025, Cenomi Retail's F&B will focus on initiatives designed to strengthen its market position, enhance customer experience and drive sustainable growth. The Company plans to expand its menu with healthier options and seasonal offerings, targeting adventurous customers with innovative dining experiences. While no new brands are planned, the focus will remain on refining and optimizing existing concepts to meet evolving consumer preferences.

Enhancing the digital experience will be a priority, with planned improvements to the mobile app, including order-ahead capabilities and loyalty features. By leveraging customer insights, Cenomi Retail's F&B aims to deliver personalized engagement that fosters deeper customer connections and loyalty.



Subway: A Record-Breaking Year of Innovation and Expansion

Subway experienced a transformative year, achieving remarkable growth through its commitment to innovation and strategic expansion. By introducing healthier, customizable menu options that aligned with evolving consumer preferences, the brand resonated with a broad audience. Localized product offerings and targeted marketing strategies further cemented its relevance in the Saudi market, while advancements in digital and delivery platforms made it more accessible than ever before.

Setting New Standards for Growth

A standout achievement was the opening of 12 new Subway branches across the Kingdom of Saudi Arabia in a single day, setting a world record. These branches included a mix of traditional outlets, non-traditional locations in corporate offices, and cloud kitchens strategically positioned in high-demand delivery zones. This milestone demonstrated Subway's agility and highlighted its ability to serve diverse customer segments efficiently. By the end of the year, Subway had achieved 100% of its planned expansion, opening 47 restaurants in 2024 and ending the year with a total of 61 Subway outlets, contributing to the increasing Subway sales in 2024 by 75.6 %.

Driving Operational Efficiency and Performance

The expansion was underpinned by cutting-edge technology, optimizing CAPEX deployment and reducing payback periods to under two and a half years, outperforming the industry average of three years. Subway's dual strategy of leveraging cloud kitchens and traditional outlets enhanced operational efficiency and boosted sales across multiple segments, ensuring a consistent and satisfying customer experience.

A Benchmark for Future Success

Subway's exceptional growth story reflects its strategic focus on innovation, customer-centric solutions and market adaptability. By aligning with evolving consumer behaviors and delivering value-driven offerings, Subway has set a benchmark for sustainable success in the Kingdom of Saudi Arabia's competitive F&B sector.

Subway's record-breaking expansion and strategic innovation reflect our commitment to delivering exceptional value and driving sustainable growth across the Saudi market.

E-commerce

Redefining Digital Retail for a New Generation

Cenomi Retail's E-commerce division is redefining digital retail with a leaner brand portfolio, sharper execution and a renewed focus on strategic growth. Through platform diversification, operational enhancements and customer-centric innovation, the business is building a scalable digital engine ready to meet the evolving demands of a new generation of shoppers.

Sharper Strategy. Broader Footprint. Strong Results.

Cenomi Retail's E-commerce division sharpened its strategic focus during the year, shifting toward marketplace integration for key brands while strengthening operational efficiency across the digital value chain.

The division's primary focus was on its conversion strategy, which was built on minimizing delivery time by decreasing the time of middle-mile and last-mile, resulting in quicker delivery for the online orders, and through expanding to third-party online marketplaces.

A major milestone was the launch of several Inditex brands - Stradivarius, Oysho, Bershka and Pull & Bear - on Trendyol, one of the region's fastest-growing e-commerce platforms. This marked a pivotal step in reaching broader audiences through high-traffic third-party channels.

The year also saw operational advancements, including the buildout of a dedicated local digital warehouse for Inditex, ensuring optimized fulfillment and improved time-to-customer, and faster services for all digital selling channels. In parallel, the Company continued to streamline logistics by enhancing middle-mile and last-mile operations to support faster, more reliable fulfillment.

As part of a broader organizational restructuring, Cenomi Retail exited online marketplaces tied to divested brands, consolidating its digital presence around its highest-performing assets. At the same time, it expanded its international footprint with the launch of Zara and Massimo Dutti online in Uzbekistan, extending access to key growth markets.

About Cenomi Retail E-commerce

Cenomi Retail's E-commerce division is at the forefront of the Kingdom of Saudi Arabia's digital retail evolution, seamlessly connecting consumers with their favorite brands through their preferred online channels. From mono brand websites to leading third-party marketplaces, Cenomi Retail ensures every customer journey is intuitive, engaging and accessible.



20 monobrand websites



4 online Trendyol stores

With end-to-end capabilities across the full e-commerce value chain - spanning front-end interfaces, logistics, technology infrastructure and customer support - Cenomi Retail has built a scalable and resilient digital platform. Today, the Company operates online stores across its markets, driving reach, relevance and results in a fast-changing retail landscape.

These initiatives supported an increase of 4.5% in Q4 YoY in E-commerce sales, reflecting strong performance across both owned and partner channels and positioning the division for continued growth in 2025.

The year also saw **operational advancements**, including the buildout of a dedicated local digital warehouse for Inditex.

Alignment with Vision 2030

Aligned with Saudi Vision 2030, Cenomi Retail's E-commerce division is advancing financial inclusion by expanding payment options and enhancing accessibility across platforms.

Sustainability is embedded into operations through eco-friendly packaging initiatives and waste reduction systems designed to lower environmental impact. The division also supports national goals on diversity and empowerment by creating career opportunities for women and investing in leadership development programs.

Sustainability is embedded into operations through **eco-friendly packaging initiatives** and **waste reduction systems** designed to lower environmental impact.

Financial Performance

E-commerce generated 363 million in revenue in 2024, reflecting a 2.9% YoY decline due to the impact of the brand optimization program. However, Inditex online sales grew 6.6% YoY, underscoring the strong demand for Tier 1 Champion Brands and pointing to future digital growth potential.

Expanding Reach. Elevating Performance.

Cenomi Retail's E-commerce strengthened its brand portfolio in 2024 with the launch of Fnac's online store, built on Shopify Plus through a global partner model. The new platform broadened access to Fnac's electronics and multimedia offering in the Kingdom

Cenomi Retail's E-commerce Brands: 20 monobrand websites



aleph

ZARA

fnac

of Saudi Arabia. Additionally, the Company extended its international presence by launching dedicated online stores for Zara and Massimo Dutti in Uzbekistan, reinforcing its position in strategic growth markets.

The Inditex portfolio performed particularly well, supported by the strategic rollout of multiple brands on Trendyol. These launches enabled access to new customer segments, while expanded assortments and localized inventory improved delivery times and customer satisfaction. Digital and outdoor campaigns, combined with a sharpened communication strategy, drove visibility and engagement across the portfolio.

Smarter Logistics. Seamless Experience.

In 2024, Cenomi Retail's E-commerce made significant strides in optimizing logistics and enhancing customer experience. A key focus was improving lead times for customers in the Kingdom of Saudi Arabia, achieved by strengthening click-and-collect operations and refining last-mile delivery. These improvements streamlined in-store fulfillment processes and provided a more integrated omnichannel journey across physical and digital touchpoints.

To further support performance across digital selling channels, the Company launched a dedicated Inditex digital warehouse locally. This investment enabled faster order processing, more accurate inventory management and improved time-to-customer across the Inditex portfolio. These initiatives reflect Cenomi Retail's ongoing commitment to building a more agile, responsive e-commerce platform that prioritizes customer satisfaction while reinforcing its leadership in digital retail.

FNAC: Blending innovation, culture and lifestyle under one roof

FNAC has established itself as a premium multimedia and lifestyle destination in the Kingdom of Saudi Arabia, seamlessly blending global retail excellence with local cultural relevance. Known for its rich heritage and innovative store experience, FNAC goes far beyond traditional retail. It offers a dynamic space where customers explore a curated mix of electronics, books, toys, musical instruments and emerging lifestyle brands, all in an environment designed for discovery, community and cultural exchange.

By aligning its offerings with the Kingdom of Saudi Arabia's fast-evolving entertainment and lifestyle landscape, FNAC taps into the country's growing demand for trend-forward products and immersive retail experiences. Its unique value proposition lies in offering both international exclusives and locally-made Saudi lifestyle brands, creating a product mix that appeals to diverse segments, from gamers and tech enthusiasts to young families and cultural creatives.

With a strong omnichannel strategy and a focus on innovation, FNAC is actively shaping the way Saudis shop, learn and connect. Through a combination of cutting-edge retail, expert service and community engagement, FNAC is proving that a store can be more than a place to shop - it can be a destination.

Looking Forward

Building on the success achieved in 2024, Cenomi Retail's E-commerce will maintain strong momentum in 2025 by expanding its digital footprint and enhancing operational efficiency. Strategic initiatives will focus on improving customer experience and driving revenue growth across new markets and channels, with targeted investments in platform capabilities and fulfillment operations.

The Company will introduce additional payment and affordability options, broaden delivery choices and streamline click-and-collect services to deliver greater convenience. E-commerce cost management will remain a top priority, with efforts to optimize middle-mile, last-mile and reverse logistics operations. This includes exploring the establishment of a dedicated Zara Home distribution center, enabling a wider product assortment, faster lead times and more cost-effective fulfillment for online orders.

trendyol

Trendyol Partnership: Expanding Reach, Elevating Digital Retail

Cenomi Retail's collaboration with Trendyol marks a significant milestone in its e-commerce strategy, expanding digital reach and deepening consumer engagement across the Kingdom of Saudi Arabia. By partnering with one of the world's leading multi-category e-commerce platforms, Cenomi Retail has tapped into Trendyol's vast user base and traffic to drive growth and enhance brand visibility.

Driving Awareness through Targeted Campaigns

The launch was supported by a 360-degree marketing approach including outdoor campaigns along Riyadh's King Fahd Road, in-app push notifications, branded newsletters, high-visibility homepage banners, brand days and optimized placements across search and brand grids. These initiatives elevated traffic, brand recall and purchase intent - firmly positioning Cenomi Retail's brands within Trendyol's highly competitive fashion ecosystem.

Launching Global Brands to a New Audience

Four Inditex brands - Stradivarius, Oysho, Bershka and Pull & Bear - successfully launched on Trendyol in December 2024, offering trend-driven collections that resonate with fashion-conscious consumers. The curated assortment combines high-demand, best-selling products from both online and offline channels, tailored to meet current fashion preferences with speed and relevance.

Building a Scalable, Digital-First Retail Future

This partnership reinforces Cenomi Retail's commitment to digital innovation and scalable expansion. With Trendyol's established presence across the GCC and Europe, the collaboration unlocks long-term e-commerce potential while keeping the business responsive to evolving customer behaviors and platform-native shopping trends.

Partnering with Trendyol accelerates our digital retail ambitions by combining global brands with a platform built for scale, speed and deeper customer connection.

ⁱMiddle-mile moves large shipments between hubs, while last-mile delivers individual packages to final destinations.



04

Governance

Building a Stronger
Foundation for
Sustainable Growth

Business Overview	94
Board of Directors	104



Business Overview

Cenomi Retail is the largest franchise retailer in Saudi Arabia and a pioneering brand partner for brands from across the globe looking to expand their footprint in the Kingdom, Middle East and CIS regions. As of 2024, Cenomi Retail represents 51 brands and is dedicated to delivering a new era of retail and experiences in the Kingdom and beyond. Cenomi Retail remains committed to being the retail brand partner of choice and the number one retailer for consumers in the Kingdom as it continues to identify and work with brands that align with its strategic goals and deliver long-term shareholder value. Cenomi Retail operates in nine countries, including the Kingdom of Saudi Arabia and seven international countries.

During 2024, we remained focused on implementing our strategy of “fixing the house”, which is aimed to enable the Company for future growth. In 2024, our

Financial Performance

In the fiscal year 2024, Cenomi Retail delivered enhanced operational performance, driven by its ongoing strategic focus on operational excellence and efficiency, alongside targeted store openings and renovations.

Revenue by Division	Fiscal Year 2023	Fiscal Year 2024
KSA Retail	69.3%	65.7%
International Retail	22.6%	27.6%
F&B	8.1%	6.8%
Total sales revenue, ₪ million	4,671.2	4,844.5

Revenue by Channel

Cenomi Retail is dedicated to optimizing operational efficiency across all retail categories in which we operate. Our commitment lies in delivering an exceptional customer experience while redefining the retail landscape across our existing market.

During the fiscal year 2024, the Company was focused on implementing the brands optimization program, which included the sale of 24 brands while only focusing on Tier 1 Champion Brands, improving the Company’s operational efficiency, renovating stores in prime locations and opening stores in new markets internationally and in prime locations in the Kingdom of Saudi Arabia.

brand optimization strategy delivered capital gains and portfolio efficiency, highlighting Tier 1 Champion Brands in high-potential locations. Looking ahead at 2025, our brand optimization program remains on track, ensuring focus on high-margin, high-performing brands. The Company is focused on its operational efficiencies and disciplined cost management, which will continue to drive margin improvement and support the Company’s overall transformation strategy.

Cenomi Retail has a diversified international footprint as it operates in 9 countries and has over 800 stores, with operations in select global markets such as Azerbaijan, Georgia, Armenia, Uzbekistan, Kazakhstan, Egypt and Jordan.

The Company achieved a 3.7% year-over-year (YoY) growth in sales revenue, reaching ₪ 4.85 billion, while significantly reducing net losses from ₪ 1.1 billion in FY-23 to ₪ 197.5 million in FY-24.

Kingdom of Saudi Arabia Retail

Sales revenue declined by 1.7% year-over-year (YoY), impacted by the brand optimization program. However, Tier 1 Champion Brands maintained sustainable profitability YoY, despite the geopolitical challenges affecting sales in Q1-24.

As the year progressed beyond Q1-24, brand performance showed positive growth, Zara and Inditex experienced a strong rebound. Their revenues saw growth, culminating in a 14.5% increase in Q4-24 as compared to Q4-23, effectively offsetting the impact of Q1-24.

Food and Beverages

Despite the decline in Food and Beverages (F&B) revenue YoY by 13.5 %, Subway revenue recorded a robust growth reaching an increase of 75.6% YoY. In 2024 the Company recorded a world record, with 12 Subway stores opening in one day in October and 14 Subway stores opening in one day in December. This achievement is part of the strategy to focus only on Tier 1 Champion Brands and to serve customers’ demand for healthy food.

The cost of revenue increased YoY by 3.4% in FY-24 as a result of increased sales. The gross profit recorded an increase of 5.8% YoY which translated into a gross profit margin of 13% in FY-24 compared to a gross profit of 12.8% in FY-23.

Looking forward, we will continue to focus on optimizing our operations with the aim of delivering improvements in profitability and generating long-term sustainable value for our shareholders.

Cenomi Retail is well positioned to continue its strategic growth trajectory, and we remain committed to providing innovative retail solutions, leveraging technology and data to drive growth, and meeting changing and evolving consumer needs, while staying ahead of industry trends.

We thank our valued customers, employees, shareholders and partners for their unwavering support and look forward to continued success in the future.



Operates in
9
countries



3.7%
YoY Growth in
sales revenue

Business Overview

Revenue (﷼ million)	Net Profit* (﷼ million)
4,844.5	(197.5)
Gross Profit* (﷼ million)	EBITDA (﷼ million)
631.5	468.6

* Figures as at 31 December 2024

Revenue Breakdown

	31 December 2024 (﷼ million)	31 December 2023 (﷼ million)
Revenue by division		
KSA Retail	3,182.0	3,236.6
International Retail	1,334.7	1,055.5
F&B	327.8	379.2
Revenue by channel		
Stores	4,481	4,297
Online	363	374
Revenue by geography (%)		
KSA	72%	77%
International	28%	23%

Financial highlights for the last five years

Balance Sheet KPIs (﷼'000s)	December 2024	December 2023	December 2022	March 2022	March 2021
Total current assets	1,290,529	1,666,918	1,947,749	2,131,222	1,908,065
Total non-current assets	3,295,161	4,090,705	5,205,221	5,231,605	6,145,267
Total assets	4,585,690	5,757,623	7,152,969	7,362,827	8,053,332
Total current liabilities	4,258,696	4,678,965	4,693,137	5,066,323	2,707,933
Total non-current liabilities	1,345,130	1,884,964	2,113,891	2,092,336	5,252,515
Total liabilities	5,603,825	6,563,929	6,807,027	7,158,659	7,960,448
Total equity	(1,018,135)	(806,306)	345,942	204,168	92,884
Total liabilities and equity	4,585,690	5,757,623	7,152,969	7,362,827	8,053,332

Income Statement KPIs (﷼'000s)	12 Months ended December 2024	12 Months ended December 2023	12 Months ended December 2022	9 Months ended December 2022	12 months ended March 2022
Revenue	4,844,509	5,232,231	5,525,341	4,247,672	5,915,095
Gross profit	631,522	646,506	845,268	695,203	990,796
Operating profit	237,340	-640,067	327,955	321,708	283,671
Net profit	(197,463)	(1,112,807)	36,865	100,435	38,030

Comparing activity results with the previous same period

(﷼'000s)	12 Months ended December 2024	12 Months ended December 2023	Change	Percentage Change
Revenue	4,844,509	5,232,231	(387,722)	(7.41%)
Cost of revenue	(4,212,986)	(4,585,725)	372,739	(8.13%)
Gross profit	631,522	646,506	(14,984)	(2.32%)
Operating expenses	(394,182)	(1,286,573)	892,391	(69.36%)
Operating profit	237,340	(640,067)	877,407	(137.08%)
Net profit	(197,463)	(1,112,807)	915,344	(82.26%)

Accounting Standards

The Company has fully completed the transformation of preparing the consolidated financial statements; whereby the international accounting standards replaced the accounting standards issued by the Saudi Organization for Certified Public Accountants.

Subsidiaries and their Associates

No.	Subsidiary	Country of Incorporation	Business Activity	Ownership Interest held by the Group as at:	
				31-Dec-24	31-Dec-23
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	100	100
2	Haifa B. Al Kalam & Partners Co. for Trading	Kingdom of Saudi Arabia	Retail	100	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	100	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	100	100
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	100	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	100	100
7	Al-Jeel Trading Company	Kingdom of Saudi Arabia	Retail	100	100
8	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverage	100	100
9	Food Gate Company	Kingdom of Saudi Arabia	Food and Beverage	70	70
10	Logistics Fashion Trading DWC-LLC	United Arab Emirates	Retail	100	100
11	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
12	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
13	Retail Group Georgia LLC	Georgia	Retail	100	100
14	Master Retail Georgia LLC	Georgia	Retail	100	100
15	Spanish Retail Georgia LLC	Georgia	Retail	100	100
16	Pro Retail Georgia LLC	Georgia	Retail	100	100
17	Best Retail Georgia LLC	Georgia	Retail	100	100
18	Mega Store Georgia LLC	Georgia	Retail	100	100
19	Fashion Retail Georgia LLC	Georgia	Retail	100	100
20	Global Apparel Georgia LLC	Georgia	Retail	100	100
21	Retail Group Holding LLC	Georgia	Retail	100	100
22	Master Home Retail	Georgia	Retail	100	100
23	International Retail of Morocco	Morocco	Retail	-	100
24	Multi Trends Co.	Morocco	Retail	-	100
25	Retail Group of America LLC	United States of America	Entertainment	-	100
26	Billy Beez USA	United States of America	Entertainment	-	100
27	Retail Group Balkans d.o.o., Beograd	Republic of Serbia	Retail	-	100
28	Retail Fashion d.o.o., Belgrade	Republic of Serbia	Retail	-	100
29	Retail Group Balkans d.o.o., Podgorica	Balkan Peninsula	Retail	-	100
30	Retail Group Balkans d.o.o., Skopje	Balkan Peninsula	Retail	-	100
31	RIGE Co.	Arab Republic of Egypt	Retail	99	99
32	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	98	98
33	Retail Group Armenia CJSC	Armenia	Retail	96	96
34	Spanish Retail CJSC	Armenia	Retail	100	100

No.	Subsidiary	Country of Incorporation	Business Activity	Ownership Interest held by the Group as at:	
				31-Dec-24	31-Dec-23
35	ZR Fashion Retail CJSC	Armenia	Retail	100	100
36	Global Apparel CJSC	Armenia	Retail	100	100
37	BR Fashion Retail CJSC	Armenia	Retail	100	100
38	Master Retail CJSC	Armenia	Retail	100	100
39	Best Retail CJSC	Armenia	Retail	100	100
40	Retail Group CJSC	Armenia	Retail	100	100
41	Pro Retail CJSC	Armenia	Retail	100	100
42	Factory Prices CJSC	Armenia	Retail	100	100
43	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	100	100
44	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	100	100
45	Models Own Holding Limited	United Kingdom	Retail	-	51
46	Models Own Limited	United Kingdom	Retail	-	51
47	Models Own International Ltd.	United Kingdom	Retail	-	51
48	Retail Group Azerbaijan LLC	Azerbaijan	Retail	85	85
49	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
50	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
51	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	85	85
52	Mega Store Azerbaijan LLC	Azerbaijan	Retail	85	85
53	Master Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
54	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
55	Retail Group Holding LLC	Azerbaijan	Retail	85	85
56	Best Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
57	Fashion Group CA	Uzbekistan	Retail	80	80
58	Fashion Retail Store	Uzbekistan	Retail	80	80
59	Master Retail Store	Uzbekistan	Retail	80	80
60	Retail Boutique	Uzbekistan	Retail	80	80
61	Retail Group Global	Uzbekistan	Retail	80	80
62	Retail Group Store	Uzbekistan	Retail	80	80
63	Retail Store Pro	Uzbekistan	Retail	80	80
64	Spanish Store	Uzbekistan	Retail	80	80

In addition to the above, the Group, directly and indirectly, owns certain dormant subsidiaries and special purpose vehicles across several countries which are not material to the Group.

The principal activities of all of the above subsidiary companies are wholesale and retail trading of fashion apparels and indoor entertainment business for kids. The indirect shareholding represents cross ownership among the subsidiary companies.

Shares and Debt Instruments Issued by Subsidiaries

There are no stocks and debt instruments issued by the subsidiary companies.

Dividend Policy

The general policy of paying out the Company’s annual net profits after deducting all general expenses and other costs is controlled by the terms and conditions of the Articles of Association as follows:

- A. 10% of the net profits shall be carried to the Company’s statutory reserve, and the Ordinary General Assembly may resolve to withhold such appropriation when the said reserve reaches 30% of the paid-up capital.
- B. The Ordinary General Assembly may resolve on the recommendation of the Board of Directors, to keep aside a percentage of the net profits to form a consensual reserve to support the financial position of the Company.
- C. The Ordinary General Assembly may resolve to form any other reserve to the extent that it achieves the Company’s interest or ensures the

distribution of fixed profits as much as possible to the shareholders. The aforementioned Assembly may also deduct provisions from the net profits to establish social institutions for the Company’s employees or to help the existing ones.

- D. Thereafter, 5% of the paid-up capital of the Company may then be distributed to the shareholders.
- E. Subject to the provisions stipulated in Article 22 of the Company’s Articles of Association and Article 76 of the Companies’ Law, a percentage of no more than 5% of the remainder shall be allocated as remuneration to the members of the Board of Directors provided that the payment of this remuneration is proportional to the number of sessions every member attends.
- F. The remainder may then be distributed to the shareholders as an additional dividend. The Board of Directors, after obtaining an annually renewed authorization from the Ordinary General Assembly, may distribute interim dividends to the Company’s shareholders on a semi-annual or quarterly basis, as per the controls of the competent authority.

Proposal to distribute the net profit for the year ended December 2023

Statement	₺
Balance at 1 January 2024	(1,403,902,766)
Add	
Profit / (loss) for the year	(203,538,577)
Other comprehensive (loss) / income	507,614
Capital reduction	--
Deduct	--
Statutory reserve (10%)	--
Proposed dividends of ₺ per share	--
Balance at 31 December 2024	(1,606,933,730)

A Description of Interests in the Category of Voting Shares

There are no interests in the category of voting shares.

Description of Interests, Rights of Option and Subscription Rights of Members of the Board of Directors, Senior Executives, their Spouses and Minors in Shares and Debt Instruments Issued by the Company or its Subsidiaries

There are no interests, option rights or subscription rights belonging to any of the members of the Board of Directors, the Company’s Senior Executives, their spouses or their minor children in shares or debt instruments issued by the Company or its subsidiaries, other than what is mentioned regarding the members of the Board of Directors in section 12.5 of this report.

Loans Against the Company and its Subsidiaries and the Amounts Paid During the Year

During 2024, the international subsidiary obtained three credit facilities amounting to ₺ 38.1 million. ₺ 22 million was obtained for working capital facility in their local currency, to support the operations in the country. ₺ 8.6 million was a loan obtained from another country with repayment terms of 18 months.

Another international subsidiary obtained a loan from an affiliate of the non-controlling shareholder amounting to ₺ 7.5 million. The purpose of providing the loan amount is to ensure the ongoing operations of the Company in relation to the retail stores, as well as the conclusion, execution and payment of supply contracts in the development of these brands and stores. The details of these loans are as follows:

Creditor	Loan Term	Loan Principal	Loan Amounts Withdrawn during the Year	Settlement of Loans during the Year	Loan Balance as of 31 December 2024
National Commercial Bank	84 months	2,081,322,216	-	(593,936,188)	1,487,386,028
Riyad Bank	36 months	150,000,000	300,000,000	(300,000,000)	150,000,000
SABB Bank	LC Refinance	8,891,695	7,242,955	(16,134,651)	-
ANB Bank	LC Refinance	44,630,769	109,871,458	(154,502,228)	-
Bank of Georgia	48 months	93,700,166	-	(27,147,030)	118,537,406
TBC Bank	30 months	51,984,270	-		
Bank of Georgia	LC Refinance	8,297,297	-	(466,493)	7,830,804
TBC Bank	LC Refinance	33,811,484	-	(1,900,959)	31,910,525
Pasha Bank	18 months	22,630,511	-	(7,327,391)	5,303,120
Metropol Group	24 months	-	7,449,031	-	7,449,031
SQB Bank	18 months	-	8,678,947	(2,397,711)	6,281,236
Bank Al Etihad – Jordan	LC Refinance	11,502,367	27,677,669	(33,348,928)	5,831,109
Pasha Bank-Azerbaijan	LC Refinance	-	22,000,000	89,684	22,089,684
Total		2,506,770,775	482,920,060	(1,147,071,895)	1,842,618,943

Description of Convertible Debenture

There is no convertible debenture issued by the Company.

Description of Transfer or Subscription Rights

There are no transfer or subscription rights issued by the Company.

Description of Recovered or Canceled Debt Instruments of the Company and its Subsidiaries

There are no redeemed or canceled debt instruments of the Company and its subsidiaries.

Composition of the Board of Directors and Classification of its Members

Name	Nationality	Capacity	Membership Status
Fawaz Bin Abdulaziz Alhokair	Saudi	Chairman	Non-Executive
Dr. Abdulmajid Bin Abdulaziz Alhokair	Saudi	Vice Chairman	Non-Executive
Abdulmajid Bin Abdullah Albasri	Saudi	Member	Non-Executive
Ahmed Bin Saleh Alsultan	Saudi	Member	Non-Executive
Abdulrahman Bin Mohammed Alanqari	Saudi	Member	Independent
Ahmed Bin Mohammed AlAlsheikh	Saudi	Member	Independent
Bander Sulaiman Alghofais*	Saudi	Member	Independent
Mansour Bin Saad Alajlan	Saudi	Member	Independent
Ahmed Badawi Naif Shaheen	Saudi	Member	Independent

* Resigned on 6 May 2024



Board of Directors

Experience and Academic Qualifications of Board Members

Fawaz Bin Abdulaziz Alhokair
Chairman of the Board of Directors
Fawaz Al Hokair Company

Qualification <ul style="list-style-type: none">Bachelor’s degree in Economics and AccountingPhD in Economics and Accounting – Loughborough University, UK	Areas of expertise <ul style="list-style-type: none">Supervising the management of Fawaz Abdul Aziz Al Hokair & Partners Real Estate CompanyChairman of the Board of Directors of Arabian Centers Company
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Dr. Abdulmajid Bin Abdulaziz Alhokair
Member of the Board of Directors
Fawaz Al Hokair Company

Qualification <ul style="list-style-type: none">Bachelor’s degree in Medicine and Surgery – King Saud University, KSA	Areas of expertise <ul style="list-style-type: none">Apparel, retail and food industries Previous role <ul style="list-style-type: none">Chairman of the Board of Directors - Fawaz Al Hokair Co.
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Abdulmajid Bin Abdullah Albasri
Chief Financial Officer
FAS Group

Qualification <ul style="list-style-type: none">Master’s degree in Applied Financial Mathematics – University of Connecticut, USAMaster’s degree in Economics – University of Connecticut, USABachelor’s degree in Finance – James Madison University, USA	Areas of expertise <ul style="list-style-type: none">Head of Treasury - Fawaz Abdul Aziz Al Hokair & Partners GroupPortfolio Manager - Samba Capital Auditor, Aldar Audit Office Previous role <ul style="list-style-type: none">Head of Treasury - Almarai Company
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Ahmed Bin Saleh Alsultan
Chief Executive Officer
Alsaif Gallery

Qualification <ul style="list-style-type: none">Master’s degree in Business Administration – Brunel University, UKBachelor’s degree in FinanceMaster’s degree in Management – Qassim University, KSA	Areas of expertise <ul style="list-style-type: none">Operations Manager NESG - Commercial Projects CompanyExecutive Vice President - NESG Commercial Projects CompanyChief Executive Officer - Thobe Al Aseel Company Previous role <ul style="list-style-type: none">Chief Executive Officer - Thobe Al Aseel Company
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Abdulrahman Bin Mohammed Alanqari

Qualification

- PHD in Architecture

Areas of expertise

- Member of the Board of Directors and Chairman of the Nominations Committee - Saudi Finance Company

Previous role

- Vice Chairman of the Board of Directors and Chairman of the Audit Committee - Arab Insurance Company

Ahmed Bin Mohammed AlAlsheikh

Chairman
Ahmed Al Sheikh Company

Qualification

- Bachelor's degree in Sociology

Areas of expertise

- Chairman - Ahmed Al Sheikh Company

Previous role

- Founder and Chairman - Wahba Company

Bander Sulaiman Alghofais*

Chief Executive Officer
Madad Business Information Systems Technology Company

Qualification

- Master's degree in Computer Science
- Bachelor's degree in Computer Science

Areas of expertise

- Director General of Information Technology Governance - General Organization for Social Insurance
- Director of Business Intelligence and Databases - General Organization for Social Insurance Saudi Finance Company

Previous role

- Director General of Digital Transformation - Human Resources Development Fund

* Resigned on 6 May 2024

Mansour Bin Saad Alajlan

Qualification

- Bachelor's degree in Science

Areas of expertise

- Executive Director - Arab Towns Company
- Executive Vice President - Saudi Lebanese Construction Company
- Executive Director - Fawaz Abdulaziz Al Hokair & Partners Company

Previous role

- Executive Vice President - Asal Company

Ahmed Badawi Naif Shaheen

Managing Director
Al Shaheen Metallurgical Industries Company

Areas of expertise

- Managing Director - Arab International Appliances Company

Previous role

- Founding Partner - Nabaa Bisan Company

Names of companies inside or outside the Kingdom for which a member of the Company's Board of Directors is a member of its current and previous Boards of Directors or one of its managers

Member Name	Names of Companies where a Member of the Board of Directors is a Current Member of the Board of Directors or one of their Managers Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed shareholding/ unlisted/ limited liability)	Names of Companies where a Member of the Board of Directors is a Previous Member of the Board of Directors or one of their Managers Inside the Kingdom/ Outside the Kingdom	Legal Entity (listed shareholding/ unlisted/ limited liability)		
Fawaz Bin Abdulaziz Alhokair	FAS Saudi Holding Company	Inside the Kingdom	Closed joint stock	Azizia Panda United Company	Inside the Kingdom	Closed joint stock
	Saudi Medical Company	Inside the Kingdom	Closed joint stock			
	Arabian Centers Company	Inside the Kingdom	Listed joint stock			
	FAS Saudi Holding Company	Inside the Kingdom	Limited liability			
	Downtown Saudi Company	Inside the Kingdom	Limited liability			
	Muvi Cinemas Company	Inside the Kingdom	Closed joint stock			
	Star Energy Company	Inside the Kingdom	Limited liability			
	Al Farida First Properties	Inside the Kingdom	Limited liability			
	Emaar Mixers	Inside the Kingdom	Limited liability			
Dr. Abdulmajid Bin Abdulaziz Alhokair	FAS Saudi Holding Company	Inside the Kingdom	Closed joint stock	Fas Construction Company	Inside the Kingdom	Limited liability
	Saudi Medical Company	Inside the Kingdom	Unlisted joint stock	Abdul Majeed Abdul Aziz Al Hokair & Sons Holding Company	Inside the Kingdom	Limited liability
Abdulmajid Bin Abdullah Albasri	Arabian Centers	Inside the Kingdom	Listed joint stock			
Abdulahman Bin Mohammed Alanqari	Saudi Financing Company	Inside the Kingdom	Closed joint stock			
Ahmed Bin Mohammed AlAlsheikh	None					
Bander Sulaiman Alghofais*	None					
Mansour Bin Saad Alajlan	None					
Ahmed Badawi Naif Shaheen	Al-Shaheen Metallurgical Industries Company	Inside the Kingdom	Closed joint stock	Riyadh National Recruitment Company	Inside the Kingdom	Closed joint stock

* Resigned on 6 May 2024

Board meetings

The Board of Directors held four meetings during the year to discuss issues related to the financial year ended on 31 December 2024. The following table shows the details of the sessions and attendees:

Name	13 Feb 2024	01 May 2024	20 Aug 2024	30 Dec 2024	Total	Attendance Rate
Fawaz Bin Abdulaziz Alhokair	Attended	Attended	Attended	Did not attend	3	75%
Dr. Abdulmajid Bin Abdulaziz Alhokair	Attended	Attended	Attended	Attended	4	100%
Abdulmajid Bin Abdullah Albasri	Attended	Attended	Attended	Attended	4	100%
Ahmed Bin Saleh Alsultan	Attended	Attended	Attended	Attended	4	100%
Abdulrahman Bin Mohammed Alanqari	Attended	Attended	Attended	Attended	4	100%
Ahmed Bin Mohammed AlAlsheikh	Attended	Attended	Attended	Attended	4	100%
Bander Sulaiman Alghofais*	Attended	His membership ended			1	100%
Mansour Bin Saad Alajlan	Attended	Attended	Attended	Attended	4	100%
Ahmed Badawi Naif Shaheen	Attended	Attended	Did not attend	Did not attend	2	50%

* Resigned on 6 May 2024

The interests and rights of the members of the Board of Directors, their spouses and their minors

Name	Number of Shares at the Beginning of the Year	Ownership Percentage at the Beginning of the Year	Net Change in the Number of Shares During the Year	Percentage Change During the Year	Total Number of Shares at the End of the Year	Ownership Percentage at the End of the Year
Fawaz Bin Abdulaziz Alhokair	3,574,158	3.11	780,000	0.68	4,354,158	3.79
Abdulmajid Abdulaziz Alhokair	6,253,160	5.45	-	-	6,253,160	5.45
Ahmed Bin Saleh Alsultan	-	-	-	-	-	-
Abdulmajid Bin Abdullah Albasri	-	-	-	-	-	-
Abdulrahman Bin Mohammed Alanqari **	13,004	0.01	-	-	13,004	0.01
Ahmed Bin Mohammed AlAlsheikh**	1,000	0.001	-	-	1,000	0.001
Bander Sulaiman Alghofais**	1,000	0.001	-	-	1,000	0.001
Mansour Bin Saad Alajlan**	-	-	-	-	-	-
Ahmed Badawi Naif Shaheen**	-	-	-	-	-	-

* Resigned on 6 May 2024

Other than what was included in the previous table, there is no interest, selection rights or subscription rights belonging to any of the members of the Board of Directors, their spouses or their minor children in the shares or debt instruments of the Company or any of its subsidiaries.

Board of Directors’ actions to inform its members of shareholders’ proposals

The Board of Directors provides all members, especially Non-Executives, with legal documents, financial reports, activity follow-up reports, future expansion studies and Board reports, as well as rules, procedures, policies and internal regulations that enable them to carry out their duties and discharge their responsibilities adequately, including being aware of the shareholders’ proposals and remarks regarding the Company and its performance.

Additionally, a mechanism has been created for the Shareholder Affairs Department to deal with proposals and observations received from the shareholders.

Means of the Board of Directors to evaluate its performance and the performance of its members and sub-committees

The Board of Directors relied on the procedures set out in the Board’s work regulations and the work regulations of the sub-committees to evaluate the annual performance of the Board members and its sub-committees through the self-evaluation forms.

Board committees

The Company’s Board of Directors has three sub-committees: The Audit Committee, the Nomination and Remuneration Committee and the Executive Committee, which are described below.

Audit Committee

The Audit Committee was formed by a decision of the Board of Directors consisting of three members, including a member specializing in financial and accounting affairs, and an Independent Board member.

The tasks and responsibilities of the Audit Committee are summarized as follows:

1. Supervising the management of Internal Audit to ensure its effectiveness in implementing the tasks and activities defined by the accounting policies approved by the Board of Directors and relevant authorities.

2. Studying internal audit reports and monitoring the implementation of corrective actions for the observations mentioned therein.
3. Presenting recommendations to the General Assembly for the appointment of external auditors, terminating their engagement, determining their fees, ensuring their independence and monitoring their activities, including reviewing and approving the audit plan with the external auditor.
4. Studying the external auditor’s observations on the Company’s financial statements and following up on actions taken, along with reviewing the quarterly and annual financial statements before presenting them to the Board of Directors, providing opinions and making recommendations regarding them.
5. The full responsibility for the accuracy of the financial data lies with the executive management, while the responsibility of the Audit Committee is limited to providing an independent opinion based on the information presented to it by the Company’s management, Internal Audit management and external auditors.
6. Evaluating the effectiveness of the Company’s risk assessment of significant risks and the steps taken by the Company’s management to monitor and address these risks and providing opinions and recommendations to the Board of Directors regarding them.
7. Issuing an Annual Report to the General Assembly that includes details of the Committee’s performance regarding its duties and responsibilities as stipulated in the Company’s Law and its Executive regulations. The report should include the Committee’s recommendations and opinions on the effectiveness of the Company’s internal control and financial systems, as well as its risk management systems.
8. Providing an Annual Report to the shareholders that clarifies the role and responsibilities of the Committee, along with any other information required by the relevant official authorities.

Members of the Audit Committee

Name	Title
Dr. Abdulrahman Bin Mohammed Alanqari	Chairman of the Committee (from 5 September 2023, until present)
Ahmed Bin Saleh Alsultan	Committee member (from 5 September 2023, until present)
Zaki Abdullah Alawami	Committee member (from 5 September 2023, until present)

Schedule of meetings for Audit Committee members

Nine meetings of the Audit Committee were held during the period from 1 January 2024 to 31 December 2024, as follows:

Meeting Number	Date	Abdulrahman Bin Mohammed Alanqari	Ahmed Bin Saleh Alsultan	Zaki Abdullah Alawami
1	15 January 2024	Attended	Attended	Attended
2	14 February 2024	Attended	Attended	Attended
3	27 March 2024	Attended	Attended	Attended
4	14 May 2024	Attended	Attended	Attended
5	03 July 2024	Attended	Attended	Attended
6	05 August 2024	Attended	Attended	Attended
7	16 September 2024	Attended	Attended	Attended
8	30 October 2024	Attended	Attended	Attended
9	04 November 2024	Attended	Attended	Attended
Total Attendance of Meetings for each Member		9	9	9

Completed Committee tasks

- Recommendation to the Board of Directors and General Assembly to appoint the external auditor BDO to audit the Company’s financial statements for the fiscal year ended 31 December 2024.
- Audit of the Company’s annual and quarterly financial statements and provide recommendations to the Board for approval based on the external auditor’s advice.
- Reviewing and approving the annual plan, annual evaluation, increases and bonuses for the Internal Audit management.
- Reviewing and approving the charter, guide and protocols of Internal Audit.
- Reviewing the Annual Report of internal audit and monitoring the implementation of Internal Audit findings and recommendations.

Further details about the Committee’s tasks will be presented in the Committee’s annual report to the General Assembly.

Internal Audit management

The Internal Audit management, in collaboration with Crowe, is responsible for internal auditing tasks across various departments of the Company. As part of the implementation of Internal Audit services, it adheres to the following:

- Conducting audits in accordance with the professional standards established by the Institute of Internal Auditors.
- Upholding independence, objectivity and adhering to the highest standards of fairness, integrity and compliance with the Professional Code of Conduct set forth by the Institute of Internal Auditors.
- Maintaining good relationships with fellow auditors characterized by open communication, trust, mutual respect and professionalism, while maintaining a high level of performance and time management.
- Encouraging teamwork and creativity. Achieving continuous professional improvement through

obtaining professional certifications and educational goals in the professional field. Conducting comprehensive audits to provide a reasonable level of assurance.

5. Working on developing management professionally to match the size of the Company’s operations and the seriousness towards localizing the necessary expertise for it.

audit process more effective and efficient.

5. Striving to be leaders in the professional practice of internal auditing in the Kingdom of Saudi Arabia.

6. Developing and implementing a risk-based sampling and testing approach to determine whether the most important internal controls are well-designed and operating as intended.

Scope of work of Internal Audit management

- Preparation of the annual internal audit plan based on the risks identified during risk assessment, verified for accuracy by management and prioritizing limited resources. The audit plan is organized over a three-year period, with a mix of internal audit tasks each year based on risk assessment, aiding compliance, providing necessary consulting services and continuous monitoring and follow-up.
- Assisting management in achieving its objectives and goals by striving to positively impact the efficiency and effectiveness of operations.
- Continuing to affirm professionalism, competence and a positive attitude.
- Continuously leveraging evolving audit methodologies and technologies to make the

Supervision of the Audit Committee

The Audit Committee periodically oversees the internal audit activities and regularly reviews its reports. To ensure the independence of the internal audit, the Head of Internal Audit submits technical, professional and administrative reports to the Audit Committee, without any intervention from Company managers in internal audit affairs. The Internal Audit Department does not assume any direct operational responsibility in any of the areas or activities under review. It is the responsibility of the Head of Internal Audit to annually confirm to the Audit Committee the independence of the Internal Audit management.

The Internal Audit management provides the Audit Committee with a summarized report on weaknesses in internal controls, limited scope, best practices and areas for improvement on a quarterly basis, following the framework of international professional practices set by the Institute of Internal Auditors. This aims to enhance the existing internal control framework.

Nomination and Remuneration Committee

At the Board of Directors meeting on 5 September 2023, it was decided to approve the appointment of members of the Nomination and Remuneration Committee for the new session, which ends on 11 August 2026, as follows:

Members	Nationality	Capacity	Membership Status
Bander Sulaiman Alghofais*	Saudi	Chairman*	Independent
Mansour Bin Saad Alajlan**	Saudi	Chairman**	Independent
Abdulmajid Bin Abdullah Albasri	Saudi	Member	Non-Executive
Ahmed Bin Mohammed AlAlsheikh***	Saudi	Member	Independent

* Resigned on 06 May 2024

** Appointed as Chairman on 31 July 2024

*** Appointed as a member on 31 July 2024

Tasks and responsibilities of the Nomination and Remuneration Committee

The main task of the Nomination and Remuneration Committee is to identify qualified individuals and candidates to be members of the Board of Directors who meet the necessary requirements for membership, as well as to assist the Board of Directors in establishing a sound system and building the necessary policies and procedures in this regard.

The following highlights the ordinary activities carried out by the Committee to discharge its responsibilities. It is a rule of thumb that in addition to such activities, the Committee may assume further roles and approve other policies and procedures that address the commercial, legislative, regulatory and legal changes. Furthermore, the Committee may shoulder other responsibilities related to the Committee's purposes as they may be, from time to time, assigned by the Board of Directors:

1. The Committee shall be responsible for laying out policies and practices of compensation and remuneration of the Company staff including the members of the Board of Directors.
2. The Committee shall nominate the individuals qualified for Board membership and make recommendations to the Board on candidates in accordance with definite policies and standards. The Committee shall further submit candidate recommendations to be appointed by the Board in the event of a vacant position (or in the case of expanding the Board).
3. Proposing definitive policies and standards that control the membership of the Board of Directors and the executive management.
4. Preparing a description of capabilities and qualifications for members of the Board and roles of the executive management.
5. Identifying the amount of time to be allocated by the members for the Board activities and functions.
6. On nomination, the Committee shall consider any factors it deems appropriate including discretion, adeptness, diversity and expertise. Additionally, the Committee ensures that the candidate has not previously been convicted of a moral turpitude crime. The Committee shall,

at its sole discretion, review the candidates nominated by the shareholders or the Company's management.

7. The Committee reviews the formation of every Board sub-committee and submits its recommendation of appointment of the committee members to the Board.
8. The Committee may recommend adding members to the committees to fill vacant positions when required.
9. The Committee shall annually review the capabilities and expertise required for Board membership and the functions of the executive management.
10. The Committee shall periodically review the structures of the Board and executive management and make recommendations on the changes required in this regard.
11. Ensuring, on an annual basis, the independence of the Independent members, and the absence of any conflict of interest if the member is a member of the Board of Directors of another company.
12. Developing a job description for the Executive, Non-Executive and Independent members as well as senior executives.
13. The Committee shall assist the Board of Directors with selecting and assessing the candidates nominated for the executive management positions including the Chief Executive Officer, and with supervising the succession plans of executive managers.
14. The Committee shall annually assess the overall performance of the Board of Directors and make the required arrangements for the Board to assess its own performance.
15. The Committee shall establish definite policy organizing the remunerations of the members of the Board, its sub-committees and the executive management. The policy shall be submitted to the Board for review before being approved by the General Assembly. The policy shall apply, disclose and verify the execution of performance-related standards.
16. The Committee shall be directly responsible

for reviewing and approving the Company's objectives associated with the remuneration of the Chief Executive Officer, which will act as the parameters to measure the Chief Executive Officer's performance on an annual basis. In the event of long-term incentives, the Committee shall consider factors including outcomes of the Company's activities, the relative return to shareholders, and the similar incentive amounts received by Chief Executive Officers of similar companies.

17. The Committee shall submit its recommendations on the remunerations of the members of the Board, its sub-committees and the executive managers, and on plans of incentives and shareholding.
18. The Committee shall review the compensation and remuneration system including incentives, end of service benefits, pension plans and benefits of employees other than Directors and senior executives. The system shall be aligned with the Company's human resources strategy.
19. The Committee shall conduct a periodic review of the Company's plans related to recruiting, developing, promoting and retaining employees. Such plans shall be in line with the Company's human resource strategy.

20. The Committee shall prepare and issue an Annual Report of the remunerations of the Board members and executive managers as well as other reports as may be required by the related laws and regulations. The report shall account for the relation between the paid remuneration and the applicable award policy while stating any material deviation from the mentioned policy.
21. The Committee shall periodically review the remuneration policy and assess its effectiveness in delivering its objectives.
22. The Committee shall evaluate its own performance on an annual basis and submit the results to the Board of Directors. The evaluation shall include performance levels and the observation by each member of the Committee's activities and responsibilities.
23. The Committee periodically reviews and re-evaluates the adequacy of these regulations and submits its recommendations to the Board of Directors on amendments it deems necessary or required. The Committee shall conduct such reviews and assessments in the manner it deems appropriate.

Schedule of meetings of the Nomination and Remuneration Committee members

Five meetings of the Nomination and Remuneration Committee were held during the period from 1 January 2024 to 31 December 2024, as follows:

Members	13 Feb 2024	20 Feb 2024	10 Sep 2024	20 Oct 2024	05 Dec 2024	Attendance Rate
Bander Sulaiman Alghofais	Attended	Attended	His membership ended			100%
Mansour Bin Saad Alajlan	Attended	Attended	Attended	Attended	Attended	100%
Ahmed Bin Mohammed AlAlsheikh	His membership had not started		Attended	Attended	Attended	100%
Abdulgajid Bin Abdullah Albasri	Attended	Attended	Attended	Attended	Attended	100%

Executive Committee

On 17 November 2023, it was decided to approve the appointment of members of the Executive Committee for the new session, which ends on 11 August 2026, as follows:

Members	Nationality	Membership Status	Membership Category
Mohamed Rafiq Murad	Lebanese	Chairman	Out of Board
Dr. Abdulgajid Bin Abdulaziz Alhokair	Saudi	Member	Non-Executive
Abdulgajid Bin Abdullah Albasri	Saudi	Member	Non-Executive
Wassim Kabbara	Lebanese	Member	Out of Board

Experience of Executive Committee members from out of Board

Name	Qualifications	Areas of Expertise	Current Role	Previous role
Mohamed Rafiq Murad	Master's degree in Executive Business Administration - The Business School for the World (INSEAD)	Member of the Investment and Audit Committee - Emaar Group Company	Managing Director and Chief Executive Officer - Arabian Centers Company	Vice President - International Partners, San Francisco
	Bachelor's degree in Economics/Business Administration - Lebanese American University, Lebanon	Member of the Investment Committee - Middle East Project Partners		
		Director of Business Development for Emerging Markets, YouTube - Google Company		
		Director and Consultant of Strategy (Dubai/Riyadh) - Bose Corporation		
		Director of Business Development, MENA and Turkey (Dubai/Jeddah) - Mars Company		
		Regional Manager (Lagos/ Nigeria) - Radioactive Engineering		
Wassim Kabbara	Bachelor's degree in Commerce	Global Director of Product Partnerships - YouTube	Group Chief Operating Officer - Cenomi Group	Global Director and Head of Product Partnerships - Instacart
		Regional Sales Director - Google		
		Strategy Associate - Strategy &		

B. Functions of the Executive Committee

In addition to the functions and roles of the Executive Committee stipulated in the Governance Regulations, the Committee may take any action conducive to realizing its goals and discharging its responsibilities, including the following:

1. Reviewing the Company's strategic and operational plans and making comments and recommendations before being submitted the Board of Directors.

2. Reviewing feasibility studies of new investment projects and making recommendations.
3. Reviewing and initially approving the key issues that need to be decided by the Board of Directors.

4. Making decisions on issues referred to the Committee by the Board which fall outside the purview of the Company's Managing Director and the Chief Executive Officer. Such issues may include investments, human resources, compensations, IT, capital expenses, procurements and other issues within the limits of the Committee.

5. Setting the Company's investment policies and objectives including:

- The assets eligible for investment in accordance with the applicable laws

• Determining the types of assets

• The long-term policies and objectives related to investments, risk tolerance levels, varied assets, investment currencies and choosing between domestic and international investment

• Identifying arrangements of investment man- agements and trusteeships

• Appointing and periodically assessing managers and trustees of investment portfolios

• Setting the mechanisms and periodic cycles of performance assessment

• Approving investment operations of all types in line with the specific investment policy. The Committee may, within certain financial limits, delegate its approval powers to the Chief Exec- utive Officer/Chief Financial Officer to exercise such powers jointly or separately

• Reviewing the Company's investment policy in light of performance assessment

• Evaluating investment outcomes to assess the feasibility of the executed investment strate- gies. The Committee presents a report to the Board of Directors on the investment outcomes and ensures that the investment policy and key guidelines are observed

6. Concluding short and long-term investment agreements, credit and loan agreements within the limits of its powers.

7. Following up on the implementation and development of the Company's organizational structures and making decisions that ensure speedy implementation and development.

8. Reviewing the administrative regulations with the Company's management to make decisions that enable the management to put such regulations into practice.

9. Communicating with senior officials in government and the private sector to overcome difficulties encountered with the Company's business and explain its programs to the officials.
10. Reviewing and following up the implementation of all the Company's projects, making decisions within the Committee's powers, discussing the obstacles encountered in implementing the various projects, clarifying their causes and how to address them, and recommending appropriate solutions to them.

11. Evaluating designs and technical specifications and making appropriate recommendations.

12. Making the appropriate decisions regarding the topics that the Board of Directors delegates to the Committee to discuss and review and making the right decisions on them.

13. Taking any action that would advance the Company's business and achieve its objectives within the rules, regulations and decisions issued by the Board.

14. Carrying out purchases and acquisitions of existing or future projects within its powers.

15. Studying the proposals submitted by the Company's management in favor of achieving the Company's objectives or advancing its administrative, financial and operational work, and making decisions that enable the executive management to speed up implementation or submitting such proposals to the Board as the Committee deems necessary.

16. Carrying out the tasks referred to the Board or its Chairman for review or implementation.

Schedule of meetings of the Executive Committee members

Seven meetings of the Executive Committee were held during the period from 1 January 2024 to 31 December 2024, as follows:

Members	08 Jan 2024	05 Feb 2024	06 Mar 2024	03 Apr 2024	08 May 2024	05 Jun 2024	10 Jul 2024	Attendance Rate
Mohamed Rafiq Murad	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%
Dr. Abdulmajid Bin Abdulaziz Alhokair	Did not attend	Did not attend	Did not attend	Did not attend	Did not attend	Did not attend	Attended	14%
Abdulmajid Bin Abdullah Albasri	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%
Wassim Kabbara	Attended	Attended	Attended	Attended	Attended	Attended	Attended	100%

Contracts in which there are Interests of Board Members and Senior Executives

The Company is an affiliate of Fawaz Abdul Aziz Al Hokair & Partners Group (the “Group”), and it is engaged in contracts with the Group companies. Such contracts include lease agreements for a number of shops with the Arabian Centers Company. Accordingly, the Company obtained competitive rental values for similar market prices in proportion to the Company’s business volume in the Saudi market, in addition to its privileged locations in the finest commercial centers and malls in various parts of the Kingdom. The locations include Dhahran Mall, Khurais Plaza, Sahara Plaza Commercial Center, Al Salam Mall, Mall of Arabia, Al Nakheel Plaza Mall, Aziz Mall, Al Noor Mall and others.

In addition, here are contracts for establishing, equipping and modifying the decorations of the sales shops with Fawaz Abdulaziz Al Hokair & Partners

Real Estate Company. By virtue of such contracts, the Company utilized the Group’s experience in this field to ensure implementation at a level consistent with the requirements of international commercial agencies and speed of implementation. It is in the interest of the Company and in support of its activities to continue with these transactions.

During the fiscal year ending on 31 December 2024, the transactions with related parties were as follows:

- An amount of ﷲ 56 million, the value of rents paid to Arabian Centers Company owned by FAS Holding Company, which is owned directly and indirectly by: Fawaz Bin Abdulaziz Alhokair, Salman Bin Abdulaziz Alhokair and Abdulmajid Bin Abdulaziz Alhokair. At the end of the year, there were 310 shops rented from Arabian Centers Company, as follows:

Total	Duration of the Contract	Number of Rented Shops in the Mall	City	Name of the Mall
16	2 years	1	Medina	Al Noor Mall
	3 years	10		
	5 years	4		
	10 years	1		
14	1 year	2	Jeddah	Aziz Mall
	2 years	1		
	3 years	10		
	5 years	1		
1	3 years	1	Hofuf	Al Ahsa Mall
10	1 year	1		
	2 years	1		
	3 years	3		
	5 years	4		
	10 years	1		

Total	Duration of the Contract	Number of Rented Shops in the Mall	City	Name of the Mall
4	3 years	4	Jeddah	Haifa Mall
14	1 year	1	Jeddah	Jeddah Park
	3 years	12		
	7 years	1		
18	1 year	1	Taif	Jouri Mall
	2 years	3		
	3 years	14		
7	2 years	1	Jubail	Jubail Mall
	3 years	6		
17	2 years	1	Makkah	Mecca Mall
	3 years	15		
	5 years	1		
28	1 year	2	Jeddah	Mall of Arabia
	2 years	1		
	3 years	18		
	5 years	6		
	7 years	1		
20	1 year	1	Dammam	Mall of Dhahran
	2 years	9		
	3 years	9		
	5 years	1		
4	5 years	4	Riyadh	Meem Plaza
23	2 years	2	Dammam	Nakheel Mall
	3 years	5		
	5 years	14		
	10 years	2		
5	3 years	5	Qassim	Nakheel Plaza
1	3 years	1	Riyadh	Riyadh Park Mall
14	1 year	1	Jeddah	Al Salaam Mall
	3 years	13		
11	1 year	1	Riyadh	Salaam Mall
	3 years	7		
	5 years	2		
7	6 years	1	Riyadh	Tala Mall
	3 years	7		
17	2 years	3	Riyadh	The View Mall
	3 years	1		
	5 years	12		
	10 years	1		

Total	Duration of the Contract	Number of Rented Shops in the Mall	City	Name of the Mall
31	1 year	3	Riyadh	Al Nakheel Mall
	2 years	2		
	3 years	20		
	5 years	4		
	6 years	1		
16	10 years	1	Jeddah	Jasmine Mall
	1 year	2		
	2 years	1		
	3 years	12		
19	5 years	1	Riyadh	Al Hamra Mall
	2 years	3		
	3 years	14		
6	5 years	2	Riyadh	U Walk
	2 years	1		
	3 years	2		
	5 years	2		
7	10 years	1	Jeddah	U Walk
	5 years	6		
	10 years	1		
310		310		Total

Rent paid in favor of the Egyptian Centers Company owned by Fawaz Bin Abdulaziz Alhokair, Salman Bin Abdulaziz Alhokair and Abdulmajid Abdulaziz Alhokair. The total number of four shops are rented from the Egyptian Centers Company in its own Mall of Arabia located in the 6th of October City in Cairo in the Arab Republic of Egypt. The duration of this transaction is one year.

An amount of ﷲ 0.7 million, the value of printing and advertising costs, paid to Hagen Co., Ltd., in which FAS Holding Co. is a shareholder.

Training costs of ﷲ 4.08 million was paid to Cenomi Academy for the training of retail employees.

It should be noted that all these transactions were carried out considering competitive and fair prices. The balances due to the related companies as on 31December 2024 was as follows (the figures are rounded):

The Company's Name	Balance Type	Balance as at 31 March 2024 (ﷲ million)	Balance as at 31 December 2023 (ﷲ million)
Arabian Centers Company	Debit/ Credit	(443.38)	(207.88)
Food and Entertainment	Debit/ Credit	14.63	14.63
Wonderful Meals Co. Ltd	Debit/ Credit	(9.71)	(10.73)
Hagen Company Ltd.	Debit/ Credit	(0.152)	(0.36)
FAS Saudi Holding Co.	Debit/ Credit	-	-
AlFaridah Trading Agencies Ltd.	Debit/ Credit	-	16.79
Cenomi Academy	Debit/ Credit	0.7	-
Metropol Group - Uzbekistan	Debit/ Credit	(7.2)	-

Board Members’ Remuneration Paid in 2024

	A Specified Amount	Allowance for Attending Board Sessions	Total Allowance for Attending Board Sessions	In-kind Benefits	Rewards for Technical, Administrative and Advisory Work	Remunerations of the Chairman, Managing Director or Secretary, if they are Members	Total	Percentage of Profits Regular Rewards	Long- term Motivational Plans Shares Granted (Value is entered)	Total	Grand Total
Eid Faleh Al Shamry*	117,000	15,000					132,000				132,000
Khaled Waleed Al-Shakhshir*	117,000	15,000					132,000				132,000
Basem Abdullah Al-Salloum*	117,000	15,000					132,000				132,000
Ahmed Bin Saleh Alsultan***	200,000	60,000					260,000				260,000
Abdulrahman Bin Mohammed Alanqari**	83,000	45,000					128,000				128,000
Bander Suliman Alghofees**	83,000	45,000					128,000				128,000
Mansour Bin Saad Alajlan**	83,000	45,000					128,000				128,000
Ahmed Bin Mohammed Alsheikh	83,000	45,000					128,000				128,000
Total	883,000	270,000					1,168,000				1,168,000
Fawaz Bin Abdulaziz Alhokair***	200,000	30,000					230,000				230,000
Abdulmajid Bin Abdulaziz Alhokair***	200,000	60,000					260,000				260,000
Abdulmajid Bin Abdullah Albasri***	200,000	60,000					260,000				260,000
Omar Abdulaziz Al-Mohammadi*	117,000	0					117,000				117,000
Mohamed Rafiq Murad*	50,000	15,000					65,000				65,000
Total	767,000	165,000					932,000				932,000
Grand Total	1,650,000	450,000					2,100,000				2,100,000

* Previous BOD Session

** Current BOD Session

*** Previous and Current BOD Session

Remuneration of Committee Members

	Fixed Remuneration (except for the allowance for attending sessions)	Allowance for Attending Sessions	Total
Audit Committee Members			
Abdulrahman Bin Mohammed Alanqari**	41,666	60,000	101,666
Ahmed Bin Saleh Alsultan**	100,000	100,000	200,000
Zaki Abdullah Alawami **	41,666	60,000	101,666
1. Dr. Suleiman Abdullah Al-Sukran*	100,000	100,000	200,000
2. Eid Faleh Al Shamry*	58,333	10,000	68,333
3. Saad Ibrahim Al-Mushawah*	100,000	100,000	200,000
Total	357,998	430,000	730,000
Members of the Remuneration and Nomination Committee			
1. Khaled Waleed Al-Shakhshir*	43,750	15,000	58,750
2. Omar Abdulaziz Al-Mohammadi*	43,750	15,000	58,750
3. Abdulmajid Bin Abdullah Albasri ***	75,000	20,000	95,000
4. Bander Suliman Alghofees**	31,250	5,000	36,250
Mansour Bin Saad Alajlan**	31,250	5,000	36,250
Total	225,000	60,000	285,000
Members of the Executive Committee			
1. Dr. Abdulmajid Bin Abdulaziz Alhokair	75,000	5,000	80,000
2. Omar Abdulaziz Al-Mohammadi	0	5,000	5,000
3. Abdulmajid Bin Abdullah Albasri	75,000	15,000	90,000
4. Mohamed Rafiq Murad	43,750	15,000	58,750
Wassim Kabbara	31,250	10,000	41,250
Total	225,000	50,000	275,000

* Previous Committees Session
** Current Committees Session
*** Previous and Current Committees Session

Waiver of Rights to Salary, Compensation or Profits

The Company did not receive any waivers from any of the shareholders, senior executives or members of the Company's Board of Directors regarding any of their rights, whether in profits, salaries or compensation.

Salaries, Remuneration and Compensation of Senior Executives

	Fixed Rewards				Variable Rewards					Service Gratuity Total Executive Remuneration for the Board, if any Total Summation		
	Payroll	Allowances	In-kind Benefits	Total	Regular Rewards	Earnings	Short-term Incentive Plans	Granted Shares (Value is entered)	Total	End of Service Gratuity	Total Executive Remuneration for the Board, if any	Total Summation
CEO	3,351,812	1,109,327		4,461,139								4,461,139
CFO	2,400,000	740,628		3,140,628								3,140,628
CHRO	1,333,332	271,621		1,604,953								1,604,953
COO	900,000	91,677		991,677								991,677
Deputy CFO	1,800,000	511,952		2,311,952								2,311,952
Total	9,785,144	2,725,205		12,510,349								12,510,349

Experience and qualifications of senior executives

Name	Qualifications	Areas of Expertise	Current Role	Previous role
Salim Fakhori*	Master's degree in Business Administration	20 years of experience in apparel and finance	Chief Executive Officer	Chief of Fashion Sector - Azadea Holding Group
	Accounting and Auditing Diploma			
	Executive Management Program / Business Administration			
Ahmed AlBelbesy	CMA CFM	15 years of experience in retail sales	Finance	General Manager of Financial Affairs
Faisal Younes	Bachelor of Science in Business Management	Managing Partner and Member of the Board of Directors - Café Younes	Chief Executive Officer, Food & Beverages	Chief Executive Officer - Eathos LTD, DIFC
		Member of the Board of Directors - Eathos LTD (DIFC)		
		President F&B - Azadea Holding Group		
		Regional Manager - Starbucks Coffee, Alshaya		
Moneer Brembali	Bachelor of Science	More than 20 years of experience in human resources management	Chief Human Capital Officer	Chief Human Capital Officer - Emaar Economic City

* Appointed as acting Chief Executive Officer from 1 March 2024 and appointed as the Chief Executive Officer on 14 August 2024.

The relationship between the remuneration granted to members of the Board of Directors and executive management and the applicable remuneration policy, and statement of any material deviation from this policy

Remunerations are disbursed to members of the Board of Directors, members of the sub-committees and senior executives in accordance with the regulatory controls approved by the Board of Directors and as stipulated in the Company's Articles of Association approved by the General Assembly, as well as the remuneration policy based on the recommendation of the Nomination and Remuneration Committee.

Movement of Provision for Zakat and Income Tax	Legal Zakat	Income Tax	Custom	Total Zakat and Income Tax
Allocated balance on 1 January 2024	60,699,810	1,522,209	24,354,580	86,576,599
Allocated for the fiscal period ending on 31 December 2024	-	23,615,993	-	23,615,993
Paid during the fiscal period ending 31 December 2024	(22,716,533)	(25,233,589)	-	(47,950,122)
Changes in estimates of zakat and taxes related to prior years	31,652,065	-	5,334,330	36,986,395
Other liabilities	-	-	-	-
Provision balance on 31 December 2024	69,635,342	(95,387)	29,688,910	99,228,865

Based on the Company's management estimates, the provision for Shari'ah zakat and income tax is sufficient for the fiscal period ending on 31 December 2024.

Investments and Reserves created for the Benefit of Employees

There are no investments or reserves created for the benefit of employees, except for those prescribed by the labor system in the Kingdom of Saudi Arabia.

Acknowledgments of the Board of Directors

- That the account records are properly prepared.
- The internal controls were prepared on sound foundations and implemented effectively. (Some observations related to internal control were mentioned in the opinion of the Audit Committee on Internal Control)

Zakat and Income Tax

Tax position of foreign subsidiaries

The income tax returns for subsidiaries in Jordan, Egypt, Azerbaijan and Armenia have been filed for all years up to 31 December 2023 and for Georgia and Kazakhstan up to 31 December 2024.

At the end of the fiscal year ending on 31 December 2024, no zakat provision was required due to a negative zakat base. The Company formed a provision of ₪ 69.6 million in order to meet the Zakat until the fiscal year ending on 31 December 2024. The transactions conducted on the provision for Shari'ah Zakat and income tax during the fiscal year ending on 31 December 2024 are as follows:

- There is no doubt about the issuer's ability to continue its activity.
- The Company's consolidated financial statements have been prepared in accordance with the generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants, as well as international accounting standards.
- The Company or its subsidiaries have not issued any securities such as option shares or rights that can be converted into shares (convertible debentures).
- There are no voting shares.

- There are no outstanding loans during the year.
- There are no loans for any of the members of the Board of Directors.
- The Company has not concluded any transaction related to its shares.
- There were no transactions in the Company's shares with any member of the Board of Directors, or any member of their families other than those mentioned previously.
- The Company has not received any waiver of rights from any shareholder in the Company.
- There are no investments or other reserves created for the benefit of the Company's employees.
- Board members and senior executives of the Company do not have any rights or interests in the Company, except for the aforementioned transactions with related companies.

Penalties and Fines

The Capital Market Authority (CMA) announces the issuance of a CMA Board resolution to impose a fine of ₪ 20,000 on the Fawaz Abdulaziz Alhokair Co.

Board of Directors Proposals

- Approve the recommendation of the Board of Directors regarding the Company's continuation with the action to continue the sale of non-core brands.
- Approve to authorize the Board of Directors to take any other necessary actions to address the accumulated losses.

Auditor's Report

Material uncertainty related to going concern

We draw attention to Note (3-2) of the accompanying consolidated financial statements, which indicates that the Group incurred a net loss of ₪ 197 million for the year ended 31 December 2024, and as of that date it recorded accumulated losses of ₪ 1,607 million. In addition, the Group's current liabilities exceeded its current assets by ₪ 2,925 million as of 31 December 2024. These events or conditions, along with other matters as set forth in details in Note (3-2) of the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Corporate Governance and Internal Control System

Corporate governance

The Company continuously works to apply the best practices of governance that protect the rights of shareholders and stakeholders. The Company’s Board of Directors has set its priorities, at the top of which are listing the Company’s shares for trading on the financial market in the fiscal year 2006-2007 and

establishing and implementing a corporate governance system that complies with the requirements of the Corporate Governance Regulations issued for the Board of the Capital Market Authority.

The Company’s successive Boards of Directors have taken numerous measures and issued several policies in accordance with the supervisory framework and the rules of transparency and disclosure contained in the Corporate Governance Regulations issued by the Authority. The measures and policies are:

Fiscal Year	Corporate Governance Activities
2006/2007	Beginning in the fiscal year 2006/2007, several policies were approved, and a number of measures were taken to meet the requirements of the Corporate Governance Regulations, the most important of which were the following:
	1. Issuing the general financial policies guide for all the Company’s main business cycles and training all concerned employees thereon.
	2. Issuing job and professional conduct rules for the Company’s employees.
	3. Reorganizing the Company’s Internal Audit Department in accordance with internationally recognized professional rules.
	4. Conducting an introductory course on the internal controls for all executives in the Company’s financial affairs.
	5. Preparing a financial regulation to delegate the powers and authorities to the management of the Company.
2007/2008	In October 2007, the Company completed the issuance of several regulations aimed at implementing the requirements of governance, as follows:
	1. The rules for forming the Audit and the Nomination and Remuneration Committees.
	2. Shareholders’ Rights Policy Regulations and the General Assembly.
	3. A regulation of disclosure and transparency policy and procedures.
	4. Bylaws of the Board of Directors.
	5. Conflict of interest policy for members of the Board of Directors and shareholders.
2011/2012	Assessment conducted, by the consulting office “Deloitte – Bakr Abu al-Khair and Partners”, of the application of corporate governance in the Company and reviewing the quality of performance of the Company’s Internal Audit Department.
	Desiring to abide by all the articles of the Corporate Governance Regulations issued by the Authority and to ensure the application of the best international practices of governance that guarantee the rights of shareholders and of stakeholders, the Company’s Board of Directors assigned Deloitte – Bakr Abu Al-Khair & Partners (“the Consultant”) the task of evaluating the application of governance in the Company, the effectiveness of the arrangements adopted by the Company in this context, in accordance with the regulations and instructions issued by the Authority, and the best practices adopted by the leading international bodies in the field of corporate governance, including the New York Stock Exchange and the Nasdaq Stock Exchange in the USA. In addition, the Consultant was tasked with reviewing the quality of performance of the Company’s Internal Audit Department, and the Consultant’s report concluded that:
	• The Company is highly compliant with the requirements of the corporate governance rules issued by the Authority, but it needs to improve a number of aspects to be consistent with the leading international practices in corporate governance.
	• The performance of the Company’s Internal Audit Department conforms to the general requirements of professional performance standards issued by the Institute of Internal Auditors in the USA, and it is considered one of the best Internal Audit Departments in the Middle East.

Fiscal Year	Corporate Governance Activities	
	<p>The Chairman of the Board of the Capital Market Authority and Chief Executive Officer at the time were informed of the results of the Consultant’s work in a meeting in March 2012. During the meeting, Dr. Abdulmajid Bin Abdulaziz Alhokair, Managing Director of the Company, expressed his happiness with the results attained by the Company in the field of governance application. At the same time, Dr. Abdulmajid Bin Abdulaziz Alhokair emphasized that the Company’s Board of Directors is keen to spare no effort and to move forward in developing and implementing a program for continuous improvement of the Company’s governance and its control environment, and to be among the leading companies in the Kingdom in the field of corporate governance.</p>	
2012/2013	<p>During the fiscal year 2012/2013, the Company embarked on a full review of all work manuals, policies, regulations and procedures it issued in the field of governance with the aim of improving all aspects highlighted by the Consultant’s report. This considered the articles of the Corporate Governance Regulations, the application of which was mandated by the Board of the Capital Market Authority during the two years ending in 2012 and 2013. Consequently, the Company issued, during the fiscal year 2012/2013, the revised version of its governance guides and policies, which included the following:</p>	
	1. Corporate Governance Manual	2. Shareholders guide
	3. The Code of Conduct and Professional Conduct for Company employees	4. The Company’s social responsibility policy
	5. Board of Directors’ work guide	6. Conflict of interest policy for Board members, employees and shareholders
	7. Insider trading policy	8. Policies, standards and procedures for membership on the Board of Directors, which were approved by the Company’s General Assembly in its session on 25 March 2013
2013/2014	<p>In accordance with the provisions of Paragraph (C) of the Corporate Governance Regulations issued by the Authority, which stipulates setting up a “governance system for the Company – in a manner that does not conflict with the provisions of this regulation – and general supervision thereof, monitoring its effectiveness and amending it when needed,” which was issued by the Authority’s Board Resolution No. (3- 40-2012) and dated 17/2/1434 AH corresponding to 30 December 2012, obligating companies whose shares are listed on the Saudi Stock Exchange (Tadawul) starting from 30 June 2013.</p>	
	<p>The Company has developed its own governance system, including a framework. The system was approved by the Company’s General Assembly in its session held on 16 July 2013, after being approved by the Company’s Board of Directors. A copy of the system was delivered to the Authority on 30 June 2013. The Company’s corporate governance system works as follows:</p>	
	1. The organizational structure of corporate governance	2. The main principles of the corporate governance system
	3. Disclosure and transparency policy	4. Board of Directors’ work guide
	5. Policy and procedures for membership on the Board of Directors	6. Board committees
	7. Code of work ethics and conduct	8. Policy of regulating conflict of interest
	9. Insider trading policy	10. Shareholders guide
	11. The Company’s social contribution policy	12. Mechanisms for evaluating the effectiveness of job performance, in order to evaluate the effectiveness of the performance of each of the members of the Board of Directors and its committees on a regular basis, as one of the basic principles on which the corporate governance system is based.

Fiscal Year	Corporate Governance Activities
2014/2015	<p>In the context of ensuring a full understanding of the requirements of its governance system, and ensuring the safety of its practices, the Company organized, during the fiscal year, a number of workshops for the Company's executive managers and members of the Board of Directors, in order to introduce the practical framework of its governance system, and its alignment with the strategic visions of the Board of Directors. Additionally, this ensures its practical application in a comprehensive and accurate manner.</p> <p>The charter of functional and professional conduct for the Company's employees was also reviewed and redistributed to the employees, in addition to reviewing the financial regulations for delegating powers and authorities and distributing them to the Company's management to help employees discharge their duties.</p>
2015/2016	<p>Within the framework of the Company's plans to strengthen and develop mechanisms for the continuous review of its governance system, with the aim of keeping pace with all corporate governance provisions issued by the Authority, the Company maintains its efficiency and effectiveness in light of all developments as well as the developments in the Company's internal and external work environment.</p> <p>The Company contracted with a strategy consultant to implement a project for the transformation and strategic rearrangement of the Company's various functions and the development of a new operating system, which includes a review of policies and procedures, structures of delegation of powers and authorities, and the development of the Company's governance system.</p>
2016/2017	<p>Completing the project of transformation and strategic rearrangement of the Company's various functions, developing the operating system, policies and procedures, delegating powers and authority structures, and developing the governance system for the Board of Directors and executive management.</p> <p>On 21/07/1438 AH corresponding to 18 April 2017, the Company's Articles of Association were amended to agree with the joint stock Companies System Model issued by Ministerial Resolution No. 18379 dated 01/06/1437 AH, in accordance with the requirements of Article 224 of the Companies Law, and approval of the formation of the Audit Committee, its duties and controls, and the remuneration of its members.</p>
2017/2018	<p>The project of transformation and strategic rearrangement of the Company's various functions has been completed, and its operating system has been developed and implemented. The Company has also made great strides in updating its governance policies and guide to keep pace with all the amendments and developments in both the corporate system issued by Royal Decree No. M/3 dated 28/01/1437 AH, and the revised Corporate Governance Regulations issued by the Authority's Board pursuant to Resolution No. (8-16-2017) dated 16/05/1438 AH corresponding to 13 February 2017, based on the Companies Law issued by Royal Decree No. M/3 dated 28/1/1437 AH.</p>
2018/2019	<p>During the year 2018/2019, the Company reviewed its governance guide and policies in accordance with the Saudi Companies Law, the rules for offering securities and continuing obligations, and the amended Corporate Governance Regulation issued by the decision of the Board of the Capital Market Authority No. 3-45-2018 dated 07/08/1439 AH corresponding to 23 April 2018. The Company also identified all the paragraphs that need to be updated in accordance with these amendments and updated them for approval and practical application.</p>
2019/2020	<p>Approval of the amendments to the corporate governance guide and policies, and the evaluation carried out by Protiviti, the consulting company, of the performance of the Internal Audit Department.</p> <p>During the fiscal year 2019/2020, the Company approved amendments to its governance guide and policies, with regard to disclosing financial information, providing the authority and announcing to shareholders the initial and annual financial statements to comply with the Saudi Companies Law, amendments to the rules for offering securities and continuing obligations, and the Corporate Governance Regulation issued by the Capital Market Authority to be appropriate for implementation.</p> <p>Protiviti was also contracted to review the quality of the performance of the Company's Internal Audit Department. The initial general evaluation found that "the Company's Internal Audit generally conforms to the standards of the Institute of Internal Auditors, with a number of opportunities for improvement in relation to compliance with some standards."</p>
2020/2021	<p>The final evaluation of the consulting office, Protiviti, was of the quality of performance of the Internal Audit Department of the Company, and the application of the proposed improvements.</p> <p>Desiring to abide by all the articles of the Corporate Governance Regulations issued by the Authority and to ensure the application of the best international practices of governance that guarantee the rights of shareholders and of stakeholders, the Company's Board of Directors assigned Protiviti with the task of reviewing the quality of performance of the Company's Internal Audit Department, and the final report was completed. The Consultant report identified opportunities for continuous improvement in the work of the Company's Internal Audit Department, in a way that contributes to enhancing the quality of its performance in the following areas:</p>

Fiscal Year	Corporate Governance Activities
	<ol style="list-style-type: none">1. Comprehensive risk assessment and internal audit planning2. Implementation of operations/stores audit3. Enhancing the scope of the corporate governance audit4. Enterprise risk assessment and risk management5. Internal audit at the management team and competency level6. Strengthening the process of planning participation and implementation7. Internal audit reports8. The organizational independence of the Internal Audit Department <p>The Audit Committee directed the immediate implementation of all aspects of improving the quality of the performance of the Company's Internal Audit Department, and the periodic follow-up of its implementation.</p>
2021/2022	<p>During the fiscal year 2021/2022, the Company aims to periodically review the Company's governance applications and practices, verify compliance with all corporate governance rules and the ongoing commitments issued by the Capital Market Authority, and follow up on the implementation of the improvements proposed by Protiviti. The objective is to enhance the quality of the Internal Audit Department's performance. The Company further seeks to enhance compliance with the professional framework of performing internal audit tasks, as issued by the International Institute of Internal Auditors. The Company continuously follows up on any future amendments to the relevant laws and regulations issued by legal authorities, especially those that may require amending the Company's governance guide and policy of compliance. Further, it follows up on the implementation of procedures that ensure agreement with the guiding rules contained in the Corporate Governance Regulations issued by the Authority.</p>
2021/2022	<p>The Company has revised and updated its governance regulations and policies in accordance with the amendments made by the supervisory authorities and in line with the best national and international practices. Exercising its authorities as per the Corporate Governance Regulations issued by the Capital Market Authority, the Board approved amendments to the following regulations and policies:</p> <ol style="list-style-type: none">1. Company's governance regulations2. Executive Committee's work regulations3. Policy and procedures for membership on the Board of Directors4. Dividend payment policy5. Stakeholder relations policy6. Code of Professional Conduct7. Insider trading policy8. Conflict of interest policy9. Disclosure policy and procedures <p>The Board of Directors made a recommendation to the General Assembly to approve the governance policy amendments in accordance with the powers vested in the Assembly as stipulated by the Corporate Governance Regulations issued by the Capital Market Authority. The amendments include:</p> <ol style="list-style-type: none">1. Audit Department work regulation2. Nomination and Remuneration Committee work regulation3. Policy of remunerations for members of the Board, its sub-committees and executive management4. Policy, standards and procedures of Board membership5. Policy of competition for Board members

Applying the provisions of the Corporate Governance Regulations

In accordance with the requirements of Article 90 Paragraph (1) of the Board of Directors’ Report of the Corporate Governance Regulation, the Company has implemented all the articles, except for the articles shown in the following table:

Article	Paragraph	Obligatory/ Optional	Execution Position	Causes and Company Procedures
Article 39: Training	2	Optional	Not applicable	Work is currently underway to put the necessary mechanisms in place for the members of the Board of Directors and the executive management to receive continuous training programs and courses in order to develop their skills and knowledge in areas related to the Company's activities.
Article 41: Evaluation	All paragraphs	Optional	Not applicable	The necessary mechanisms are currently being arranged to evaluate the performance of the Board, its members, committees and executive management annually. This is to develop appropriate performance measurement indicators related to the extent to which the Company's strategic objectives are achieved, the quality of risk management, and the adequacy of internal control systems, etc. The strengths and weaknesses shall be identified, and a proposal will be developed to address them in line with the Company's interest.
Article 70: Formation of a Risk Management Committee		Optional	Not applicable	An optional article and its application will be decided soon.
Article 71: Functions of the Risk Management Committee		Optional	Not applicable	An optional article and its application will be decided soon.
Article 72: Meetings of the Risk Management Committee		Optional	Not applicable	An optional article and its application will be decided soon.
Article 85: Motivating Employees	All paragraphs	Optional		An optional article and its application will be decided soon.
Article 88: Social Action Initiatives	All paragraphs	Optional		An optional article and its application will be decided soon.

Annual Review of the Effectiveness of Control Procedures

As a result of the efforts of the Audit Committee at both the Company level and its subsidiaries, the annual review of internal control procedures selected for testing during the fiscal year ended 31 December 2024, by the Committee, Internal Audit as well as external audit reports, indicate that the executive management has initiated a corrective plan for some important issues highlighted in the previous Committee report, including the following:

- Working on implementing recommendations from Internal Audit to enhance internal control systems as outlined in the periodic follow-up report provided by Crowe (internal audit service providers).
- Preparation of policies, procedures, organizational structure and authority matrix by PwC to enhance

internal control systems and governance within the Company.

- Implementation of a Data Lake program to address issues related to data integration between Inditex brand sales software and the Oracle program implemented by the Company.
- Closing and selling trademarks that cause financial losses and focusing on strategic marks that lead to financial profits for the Company

The Committee observes that internal control, risk, governance and activities related to some critical operations require further development, such as inventory operations (including inventory counting, allocation calculation, inventory write-off and clearance inventory sales), fixed assets, financial reporting, information systems applications, sales operations and international subsidiaries outside the Kingdom.

Operational and Financial Risk

1. Underperforming Brands

The Company is committed to introducing well-known and globally established brands to the Saudi market after conducting feasibility studies on launching these international brands. Although it is rare for a well-known brand to fail from the start, this can occasionally happen. The Company conducts continuous economic viability assessments of operating brands to maintain profitable trade names and terminate relationships with unprofitable ones when necessary, ensuring and protecting the interests of the Company and its shareholders.

2. Unprofitable Stores

The Company prepares detailed profit and loss analyses supported by monthly reports and performance information for each brand in every branch and region. These reports show sales, cost of sales and selling expenses by brand and store. However, some stores may not achieve their expected results due to external factors such as changes in market conditions, customer behavior or shifts in general taste. In such cases, the Company may close unprofitable stores, implement modifications or change brands to achieve the Company's overall objectives.

3. Excess Inventory

The ability to market products is one of the most significant risks facing any retail company. Excess inventory ties up capital and negatively impacts profit margins. To address these risks, the Company conducts detailed studies of quantities purchased at the beginning of each season for each item individually. The Company promotes end-of-season inventory through specific discount seasons and has opened several outlet stores to dispose of remaining inventory after the discount season.

4. Expansion-Related Risks

The Company intends to continue increasing its number of branches and diversifying the trade names it offers in the market. The Company's ability to manage this expansion depends on its capacity to continue implementing and

developing operational and financial systems, information management systems and training, motivating, and managing its human resources to contribute to achieving the Company's objectives. Future financial results may be affected if the expansion strategy is not successful. If the Company cannot compete in current or new markets, it may be unable to recover capital expenditures, establishment costs production, distribution, marketing costs and administrative expenses incurred in developing such markets. To address these risks, the Company focuses on attracting distinguished human resources with experience in new markets it enters and is currently implementing direct, permanent, and immediate communication for all its external branches with the Company's headquarters through modern electronic means.

5. Competition

The Company does not see any substantial risks that might result in the termination of any of its international franchise rights, based on the excellent relationship between the Company and its commercial agencies.

6. Currency Exchange Rate Fluctuation Risks

The fluctuation of the Saudi Riyal exchange rate against foreign currencies directly affects product costs and profits, as the Company's operations include purchasing goods paid for in currencies other than the Saudi Riyal, such as the Euro and British Pound. The Company hedges part of the risks resulting from exchange rate fluctuations, which limits the impact of exchange rate changes on the Company's business results.

7. Dependence on Distinguished Human Resources

Any activity depends on the capabilities and expertise of its executive managers and key employees. Therefore, the Company implements multiple strategies to address the risks of losing effective employees and attracting qualified and professional employees, in addition to internally developing and improving employee capabilities to fill senior positions within the Company.

Hiring Saudi Nationals and the Social Contribution Program

Hiring Saudi nationals and training them through learning and development (L&D) is one of the major areas that the Company places a great emphasis, and it is in line with Vision 2030, to build the Kingdom's prosperous and bright future through a vibrant society.

L&D is both a formal systematic process and informal personal endeavor for the Company. Development begins on the employee's first day at work and continues until their employment is complete and the Company provides the tools and opportunities to make it happen.

The Company's approach to L&D is primarily competency based. Therefore, competency differences identified are translated into learning objectives in the form of a plan to be completed through various development activities.

1. Development activities

- There are many different types of activities that contribute to employee's development and employees are encouraged to consider the range of opportunities available to them. All the training activities were customized for the Company's needs.
- Development activities have a consistent feature, which is a 70:20:10 split on the overall development, emphasizing a competency-based and self-driven blended learning and development approach; providing real development experiences on-the-job (70%), supplemented by mentoring and self-study (20%) and classroom training and formal educational events (10%).
- The percentage of employees that get benefits from the training activities is more than 90%.

On-the-job

- Development activities include on-the-job-learning (OJL) activities.
- OJL is individual training that is conducted on the actual job under the supervision of a skilled employee who verifies that the required learning outcome has been met.
- This type of training is funded from the Tawteen program, since we provide the required OJT training.

Mentoring and self-study

- A two-way communication avenue between lesser and more experienced employees is believed to be an effective approach to inspire personal and functional development, career growth and innovation as well as enhancing motivation and productivity.

Classroom training and formal educational events

- Classroom training to supplement the e-learning training activities and is delivered mostly in-house.
- All formal training activities have pre and post discussion/evaluation.

2. Performance management

The performance management program is the Company's response to the need to plan, manage and review employee performance which must result in improved business outcomes. It is underpinned by clear, direct and regular two-way communication between appraiser and appraisee.

Purpose:

- To ensure a proper governance mechanism is in place for yearly performance reviews of all employees.
- To make thorough, objective and factual appraisals of the performance and progress of employees; with a high level of transparency and fairness, record essential information concerning the performance level and achievements.
- To ensure that employees are clear about the Company's priorities and to align performance plans with the Company's strategic plan to the extent practical.
- To encourage appraisees to learn and improve from regular positive or constructive feedback.
- To achieve maximum utilization of all employees and to motivate each one to seek ways to improve.

3. Development model

Competency assessment

- The competency assessment exercise is to determine employees' knowledge, skills and abilities against competency requirements in order to identify and recognize strengths and areas for development.
- Employees were assessed against the specific competencies required for the next higher job within the career path.
- Each job in the career path is mapped against a series of competencies and the specific level for each competency along with the development activities for each.
- The competency manual serves as a clear indicator of what is expected from the employee for each job.

Individual development plan

- Each employee had a unique tailored plan focused towards the development of the identified gaps to be in a position to potentially progress to the next higher job in the career path.
- The plan captures the learning objectives required to fulfill employee's competency gaps.
- All development activities included in the plan are selected from the training catalogue.

4. Training catalogue

- The training catalogue is prepared annually based on the learning objectives indicated by employees in their development focus.

5. Core training

- The Company has established core training that is relevant to the business but not specific to a competency.
- Depending on the job, employees undertake training such as sales and POS training, Oracle related training, etc.

6. Establish Cenomi Academy

The Cenomi Academy started training in December 2023, for the purpose of retail training and development in the Kingdom of Saudi Arabia. The Academy has been developed in partnership with the Technical and Vocational Training Corporation (TVTC), supporting and enhancing the Saudi Retail industry, aligned to Vision 2030. The Cenomi Academy provides excellence in training for retail professionals and retailers across the Kingdom. The Cenomi Academy helps to develop competencies and leadership skills to enhance career paths, through state-of-the-art training facilities and interactive training experiences. Continually changing consumer needs requires up-to-date skills and knowledge and the Cenomi Academy is perfectly placed to deliver this. The Cenomi Academy offers a range of different training programs with specific assessment criteria, managed by experienced staff.

We are very keen to support the Saudi Vision 2030 goal in developing and hiring Saudi nationals. Part of our program therefore focuses on hiring and developing 500 to 1,000 Saudi's annually, who have completed high school and wish to enroll on a vocational program to get the on-the-job experience and progress via that route. We aim to have a Saudi workforce of 100% across various roles and levels by 2030.

All the programs offered by the Academy are accredited by the Technical and Vocational Training Corporation (TVTC) and City & Guilds. The assessment center is accredited by Cambridge University Press & Assessment.

The programs that are offered by the Academy are below :

- Retail Sales Representative Diploma
- Retail Store Manager Diploma
- Retail Area Manager Diploma
- Brand Manager Diploma

Program duration

24 months (Classroom training, interactive training, on-the-job training).

The Academy starts enrolling job seekers in December. We had around 220 trainees in 2024, who received the following incentives from Cenomi Retail:

1. Monthly salary
2. Medical insurance
3. Sales incentives.
4. Register in GOSI
5. Training or 24 months free of cost for the job seeker, as the Company covers 25% of the training cost as part of the Company's social responsibility, and HRDF covers the remaining 75%.

Overall training achievement:

Training programs	69
Learning hours	11,681
Induction program sessions	791
Satisfaction rate	95%
Countries	7
Classroom trainees	7,087
E-learning trainees	4,625

The Competing Businesses with the Company or any of its Activities that any Member of the Board of Directors Engages in

Company Name	Board Member	Board Member Position in the Competing Company	Nature of Competing Business	Description of the Competing Company	Ownership Percentage of the Member
Majd Alaamal Group	Abdulmajid Bin Abdulaziz Alhokair (Non-Executive Board member)	Partner	Majd Alaamal is a group working in multiple sectors (restaurants, financial investments, real estate and contracting)	Food and Beverage	50%
Aseelah Trade Co	Ahmed Bin Saleh Alsultan	Chief Executive Officer of Thobe Al-Aseel Company, which owns 100% of the competing company	A subsidiary of Thobe Al-Aseel Company, it operates in the Fashion Retail Sector and owns Brand franchise rights	Fashion Retail	100%

General Assembly of the Shareholders

The Company held three General Assembly Meetings during the fiscal year starting on 1 January 2024 to 31 December 2024.

The following table describes the dates of the meetings and the names of the Board members who attended:

Date of the Meeting	Attendance by the Members of the Board of Directors	Remarks
First meeting 17 April 2024 Extraordinary	Dr. Abdulmajid Bin Abdulaziz Alhokair Abdulrahman Bin Mohammed Alanqari Abdulmajid Bin Abdullah Albasri Mansour Bin Saad Alajlan Bander Sulaiman Alghofais	

Date of the Meeting	Attendance by the Members of the Board of Directors	Remarks
Second meeting 30 June 2024 Ordinary	Dr. Abdulmajid Bin Abdulaziz Alhokair Abdulrahman Bin Mohammed Alanqari Mansour Bin Saad Alajlan Ahmed Bin Mohammed AlAlsheikh Abdulmajid Bin Abdullah Albasri Ahmed Bin Saleh Alsultan	
Third meeting 21 October 2024 Extraordinary	Dr. Abdulmajid Bin Abdulaziz Alhokair Abdulrahman Bin Mohammed Alanqari Mansour Bin Saad Alajlan Ahmed Bin Mohammed AlAlsheikh Abdulmajid Bin Abdullah Albasri Ahmed Bin Saleh Alsultan	

Shareholder Register Requests

The Company requested the shareholders' register 11 times during the fiscal year for the period from 1 January 2024 to 31 December 2024, the details of which are as follows:

Serial Number	The Date of Request	Reason for Requests
1	31 January 2024	Corporate Actions
2	29 February 2024	Corporate Actions
3	14 March 2024	Corporate Actions
4	01 April 2024	Corporate Actions
5	17 April 2024	General Assembly
6	01 May 2024	Corporate Actions
7	01 June 2024	Corporate Actions
8	30 June 2024	General Assembly
9	03 July 2024	Corporate Actions
10	31 July 2024	Corporate Actions
11	13 August 2024	General Assembly
12	31 August 2024	Corporate Actions
13	30 September 2024	Corporate Actions
14	21 October 2024	General Assembly
15	30 October 2024	Corporate Actions
16	30 November 2024	Corporate Actions
17	01 December 2024	Corporate Actions
18	31 December 2024	Corporate Actions

05

Financial Statements

Independent Auditor's Report	138
Consolidated Statement of Financial Position	143
Consolidated Statement of Profit or Loss	144
Consolidated Statement of Comprehensive Income	145
Consolidated Statement of Changes in Equity	146
Consolidated Statement of Cash Flows	147
Notes to the Consolidated Financial Statements	149



Independent Auditor’s Report

To the shareholders of Fawaz Abdulaziz Al Hokair & Company
A Saudi Joint Stock Company
Riyadh, Kingdom of Saudi Arabia

Opinion

We have audited the consolidated financial statements of Fawaz Abdulaziz Al Hokair & Company (the “Company”) and its subsidiaries (together “the Group”) which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) 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 requirements of International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the “Code”), 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.

Material uncertainty related to going concern

We draw attention to Note (3-2) of the accompanying consolidated financial statements, which indicates that the Group incurred a net loss of ﷲ 197 million for the year ended 31 December 2024, and as of that date it recorded accumulated losses of ﷲ 1,607 million. In addition, the Group’s current liabilities exceeded its current assets by ﷲ 2,925 million as of 31 December 2024. These events or conditions, along with other matters as set forth in details in Note (3-2) of the accompanying consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor’s Report

Key audit matters include the following:

Key audit matter	How the key audit matter was addressed in our audit
Inventories	<p>Our audit procedures related existence of inventory and its valuation, included among others, the following:</p> <ul style="list-style-type: none">Assessed the appropriateness of the Group’s accounting policies for recognition and measurement of inventories in line with the requirements of relevant IFRS accounting standards.Assessed the design and implementation, and tested the operating effectiveness of the key controls relating to Group’s processes over inventory count performed by Management during the year for certain stores;Assessed the design and implementation of the key controls relating to Group’s procedures for determining provisions for inventory impairment based on inventory aging analysis.Obtained inventory physical count results from Management to evaluate the inventory provision, based on actual shrinkage identified during the counts. In addition, to evaluate inventory counts processes, we attended the actual physical counts for a sample of stores to ensure the accuracy of the executed inventory count processes for certain samples.Tested inventory impairment by evaluating current provision policy levels and recalculated provisions based on inventory aging, to determine the adequacy of these provisions.Involved our information technology specialists to test the accuracy & completeness of the inventories’ ageing report used by Management in its determination of inventory provision;Tested the net realizable value of inventories by examining the sales subsequent to year-end, on sample basis, and compared net realizable value for the selected samples with the carrying value of inventories to determine the appropriateness of the associated provision.Evaluated the adequacy of the disclosures in the accompanying consolidated financial statements, in accordance with the requirements of the relevant IFRS accounting standards. <p>As of 31 December 2024, the Group’s net inventories balance in the consolidated financial statements amounted to ﷲ 632 million (2023: ﷲ 794 million), inventory write-down provision amounted to ﷲ 79 million (2023: ﷲ 34 million).</p> <p>Inventories are stated at the lower of cost and net realizable value. The Group, where necessary, record an allowance for obsolete and slow- moving inventories which is determined by considering the age of inventories as well as seasonal trends of the business.</p> <p>We considered this as a key audit matter due to the significance of the inventory, its existence and the material judgments applied by Management in determining obsolete, slow-moving inventories and the level of inventories write down required based on net realizable value.</p> <p>Refer to significant judgements and estimates applied by the Group related to inventories in note (4-B), material accounting policy information of the same matter (5-L), and other related inventory disclosures in note (1.1) of the accompanying consolidated financial statements.</p>

Independent Auditor’s Report

Key audit matters include the following:

Key audit matter	How the key audit matter was addressed in our audit
Impairment of goodwill	<p>Our audit procedures related to impairment of goodwill, included among others, the following:</p> <ul style="list-style-type: none">• Obtained all impairment test models for each goodwill resulting from the various cash-generating units in the Group that were prepared by Management and its external valuation consultant.• Involved our internal experts to assist in evaluating assumptions and inputs used in goodwill impairment testing models.• Assessed the reasonableness of the business plan by comparing the implicit growth rates to the market and analysts’ forecasts.• Assessed the extent to which Management has reflected the result from the comparison of budgeted versus actual numbers in its current assessment and adjusted the actual revenue growth rates and operating margins in this year’s models.• Compared the models’ inputs, such as the weighted average cost of capital, the long-term growth rate and other assumptions with observable market data.• Ensured that the recoverable amounts calculations are based on the latest business plans. Also, Management followed a clearly documented process for estimating future cash flows covers the period from 2025 to 2029.• Performed a comprehensive sensitivity analysis testing over the key assumptions to ascertain the extent of change in those assumptions that would be required for the goodwill to be impaired.• Evaluated the adequacy of the disclosures in the accompanying consolidated financial statements, in accordance with the requirements of the relevant IFRS accounting standards.

As of 31 December 2024, the Group’s goodwill balance in the consolidated financial statements amounted to ₪ 461 million (2023: ₪ 556 million), while the goodwill impairment charge during the year amounted to ₪ 95 million (2023: ₪ 370 million).

The goodwill comprises a group of cash generating units as follows: Nesk Trading Projects Ltd Company, Food Gate Ltd Company, Wahba Trading Ltd Company, and Innovative Union Ltd Company.

Goodwill is stated at cost acquired, and is tested annually for possible impairment as a result of its indefinite useful life.

We considered this as a key audit matter due to the significant estimates and judgements applied by Management about the main assumptions related to the future cash flows of the underlying businesses as well as the discount rates applied to derive the associated net present values.

Refer to significant judgements and estimates applied by the Group and related to the impairment of goodwill in note (4-B), material accounting policy information of the same matter (5-G.I / L), and other related goodwill disclosures in note (7) of the accompanying consolidated financial statements.

Independent Auditor’s Report

Other information

Other information consists of the information included in the Group’s annual report for the year ended 31 December 2024, other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information included in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, based on the work we have performed, we are required to report that fact. We have nothing to report in this regard.

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 Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and 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, i.e., 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 ISAs 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 ISAs 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.

Independent Auditor's Report

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

For Dr. Mohamed Al-Amri & Co.

Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362

Riyadh, on 09 Shawwal 1446 (H)
Corresponding to: 07 April 2025 (G)

Consolidated Statement of Financial Position

As of 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Assets			
Property and equipment	6	1,081,016,664	1,149,972,559
Right-of-use assets	26A	1,455,170,360	2,044,680,531
Goodwill and intangible assets	7	627,455,066	755,769,637
Investment property	8	1,142,400	1,264,800
Equity accounted investment	9	46,004,794	64,828,779
Investment in equity instruments at fair value through other comprehensive income	10	84,371,912	74,189,014
Non-current assets		3,295,161,196	4,090,705,320
Inventories	11	632,282,280	793,514,780
Advances, deposits and other receivables	12	169,214,627	302,375,326
Prepayments	13	35,000,720	25,799,402
Cash and cash equivalents	14	256,211,534	235,247,382
Current assets		1,092,709,161	1,356,936,890
Assets held for sale	34	197,819,749	309,981,001
Total assets		4,585,690,106	5,757,623,211
Equity			
Share capital	19	1,147,664,480	1,147,664,480
Foreign currency translation reserve		(617,207,523)	(564,513,223)
Fair value reserve		83,270,078	42,076,481
Accumulated losses		(1,606,933,730)	(1,403,902,766)
Equity attributable to the shareholders of the Company		(993,206,695)	(778,675,028)
Non-controlling interest	25	(24,928,877)	(27,631,180)
Total equity		(1,018,135,572)	(806,306,208)
Liabilities			
Loans and borrowings	15	82,449,030	208,526,542
Lease liabilities	26B	1,188,752,144	1,555,503,936
Derivative liability	27	--	31,600,110
Employee benefits	17A	73,928,790	89,333,116
Non-Current liabilities		1,345,129,964	1,884,963,704
Loans and borrowings	15	1,760,169,911	2,298,244,234
Lease liabilities	26B	358,309,583	578,755,711
Trade and other payables	16	1,799,511,077	1,400,086,598
Bank overdraft	14	-	47,105,695
Zakat and tax liabilities	18B/C	99,228,865	86,576,599
Current liabilities		4,017,219,436	4,410,768,837
Liabilities associated with assets held for sale	34	241,476,278	268,196,878
Total liabilities		5,603,825,678	6,563,929,419
Total equity and liabilities		4,585,690,106	5,757,623,211

The attached notes from 1 to 34 are an integral part of these consolidated financial statements.

The issuance of these consolidated financial statements was approved by the Board of Directors on 26 Ramadan 1446 AH corresponding to 26 March 2025 AD and signed on its behalf by:


Ahmad Abdelkareem
Deputy Chief Financial Officer


Salim Fakhouri
Chief Executive Officer


Fawaz Abdulaziz Al Hokair
Chairman

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Revenue	21	4,844,508,690	4,671,223,197
Cost of revenue	22A	(4,212,986,320)	(4,074,502,852)
Gross profit		631,522,370	596,720,345
Other operating income	22E	279,010,063	150,691,738
Selling and distribution expenses	22B	(126,054,808)	(147,445,104)
General and administrative expenses	22C	(281,364,898)	(382,987,375)
Depreciation on property and equipment		(119,939,382)	(121,783,998)
Depreciation on investment property		(122,400)	(122,400)
Amortization on intangible assets		(15,842,750)	(14,388,850)
Impairment loss on goodwill	7A	(95,350,000)	(370,000,000)
Other operating expense	22D	(34,518,202)	(332,376,075)
Operating profit / (loss)		237,339,993	(621,691,719)
(losses) / gains from derivative liabilities		(12,642,079)	16,790,729
Finance costs over loans and borrowings	22F	(188,887,058)	(236,235,213)
Finance costs over lease liabilities	26B	(96,636,434)	(91,860,371)
Net finance costs		(298,165,571)	(311,304,855)
Change in fair value of investment in equity instruments at fair value through profit or loss		--	(33,000,000)
Share of loss of equity-accounted investee	9	(23,705,661)	(10,197,675)
Loss before zakat and income tax		(84,531,239)	(976,194,249)
Zakat and Income tax expense	18A	(60,602,389)	(48,766,587)
Loss for the year from continuing operations		(145,133,628)	(1,024,960,836)
Loss for the year from discontinued operations	32,34	(52,329,706)	(87,846,648)
(loss) for the year		(197,463,334)	(1,112,807,484)
Loss for the year is attributable to:			
Shareholders of the Company		(203,538,578)	(1,177,762,076)
Non-controlling interests	25	6,075,244	64,954,592
		(197,463,334)	(1,112,807,484)
Loss per share			
Basic and diluted loss per share			
- from continuing operations	23A	(1.32)	(9.50)
- from discontinuing operations	23B	(0.46)	(0.77)

The attached notes from 1 to 34 are an integral part of these consolidated financial statements.


Ahmad Abdelkareem
Deputy Chief Financial Officer


Salim Fakhouri
Chief Executive Officer


Fawaz Abdulaziz Al Hokair
Chairman

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Loss for the year		(197,463,334)	(1,112,807,484)
Items that will not be reclassified to profit or loss:			
Re-measurements of employees' benefits	17A	507,614	1,444,094
Changes in fair value through other comprehensive income investment	10	42,034,282	--
		42,541,896	1,444,094
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations – foreign currencies translation differences		(53,574,927)	(41,085,988)
		(53,574,927)	(41,085,988)
Other comprehensive income for the year, net of tax		(11,033,031)	(39,641,894)
Total comprehensive income for the year		(208,496,365)	(1,152,449,378)
Total comprehensive income for the year attributable to:			
- Shareholders of the Company		(214,531,668)	(1,216,742,874)
- Non-controlling interests		6,035,303	64,293,496
		(208,496,365)	(1,152,449,378)

The attached notes from 1 to 34 are an integral part of these consolidated financial statements.


Ahmad Abdelkareem
Deputy Chief Financial Officer


Salim Fakhouri
Chief Executive Officer


Fawaz Abdulaziz Al Hokair
Chairman

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Share Capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Equity attributable to the shareholders of the Company	Non-controlling interest	Total equity
Balance at 1 January 2023	1,147,664,480	(524,088,331)	42,076,481	(227,584,785)	438,067,845	(92,125,933)	345,941,912
Comprehensive income for the year							
(loss) / profit for the year	--	--	--	(1,177,762,076)	(1,177,762,076)	64,954,592	(1,112,807,484)
Other comprehensive income	--	(40,424,892)	--	1,444,095	(38,980,797)	(661,096)	(39,641,893)
Total comprehensive income for the year	--	(40,424,892)	--	(1,176,317,981)	(1,216,742,873)	64,293,496	(1,152,449,377)
Additional NCI contribution	--	--	--	--	--	201,275	201,275
Balance at 31 December 2023	1,147,664,480	(564,513,223)	42,076,481	(1,403,902,766)	(778,675,028)	(27,631,180)	(806,306,208)
Comprehensive income for the year							
(Loss) / profit for the year	--	--	--	(203,538,578)	(203,538,578)	6,075,244	(197,463,334)
Other comprehensive income	--	(52,694,300)	41,193,597	507,614	(10,993,089)	(39,941)	(11,033,030)
Total comprehensive income for the year	--	(52,694,300)	41,193,597	(203,030,964)	(214,531,667)	6,035,303	(208,496,364)
Dividend paid to NCI	--	--	--	--	--	(3,333,000)	(3,333,000)
Balance at 31 December 2024	1,147,664,480	(617,207,523)	83,270,078	(1,606,933,730)	(993,206,695)	(24,928,877)	(1,018,135,572)

The attached notes from 1 to 34 are an integral part of these consolidated financial statements.



Ahmad Abdelkareem
Deputy Chief Financial Officer



Salim Fakhouri
Chief Executive Officer



Fawaz Abdulaziz Al Hokair
Chairman

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Cash flows from operating activities:			
Loss for the year		(197,463,334)	(1,112,807,484)
Adjustments for:			
- Depreciation on right-of-use assets	26A	375,687,847	407,687,444
- Provision for inventory shrinkage and slow-moving inventory	11	56,006,092	36,139,149
- Directly written off inventory	11	3,243,144	--
- Provision for employees' benefits	17A	19,708,017	22,336,936
- Gain on lease termination		(6,185,129)	(634,017)
- Depreciation on property and equipment		142,744,629	149,588,262
- Amortization on intangible assets		16,476,791	14,895,033
- Depreciation on investment property		122,400	122,400
- Impairment loss on goodwill	7A	95,350,000	370,000,000
- Losses from disposals of property and equipment and intangible assets	22D	41,505,595	229,291,039
- Expected credit loss		24,013,772	--
- Finance cost over loans and borrowings		189,522,217	236,772,862
- Finance cost over lease liabilities	26B	106,760,963	106,243,873
- Losses / (gains) from derivative liabilities		12,642,079	(16,790,729)
- Share of loss from equity accounted investment	9	23,705,661	10,197,674
- Zakat and income tax expense		60,602,389	48,766,587
- Gain on disposal of subsidiary		1,307,461	--
- Gain on disposal of discontinued operations		(210,246,153)	41,784,123
- Change in fair value of investment in equity instruments at fair value through profit or loss	10	--	33,000,000
- Rental concession for leases		--	(4,258,902)
		755,504,441	572,334,250
Changes in:			
- Inventories		81,999,648	206,764,386
- Advances, deposits and other receivables		109,677,282	481,962,238
- Prepayments		(18,189,184)	9,646,755
- Trade and other payables		492,711,191	166,572,492
Cash generated from operating activities		1,421,703,378	1,437,280,121
Employee benefits paid	17A	(37,476,745)	(20,271,864)
Zakat and income tax paid		(47,950,123)	(32,675,457)
Net cash generated from operating activities		1,336,276,510	1,384,332,800

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Cash flows from investing activities:			
Purchase of property and equipment		(208,905,101)	(238,888,731)
Purchase of intangible assets		(10,260,747)	(77,674,351)
Proceeds on disposal of brands		331,435,895	--
Additional capital contribution to equity accounted investment		(4,881,676)	(12,887,150)
Dividend paid to NCI shareholder		(3,333,000)	--
Proceeds of cash margin		--	4,190,498
Proceeds of other investment		--	174,000,000
Net cash generated from / (used in) investing activities		104,055,371	(151,259,734)
Cash flows from financing activities:			
Additions in loans and borrowings		482,920,060	334,347,043
Repayments of loans and borrowings		(1,147,071,895)	(762,978,583)
Repayments of lease liabilities		(321,888,520)	(407,047,844)
Payments of finance costs over loans and borrowings		(251,690,833)	(216,777,177)
Payments of finance costs over lease liabilities	26B	(106,760,963)	(117,855,127)
Net cash used in financing activities		(1,344,492,151)	(1,170,311,688)
Net increase in cash and cash equivalents		95,839,730	62,761,378
Foreign currency exchange translation differences		(27,769,883)	(18,686,862)
Cash and cash equivalents at the beginning of year		188,141,687	144,067,171
Cash and cash equivalents at end of year	14	256,211,534	188,141,687

The attached notes from 1 to 34 are an integral part of these consolidated financial statements.



Ahmad Abdelkareem
Deputy Chief Financial Officer



Salim Fakhouri
Chief Executive Officer



Fawaz Abdulaziz Al Hokair
Chairman

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

1. REPORTING ENTITY

Fawaz Abdulaziz Al Hokair & Co. (the “Company”) is a listed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010076209 dated 20 Sha’ban 1410H (corresponding to 18 March 1990).

The objective of the Company and its subsidiaries (collectively known as the “Group”) is to engage in the following activities:

- Wholesale and retail trading in ready-made clothes for men, women and children, shoes, textiles, house and office furniture, perfumes, natural cosmetics, ornaments and beauty materials and their compounds and traditional jewelry.
- Wholesale and retail trading in sportswear and shoes and related items.
- Management and operation of optics centers and wholesale and retail trading in eyeglasses, sunglasses, contact lenses, optical equipment and accessories.
- Trading agencies.
- Purchase of land and construction of buildings thereon for running the Group’s activities and business.
- Manufacture, wholesale and retail in Abayas, robes, scarfs and other women embroidered gowns.
- Wholesale and retail trading in gold, silver, jewelry, precious stones, diamonds, gold ornaments and precious metals.
- Wholesale and retail trading in communication equipment and related accessories and spare parts, maintenance and operation through trading agencies.
- Retail trading in consumer food products.
- Own and operate restaurants, coffee shops, import food products and acquire related equipment.
- Own and operate entertainment centers and acquire related equipment.

These consolidated financial statements were approved by the Board of Directors for issuance on 26 Ramadan 1446H corresponding to 26 March 2025AD.

2. GROUP STRUCTURE

Following is the list of subsidiaries included in these consolidated financial statements as at 31 December 2024 and 31 December 2023:

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at:	
				31 December 2024	31 December 2023
1	Al Waheedah Equipment Co. Ltd.	Kingdom of Saudi Arabia	Retail	100	100
2	Haifa B. Al Kalam & Partners Co. for trading	Kingdom of Saudi Arabia	Retail	100	100
3	Saudi Retail Co. Ltd	Kingdom of Saudi Arabia	Retail	100	100
4	Wahba Trading Company Limited	Kingdom of Saudi Arabia	Retail	100	100

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at:	
				31 December 2024	31 December 2023
5	Unique Technology Trading Company	Kingdom of Saudi Arabia	Retail	100	100
6	Nesk Trading Projects Company	Kingdom of Saudi Arabia	Retail	100	100
7	Innovative Union Company (IUC)	Kingdom of Saudi Arabia	Food and Beverage	100	100
8	Food Gate company	Kingdom of Saudi Arabia	Food and Beverage	70	70
9	Al-Jeel Trading Company	Kingdom of Saudi Arabia	Retail	100	100
10	Logistics Fashion Trading DWC-LLC	United Arab Emirates	Retail	100	100
11	Fashion Retail Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
12	Global Apparel Kazakhstan LLP	Republic of Kazakhstan	Retail	100	100
13	Retail Group Georgia LLC	Georgia	Retail	100	100
14	Master Retail Georgia LLC	Georgia	Retail	100	100
15	Spanish Retail Georgia LLC	Georgia	Retail	100	100
16	Pro Retail Georgia LLC	Georgia	Retail	100	100
17	Best Retail Georgia LLC	Georgia	Retail	100	100
18	Mega Store Georgia LLC	Georgia	Retail	100	100
19	Fashion Retail Georgia LLC	Georgia	Retail	100	100
20	Global Apparel Georgia LLC	Georgia	Retail	100	100
21	Retail Group Holding LLC	Georgia	Retail	100	100
22	Master Home Retail	Georgia	Retail	100	100
23	International Retail of Morocco	Morocco	Retail	-	100
24	Multi Trends Co.	Morocco	Retail	-	100
25	Retail Group of America LLC	United States of America	Entertainment	-	100
26	Billy Beez USA	United States of America	Entertainment	-	100
27	Retail Group Balkans doo Beograd	Republic of Serbia	Retail	-	100
28	Retail Fashion d.o.o., Belgrade	Republic of Serbia	Retail	-	100
29	Retail Group Balkans doo Podgorica	Balkan Peninsula	Retail	-	100
30	Retail Group Balkans doo Skopje	Balkan Peninsula	Retail	-	100
31	RIGE Co.	Arab Republic of Egypt	Retail	99	99
32	Retail Group Egypt Co. S.A.E	Arab Republic of Egypt	Retail	98	98
33	Retail Group Armenia CJSC	Armenia	Retail	96	96

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

No	Subsidiaries	Country of incorporation	Business Activity	Ownership interest held by the Group as at:	
				31 December 2024	31 December 2023
34	Spanish Retail CJSC	Armenia	Retail	100	100
35	ZR Fashion Retail CJSC	Armenia	Retail	100	100
36	Global Apparel CJSC	Armenia	Retail	100	100
37	BR Fashion Retail CJSC	Armenia	Retail	100	100
38	Master Retail CJSC	Armenia	Retail	100	100
39	Best Retail CJSC	Armenia	Retail	100	100
40	Retail Group CJSC	Armenia	Retail	100	100
41	Pro Retail CJSC	Armenia	Retail	100	100
42	Factory Prices CJSC	Armenia	Retail	100	100
43	HComfort Retail Group CJSC	Armenia	Retail	100	100
44	Retail Group Jordan Co. LDT	Hashemite Kingdom of Jordan	Retail	100	100
45	Nesk Trading Projects LLC	Hashemite Kingdom of Jordan	Retail	100	100
46	Models Own Holding Limited	United Kingdom	Retail	-	51
47	Models Own Limited	United Kingdom	Retail	-	51
48	Models Own International Ltd.	United Kingdom	Retail	-	51
49	Retail Group Azerbaijan LLC	Azerbaijan	Retail	85	85
50	Fashion Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
51	Spanish Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
52	Global Apparel Azerbaijan LLC	Azerbaijan	Retail	85	85
53	Mega Store Azerbaijan LLC	Azerbaijan	Retail	85	85
54	Master Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
55	Pro Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
56	Retail Group Holding LLC	Azerbaijan	Retail	85	85
57	Best Retail Azerbaijan LLC	Azerbaijan	Retail	85	85
58	Fashion Group CA	Uzbekistan	Retail	80	80
59	Fashion Retail Store	Uzbekistan	Retail	80	80
60	Master Retail Store	Uzbekistan	Retail	80	80
61	Retail Boutique	Uzbekistan	Retail	80	80
62	Retail Group Global	Uzbekistan	Retail	80	80
63	Retail Group Store	Uzbekistan	Retail	80	80
64	Retail Store Pro	Uzbekistan	Retail	80	80
65	Spanish Store	Uzbekistan	Retail	80	80

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

In addition to the above, the Group, directly and indirectly, owns certain dormant subsidiaries and special purpose vehicles across several countries which are not material to the Group.

The principal activities of all of the above subsidiary companies are wholesale and retail trading of fashion apparels and indoor entertainment business for kids. The indirect shareholding represents cross ownership among the subsidiary companies.

3. BASIS OF ACCOUNTING

3.1 STATEMENT OF COMPLIANCE

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

3.2 GOING CONCERN BASIS OF ACCOUNTING

The Group incurred a net loss of ₪ 197 million during the year ended 31 December 2024 (2023: ₪ 1,113 million), resulting in the accumulated losses to be ₪ 1,607 million (2023: ₪ 1,404 million). As of that date, the Company's current liabilities exceeded its current assets by ₪ 2,925 million (2023: ₪ 3,054 million). Further, the Group is required to maintain certain financial ratios as required under a facility agreement entered into with a local commercial bank and the Group is not in compliance with this as of 31 December 2024. Accordingly, the Company did not have an unconditional right to defer the settlement of the loan for at least 12 months after the reporting date. As a result, the Group has classified long-term borrowings as current liability (note 15). Such loan classification was the main driver for current liabilities to exceed the current assets. Currently, the Group has not received any default notice nor communication from the lenders that require repayment of the loan before its original contractual maturity. These events or conditions, along with other matters, indicate that material uncertainty exists and that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to continue its operations depends on restructuring its business lines, debt, and equity in addition to increasing the volume of its revenue appropriately.

Management of the Group has been reorganizing its brand mixture - over the past couple of years - existing certain underperforming brands and directing more funds to performing brands, whereas the group has disposed of, or in the plan to dispose a total of 28 loss-making brands. This is expected to lead to expansions and diversifications in the stores of the performing brands and trademarks. Certain cost-cutting plans were also applied over the past couple of years, which led to enhancing gross margins and turning operating losses to profits. During 2024, the Group has recognized an increased positive gross profit of ₪ 632 million (2023: ₪ 597 million), operating profits of ₪ 237 million (2023: A loss of ₪ 622 million) and positive cash inflows from operating activities of ₪ 1,336 million (2023: ₪ 1,384 million). Additionally, the Group is currently in discussion with lenders to restructure its debts and has managed to repay banks facilities during the year amounted to ₪ 1,147 million (2023: ₪ 763 million).

Based on the steps taken above, and relying on the support of the major shareholder, Management has assessed the Group's ability to continue as a going concern and is satisfied that its operations shall continue for the foreseeable future under the normal course of business. Accordingly, these consolidated financial statements have been prepared on the going concern basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

3.3 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities 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. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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

The following judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of control over an investee

Management's judgement in assessing control over consolidated subsidiaries:
Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has in relation to the investees.

In certain cases where the Group owns 50% or less of voting rights, it may still be the single largest shareholder with presence on the governing body giving it power to direct relevant activities of the investees, whereby the other shareholders individually do not hold sufficient voting rights and power to overrule the Group's directions. There is no prior instance of other shareholders collaborating to exercise their votes collectively or to out-vote the Group.

The management has considered the integration of all such investees (where the Group has equal or less than a majority of the voting rights) within the Group structure and located in cities in KSA, the ability of the Group to impact variable returns of the investees through the provision of various key services to such investees, the relationship of the Group with other entities which may impact returns of investees, appointment of certain key management personnel and various other such factors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Based on above considerations, management of the Group believes:

- there is a pattern of past and existing practice of the Group's involvement in the relevant activities of these investees resulting in an impact on their returns and also indicating a more than passive interest of the Group in such investees; and
- the Group has created an environment in which the set-up and function of these investees and their interrelationship with the Group leads towards a judgement of 'control'.

Hence, the Group has consolidated those investees, which meet the above criteria as part of the Group's consolidated financial statements.

Judgement was required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("associate").

The Group is accounting for such investment in an associate and joint venture under the equity method of accounting.

Determination of the reasonable certainty of exercising options of lease term extension

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 several 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.

Determination of the incremental borrowing rate of lease liabilities

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 the 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

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.

Impairment test of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") 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 performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

Impairment test of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and unexpected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Provision for slow moving inventory and shrinkage

Inventories are held at the lower cost and net realizable value. When inventories become old or obsolete or subject to technological/market changes, an estimate is made of their net realizable value. Factors considered in the determination of mark downs include current and anticipated demand, customer preferences and age of inventories as well as seasonal trends. For individually significant amounts this estimation is performed on an individual basis. Items which are not individually significant, but which are old or obsolete, are assessed collectively and a mark down provision applied accordingly to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Economic useful lives and residual values of property and equipment & intangible assets

The Group's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation and amortization, respectively. These estimates are determined after considering the expected usage of the asset or physical wear and tear. Residual values are based on experience and observable data where available.

Long-term assumptions for employee benefits

Employees' end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

A. BASIS OF CONSOLIDATION

I. SUBSIDIARIES

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company investments, transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of the subsidiaries are consistent with those adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, statement of profit or loss, statement of comprehensive income and statement of changes in equity, respectively.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The consideration transferred for the acquisition of subsidiary comprises the:

- the fair value of the assets transferred / acquired
- liabilities incurred to the former owners of the acquired business
- equity interest issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

When the Group loses control over a subsidiary, it recognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

II. INTEREST IN EQUITY-ACCOUNTED INVETEEES

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Interest in associates and joint ventures is accounted for using the equity method. They are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures is recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of investment in associates and joint venture is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized under profit and loss in the consolidated statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

B. FOREIGN CURRENCIES

I. FUNCTIONAL AND PRESENTATION CURRENCY

The accompanying consolidated financial statements are presented in Saudi Riyals which is the functional currency and presentation currency of the company. Each subsidiary in the Group determines its own functional currency (which is the currency of the primary economic environment in which the subsidiary operates), and as a result, items included in the financial statements of each subsidiary are measured using that functional currency.

II. TRANSACTIONS AND BALANCES

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

III. FOREIGN OPERATIONS

The assets and liabilities of foreign operations (none of which has the currency of a hyperinflationary economy) are translated at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Saudi Riyals at exchange rates at the average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Foreign currency differences arising on foreign operations are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

C. REVENUE RECOGNITION

The following are the description of accounting policies for principal activities, from which the Group generates its revenue:

SALES IN RETAIL OUTLETS

Sales are recognized when the customer takes possession of the product sold by the Group. Payment of the transaction price is due immediately when the customer purchases the product.

Sales are measured based on the consideration specified in the contract with a customer excluding amounts collected on behalf of third parties, if any. Sales exclude Value Added Tax (VAT) collected. Sales are shown in the consolidated statement of profit or loss net of returns and any discounts given.

The group's return policy grants customers the right of return within three to seven days in normal sales and one day in the case of promotional sale with certain requirements and certain exceptions.

ONLINE SALES

Sales are recognized when the products are delivered to the customers by the shipping agent. Payment of the transaction prices is normally received upon or before placing online orders and recognized as a liability until the recognition of sales.

For all types of sales, historical experience suggests that the amount of returns is totally immaterial and accordingly, no refund liability is recognized at the time of sale. The validity of these conclusions is assessed at each reporting date. If the returns pattern changed, the Group would recognize a refund liability and corresponding asset (right to the returned goods) for products expected to be returned, with revenue and related cost of sales adjusted accordingly.

In all the above types, the stated price is the transaction price, and the Group does not have contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year, and as a result, the Group does not adjust transaction prices for the time value of money.

D. PROPERTY AND EQUIPMENT

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Expenditures on repairs and maintenance are expensed to the statement of profit or loss in the year they are incurred.

Depreciation is calculated from the date the item of property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Class of asset	Number of years
Buildings	40 years
Leasehold improvements	15 years
Furniture, fixtures and office equipment	15 years
Motor vehicles	6 years

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

The assets' residual values, useful lives and methods of depreciation are reviewed on an annual basis, and adjusted prospectively if appropriate, at each consolidated statement of financial position date.

Land and assets under construction, which are not ready for its intended use, are not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 when the asset is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (please refer Note 5M).

E. COST OF REVENUE

Cost of revenue includes the actual cost of the product and the cost of transportation to the Group's distribution facilities and warehouses from suppliers.

F. INVESTMENT PROPERTY

Investment properties are those properties, either owned by the Group or where the Group is a lessee under a finance lease, that are held either to earn rental income or for capital appreciation, or both. In addition, properties held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment properties are measured at cost, including related transaction costs. After initial recognition at cost, investment properties are depreciated in line with owner-occupied buildings.

G. INTANGIBLE ASSETS

I. GOODWILL

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the recognized identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

II. OTHER INTANGIBLE ASSETS

Other intangible assets represent acquired software and related licenses, key money, deferred charges (i.e. trademarks / brand). Intangible assets are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated years of amortization of the principal classes of other intangible assets is as follows:

Class of asset	Number of years
Software	25 years
Key money	15 years
Deferred charges	15 years

Gains or losses arising from derecognizing an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

H. ASSETS HELD FOR SALE

The Group classifies current assets as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. Current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

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

I. INVENTORIES

Inventories, including goods available for sale and goods in transit are stated at the lower of cost and net realizable value.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete a sale. Provision is made, where necessary, for obsolete, slow-moving and defective stocks.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

I. CASH AND CASH EQUIVELANTS

Cash and cash equivalents include cash on hand, bank balances, short-term deposits, demand deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

J. FINANCIAL INSTRUMENTS

I. RECOGNITION AND INITIAL MEASUREMENT

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument

A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value. For financial instruments not classified at FVTPL, transaction costs that are directly attributable to its acquisition or issue are adjusted.

II. CLASSIFICATION AND SUBSEQUENT MEASUREMENT

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension Features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at Amortized cost	These assets are subsequently measured at amortized cost using the effective interest 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.
Equity investments At FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortized cost or 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.

III. DERECOGNTION

Financial assets
The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized on its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognizes financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

IV. OFFSETTING

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

K. IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Group measures loss allowances for trade receivables and other financial assets that are measured at an amount equal to lifetime ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 360 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

L. IMPAIRMENT OF NON-FINANCIAL ASSET

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

M. BORROWINGS

Borrowings are initially recognized at fair value (being proceeds received), net of eligible transaction costs incurred, if any. Subsequent to initial recognition, borrowings are measured at amortized cost using the effective profit rate method. Any difference between the proceeds (net of transaction costs), and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective profit rate method.

Borrowings are derecognized from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

N. FINANCE INCOME AND FINANCE COST

Finance income includes interest income which is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in consolidated statement of profit or loss on the date that the Group's right to receive payment is established. Fair value gain on interest rate swaps is recognized when the interest rate swaps are revalued.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Finance costs comprise financial charges on borrowings including sukuks that are recognized in consolidated statement of profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis within finance cost.

O. FAIR VALUE MEASUREMENT

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

P. PROVISIONS

Provisions are recognized 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. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as interest expense.

Q. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest rate method.

R. EMPLOYEE BENEFITS AND POST-EMPLOYMENT BENEFITS

I. SHORT-TERM OBLIGATIONS

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave and air fare that are expected to be settled wholly within twelve months, after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

II. POST-EMPLOYMENT OBLIGATION

The Group operates single post-employment benefit scheme of defined benefit plans driven by the labor laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuation of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in the consolidated statement of profit or loss while unwinding of the liability at discount rates used are recorded as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

S. ZAKAT AND INCOME TAX

I. ZAKAT

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority (ZATCA) in the Kingdom of Saudi Arabia on an accrual basis. The zakat expense is charged to the consolidated statement of profit or loss. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

II. INCOME TAX

For subsidiaries incorporated and operating outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with the tax regulations of their respective countries, when it is material. The Group considers both of the current and deferred income tax of those subsidiaries as immaterial.

III. DEFERRED TAX

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

T. DIVIDENDS

Provision is made for the amount of any dividends declared being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting year but not distributed at the end of the reporting year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

U. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year as all the Company's shares are ordinary shares.

Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

V. STATUTORY RESERVE

In accordance with the previous Companies Law and the Company's Articles of Association, 10% of the period's profits were required to be set aside as a statutory reserve. However, following amendments to the Companies Law during the year ending December 31, 2024, the requirement to set aside a statutory reserve was waived.

W. LEASES

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset and restoring the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Group determines its incremental borrowing rate by obtaining rates from various external financing sources and makes certain adjustments to reflect the terms of the leases and type of the assets leased.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

X. SEGMENT REPORTING

An operating segment is a component of the Company:

- That engages in business activities from which it may earn revenues and incur expenses;
- Results of its operations are continuously analysed by the Chief Operating Decision Maker (CODM) in order to make decisions related to resource allocation and performance assessment; and
- For which discrete financial information is available.

A geographical segment is a Group of assets, operations or entities engaged in revenue producing activities within a particular economic environment that are subject to risks and returns different from those operating in other economic environments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

6. PROPERTY AND EQUIPMENT

See accounting policies in Notes 5D and 5L.

A. RECONCILIATION OF CARRYING AMOUNT

	Land	Buildings and leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Under construction	Total
Cost:						
Balance at 31 December 2022	14,920,930	2,835,679,867	798,156,739	16,211,953	104,754,634	3,769,724,123
Additions	--	163,918,336	56,902,235	23,357	81,395,627	302,239,555
Transfer	--	32,600,658	5,817,321	--	(101,768,804)	(63,350,825)
Write off	--	(385,207,390)	(155,768,173)	(697,926)	--	(541,673,489)
Transfer to disposal group classified as assets held for sale	--	(167,919,479)	(22,047,978)	(109,426)	--	(190,076,883)
Balance at 31 December 2023	14,920,930	2,479,071,992	683,060,144	15,427,958	84,381,457	3,276,862,481
Additions	--	100,443,560	68,492,562	26,612	39,942,367	208,905,101
Transfer	--	53,723,245	15,120,132	--	(68,843,377)	--
Disposal	--	(138,121,549)	(35,826,840)	(1,272,400)	(6,781,524)	(182,002,313)
Disposal of subsidiary	--	(150,604,784)	(7,954,090)	(138,172)	(14,099,966)	(172,797,012)
Disposal of brands	--	(112,417,960)	(6,411,834)	(32,050)	--	(118,861,844)
Transfer to disposal group classified as assets held for sale	--	(81,926,740)	(14,086,696)	--	(2,408,351)	(98,421,787)
Balance at 31 December 2024	14,920,930	2,150,167,764	702,393,378	14,011,948	32,190,606	2,913,684,626
Accumulated depreciation and impairment losses:						
Balance at 31 December 2022	--	1,884,115,621	547,625,026	13,655,041	--	2,445,395,688
Charge for the year from continuing operation	--	102,501,421	46,463,100	623,740	--	149,588,261
Charge for the year from discontinuing operation assets held for sale	--	8,589,453	--	--	--	8,589,453
Charge for the year from disposed subsidiary	--	1,310,477	--	--	--	1,310,477
Transfer	--	(194,249)	428,647	--	--	234,398
Write off	--	(228,079,510)	(116,316,813)	(690,909)	--	(345,087,232)
Disposal of subsidiary	--	(117,667,674)	(15,364,026)	(109,423)	--	(133,141,123)
Balance at 31 December 2023	--	1,650,575,539	462,835,934	13,478,449	--	2,126,889,922
Charge for the year from continuing operation	--	79,162,099	40,270,180	507,103	--	119,939,382
Charge for the year from disposed subsidiaries	--	12,526,965	1,353,352	--	--	13,880,317
Charge for the year from discontinuing operation assets held for sale	--	7,826,226	1,093,989	4,715	--	8,924,930
Disposal	--	(144,310,060)	(22,239,173)	(774,936)	--	(167,324,169)
Disposal of subsidiary	--	(139,388,953)	(6,045,108)	(105,011)	--	(145,539,072)
Disposal of brands	--	(71,417,176)	(3,875,577)	(32,049)	--	(75,324,802)
Transfer to disposal group classified as assets held for sale	--	(40,247,039)	(8,531,507)	--	--	(48,778,546)
Balance at 31 December 2024	--	1,354,727,601	464,862,090	13,078,271	--	1,832,667,962
Carrying amounts:						
At 31 December 2023	14,920,930	828,496,453	220,224,210	1,949,509	84,381,457	1,149,972,559
At 31 December 2024	14,920,930	795,440,163	237,531,288	933,677	32,190,606	1,081,016,664

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

7. GOODWILL AND INTANGIBLE ASSETS

See accounting policies in Notes 5G and 5L.

A. RECONCILIATION OF CARRING AMOUNT

	Goodwill	Software	Key money	Deferred charges	Total
Cost					
Balance at 31 December 2022	1,012,387,298	178,676,450	181,261,520	31,298,102	1,403,623,370
Additions	--	16,270,262	2,350,432	3,661,349	22,282,043
Transfer	--	56,765,127	(35,231,755)	--	21,533,372
Impairment	--	(17,088,435)	(5,878,156)	(3,231,253)	(26,197,844)
Disposals / Write-off	--	(882,858)	(6,610,699)	(2,274,369)	(9,767,926)
Transfer to disposal group classified as held for sale	--	(894,300)	(3,945,952)	(807,800)	(5,648,052)
Balance at 31 December 2023	1,012,387,298	232,846,246	131,945,390	28,646,029	1,405,824,963
Additions	--	6,252,114	93,056	3,915,577	10,260,747
Transfer to disposal group held for sale	--	(173,616)	(1,856,577)	(656,075)	(2,686,268)
Disposals / write-off	--	(42,356,215)	160,724	(6,640,037)	(48,835,528)
Disposal of brands	--	(3,685)	(4,559,895)	(2,230,977)	(6,794,557)
Balance at 31 December 2024	1,012,387,298	196,564,844	125,782,698	23,034,517	1,357,769,357
Accumulated amortization and impairment					
Balance at 31 December 2022	86,150,879	71,493,441	116,395,036	8,738,335	282,777,691
Charge for the year from continuing operation	--	8,613,282	3,463,732	2,818,019	14,895,033
Charge for the year associated with assets held for sale	--	--	331,818	--	331,818
Impairment charge for the year	370,000,000	--	--	--	370,000,000
Transfers	--	2,819,796	(3,323,674)	--	(503,878)
Disposal / write off	--	(1,250,500)	(7,452,652)	(4,147,149)	(12,850,301)
Transfer to disposal group classified as held for sale	--	(461,606)	(3,736,580)	(396,851)	(4,595,037)
Balance at 31 December 2023	456,150,879	81,214,413	105,677,680	7,012,354	650,055,326
Charge for the year from continuing operation	--	10,705,345	2,215,342	2,922,063	15,842,750
Charge for the year associated with assets held for sale	--	103,165	154,747	376,129	634,041
Impairment	95,350,000	--	--	--	95,350,000
Disposals / write-off	--	(23,563,663)	103,572	(1,014,556)	(24,474,647)
Transfer to disposal group held for sale	--	(56,048)	(1,232,604)	(412,343)	(1,700,995)
Disposal of brands	--	--	(4,206,349)	(1,185,835)	(5,392,184)
Balance at 31 December 2024	551,500,879	68,403,212	102,712,388	7,697,812	730,314,291
Carrying amount					
At 31 December 2023	556,236,419	151,631,833	26,267,710	21,633,675	755,769,637
At 31 December 2024	460,886,419	128,161,632	23,070,310	15,336,705	627,455,066

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

B. GOODWILL

	Note	Year	31 December 2024	31 December 2023
Nesk Trading Projects Co including Mango brand	(i)	2012 & 2014	280,534,622	355,384,622
Food Gate Company	(ii)	2020	88,000,593	108,500,593
Wahba Trading Company Ltd	(iii)	2020	61,437,764	61,437,764
Innovative Union Company	(ii)	2009	30,913,440	30,913,440
Carrying amount			460,886,419	556,236,419

- i. Nesk Trading Projects Company operates fashion retail stores all over the Kingdom with franchise rights of a number of international fashion brands including Stradivarius, Mango, etc.

The Group acquired Nesk Trading Projects Company, for cash in an aggregate amount of ﷲ 730 million having net acquisition cost of ﷲ 661.2 million after deducting net cash acquired amounting to ﷲ 68.8 million.

The Group acquired the business of fashion retail and franchise rights of the international fashion brand “Mango” in the Kingdom of Saudi Arabia for a consideration of ﷲ 378 million.

- ii. The Group acquired Innovative Union Company with its subsidiary Food Gate Company from a related party. At the date of acquisition, the carrying value of net assets acquired was ﷲ 132.2 million and the cost of acquisition was ﷲ 340 million, accordingly, a goodwill amounting to ﷲ 207.8 million arose at the acquisition date of the 2 companies.

Innovative Union Company and its subsidiary Food Gate Company operate food and beverage stores all over the Kingdom with franchise rights of a number of food brands including Cinnabon, Subway, etc.

- iii. The Group acquired Wahba Trading Company Limited at a fair value of ﷲ 118.6 million and the cost of acquisition was ﷲ 180 million, accordingly, a goodwill amounting to ﷲ 61.4 million arose at the acquisition date.

C. IMPAIRMENT TEST

Goodwill is tested annually for impairment by management. Recoverable amounts were determined on the basis of value-in-use calculation. This calculation uses cash flow projections for five years based on financial budgets approved by management. Cash flows beyond the budgets are extrapolated using the estimated growth rate for each of the Companies.

In management’s opinion, the growth rate assumptions do not exceed the long-term average growth rates for fashion retail and food and beverage business in which the companies operate. Key assumptions for the value-in-use calculation are set out below;

	Nesk Projects Trading Company	Food Gate Company	Wahba Trading Company Limited	Innovative Union Company
Discount rate	13%	13.5%	12.5%	13%
Average annual growth rate for sale	5.1%	2.3%	3.5%	3.8%
Terminal growth rate	2.5%	2.5%	2.5%	2.5%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

The discount rates used are pre-zakat and reflect weighted average cost of capital adjusted for leverage and Company specific risks. Management has determined the budgeted gross margins based on past performance and its expectations for the market development.

D. SENSITIVITY TO CHANGES IN ASSUMPTIONS

With regard to the assessment of value-in-use for the subsidiaries, any adverse changes in a key assumption would result in an impairment loss. The key assumptions, where reasonably possible changes could result in impairment, are the annual growth rates, terminal growth rates and the discount rates used.

8. INVESTMENT PROPERTY

See accounting policies in Notes 5F and 5L.

Reconciliation of carrying amount	Residential apartment
Cost	
Balance at 31 December 2022	3,516,928
Balance at 31 December 2023	3,516,928
Balance at 31 December 2024	3,516,928
Accumulated depreciation and impairment	
Balance at 31 Dec 2022	2,129,728
Charge for the year	122,400
Balance at 31 December 2023	2,252,128
Charge for the year	122,400
Balance as at 31 December 2024	2,374,528
Carrying amount	
At 31 December 2023	1,264,800
At 31 December 2024	1,142,400

(i) Investment property represents an apartment located at unit no. 301, The Pad, Business Bay, Dubai, United Arab Emirates. The fair valuation for the apartment has been performed by an external valuer appointed by the management who assessed the fair value of the investment property at ﷲ 2.7 million (2023: ﷲ 1.9 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

9. EQUITY ACCOUNTED INVESTMENT

See accounting policies in Notes 5A and 5M.

	FAS LAB (i)
Balance at 31 December 2022	62,139,303
Addition	12,887,150
Share of loss	(10,197,674)
Balance at 31 December 2023	64,828,779
Addition	4,881,676
Share of (loss) and impairment	(23,705,661)
Balance at 31 December 2024	46,004,794
Financial year	31 December 2024
Assets	303,931,485
Liabilities (including NCI)	155,689,225
Net Assets	148,242,260
Percentage ownership interest	50%
Group's share of net assets	74,121,130
Adjustment	(28,116,336)
Carrying amount	46,004,794
Revenue	542,002,993
Profit from continuing operations	(13,185,108)
Total comprehensive income	(13,185,108)
Group's share of total comprehensive income	(6,592,554)
Adjustment (ii)	(17,113,107)
Group's share of total comprehensive income and impairment	(23,705,661)

(i) This represents a 50% equity investment in the share capital of FAS Lab Holding Company, a limited liability company incorporated in the Kingdom of Saudi Arabia, which is engaged primarily in leading the digital initiatives of the Group including but not limited to providing the malls' visitors and shoppers with a specialized and advanced loyalty program, simplified and innovative consumer financing solutions and an e-commerce platform.

(ii) During the year, Group recognized an impairment loss of due to earn-out liability amounting to ﷲ 17 million.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

10. INVESTMENT IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

See accounting policies in Notes 5J and 5P.

	Equity securities at FVOCI (i)
Balance at 31 December 2022	92,931,479
Unrealized currency exchange differences	(18,742,465)
Balance at 31 December 2023	74,189,014
Change in fair value	42,034,282
Unrealized currency exchange differences	(31,851,384)
Balance at 31 December 2024	84,371,912

- i. During the year ended 31 March 2021, the Group has acquired 8.9% shares in Egyptian centers for real estate development (ECRED) in consideration for the settlement of a receivable from Egyptian Centers. The Group has designated the investment at FVOCI at initial recognition. During period ending December 2024, Egyptian Centers for Real Estate Development (ECRED) transferred the same 8.9% shares to the Group, including all investments acquired or merged during the period, at the ECRED group level. The Group reassessed the value of these shares, recording gain in other comprehensive income of ﷲ 42 million at 31 December 2024, investment in ECRED has been valued at ﷲ 84.4 million (31 December 2023: 74.2 million).

11. INVENTORIES

See accounting policy in Note 5L.

	Note	31 December 2024	31 December 2023
Finished goods			
- Available for sale		667,229,509	767,902,945
- Goods in transit		36,050,912	48,336,268
- Consumables and supplies		8,056,457	11,059,807
Gross inventories		711,336,878	827,299,020
Provision for inventory	(i)	(79,054,598)	(33,784,240)
Net inventories		632,282,280	793,514,780

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

- i. Movement in provision for inventory is as follows:

	31 December 2024	31 December 2023
Opening balance	33,784,240	348,412,258
Charge for the year	56,006,092	111,436,113
Written off	(3,243,144)	(426,064,131)
Provision written of due to sale of brands	(1,756,878)	--
Transfer to disposal group classified as held for sale	(5,735,712)	--
Closing balance	79,054,598	33,784,240
Inventories directly written off to profit or loss	3,243,144	30,339,860

12. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

See accounting policies in Notes 5M.

	Note	31 December 2024	31 December 2023
Receivables due from related parties	30B	15,338,911	31,419,600
Other receivables			
- Advances, deposits and other receivables excluding related party receivables		41,844,981	79,234,221
- Receivable from credit card and wholesale		31,657,943	42,884,793
- Receivable from disposal of subsidiary	32	19,655,494	--
- Receivable from online marketplaces		18,961,741	25,297,301
- Security deposits		17,113,831	15,578,877
- Custom refund receivable		10,235,313	8,990,391
- Employee receivables		9,920,899	15,037,437
- Margin on letters of credit and guarantee		7,009,058	43,127,792
- Receivable from human resources development fund		4,365,635	13,505,584
- Receivable from disposal of brands		2,220,497	--
- Margin compensation receivable		1,970,767	3,404,524
- Receivable from disposal of other investment		--	10,125,564
- Others		6,443,459	18,852,406
		171,399,618	276,038,890
- Deduct: expected credit loss		(17,523,902)	(5,083,164)
Total advances, deposits and other receivables		169,214,627	302,375,326

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

13. PREPAYMENTS

See accounting policies in Note 5M.

	31 December 2024	31 December 2023
Prepaid taxes	21,111,782	10,009,060
Prepaid insurance	3,450,605	1,521,731
Others	10,438,333	14,268,611
	35,000,720	25,799,402

14. CASH AND CASH EQUIVELANTS

See accounting policy in Note 5I.

	Note	31 December 2024	31 December 2023
Bank balances	(i)	237,183,226	214,358,669
Cash in hand		19,028,308	20,888,713
Cash and cash equivalents in consolidated statement of financial position		256,211,534	235,247,382
Bank's overdraft		--	(47,105,695)
Cash and cash equivalents in consolidated statement of cash flows		256,211,534	188,141,687

15. LOAN AND BORROWINGS

See accounting policies in Note 5N.

	Note	31 December 2024	31 December 2023
Islamic facility with banks (Murabaha)	(i)	1,487,386,027	2,134,844,681
Islamic facility with banks (Murabaha)	(ii)	5,831,109	150,000,000
Islamic banking facilities of non-GCC subsidiaries	(iv & v)	73,415,369	11,502,367
Banking Facilities of GCC subsidiaries	(iii)	150,000,000	145,684,436
Banking facilities of non-GCC subsidiaries	(v)	118,537,406	64,739,292
Loan from affiliate	(vi)	7,449,030	--
		1,842,618,941	2,506,770,776
Short term borrowings		45,572,438	34,132,878
Current portion of long-term borrowings		1,714,597,473	2,264,111,356
Loans and borrowings - current liabilities		1,760,169,911	2,298,244,234
Loans and borrowings - non-current liabilities		82,449,030	208,526,542
		1,842,618,941	2,506,770,776

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 24.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

A. TERMS AND REPAYMENT

- i. The Group signed a long-term Murabaha financing agreement with a National Commercial Bank as the Murabaha Investment Agent and Murabaha Participants, amounting to facilities of ﷲ 2,400 million and USD 166 million on 1 March 2020. As per the terms of the agreement, the term of the Murabaha facility is for a period of seven years. The Murabaha facility is secured by promissory notes issued by the Company. The facility is repayable in six half yearly installments commencing after 12 months from the date of signing the agreement. As at 31 December 2023, the Group has fully utilized this facility. The interest rate on this facility is SIBOR + 2.7% on loan tranche taken in Saudi Riyal and LIBOR + 3% on loan tranche taken in USD.

The loans contain certain financial covenants. A breach of covenants may lead to renegotiation including increase in profit rates, withdrawal of facility or repayment on demand. The covenants are monitored on a periodic basis by management. In case of potential breach, actions are taken by management to ensure compliance. As at 31 December 2024, there has been non-compliance of certain covenants on the outstanding facility.

The Murabaha commercial terms agreement between the Company and the lending banks mandates that the current breach of financial covenants is considered a default event, which in turn allows the banks to declare the immediate maturity of entire outstanding balance of the loan. Accordingly, the long term loan balance was reclassified to be part of current liabilities in the consolidated statement of financial position.

The Company requested the lenders to waive the breach of loans covenants more than once during the year to which the lenders did not agree. However, the lenders have agreed that any waivers of the breach of loan covenants will only be considered in light of successful implementation of Capital Restructuring Transaction, the prepayment of revolving Murabaha Facilities and the corresponding partial cancellation of commitments under the Revolving Murabaha Facilities. The Board of Directors in their meeting dated 10 November 2021 had resolved that the Company will proceed with the rights issue of ﷲ 1,000 million. On the board's recommendation, the shareholders through an extra-ordinary general meeting held on 29 June 2022 have approved the reduction of the share capital of the parent company to absorb the accumulated losses of ﷲ 952 million as at 31 December 2021. The rights issue is yet to be approved by the shareholders.

- ii. During 2022, the Group signed a Murabaha term financing agreement with a Riyadh Bank amounting to ﷲ 150 million. As per the terms of the agreement, the term of the Murabaha facility is for a period of three years including 6 months grace period. The facility is repayable in 36 monthly installments commencing after 6 months from the date of signing the agreement. The agreement was signed in November 2022.
- iii. The borrowings under GCC subsidiaries are secured by corporate guarantee given by the Parent Company. The facility is for short-term period on prevailing market terms.
- iv. During 2023, the Group has obtained 2 new term loans from banks outside KSA to support their operations amounted to USD 15 million, USD 25 million dollars (equivalent to ﷲ 56.2 million, and ﷲ 93.7 million respectively).
- v. During 2023, International subsidiaries has obtained 2 loans from banks outside KSA in their local currencies. One is a credit facility amount to ﷲ 42.1 million and the 2nd facility is a short-term loan amounting to ﷲ 22.6 million.
- vi. During 2024, international subsidiary obtained credit facilities amounting to ﷲ 38.1 million. ﷲ 22 million was obtained for working capital facility in their local currency, to support the operations in the country. ﷲ 8.6 million was obtained from another country with repayment terms of 18 months. An international subsidiary obtained a loan from an affiliate of a non-controlling shareholder amounting to ﷲ 7.5 million. The purpose of providing the loan amount is to ensure the ongoing operations of the company in relation to the retail stores, as well as the conclusion, execution, and payment of supply contracts in the development of these brands and stores.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

16. TRADING AND OTHER PAYABLES

See accounting policy in Note 5R.

	Note	31 December 2024	31 December 2023
Trade payables			
Trade payables to suppliers		500,920,182	413,413,178
Trade payables to rental vendors		100,966,420	110,408,642
		601,886,602	523,821,820
Other payables			
Due to related parties	30B	453,247,163	192,644,723
VAT payable		335,935,022	198,038,199
Contractors and others		174,253,161	176,154,926
Employees' salaries and benefits		20,693,125	60,823,186
Royalty		--	13,430,023
		984,128,471	641,091,057
Accrued expenses			
Deferred income from landlord		61,007,471	57,770,000
Non-trade accruals		53,222,604	42,782,939
Finance cost - accruals		46,475,406	64,401,833
Government duties		1,178,252	512,734
Consignment margin		--	15,688,627
Other accruals and other liabilities		51,612,271	54,017,588
		213,496,004	235,173,721
Trade and other payables		1,799,511,077	1,400,086,598

The Company did not meet the legal deadlines to pay its VAT obligations for few months in 2024, this has led to certain fines and financial penalties being imposed over the Company. The Zakat, Tax, and Customs Authority (ZATCA) has introduced an initiative effective since 1 January 2025 till 30 June 2025, which aimed at allowing companies to install their VAT overdues over a short span of time with a benefit to waive fines and financial penalties, including those on late payments. This initiative offers companies a more flexible opportunity to resolve their financial obligations.

The Company is currently in advanced discussions with ZATCA to finalize an agreement for submitting an installment payment plan for the outstanding amounts. As a result, the Company expects that it will benefit from an exemption on fines and financial penalties and that the likelihood of incurring such penalties are remote.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

17. EMPLOYEE BENEFITS

See accounting policy in Note 5S.

The Group operates unfunded defined benefit plans for its permanent employees as required by the Saudi Arabia Labor Law and in accordance with the local statutory requirements of the foreign subsidiaries. The payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment.

A. MOVEMENT IN EMPLOYEE BENEFITS LIABILITY

	31 December 2024	31 December 2023
Opening balance	89,333,116	95,948,028
Included in profit or loss		
Current service cost	15,275,701	17,857,600
Interest cost	4,432,316	4,479,336
	19,708,017	22,336,936
Included in OCI		
Actuarial (gain) loss arising from		
– financial assumptions	(2,940,481)	(3,889,576)
– other assumptions and experience adjustments	2,432,867	2,445,482
	(507,614)	(1,444,094)
Other		
Benefits paid	(30,240,855)	(20,271,864)
Transfer to disposal group classified as held for sale	(4,363,874)	(7,235,890)
Balance at	73,928,790	89,333,116

B. SIGNIFICANT ACTUARIAL ASSUMPTIONS

The significant actuarial assumptions used were as follows:

	31 December 2024	31 December 2023
Economic assumptions		
Gross discount rate	5.50%	5.00%
Price inflation	2.00%	2.0%
Salary growth rate	3.00%	3.00%
Demographics assumptions		
Number of employees	4,637	6,774
Average age of employees (years)	33.6	33
Average years of past service	5	4

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

C. SENSITIVITY ANALYSIS

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions made in the calculation is as follows:

	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Salary inflation (1% movement)	7,477,806	(6,432,808)	8,678,605	(7,364,112)
Discount rate (1% movement)	(6,115,299)	7,218,660	(7,171,314)	8,587,683

18. ZAKAT AND TAX LIABILITIES

See accounting policy in Note 5T.

A. AMOUNTS RECOGNIZED IN PROFIT OR LOSS AND FINANCIAL POSITION

Recognized in profit or loss

	Note	31 December 2024	31 December 2023
Current year zakat charge	18B	36,986,395	31,267,747
Current year income tax charge	18C	23,615,994	17,498,840
		60,602,389	48,766,587

Recognized in financial position

	Note	31 December 2024	31 December 2023
Zakat	18B	99,324,253	85,054,391
Income tax	18C	(95,388)	1,522,208
		99,228,865	86,576,599

B. ZAKAT

i. Movement in zakat liability is as follows:

	Note	31 December 2024	31 December 2023
Opening balance		85,054,391	62,722,287
Zakat charge			
- Current year		--	6,960,204
- Prior years – charge / (reverse)		36,986,395	24,307,543
Net charge during the year		36,986,395	31,267,747
Paid		(22,716,533)	(8,935,643)
Closing balance		99,324,253	85,054,391

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

ii. Computation of zakat charge is as follows:

	Note	31 December 2024	31 December 2023
Shareholders' equity and other payables		2,414,561,887	5,450,174,127
Adjusted net income		(197,463,333)	140,043,005
Deductions and other adjustments		(3,210,789,284)	(5,346,401,885)
Zakat base		(796,227,397)	278,408,147
Zakat at 2.5% (higher of adjusted net income or Zakat base)		--	6,960,204

iii. Status of zakat assessments is as follows:

Zakat self-assessments for the Company have been finalized with ZATCA and final certificates have been obtained for the fiscal years up to 2023.

Final Zakat assessments for 2015 up to 2018 have been issued by ZATCA and resulted in additional Zakat liabilities of ₪ 60.3 million. The Company has accrued the all required provision to cover due amounts while waiting for a final decision from the General Secretariat of Zakat, Tax and Customs Committees (GSZTC). The Company has finalized its Zakat assessment for the 2019 fiscal year which resulted in an additional Zakat liability of ₪ 13 million and has provided the necessary provision thereto.

Additionally, ZATCA has finalized its audits for the 2020-2023 fiscal years and issued its final assessments without any additional Zakat liability.

C. INCOME TAX

i. Movement in income tax is as follows:

	Note	31 December 2024	31 December 2023
Opening balance		1,522,208	7,763,181
Current year income and deferred tax charge	(a)	23,615,994	17,498,841
Paid		(25,233,590)	(23,739,814)
Closing balance		(95,388)	1,522,208

ii. Status of income tax assessments is as follows:

The income tax returns for subsidiaries in Egypt, Azerbaijan, Kazakhstan, Jordan, Armenia and Georgia Countries the income tax returns have been filed up to 31 December 2023.

The income tax returns for above subsidiaries are under review by the relevant tax authorities. As at 31 December 2024, there are no pending adverse assessments relating to income tax in any of the subsidiaries. The Group has accrued income tax liabilities and there are no significant penalties under local jurisdictions due to delay in filing of tax returns for above subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

19. SHARE CAPITAL AND RESERVES

SHARE CAPITAL

The Company’s share capital as at 31 December 2024, and 31 December 2023 is as below:

	31 December 2024			31 December 2023		
	No. of shares	Par value	Total	No. of shares	Par value	Total
Ordinary share capital	114,766,448	10	1,147,664,480	114,766,448	10	1,147,664,480

20. OPERATING SEGMENTS

See accounting policy in Note 5Y.

A. BASIS FOR SEGMENTATION

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different marketing strategies.

The Group’s Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least a quarterly basis.

Reportable segments

The following table describes the operations of each reportable segments:

Reportable segments	Operations
Fashion retail	Primarily include sales of apparels, footwears & accessories through retail outlets
Indoor entertainment	Kids play centers
Food & beverage	Cafes and restaurants

Geographical information

The Group operates through their various retail outlets, indoor entertainment for kids in the Kingdom of Saudi Arabia (Domestic) and international geography which primarily includes Jordan, Egypt, Republic of Kazakhstan, United States of America, Republic of Azerbaijan, Georgia and Armenia.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

B. INFORMATION ABOUT REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION

The segment information from operations of these segments is provided below:

	Reportable segments						Geographical segments					
	Fashion retail		Indoor entertainment	Food and Beverages	Inter-segment elimination	Total	Domestic		International		Inter-segment elimination	Total
	Continuing ops	Discontinued ops	Discontinued ops	Continuing ops			Continuing ops	Discontinued ops	Continuing ops	Discontinued ops		
	Amount in ₪'000						Amount in ₪'000					
31 December 2024												
Profit or loss												
Sales	4,516,663	300,838	68,144	327,846	--	5,213,491	3,509,827	300,839	1,334,681	68,144	--	5,213,491
Depreciation and amortization	(117,414)	(9,559)	(13,880)	(18,491)	--	(159,344)	(118,014)	(9,559)	(17,891)	(13,880)	--	(159,344)
Finance charges	(277,957)	(9,665)	(1,095)	(7,566)	--	(296,283)	(241,563)	(9,665)	(43,960)	(1,095)	--	(296,283)
Net profit / (loss)	(121,487)	(51,249)	(1,081)	(23,646)	--	(197,463)	(253,295)	(45,888)	108,161	(6,441)	--	(197,463)
Statement of financial position												
Non-current assets	6,467,928	170,408	--	223,537	(3,396,305)	3,465,568	6,216,531	170,408	474,934	--	(3,396,305)	3,465,568
Current assets	1,117,420	27,411	--	(24,711)	--	1,120,120	765,193	27,411	327,516	--	--	1,120,120
Total liabilities	(5,129,636)	(241,476)	--	(232,713)	--	(5,603,825)	(4,831,367)	(241,476)	(530,982)	--	--	(5,603,825)

The segment information from operations of these segments is provided below:

	Reportable segments						Geographical segments					
	Fashion retail		Indoor entertainment	Food and Beverages	Inter-segment elimination	Total	Domestic		International		Inter-segment elimination	Total
	Continuing ops	Discontinued ops	Discontinued ops	Continuing ops			Continuing ops	Discontinued ops	Continuing ops	Discontinued ops		
	Amount in ₪'000						Amount in ₪'000					
31 December 2023												
Profit or loss												
Sales	4,292,038	782,042	72,081	379,184	-	5,525,345	3,615,746	755,848	1,055,476	98,275	-	5,525,345
Depreciation and amortization	(112,752)	(22,504)	(16,038)	(23,543)	-	(174,837)	(124,143)	(21,193)	(12,152)	(17,349)	-	(174,837)
Finance charges	(321,933)	(25,381)	(1,635)	(6,163)	-	(355,112)	(301,636)	(23,810)	(26,460)	(3,206)	-	(355,112)
Net profit / (loss)	(993,440)	(82,036)	(5,811)	(31,520)	-	(1,112,807)	(1,359,812)	(61,369)	334,852	(26,478)	-	(1,112,807)
Statement of financial position												
Non-current assets	6,726,178	246,206	61,412	248,217	(2,945,101)	4,336,912	6,498,750	246,206	537,057	-	(2,945,101)	4,336,912
Current assets	1,378,465	63,775	(6,105)	(15,424)	-	1,420,711	1,047,460	63,775	309,476	-	-	1,420,711
Total liabilities	(5,999,251)	(268,197)	(54,226)	(242,256)	-	(6,563,930)	(5,647,013)	(268,197)	(648,720)	-	-	(6,563,930)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

21. REVENUE

See accounting policy in Note 5C.

The Group generates revenue primarily from the sale of goods. Revenue is recognized when a customer obtains controls of the goods at a point in time i.e. on delivery and acknowledgement of goods. In the following table, revenue from contracts with customers is disaggregated by primary geographical market and major revenue streams:

	31 December 2024		
	Kingdom of Saudi Arabia	International Countries	Total
Apparels	2,563,381,174	1,308,277,722	3,871,658,896
Footwear & accessories	86,557,673	22,881,640	109,439,313
Others	532,042,496	3,521,917	535,564,413
Fashion retail	3,181,981,343	1,334,681,279	4,516,662,622
Food & beverages	327,846,068	--	327,846,068
Total revenue	3,509,827,411	1,334,681,279	4,844,508,690

	31 December 2023		
	Kingdom of Saudi Arabia	International Countries	Total
Apparels	2,681,676,312	1,036,410,462	3,718,086,774
Footwear & accessories	122,876,026	14,984,879	137,860,905
Others	432,052,486	4,080,162	436,132,648
Fashion retail	3,236,604,824	1,055,475,503	4,292,080,327
Food & beverages	379,142,870	--	379,142,870
Total revenue	3,615,747,694	1,055,475,503	4,671,223,197

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

22. INCOME AND EXPENSES

A. COST OF REVENUE NOTE 5E.

	31 December 2024	31 December 2023
Cost of sales	3,274,682,522	3,055,561,700
Employees' salaries and benefits	420,028,147	454,326,086
Depreciation on right-of-use asset	308,038,844	321,052,872
Rent expense	75,573,530	94,305,627
Utilities and maintenance	52,555,625	53,445,806
Insurance	11,164,870	11,635,884
Travelling	9,773,328	8,916,209
Bank charges	9,123,480	6,501,045
Professional fee	8,929,343	7,329,604
Others	43,116,631	61,428,019
	4,212,986,320	4,074,502,852

- i. Cost of goods include a charge for inventory provision of ₪ 56 million (2023: ₪ 111.4 million). Further, it also includes a charge of ₪ 3.2 million (2023: ₪ 30.3 million) relating to write-down of inventories to net realizable value which were recognized directly as an expense and not routed through the inventory provision account.

B. SELLING AND DISTRIBUTION EXPENSES

	31 December 2024	31 December 2023
Employees' salaries and benefits	47,707,906	58,045,325
Advertising and promotions	37,209,275	45,912,498
Bank charges	15,294,807	20,098,094
Freight and distribution charges	9,309,547	1,008,437
Rent expense	4,179,853	9,399,412
Utilities and maintenance	2,582,524	2,472,783
Travel	1,688,309	3,176,326
Others	8,082,587	7,332,229
	126,054,808	147,445,104

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

C. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2024	31 December 2023
Employees' salaries and benefits	129,025,374	182,029,278
Professional fee	35,965,985	55,910,613
Stationery and supplies	27,711,686	20,026,747
Rent	21,022,430	20,914,531
Travel and communication	18,493,710	24,576,341
Bank charges	10,212,494	8,950,831
Utilities and maintenance	8,385,299	7,419,335
Advertising and publishing	5,700,763	28,381,799
Government fees and related charges	4,170,306	13,370,437
Insurance	1,306,733	1,398,980
Others	19,370,118	20,008,483
	281,364,898	382,987,375

D. OTHER OPERATING EXPENSE

	31 December 2024	31 December 2023
Write off property and equipment and intangibles	41,505,595	221,590,354
Expected credit loss	24,013,772	33,139,485
Losses from disposal of investment in subsidiary	1,307,461	7,122,648
Loss on lease termination	876,703	--
Foreign exchange (loss)	--	28,841,070
Provision for payable	(36,074,477)	37,348,155
Others - other operating expense	2,889,148	4,334,363
	34,518,202	332,376,075

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

E. OTHER OPERATING INCOME

	31 December 2024	31 December 2023
Gain on disposal of brands	210,246,153	--
Income from owners of new malls	18,668,729	78,509,992
Income from sub-franchise, net	10,032,290	9,927,747
Foreign exchange (loss)gain, net	4,688,228	--
Rental concession for leases	--	3,527,303
Gain on lease termination	--	1,246,522
Others - other operating income	35,374,663	57,480,174
	279,010,063	150,691,738

F. FINANCE COSTS OVER LOANS AND BORROWINGS

	31 December 2024	31 December 2023
- Financial charges over loans and borrowings	187,028,960	119,277,006
- Amortization of upfront fees	1,858,098	2,354,859
	188,887,058	121,631,865

23. EARNINGS PER SHARE

See accounting policy in Note 5V.

The calculation of basic and diluted (loss) per share has been based on the following loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

A. (LOSS) PER SHARE FOR CONTINUING OPERATIONS

	Note	31 December 2024	31 December 2023
Loss attributable to ordinary shareholders		(151,208,872)	(1,089,915,428)
Weighted average number of ordinary shares	19	114,766,448	114,766,448
Basic and diluted loss per share		(1.32)	(9.50)

B. (LOSS) PER SHARE FOR DISCONTINUING OPERATIONS

	Note	31 December 2024	31 December 2023
Loss attributable to ordinary shareholders		(52,329,706)	(87,846,648)
Weighted average number of ordinary shares	19	114,766,448	114,766,448
Basic and diluted loss per share		(0.46)	(0.77)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

24. FINCNCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

See accounting policies in Notes 5J, 5M, 5P.

A. ACCOUNTING CLASSIFICATION AND FAIR VALUES

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI and FVTPL equity investments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying values.

The following table shows carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair hierarchy value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	31 December 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
FVOCI - equity instruments					
Egyptian Centres for Real Estate Development (ECRED)	84,371,912	--	--	84,371,912	84,371,912

	31 December 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities					
Derivative liabilities	(31,600,110)	--	(31,600,110)	--	(31,600,110)
FVOCI - equity instruments					
Egyptian Centres for Real Estate Development (ECRED)	74,189,014	--	--	74,189,014	74,189,014

See accounting policies in Notes 5J, 5M, 5P.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

B. VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following tables show the valuation techniques and significant unobservable inputs used in measuring the above investments:

Type	Valuation technique and significant unobservable inputs
Equity securities	<p>The valuation model is based on discounted cash flows and considers the present value of the expected future income receivable under lease agreements and forecast take-up of vacant units, discounted using a risk-adjusted discount rate. The estimate is adjusted for the net debt of the investee.</p> <p>Significant unobservable inputs include expected cash flows and risk adjusted discount rate. The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none">- the expected cash flows were higher (lower); or- the risk-adjusted discount rate was lower (higher).
Derivative asset	<p>The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.</p>

C. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Capital management risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Audit Committee is assisted in its role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

i. Credit risk

Credit risk is the risk that other party will fail to discharge an obligation and will cause the Group to incur a financial loss. The Group has no significant concentration of credit risks. The Group's exposure to credit risk is as follows:

	Note	31 December 2024	31 December 2023
Cash at banks	14	237,183,226	214,358,669
Advances, deposits and other receivables		59,341,881	57,718,635
		296,525,107	272,077,304

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings ranging from BBB to A+.
- The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of receivables. The main components of this provision are the expected loss element of specific customers as well as the aggregate loss element that is estimated for a group of similar customers.
- The financial position of related parties is stable. There were no past due or impaired receivables from related parties.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value.

Management monitors the liquidity risk on a regular basis and ensures that sufficient funds are available to meet the Group's future commitments.

The table below summarizes the contractual maturities of financial liabilities at the end of the reporting period. These amounts are grossed up and undiscounted and include estimated interest payments.

Financial Liabilities	Carrying amount	Contractual cash flow		
		Less than 1 year	1 year to 5 years	More than 5 years
31 December 2024				
Loans and borrowings	1,842,618,941	814,459,000	1,218,862,793	--
Lease liabilities	1,547,061,727	259,951,044	709,779,532	1,127,289,728
Trade and other payables	1,799,511,077	1,799,511,077	--	--
	5,189,191,745	2,873,921,121	1,928,642,325	1,127,289,728
31 December 2023				
Loans and borrowings	2,506,770,776	1,178,338,344	1,765,079,218	--
Lease liabilities	2,134,259,647	578,755,711	929,973,096	1,400,516,391
Trade and other payables	1,400,086,598	1,400,086,598	--	--
Bank overdraft	47,105,695	47,105,695	--	--
	6,088,222,716	3,204,286,348	2,695,052,314	1,400,516,391

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

iii. Market risk

Market risk is the risk that changes in the market prices - such as foreign exchange rates and commission rates- will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

It is a risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency that's not the Group entities' functional currencies which are Euros, U.S. dollars, Great Britain Pound, United Arab Emirate Dirham and Egyptian Pound. Management monitors the fluctuations in currency exchange rates, and the effect of the currency fluctuation has been accounted for in the consolidated financial statements.

At the end of the year, the Group had the following significant net currency exposures in foreign currencies. Presented below are the monetary assets and liabilities, net in foreign currencies:

Foreign currency exposures	31 December 2024	31 December 2023
EUR	(95,756,261)	(57,864,975)
USD	(34,632,564)	(43,294,306)
GBP	599,121	(1,653,645)
UAE Dirham	(1,521,355)	(580,913)
SGD	(392,892)	(1,188,617)

The following significant exchange rates have been applied:

	Average rate		Year-end spot rate	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
EUR	4.03	4.07	3.91	4.14
USD	3.76	3.76	3.76	3.75
GBP	4.74	4.65	4.72	4.77
UAE Dirham	1.02	1.02	1.02	1.02
EGP	0.08	0.13	0.07	0.12

Sensitivity analysis

The table below shows the non-pegged currencies to which the Group has a significant exposure on its monetary assets and liabilities. The analysis calculates the effect of reasonable possible movement of the currency rate against Saudi Riyal, with all other variables held constant, on the consolidated statement of profit or loss.

Foreign currency	Change in currency	Currency movement vs. Saudi Riyal (ﷲ)			
		31 December 2024		31 December 2023	
		Strengthening	Weakening	Strengthening	Weakening
EUR	+/-10%	(37,460,000)	37,460,000	(23,956,000)	23,956,000
GBP	+/-10%	283,000	(283,000)	(789,000)	789,000
UAE Dirham	+/-10%	(155,439)	155,439	(59,253)	59,253
		(37,299,439)	37,299,439	(24,804,253)	24,804,253

As the Saudi Riyal is pegged to US Dollar, the Group is not exposed to significant currency risk arising out of US Dollar.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Commission rate risk

It is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. Islamic banking facilities (Murabaha) and Sukuk amounting to ﷲ 1,487 million at 31 December 2024 (2023: ﷲ 2,135 million) bear financing commission charges at the prevailing market rates.

The Group's policy is to manage its financing charges using a mix of fixed and variable commission rate debts.

Sensitivity analysis

The following table demonstrates the sensitivity of the income to reasonable possible changes in the commission rates, with all other variables held constant.

Foreign currency exposures	Currency	Increase / decrease in basis points of commission rates	Effect on income for the period / year
31 December 2024	ﷲ	+30	(6,640,052)
	ﷲ	-30	6,640,052
31 December 2023	ﷲ	+30	(5,763,379)
	ﷲ	-30	5,763,379

iv. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are;

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- ii) to provide an adequate return to shareholders

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

25. NON-CONTROLLING INTEREST (NCI)

See accounting policy in Note 5A.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations:

Balance at 31 December 2024	Retail Group Azerbaijan LLC	Retail Group Armenia CJSC	Egypt	Food Gate Company*	Uzbekistan	Total
NCI percentage	15%	4%	2%	30%	20%	
Non-current assets	106,869,827	58,830,092	94,631,526	25,400,998	37,083,257	322,815,700
Current assets	67,908,842	55,294,959	26,130,368	23,022,737	11,996,598	184,353,504
Non-current liabilities	(53,226,020)	(45,076,915)	(4,930,429)	(23,060,683)	(5,026,738)	(131,320,785)
Current liabilities	(58,195,753)	(4,687,950)	(9,023,845)	(83,305,323)	(40,606,558)	(195,819,429)
Net assets	63,356,896	64,360,186	106,807,620	(57,942,271)	3,446,559	180,028,990
Net (liabilities) / assets attributable to NCI	(5,495,212)	2,400,306	(5,141,206)	(17,382,077)	689,312	(24,928,877)
Revenue	335,231,215	186,683,157	32,909,954	115,445,619	132,499,837	802,769,782
Profit / (loss)	32,672,437	13,612,812	(5,809,568)	(2,301,686)	7,182,815	45,356,810
Profit / (loss) allocated to NCI	4,900,866	544,512	(116,191)	(690,506)	1,436,563	6,075,244

See accounting policy in Note 5A.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations:

Balance at 31 December 2023	Retail Group Azerbaijan LLC	Retail Group Armenia CJSC	Models Own Holding Limited	Egypt	Food Gate Company*	Uzbekistan	Total
NCI percentage	15%	4%	49%	2%	30%	20%	
Non-current assets	74,905,263	58,518,556	--	111,523,884	58,008,821	29,120,089	332,076,613
Current assets	61,271,814	45,968,151	--	43,982,534	20,044,757	9,008,163	180,275,418
Non-current liabilities	(62,695,712)	(47,634,438)	--	(23,641,218)	(49,318,927)	--	(183,290,295)
Current liabilities	(20,768,019)	(7,189,361)	--	(20,377,501)	(84,375,236)	(41,885,691)	(174,595,807)
Net assets	52,713,346	49,662,908	--	111,487,699	(55,640,585)	(3,757,439)	154,465,929
Net (liabilities) / assets attributable to NCI	(7,091,746)	1,812,415	--	(4,913,346)	(16,691,571)	(746,932)	(27,631,180)
Revenue	264,747,616	212,594,278	--	38,420,782	155,039,703	--	670,802,379
Profit / (loss)	27,962,278	12,898,944	135,534,559	497,927	(17,431,311)	(4,741,033)	172,152,675
Profit / (loss) allocated to NCI	4,194,342	515,958	66,411,934	9,959	(5,229,393)	(948,208)	64,954,592

* These subsidiaries are owned through a wholly owned subsidiary of the Group, Innovative Union Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

26. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

See accounting policy in Note 5X.

The Group leases stores and warehouses (property leases). The leases typically run for a period of 5 to 10 years, with an option to renew the lease after that date. Information about leases for which the Group is a lessee is presented below.

A. RIGHT-OF-USE ASSETS

	Note	31 December 2024	31 December 2023
Balance at beginning of the year		2,044,680,531	2,347,145,130
Additions		200,758,830	287,025,112
Adjustment for termination		(215,482,350)	(141,074,847)
Liquidation / disposal of subsidiaries		(3,495,251)	(24,260,245)
Adjustment for reassessment		(59,174,563)	250,638,371
Depreciation of right-of-use assets for the year from continuing operation		(308,038,844)	(407,687,443)
Depreciation of right-of-use assets for the year from discontinuing operation assets held for sale		(67,649,003)	(69,187,354)
Forex gain / (loss)		(16,649,164)	(9,700,574)
Transfer to disposal group classified as held for sale	34	(119,779,826)	(188,217,619)
Balance at ending of the year		1,455,170,360	2,044,680,531

B. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	Note	31 December 2024	31 December 2023
Non-current portion of lease liabilities		1,188,752,144	1,555,503,936
Current portion of lease liabilities		358,309,583	578,755,711
Closing balance		1,547,061,727	2,134,259,647

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

	Note	31 December 2024	31 December 2023
Balance at beginning of the year		2,134,259,647	2,401,952,939
Finance cost from continuing operations		96,636,434	106,243,873
Finance cost associated with assets held for sale		10,124,528	11,611,254
Additions		200,758,830	287,025,111
Adjustment for termination		(233,591,195)	(141,244,804)
Adjustment for reassessment		(45,622,627)	250,638,567
Liquidation of subsidiaries		(37,213,221)	(39,040,932)
Rental concession		--	(5,062,430)
Forex loss		(22,695,491)	(23,119,283)
Payment of lease liability		(428,649,482)	(524,898,807)
– principal		(321,888,520)	(407,043,680)
– Finance cost from continuing operations		(96,636,434)	(106,243,873)
– Finance cost associated with assets held for sale		(10,124,528)	(11,611,254)
Transfer to liabilities associated with asset held for sale	34	(126,945,696)	(189,845,840)
Balance at ending of the year		1,547,061,727	2,134,259,647

C. AMOUNTS RECOGNIZED IN PROFIT OR LOSS

	Note	31 December 2024	31 December 2023
Depreciation of right-of-use assets for the year from continuing operation		308,038,844	407,687,443
Depreciation of right-of-use assets for the year from discontinuing operation assets held for sale		67,649,003	69,187,354
Finance cost from continuing operations		96,636,434	106,243,873
Finance cost associated with assets held for sale		10,124,529	11,611,254
Expenses relating to short-term / variable rent leases		103,366,659	129,260,378

27. Derivative Liabilities

The Group settled all Interest Rate Swaps ("IRS") during the year 2024.

Description of the hedged items	Hedging instrument	Fair Value	31 December 2024	31 December 2023
Commission payments on floating rate loan	IRS	Positive	--	(31,600,110)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

28. Commitments

As at the reporting date, the Group is committed to capital expenditures of ﷲ 33.85 million (2023: ﷲ 125.1 million) to purchase property and equipment.

29. Contingencies

As at the reporting date, the Group has outstanding contingencies:

Type	Nature	31 December 2024	31 December 2023
Letter of credits	Purchase of retail trading inventory	137,907,545	339,913,830
Letter of guarantees	Bid bonds, contracts advance payments and performance bonds	412,988,139	441,725,839

30. Related parties

Related parties comprise shareholders, key management personnel, directors and businesses, which are controlled directly or indirectly or influenced by the shareholders, directors or key management personnel. In the normal course of business, the Group has various transactions with its related parties. Transactions are entered into with the related parties on terms and conditions approved by either the Group's management or its Board of Directors.

A. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation is comprised as follows:

	31 December 2024	31 December 2023
Salaries and short-term benefits	15,082,701	13,490,569
Post-employment benefits	2,193,514	1,304,560
Board of Directors and board committees' remuneration and compensation	3,812,387	3,292,750
Total key management compensation	21,088,602	18,087,879

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

B. OTHER RELATED PARTY TRANSACTIONS

Major transactions and balances with related parties, in the normal course of business, are summarized below:

Name of related party	Relationship	Nature of transaction	Transaction values		Balance outstanding at	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
Saudi FAS Holding Company	Shareholder	Expenses paid on behalf of Company	--	712,497	--	--
		Receipts	--	422,069,175	--	--
Egyptian Center for Real Estate Development	Investee	Rental	1,115,972	1,586,798	--	--
Al Farida Trading Agencies	Affiliate	Services / payment made on behalf of Company	9,321,948	9,752,084	--	16,786,501
		Payment / Settlement made	26,108,448	5,000,542	--	--
Cenomi Academy	Affiliate	Training services	3,341,399	--	705,812	--
		Payment made	4,087,211	--	--	--
Food and entertainment co Ltd	Affiliate		--	--	14,633,099	14,633,099
Due from related parties					15,338,911	31,419,600
Arabian Centers Company	Affiliate	Rentals	310,281,422	428,433,452	(443,379,749)	(181,554,080)
Wonderful Meals Co. Ltd.	Affiliate	Purchase of goods	31,328,906	52,268,906	(9,714,679)	(10,730,207)
Hajen Co. Ltd.	Affiliate	Printing and advertisement	656,025	2,736,170	(152,735)	(360,436)
Due to related parties					(453,247,163)	(192,644,723)
Metropol Group - Uzbekistan	Affiliate	Loan received	7,449,030	--	(7,449,030)	--

All outstanding balances with these related parties are to be settled in cash within agreed credit period from the date of transaction. There were no past due or impaired receivables from related party hence no expense has been recognized in the current or prior period for bad or doubtful debts in respect of amounts owed by related parties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

31. Standards, interpretations, and amendments to existing standards

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are as follows:

A. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

- Amendments to IAS 21 - Lack of Exchangeability;
- Amendment to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments';
- IFRS 18, 'Presentation and Disclosure in Financial Statements'; and
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'.

Management is in the process of assessing the impact of such new standards and interpretations on its consolidated financial statements.

B. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE IN THE CURRENT YEAR

A number of new and amended standards became applicable for the current reporting year.

- Amendment to IFRS 16 'Leases' ("IFRS 16") - Leases on sale and leaseback;
- Amendments to IAS 1, Presentation of financial statements' - Non-current liabilities with covenants; and
- Amendment to IAS 7 'Cash flow statements' ("IAS 7") and IFRS 7 'Financial instruments: Disclosures' ("IFRS 7") - Supplier finance.

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

32. DISPOSAL OF SUBSIDIARIES (DISCONTINUED OPERATIONS)

On 31 December 2024, the Group disposed of its companies' operation in United States of America. All assets and liabilities including intergroup balances relating to these operations have been written off on 31 December 2024.

Detail of these combined net assets before written off is as follows:

	31 December 2024
Property and equipment	27,246,756
Right of use assets	3,495,251
Non-current assets	30,742,007
Trade and other receivables	26,362,103
Prepayments	514,840
Cash and cash equivalents	557,226
Current assets	27,434,169
Total assets classified as held for sale	58,176,176
Liabilities	
Lease liabilities	(37,213,221)
Liabilities	(37,213,221)
Net assets written off	20,962,955
Consideration	(19,655,494)
Loss on disposal	1,307,461

Profit and Loss Statement relating to these operations is as follows:

	31 December 2024	31 December 2023
Revenue	68,143,676	72,081,465
Cost of revenue	(46,729,242)	(47,694,633)
Gross profit	21,414,434	24,386,832
Other operating income	1,425,167	9,347,290
Selling and distribution expenses	(6,263,124)	(6,111,985)
General and administrative expenses	(8,042,403)	(8,059,381)
Depreciation on property and equipment	(13,880,317)	(16,038,389)
Other operating expenses	--	(7,700,685)
Operating (loss)	(5,346,243)	(4,176,318)
Finance costs over loans and borrowings	(248,621)	(170,121)
Finance costs over lease liabilities	(846,496)	(1,464,860)
Net finance costs	(1,095,117)	(1,634,981)
Loss for the year	(6,441,360)	(5,811,299)

On 31 December 2023, the Group disposed of its companies' operation in three countries: Balkan, Morocco, and United Kingdom. All assets and liabilities including intergroup balances relating to these operations have been written off on 31 December 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Detail of these combined net assets before written off is as follows:

	31 December 2023
Assets	
Right of use asset	8,127,939
Property and equipment	24,260,245
Other intangible assets	4,851,768
Inventories	4,212,768
Prepayments and other current assets	36,679,045
Cash and cash equivalents	2,117,553
Total Assets	80,249,318
Liabilities	
Lease liabilities	39,040,933
Accounts payable and accruals	34,085,738
Total Liabilities	73,126,671
Net assets written off to P&L	7,122,648
NCI Portion	66,351,183

Profit and Loss Statement relating to these operations is as follows:

	Twelve-month ended 31 Dec 2023	Nine-month ended 31 Dec 2022
Revenue	26,193,536	39,271,310
Cost of revenue	(42,343,342)	(41,950,857)
Gross loss	(16,149,806)	(2,679,547)
Other operating income	6,021,649	(2,827,346)
Selling and distribution expenses	(150,831)	(221,761)
General and administrative expenses	(4,508,587)	(5,030,591)
Depreciation on property and equipment	(1,310,477)	(748,927)
Other operating expense	(2,849,466)	(45,721)
Operating Profit/(loss)	(18,947,518)	(11,553,893)
Finance costs	(1,571,360)	(1,555,586)
Profit before zakat and income tax	(20,518,878)	(13,109,479)
Zakat and Income tax expense	(147,554)	(167,709)
Loss for the year / period	(20,666,432)	(13,277,188)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

33. DISPOSAL OF BRANDS

Following is the gain on disposal of brands during the year

	31 December 2024
Assets	
Property and equipment	100,472,803
Inventories	50,790,995
Prepayments and other current assets	8,455,163
Total Assets	159,718,961
Liabilities	
Accounts payable and accruals	673,924
Total liabilities	673,924
Net assets disposed off	159,045,037
Consideration	369,291,190
Gain	210,246,153

34. DISCONTINUED OPERATIONS

The assets and liabilities related to the 5 Fashion Brands (part of the KSA retail operating segment) are presented as held for sale as of 31 December 2024.

Details of assets and liabilities relating to that Brands are as follows:

	31 December 2024
Property and equipment	49,643,240
Right of use assets	119,779,826
Goodwill and intangible assets	985,274
Non-current assets	170,408,340
Inventories	26,871,735
Trade and other receivables	521,811
Prepayments	17,863
Current assets	27,411,409
Total assets classified as held for sale	197,819,749
Liabilities	
Lease liabilities	103,800,768
Post-employment benefits	4,363,874
Non-Current liabilities	108,164,642
Lease liabilities – current portion	23,144,928
Trade and other payables	110,166,708
Current liabilities	133,311,636
Total liabilities classified as held for sale	241,476,278

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

All amounts are presented in Saudi Riyals unless otherwise stated.

Profit and Loss Statement relating to 5 Brands is as follows:

	31 December 2024	31 December 2023
Revenue	300,838,692	755,848,221
Cost of revenue	(325,458,579)	(742,493,331)
Gross (loss) /profit	(24,619,887)	13,354,890
Other operating income	10,138,983	4,205,358
Selling and distribution expenses	(10,386,421)	(33,946,653)
Depreciation on property and equipment	(8,924,930)	(20,355,327)
Amortization on intangible assets	(634,041)	(838,001)
Other operating expense	(1,797,479)	20,525
Operating (loss)	(36,223,775)	(37,559,208)
Finance costs over loans and borrowings	(386,538)	(851,210)
Finance costs over lease liabilities	(9,278,033)	(22,958,499)
Net finance costs	(9,664,571)	(23,809,709)
Loss for the year	(45,888,346)	(61,368,917)