

Rooted in Heritage.  
Growing with Purpose.

# ANNUAL REPORT



2025

Al-Saif Stores for Development &  
Investment Company

السَّيْفُ خَالِدِي  
*Alsaif Gallery*

السَّيْفُ خَالِدِي  
*Alsaif Gallery*



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**

# Table of Contents

## 01 Overview

About Al Saif Gallery	05
Company Vision	06
Company Values	06
Business Model	07
Geographic Footprint	08
History and Development	09
Brand Portfolio	10
Key Performance Indicators – 2025	11
Investment Proposition	13
Shareholder Information	14

## 02 Strategic Review

Chairman's Message	16
Chief Executive Officer's Message	17
Market Overview	18
Strategy and Focus Areas	20
Stakeholder Engagement	21
Corporate Social Responsibility	22

## 03 Operating Performance

Saudi Arabia Operations	24
GCC Operations	26
Product Category Performance and Portfolio Management	27
E-Commerce and Channel Integration	28
Supply Chain and Logistics Operations	29
Human Capital and Capacity Building	30

## 04 Corporate Governance

Corporate Governance Overview	32
Governance Structure	33
Board of Directors	34
Board Committees	42
Compliance, Internal Control, Internal Audit, and Risk Management	44
Shareholder Affairs, Ownership, and Dividend Policy	47
Related Party Transactions and Conflicts of Interest	49
Remuneration Disclosures and Statutory Declarations	51

## 05 Financial Report

Financial Review	55
Independent Auditor's Report	59
Consolidated Statement of Financial Position	62
Consolidated Statement of Comprehensive Income	62
Consolidated Statement of Changes in Equity	63
Consolidated Statement of Cash Flows	64
Notes to the Consolidated Financial Statements	64





AL SAIF



# 01

## Overview

About Al Saif Gallery	05
Company Vision	06
Company Values	06
Business Model	07
Geographic Footprint	08
History and Development	09
Brand Portfolio	10
Key Performance Indicators – 2025	11
Investment Proposition	13
Shareholder Information	14



# About Al Saif Gallery



**Al-Saif Stores for Development and Investment Company** ("Al Saif Gallery") was founded in Riyadh, Kingdom of Saudi Arabia, in June 1993 by Sheikh Suleiman bin Mohammed Al-Saif.

The Company operates in the specialized retail sector for home appliances, kitchen tools, and household accessories, offering products through its showroom network across the Kingdom and its digital channels.

The Company was listed on the Saudi Exchange (Tadawul) on 27 December 2022 under ticker symbol 4192 on the Main Market.





# Company Vision

The Company's vision is to be the leading and first-choice provider of home appliances and kitchen tools for customers in the Kingdom of Saudi Arabia and across the GCC markets, through the delivery of high-quality products and services.

# Company Values

The Company's business conduct, and its relationships with customers, suppliers, and stakeholders, are guided by a set of corporate values that direct its operational practices and support the achievement of its strategic objectives:



## Quality

A commitment to offering reliable products that meet customer needs and deliver consistent performance standards.



## Customer Satisfaction

A focus on understanding customer requirements and delivering an integrated pre- and post-sales purchasing experience.



## Development

A continuous effort to develop products, talent, and operational platforms in support of performance improvement.



## Integrity

A commitment to transparency and professional practice in all dealings with customers, suppliers, investors, and stakeholders.



## Teamwork

Fostering collaboration across the Company's various departments to support operational efficiency and the achievement of shared objectives.





# Business Model

Al-Saif Stores for Development and Investment Company (Al Saif Gallery) operates in the retail sector for home appliances, kitchen tools, and household accessories, pursuant to a multi-channel business model anchored on four principal pillars:



**Integrated Distribution Network**



**Diversified Product Portfolio**



**Supportive Operational Infrastructure**



**After-Sales Service**

The distribution network encompasses physical showrooms across the Kingdom of Saudi Arabia and a number of GCC markets, as well as an e-commerce platform and smart device applications enabling ordering, payment, and delivery. The product portfolio comprises proprietary brands, supported by selected international partnerships. The operational and logistics infrastructure enhances product availability and responsiveness to market requirements. The Company complements this through after-sales services, including extended warranties on electrical appliances and maintenance services across its showroom network and digital channels.





# Geographic Footprint

Al Saif Gallery's retail presence extends across the Kingdom of Saudi Arabia and a number of GCC markets. As at 31 December 2025, the Company's total showroom network comprised 73 showrooms, of which 66 showrooms are located within the Kingdom of Saudi Arabia and 7 showrooms are located in GCC markets. The tables below set out the geographic distribution of the Company's showrooms.

## Showroom Distribution GCC Markets

Country	Number of Showrooms
United Arab Emirates	3
State of Kuwait	2
Sultanate of Oman	1
State of Qatar	1
<b>Total</b>	<b>7</b>

## Showroom Distribution by Region

Region	Number of Showrooms
Central Region	27
Western Region	17
Eastern Region	9
Southern Region	7
Northern Region	6
<b>Total</b>	<b>66</b>

## An Overview of the Showroom Network

# 73

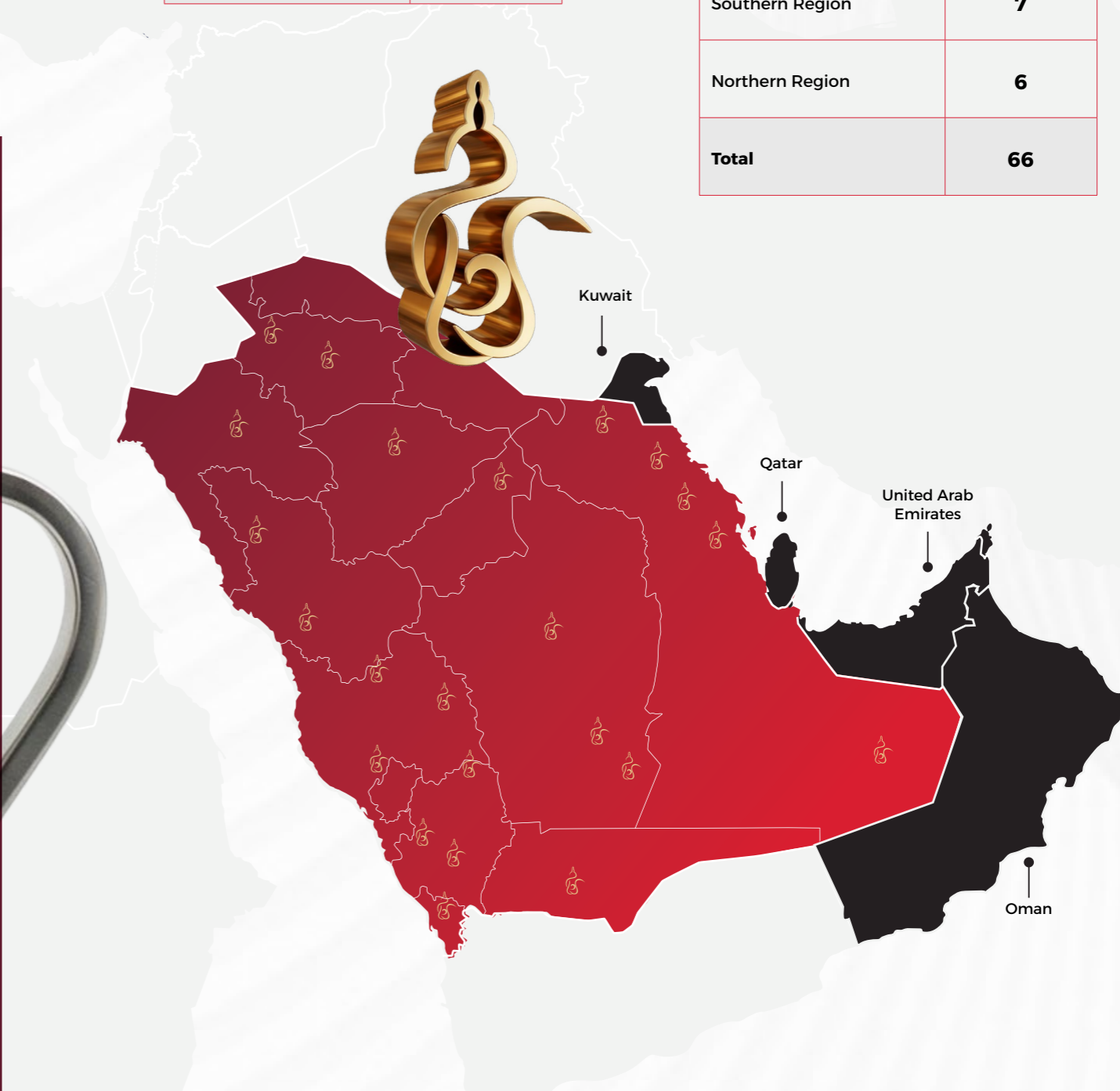
Total showrooms

# 66

Showrooms located within the Kingdom of Saudi Arabia

# 7

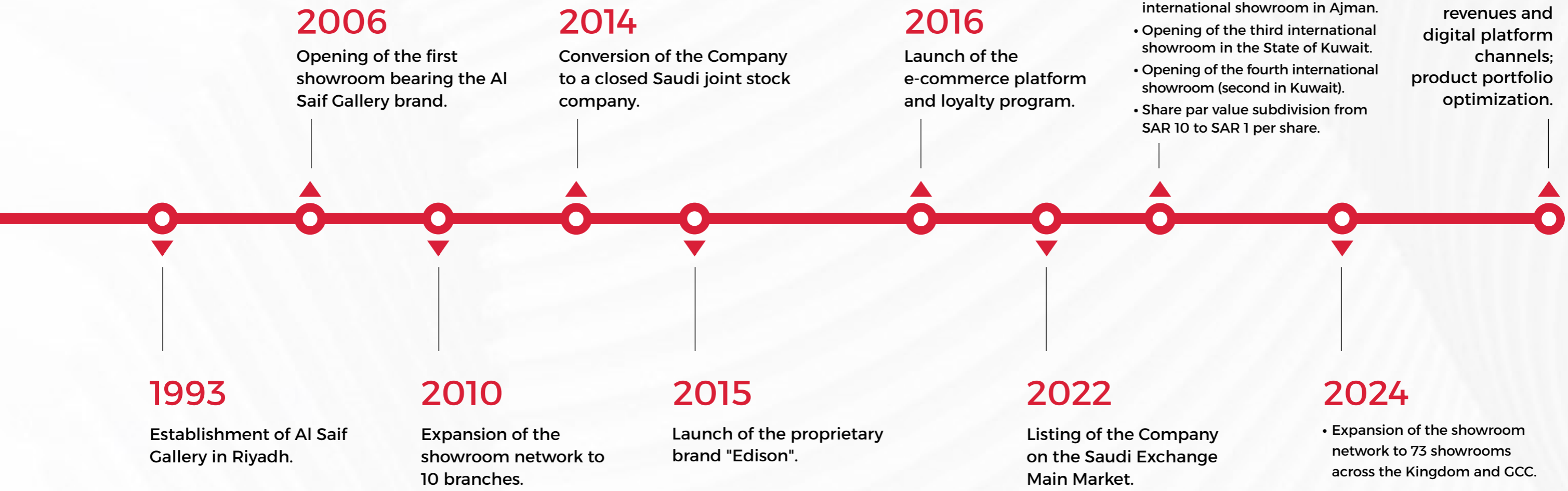
Showrooms located in GCC





# History and Development

Since its establishment, Al-Saif Stores for Development and Investment Company (“Al Saif Gallery”) has progressed through a number of key milestones that have contributed to the development of its business and the expansion of its presence in the home appliances and kitchen tools retail sector across the Kingdom of Saudi Arabia and the GCC. The following timeline presents the principal stages of the Company's development.



**1993**

Establishment of Al Saif Gallery in Riyadh.

**2010**

Expansion of the showroom network to 10 branches.

**2015**

Launch of the proprietary brand "Edison".

**2022**

Listing of the Company on the Saudi Exchange Main Market.

**2024**

- Expansion of the showroom network to 73 showrooms across the Kingdom and GCC.
- Opening of the fifth international showroom in the Sultanate of Oman.
- Opening of the sixth international showroom (third in the UAE) in Al Ain city.
- Opening of the seventh international showroom (first in the State of Qatar) in Doha.





# Brand Portfolio

The Company holds a diversified portfolio of brands comprising both proprietary and international brands distributed through its showroom network. This portfolio covers multiple categories, including home appliances, kitchen tools, and hospitality accessories. During 2025, the Company added major kitchen appliances to its product range, supported by delivery, installation, warranty, and spare parts availability services.

## Proprietary Brands

Home Appliances and Kitchen Tools



Small and large home appliances designed to meet everyday household usage requirements, including products dedicated to traditional cuisine preparation.



Cookware and preparation tools engineered for daily use, distinguished by their durability.



Serving and kitchen tools designed for home use, with an emphasis on durability and practical functionality.

## TORNADO

A diverse range of kitchen tools designed for daily food preparation and cooking.



## Storage, Serving, and Hospitality Accessory Brands

The Company's portfolio includes a number of brands specializing in vacuum flasks, serving ware, and beverage accessories for domestic hospitality use. These brands include:

- Everest
- Elegance
- Lima
- Rain
- Timeless
- Royal
- Falcon
- Glory

## International Partnerships and Brands

The product portfolio additionally includes international brands distributed through the Company's showrooms:

Brand	Country of Origin
Markutec	Germany
Helios	Germany
Hascevher	Turkey
Falez	Turkey





# Key Performance Indicators 2025

During the financial year 2025, the Company recorded a 54.6% year-on-year increase in net income, rising to SAR 58.0 million, driven by an improvement in gross profit margin to 23.5% and operating profit margin to 9.3%. It is noted that FY 2024 net income of SAR 37.5 million included non-recurring capital gains of SAR 43 million arising from the disposal of real estate assets, as formally disclosed via the Tadawul platform; excluding this item, the FY 2025 performance reflects a more substantive underlying operational improvement than the headline comparison may suggest. The Company also completed the full repayment of all outstanding short-term credit facilities during the year.

## Key Financial and Operational Indicators – 2025 (SAR millions unless otherwise stated)

### E-Commerce Revenue

**94.3**

### E-Commerce Share of Revenue

**12.4%**

### Number of Showrooms

**73**

### Number of Employees

**1280**



## Selected Financial Items

(SAR millions unless otherwise stated)

Item	2025	2024
Revenue	<b>758.8</b>	731.6
Gross Profit	<b>178.0</b>	113.0
Gross Profit Margin	<b>23.5%</b>	15.4%
Operating Profit	<b>70.4</b>	13.5
Operating Profit Margin	<b>9.3%</b>	1.8%
Net Income	<b>58.0</b>	37.5
Net Income Margin	<b>7.6%</b>	5.1%
Earnings Per Share (SAR)	<b>0.17</b>	0.11
Operating Cash Flows	<b>78.7</b>	201.8
Capital Expenditure	<b>8.7</b>	32.9
Total Assets	<b>790.8</b>	741.0
Shareholders' Equity	<b>496.4</b>	439.2

## Geographic Revenue Distribution – 2025

Market	SAR millions	Share
Kingdom of Saudi Arabia	697	91.9%
GCC Markets	61.8	8.1%
<b>Total</b>	<b>758.8</b>	<b>100%</b>



# Operational Highlights

## 73 showrooms

Comprising 66 showrooms within the Kingdom of Saudi Arabia and 7 showrooms in GCC markets.

## Logistics Infrastructure

Two central warehouses in Riyadh, in addition to the Ifa'a fulfillment center in Jeddah, with a total area in excess of 50,000 square meters, supporting supply and distribution operations across the Kingdom and GCC markets.

## Digital channels

A website and smart device applications enabling customers to access the Company's products and services through digital channels.



# Key Operational Developments – 2025

During 2025, the Company concentrated its efforts on four principal areas: developing the retail network with priority given to the Saudi market, diversifying the brand-led product portfolio, strengthening omni-channel integration, and enhancing operational efficiency.

### Q1 2025

#### Operational and Digital Foundations

- Completed a comprehensive upgrade of the e-commerce platform and smart device applications, covering the browsing, purchase, and delivery stages.
- Developed inventory management and supply chain operations to enhance product availability.
- Continued to enhance the in-showroom shopping experience to support integration between physical and digital channels.

### Q2 2025

#### Portfolio and Seasonal Campaigns

- Executed seasonal campaigns during Ramadan and Eid Al-Fitr across digital channels and showrooms.
- Launched selective portfolio updates comprising seasonal collections and limited-availability products.
- Discontinued low-performing SKUs and introduced new products (product assortment rationalization) in alignment with customer preferences.

### Q3 2025

#### Operational Efficiency and E-Commerce

- Implemented initiatives to improve promotional discipline, pricing management, and category profitability analysis.
- The e-commerce channel recorded an improvement in its revenue contribution, supported by platform development and digital marketing capabilities.

### Q4 2025

#### Financial Consolidation

- The Company repaid all outstanding short-term credit facilities in full.
- Focused on higher-turnover and higher-margin categories, with disciplined management of promotional offers and seasonal products.
- The Company closed FY 2025 with a gross profit margin of 23.5% (FY 2024: 15.4%) and an operating profit margin of 9.3% (FY 2024: 1.8%).



# Investment Proposition

The Company possesses a number of attributes that underpin its business model in the specialized home appliances and kitchen tools retail sector.

*These attributes are presented as factors that support the Company's business model and do not constitute a guarantee of future performance.*



## Wide Geographic Presence

The Company operates a network of 73 showrooms across the Kingdom of Saudi Arabia and GCC markets, complemented by an e-commerce platform.



## Proprietary-Brand-Led Business Model

Proprietary and exclusive brands accounted for approximately 88% of the Company's revenues in 2025, comprising two categories: wholly-owned brands (Edison, Tornado, Rocky, Robust) and exclusive brands for which the Company holds distribution rights in its markets (Markutec, Helios).



## Improving Profitability

Net income increased by 54.6% to SAR 58 million in 2025, in the absence of non-recurring capital items compared to 2024, which included capital gains of SAR 43 million as formally disclosed.



## E-Commerce Growth

E-commerce revenues reached SAR 94 million in 2025, representing 12.4% of total revenues, compared to 9.4% in 2024.



## After-Sales Service

The Company provides extended warranties for electrical products under its proprietary brands, together with maintenance services through its showrooms and digital channels.



## Solid Financial Position

The Company completed the full repayment of all outstanding short-term credit facilities during 2025, strengthening the Company's financial flexibility.



## Structural Support from Vision 2030

The Company benefits from demand-growth drivers in the domestic market, including urban expansion, growth in new residential units, and the growth of the hospitality sector. The Company employs 1,280 staff, contributing to Saudization targets.





# Shareholder Information

Item	Details
Listing Date	<b>27 December 2022</b>
Exchange	<b>Saudi Exchange (Tadawul) – Main Market</b>
Ticker Symbol	<b>4192</b>
ISIN	<b>SA15M1P11G19</b>
Number of Issued Shares	<b>350,000,000 ordinary shares</b>
Par Value per Share	<b>SAR 1.00 (one Saudi Riyal)</b>
Share Capital	<b>SAR 350,000,000</b>
Closing Price (31 December 2025)	<b>SAR 6.28</b>
Market Capitalization (31 December 2025)	<b>SAR 2,198,000,000</b>

## Principal Shareholders

Shareholder	Percentage of Share Capital
Suleiman bin Mohammed bin Saleh Al-Saif (Founder)	<b>62.5%</b>
Other Individual Shareholders	<b>7.5%</b>
Public Shareholders (Free Float)	<b>30.0%</b>

\* The founder's stake and individual shareholder percentages are subject to verification against Tadawul / Edaa registry records as at 31 December 2025 prior to publication.

## Ownership Structure by Nationality

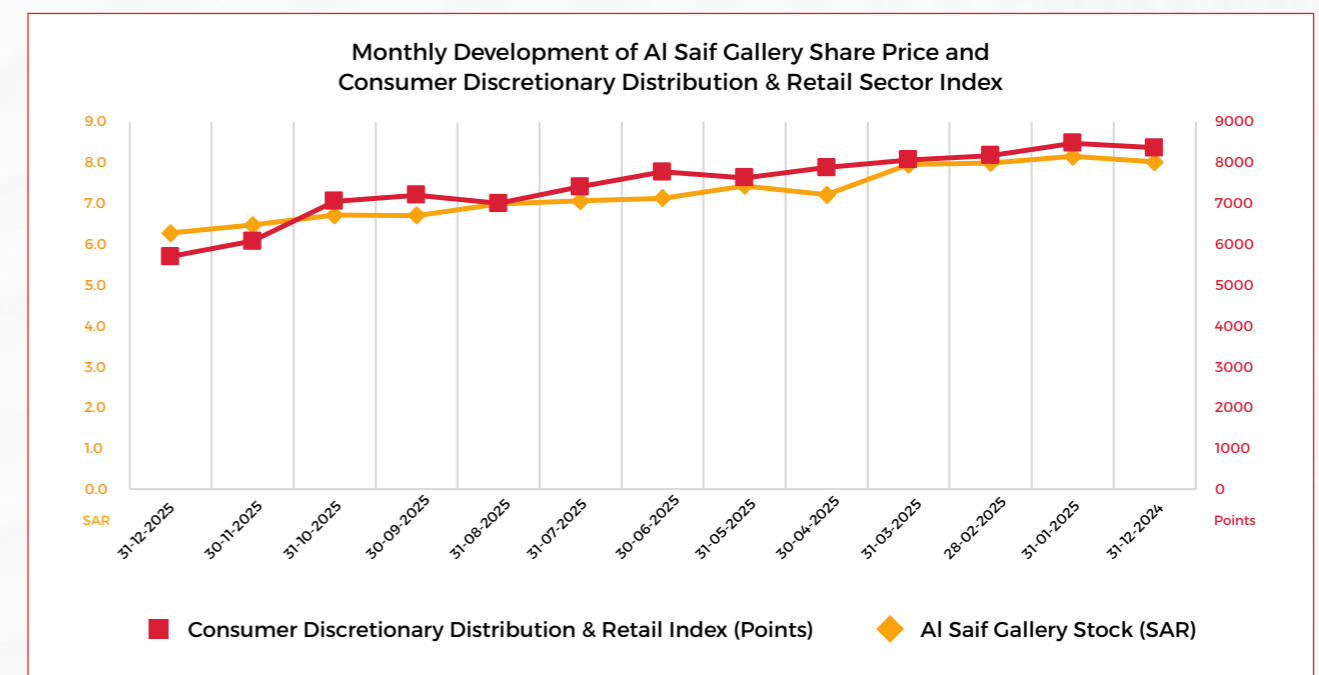
Nationality	Percentage of Share Capital
Saudi Investors	<b>94.31%</b>
Foreign Investors	<b>5.69%</b>

## Ownership Structure by Investor Type

Investor Type	Percentage of Share Capital
Qualified Foreign Investors (QFIs)	<b>1.14%</b>
Corporates / Institutions	<b>10.42%</b>
Individual Investors	<b>88.44%</b>

\* Ownership distribution data sourced from Tadawul / Edaa (Securities Depository Center) registry records as at 31 December 2025.

## Share Price Performance vs. Benchmark Indices



### Notes on the chart:

General Assembly, Dividend Announcements, Material Disclosures (Opening of Showrooms/Sale of Assets), Board Changes



# 02

## Strategic Review

Chairman's Message	16
Chief Executive Officer's Message	17
Market Overview	18
Strategy and Focus Areas	20
Stakeholder Engagement	21
Corporate Social Responsibility	22



# Chairman's Message



**Suleiman bin Mohammed Al-Saif**  
Chairman of the Board of Directors

Al-Saif Stores for Development and Investment Company

## Dear Valued Shareholders,

It is my pleasure, on behalf of the Board of Directors of Al-Saif Stores for Development and Investment Company, to present to you the Annual Report for the financial year ended 31 December 2025 – a report that reflects an important phase in the Company's journey and the development of its business.

The retail sector in the Kingdom of Saudi Arabia witnessed accelerating transformation during 2025, driven by non-oil GDP growth and evolving consumption patterns, amid continued progress toward Vision 2030 targets. This environment created opportunities in the specialty retail sector, and Al Saif Gallery continued throughout the year to capitalise on these developments in support of its business growth.

The Board of Directors fulfilled its oversight and strategic role during the year by strengthening the governance framework and internal controls, monitoring compliance with applicable regulations, and working to protect the interests of shareholders and other stakeholders. In this context, the Board remained committed to supporting executive management and monitoring its strategic priorities within a clear framework of responsibilities and authorities.

Within this framework, the Company continued to execute its strategic priorities, including the development of its

showroom network across the Kingdom, the strengthening of its proprietary brand presence – which now accounts for approximately 88% of the Company's total revenues – as well as deepening the integration between showroom and e-commerce channels.

The Board of Directors looks to the coming period on the basis of objective indicators, including a mature showroom network spanning 13 administrative regions across the Kingdom and four GCC markets, and a digital channel that achieved annual growth of 37.4%, raising its contribution to 12.4% of total revenues. It should nonetheless be noted that business results are subject to market and operating environment variables, and that future performance is dependent on factors outside the Company's control.

In closing, the Board extends its sincere appreciation to the Company's shareholders for their trust, to executive management and all employees for their commitment and dedication, and to our partners and suppliers for the professional and enduring relationships built on trust.



# Chief Executive Officer's Message



**Ahmed Al Sultan**  
Chief Executive Officer

Al-Saif Stores for Development and Investment Company

## To our employees, partners, and all stakeholders,

Three decades ago, Al Saif Gallery was founded in Riyadh with a clear purpose: that the Saudi home deserves products designed for it. Today, I am pleased to present our 2025 Annual Report – a year that witnessed a tangible acceleration in the operational transformation we have been working toward.

The retail sector in the Kingdom of Saudi Arabia continued its structural transformation in 2025, driven by non-oil GDP growth and evolving consumption patterns amid the accelerating progress toward Vision 2030 targets. In this environment, Al Saif Gallery continues to build its position as a specialty company with a distinct brand identity, broad geographic presence, and continuously growing digital capability.

The improvement in operational and financial performance in 2025 was not a random surge, but rather the outcome of cumulative efforts executed across four parallel tracks:

**In Q1**, we completed a comprehensive upgrade of our digital platform and mobile applications, redesigning the customer's digital journey from browsing to delivery, and strengthened inventory management and supply chain efficiency.

**In Q2**, we capitalised on the Ramadan and Eid season through integrated omni-channel activation and launched a portfolio restructuring program by discontinuing 6,000 underperforming SKUs and introducing 2,000 new SKUs aligned with customer preferences. This contributed to improved category profitability and inventory efficiency.

**In Q3**, we deepened the integration between our showrooms and digital channels, and achieved e-commerce growth supported by improved promotional discipline.

**In Q4**, we closed the year with a key milestone: the full settlement of all short-term credit obligations, reinforcing balance sheet strength and financial flexibility.

Generating profits alone is insufficient; understanding their source matters more

In 2025, revenue grew by 3.7% and net profit rose by 54.6%, both driven entirely by genuine operational improvements. I would note clearly that the 2024 net profit included non-recurring capital gains of SAR 43 million

arising from the disposal of real estate assets, as previously disclosed. Excluding this item, the true operational improvement in 2025 earnings becomes more pronounced and more representative of the Company's underlying business performance.

Our strongest differentiator remains our proprietary and exclusive brand portfolio, which now accounts for approximately 88% of the Company's total revenues. These brands – Edison, Tornado, Rocky, Robust, and others – support profit margins and foster customer loyalty, as demonstrated by our 2025 performance indicators.

The forward-looking statements below are based on management plans as of the current date, subject to operational and market variables, and do not constitute commitments or guarantees of future results.

Subject to market conditions and variables, the Company continues to focus on:

- Deepening the customer experience across showrooms and digital channels in an integrated manner.
- Expanding the proprietary brand portfolio and broadening product categories to meet diverse demand.
- Continuing to develop the digital platform and increase the contribution of e-commerce to total revenues.
- Disciplined, return-driven expansion in attractive markets, domestically and regionally.
- Maintaining balance sheet strength and operational efficiency.

All of these priorities serve one objective: delivering a strong, transparent, and value-generating company to its shareholders over the long term.

In closing, I wish to extend my sincere appreciation to the Al Saif Gallery team across showrooms, warehouses, digital platforms, and corporate offices in all countries where we operate – they are the true authors of these results. I also thank our partners and suppliers for their steadfast cooperation, and extend special thanks to our valued shareholders for the trust that obliges us to bring ever greater seriousness and transparency to every decision we make.



# Market Overview

The household appliances and kitchen tools sector operates within the retail trade ecosystem in the Kingdom of Saudi Arabia. This sector has experienced notable development in recent years, supported by a range of economic and demographic factors, most prominently population growth, urban expansion, rising consumer spending levels, and shifts associated with the evolution of e-commerce (General Authority for Statistics, 2025; Communications and Space Technology Commission, 2024).

Vision 2030-related initiatives have contributed to the growth of non-oil sectors, with non-oil GDP recording growth of approximately 4.9% during 2025 (General Authority for Statistics, 2026), and non-oil activities projected to grow by approximately 4.6% during 2026 (Ministry of Finance, 2025; International Monetary Fund, 2026).

The Kingdom's advanced digital infrastructure supports the development of the retail sector, with internet penetration reaching approximately 99% of the population (Communications and Space Technology Commission, 2024), driving e-commerce growth and omni-channel integration.



## The Evolving Retail Landscape

The retail sector in the Kingdom of Saudi Arabia is experiencing transformation driven by the expansion of consumer activity and the evolution of digital payment channels; e-commerce sales through Mada cards reached SAR 325.2 billion during 2025, compared with SAR 197.4 billion in 2024 (Saudi Central Bank, 2026; Okaz, 2026).

Point-of-sale transactions rose to SAR 707.2 billion in 2025, compared with SAR 668.2 billion in 2024 (Saudi Central Bank, 2026; Argaam, 2026), reflecting the strength of consumer spending.

## Market Size and Outlook

According to estimates by Technavio (2024), the retail market in the Kingdom of Saudi Arabia is expected to expand by approximately USD 64.6 billion during the period 2025-2029, at a compound annual growth rate (CAGR) of approximately 7.1%. It should be noted that these estimates are produced by independent third parties and do not necessarily reflect the Company's own projections.



## Consumer Trends

Market developments indicate a number of consumer trends influencing demand for household appliances and kitchen tools in the Kingdom of Saudi Arabia, most notably:

- **Cooking and Home Hospitality:** Sustained demand for cooking, serving, and coffee products associated with hospitality culture in Saudi society.
- **Quality and Safety Awareness:** Growing consumer attention to manufacturing quality, safety standards, and energy efficiency in household appliances.
- **Variety of Options:** Consumer preference for products offering additional features or designs suited to daily use and household needs.
- **Expansion of Integrated Kitchen Solutions:** Growing demand for a broad range of kitchen-related products within a single shopping experience.
- **Evolution of Payment and Delivery Methods:** Increasing use of digital payment methods and installment options, alongside growing expectations around delivery speed and flexibility.
- **After-Sales Service Importance:** Rising consumer attention to warranty services, maintenance, and spare parts availability when making purchase decisions.



### Competitive Landscape

The retail trade sector in the Kingdom of Saudi Arabia is experiencing increasing levels of competition driven by the expansion of commercial space and the evolution of digital retail technologies. Data indicate that total consumer spending in the Kingdom reached approximately SAR 1.41 trillion during 2024, an increase of approximately 7% year-on-year (Al-Eqtisadiyah, 2025).

Approximately 3.4 million square meters of new commercial space is expected to be added by 2028, reflecting the continued expansion of the retail sector in the Kingdom.

### GCC Markets

Retail sales across GCC countries are growing at 4.6% during 2023-2028, with a combined Saudi-UAE market share of 78% by 2028 (Zawya, 2024); the large household appliances market stands at USD 3.9 billion in 2025, with growth of 6.2% projected through 2030.

### Implications for Al Saif Gallery

Market developments in the Kingdom of Saudi Arabia and the GCC point to a number of factors supporting the Company's position in the household appliances and kitchen tools sector, most notably:

- **Saudi Market Priority:** The Saudi market represents the largest market in the region in terms of size and purchasing power, and is distinguished by widespread adoption of digital technologies, providing a favorable environment for retail sector growth.
- **Role of Proprietary Brands:** The Company's proprietary brands contribute to enhanced product differentiation for customers, alongside supporting the ability to develop products suited to local market needs.
- **Omni-Channel Integration:** The combination of physical showrooms and digital channels enables a seamlessly integrated shopping experience for customers, encompassing order, payment, delivery, and click-and-collect options.
- **Product Category Expansion:** Diversifying categories related to household appliances and kitchen tools allows for the broadening of the product range offered to customers, in line with evolving market demand.
- **Importance of Logistics Infrastructure:** Efficiency in inventory management and supply chains supports product availability and improves responsiveness to market needs, particularly during periods of elevated demand.



# Strategy and Focus Areas

Al-Saif Stores for Development and Investment Company pursues a strategy focused on strengthening its position in the specialty retail sector for household appliances and kitchen tools in the Kingdom of Saudi Arabia and the GCC. The strategy is anchored in an integrated business model combining a showroom network and digital channels, alongside the development of a proprietary and exclusive brand portfolio.



## Phases of Strategy Evolution

Up to 2024, the Company completed the construction of the strategic foundation of its business model through: strengthening its proprietary and exclusive brand portfolio; building a retail network in the Saudi market with selective Gulf market presence; developing an integrated omni-channel platform; and strengthening its logistics infrastructure and after-sales services.

During the expansion and enablement phases from 2025 onward, the Company focuses on: selective expansion of the showroom network; broadening the product portfolio; accelerating omni-channel integration; improving sourcing efficiency and inventory turnover; while maintaining robust cash generation and disciplined capital allocation.

## Strategic Focus Areas






- **Product Portfolio Diversification:** Expanding product categories to include additional household appliances and lifestyle-related products, in alignment with customer needs and evolving market demand.
- **Proprietary Brand Development:** Investing in the development of the Company's own brands and expanding their presence across different product categories.
- **Omni-Channel Integration:** Strengthening integration between showrooms and digital channels through the development of the e-commerce platform and applications, and improving delivery and payment options.
- **Showroom Network Expansion:** Continuing the selective expansion of showrooms within the Kingdom of Saudi Arabia and GCC markets.





# Stakeholder Engagement

AI Saif Gallery maintains ongoing engagement with the individuals and entities that influence its business model, through formal channels consistent with the practices of listed companies in the Kingdom of Saudi Arabia.

Stakeholder Group	Engagement Mechanisms	Frequency	Key Issues 2025	Key Actions	Value Delivered
 <b>Employees</b>	Onboarding and training programs; performance management; internal meetings; digital communication tools; feedback and reporting channels	Ongoing within showrooms; regional meetings; scheduled training cycles	Customer experience; inventory availability; operational safety; after-sales service quality; career development	Capability development; standardisation of operational practices; improved service quality through training and communication	Enhanced team readiness; improved customer experience; adherence to quality standards
 <b>Customers</b>	Showrooms; website; mobile applications; customer service; Tastahil loyalty program; product surveys and reviews	Daily engagement through showrooms and digital channels; intensified during peak seasons	Suitability of cooking and hospitality products; promotions and value; delivery and returns; warranty support; digital ease of use	Key SKU refresh; promotional calibration; improved order and delivery journey; simplified returns and warranty processes for electrical appliances	Increased customer satisfaction; enhanced loyalty; improved repeat purchase rates and collection efficiency
 <b>Suppliers &amp; Partners</b>	Direct sourcing for proprietary and exclusive brands; agency relationships; supplier qualification; joint demand planning; logistics partner collaboration	Ongoing procurement and logistics coordination; periodic commercial reviews	Costs; quality standards; exclusivity terms; warranty support; packaging requirements; capacity reservation for peak seasons	Procurement consolidation for core categories; specification updates; seasonal distribution plans; simplified spare parts flows	Improved SKU availability; margin protection via proprietary brands; reduced supply lead-time variability
 <b>Shareholders</b>	Saudi Exchange disclosures; investor relations; general assemblies; Board and committee reports; dividend communications	Ongoing market disclosures; annual general meeting; periodic interactions as required	Strategy execution; showroom network; brand portfolio; omni-channel progress; cash flows; capital allocation; governance compliance	Enhanced communications transparency; provision of information within regulatory frameworks and formal channels	Increased confidence; supporting informed decision-making
 <b>Community</b>	Seasonal community and charitable initiatives; donations; employee volunteering; partnerships linked to heritage, hospitality, and family programs	Seasonal campaigns and as-needed responses	Local impact priorities; youth and family welfare; responsible consumption and safety in appliance use	Implementation of seasonal community initiatives; employee engagement in volunteering	Support for local communities; enhancement of the Company's positive impact

"The data in the stakeholder engagement table is based on internal management reports and the results of customer and employee satisfaction measurement programs for 2025, and reflects the key issues identified through formal communication channels."



# Corporate Social Responsibility

Al Saif Gallery's Corporate Social Responsibility policy, approved by the Board of Directors on 26 October 2021, reflects the Company's commitment to balancing its commercial objectives with the priorities of the communities in which it operates. This policy guides the Company's initiatives, disclosure mechanisms, and impact measurement. The Board of Directors oversees the overall policy framework, while executive management is responsible for program implementation and execution.

This framework is consistent with the requirements of the Corporate Governance Regulations, in particular Articles (84) and (85), which affirm the importance of a CSR policy approved by the Board of Directors, alongside the disclosure of objectives, plans, and impact measurement indicators.

The Company implements its community programs through practical initiatives that leverage the reach of its showroom network across the Kingdom's various regions, with the aim of supporting the most in-need households, with a focus on the reuse of household items, kitchen tools, and electrical appliances in cooperation with licensed charitable associations.



## "Awani Al-Khair" Initiative – Fourth Edition

The third edition of the initiative was implemented in October 2024. By the campaign's conclusion, 425,694 household items had been delivered across a number of regions of the Kingdom through charitable partners, with collection records, transfer minutes, and charitable partner acknowledgments retained as supporting documentation.

In 2025, the Company launched the fourth edition of the "Awani Al-Khair" initiative to continue encouraging customers to donate surplus household items and electrical appliances through the Company's showrooms. Licensed charitable associations collected these donations and distributed them to beneficiaries across various regions. This program constitutes a core pillar of the Board-approved corporate social responsibility framework.





# 03

## Operating Performance



Saudi Arabia Operations	24
GCC Operations	26
Product Category Performance and Portfolio Management	27
E-Commerce and Channel Integration	28
Supply Chain and Logistics Operations	29
Human Capital and Capacity Building	30



## Introduction

Al Saif Gallery's operating performance during 2025 reflects an improvement in business model efficiency, supported by assortment management discipline, growing contribution from owned brands, and improved inventory and supply chain management. This was reflected in improved profit margins, enhanced working capital efficiency, and increased productivity across showrooms and the digital channel.

# Saudi Arabia Retail Operations

## Business Overview

Saudi Arabia operations represent the Company's core business and the operational benchmark for all other markets. **The model rests on three pillars: owned and exclusive brands for specification and quality control; direct factory sourcing for cost discipline and supply stability; and a network of 66 showrooms supported by an integrated digital platform.** During 2025, the Company focused on aligning products with local market requirements, seasonal purchasing scheduling to enhance SKU availability, and developing after-sales services with warranties of two to three years accompanied by spare parts availability.

## Owned Brands and Assortment Discipline

The owned brand portfolio drives the Company's business model, with Edison covering small kitchen appliances, and Tornado, Robust, and Rocky covering cookware and storage solutions, in addition to thermos and hospitality product categories linked to gifting seasons. During 2025, the Company implemented an assortment discipline program by adding 2,000 new SKUs and discontinuing 6,000 underperforming SKUs, which improved inventory efficiency, working capital, and reduced return rates by approximately 8% on a relative basis in the optimized categories. Multi-year warranties and spare parts availability strengthen customer confidence in owned brands.

## Showroom Network Execution and Pricing

The showroom network constitutes the geographic backbone of the Company's business model, supported by central warehouses in Riyadh and a fulfillment center in Jeddah. Showrooms operate under standardized operational models covering display standards and customer service, with operational performance monitoring tools to minimize out-of-stock situations in the highest-demand categories. Promotional activities are managed according to a seasonal calendar focused on Ramadan and Eid, maintaining the value of owned brands. Showrooms are connected to the central digital platform for integrated order, return, and warranty services, with diverse payment options and delivery within 1-5 days within the Kingdom and 5-10 days to GCC markets.

## Showroom Distribution by Region

Region	No. of Showrooms	Key Cities
Central Region	25	Riyadh (17), Al-Kharj (1), Al-Majma'ah (1), Al-Zulfi (1), Buraidah (2), Al-Rass (1), Unaizah (1), Al-Dawadmi (1)
Western Region	18	Jeddah (7), Makkah (3), Taif (2), Al-Qunfudhah (1), Madinah (3), Yanbu (1), Al-Baha (1)
Eastern Region	10	Dammam (2), Al-Ahsa (2), Khobar (2), Jubail (1), Qatif (1), Hafar Al Batin (1), Khafji (1)
Southern Region	7	Abha (1), Khamis Mushait (1), Mahayel Aseer (1), Bisha (1), Jazan (1), Sabya (1), Najran (1)
Northern Region	6	Hail (2), Tabuk (1), Sakaka (1), Qurayyat (1), Arar (1)
<b>Total</b>	<b>66</b>	

## Showroom Space Productivity

The Company works to improve in-showroom space productivity through assortment management and focus on the highest-turnover products, alongside improved in-store product placement. This approach contributes to more efficient use of display space and enhanced sales per square meter across the showroom network.



## Vision 2030 Alignment

Al Saif Gallery's retail operations in Saudi Arabia are aligned with the objectives of Saudi Vision 2030, which aims to diversify the economy and enhance the contribution of non-oil sectors to economic growth. In this context, the Company contributes to developing the retail sector as one of the components of the non-oil economy.

The Company also maintains its commitment to Saudization by increasing the participation of national talent across various functional areas, including operational roles in showrooms as well as managerial and leadership positions.



## Financial Performance Saudi Arabia Operations

Indicator	2025	2024	Change
Revenue (SAR million)	697.0	677.9	+2.8%
Share of Total Company Revenue	91.9%	91.6%	+20 bps
Gross Profit (SAR million)	165.4	103.5	+58.3%
Gross Profit Margin	23.7%	15.2%	+810 bps
Operating Profit (SAR million)	75.2	16.1	+425%
Operating Profit Margin	10.8%	2.4%	+750 bps
Inventory Turnover	1.8x	1.5x	+20%
Operating Cash Flows (SAR million)	67.4	186.8	-63.9%

## Average Revenue per Showroom – Saudi Arabia

Item – Indicator	2025	2024	Change
Revenue (SAR million)	697	677.9	+2.8%
Number of Showrooms	66	66	–
Average Revenue per Showroom (SAR million)	10.6	10.2	+4%

### Explanation of Material Variances (≥10%)

The gross profit margin increased by 810 basis points, and gross profit increased by 60.4% year-on-year, attributable to several key factors, most notably:

- Growth in owned and exclusive brand contribution from approximately 55% to approximately 62% of total sales.
- Improved product portfolio management through assortment discipline and reduction of unjustified markdowns.
- Improved logistics operations efficiency and workforce scheduling.

Operating profit also increased by 368%, driven by improved margins and increased operational efficiency resulting from 2.8% revenue growth concurrent with clear discipline in operating expenses.



# GCC Retail Operations

## Overview and Operating Model

Al Saif Gallery's presence in GCC markets complements its leadership in the Saudi market, through selective expansion based on clear feasibility criteria, where the Company requires achieving a return on investment within a period of 18 to 24 months when opening new showrooms.

Expansion in these markets is based on a standardized operating model similar to that applied in Saudi Arabia, built on retail showrooms offering a consultative customer experience, with a focus on owned and exclusive brands, in addition to standardized service, payment, warranty, and delivery standards.

GCC operations are also connected to Al Saif Gallery's unified digital platform, enabling channel integration between showrooms and digital platforms.

The Company operates in GCC markets with product assortments, service standards, and after-sales protocols similar to those adopted in the Kingdom, ensuring customers receive a consistent shopping experience covering product availability, payment options, delivery services, and after-sales support.

### Showroom Distribution – GCC Countries

Country	No. of Showrooms	Cities
UAE	3	Ajman, Abu Dhabi, Al Ain
Kuwait	2	Kuwait City
Oman	1	Muscat
Qatar	1	Doha
<b>Total</b>	<b>7</b>	<b>4 Countries</b>

### Financial Performance – GCC Operations (2025)

Indicator	2025	2024	Change
GCC Revenue (SAR million)	61.9	53.7	+15.3%
Share of Total Revenue	8.2%	7.3%	(90) bps
Number of Showrooms	7	7	No Change



The revenue growth reflects the Company's measured expansion in GCC markets, where the Company maintained its showroom count outside Saudi Arabia in 2025 at the same level as the prior year, as part of its selective expansion approach in these markets.



# Product Category Performance and Portfolio Management

## Overview and Portfolio Discipline

Al Saif Gallery's product portfolio is anchored in cooking and home hospitality categories, through a diverse assortment that enables customers to meet kitchen and home needs within an integrated shopping experience.

During 2025, the Company implemented a structured product portfolio management program to improve assortment efficiency and enhance the performance of the highest-demand categories. In this context, the Company added approximately 2,000 SKUs to refresh the assortment and expand the offering, against the discontinuation of approximately 6,000 underperforming SKUs as part of a portfolio rationalization program.

This approach contributed to improved inventory management efficiency and directed working capital and showroom display space toward the highest-turnover products.

## Quality Assurance Framework

During 2025, Al Saif Gallery implemented a number of initiatives aimed at enhancing the quality of products within its portfolio. These initiatives included developing the quality assurance framework and updating product testing procedures, alongside improving supplier evaluation standards and strengthening quality control procedures across different product categories.

Incoming product inspection also focused on compliance with safety requirements, energy efficiency standards, and durability specifications, with non-conformance cases handled through documented corrective procedures.



## Seasonal Campaigns and Collections

Seasonal campaigns, limited editions, and special product collections contributed to supporting the Company's performance during 2025, as these initiatives helped attract new customers, increase the average basket size, and enhance footfall in showrooms and on digital platforms.

### Ramadan Campaign:

Focused on strengthening brand presence through digital and in-showroom promotional activities.

### Eid Campaign:

Focused on promotional offers and gifting collections, supported by multi-channel marketing campaigns targeting increased conversion across physical and digital channels.

## Product Category Performance and Sales Contribution (2025)

Category	Revenue Share	YoY Growth	Gross Profit Margin	Brand / Notes
Small Kitchen Appliances	32%	+6.5%	28 %	Edison – key margin driver
Cookware & Storage	21%	+3.0%	22 %	Rocky, Tornado – core sales category
Thermoses & Serving Ware	18%	+4.0%	24 %	Seasonal demand linked to hospitality and gifting
Non-Kitchen Home Appliances	12%	-2.5%	20 %	Refocusing on higher-return categories
Coffee & Accessories	8%	+12.0%	26 %	Growth driven by spread of coffee culture
Spare Parts	5%	+18.0%	40 %	High-margin category with operational importance
Large Appliances / Kitchens	4%	+85.0%*	18 %	Emerging category from limited sales base
<b>Total</b>	<b>100%</b>	<b>+3.7%</b>	<b>23.5%</b>	–

\* The 85% growth in large appliances / kitchens reflects a launch from a relatively low sales base following the limited introduction of this category during 2024, and accordingly does not necessarily reflect a stable long-term trend. The Company continues to assess expansion opportunities in this category based on the readiness of delivery, installation, maintenance, and spare parts availability operations.



# E-Commerce and Channel Integration

## Overview and Platform Upgrade

The Company's digital channel (website and iOS and Android applications) forms part of the multi-channel selling model, where the digital platform operates as a complement to showrooms and enables customers to access a wide range of products in both Arabic and English, alongside after-sales services, delivery options, and payment methods.

The digital platform is connected to inventory and showroom systems in real time, enabling a unified inventory view and enhancing shopping experience consistency across all channels.

During Q1 2025, Al Saif Gallery completed a comprehensive upgrade of the e-commerce platform and mobile application. This upgrade encompassed improving platform speed, enhancing search functionality, improving the browsing experience, and developing order status tracking tools including sequential delivery notifications. Payment procedures were also simplified and installment options were integrated where available.

## Key Digital Channel Service Elements

Service Element	Details
Delivery	Riyadh: 1-3 days; outside Riyadh: 2-5 days; GCC: 5-10 days. Express 24-hour delivery service within Riyadh.
Payment	Bank cards (Mada, Visa, Mastercard); digital wallets (Apple Pay, STC Pay); installment options (Tabby, Tamara); cash on delivery for orders up to SAR 2,000.
Returns & Exchanges	Within 14 days of receipt; in-showroom returns accepted at any branch with immediate processing.
Warranty & After-Sales	Claim initiation through any channel (showroom, app, website, call center) with case tracking through to closure.
Click & Collect	Online order and in-showroom collection within 2-4 hours.

## Digital Channel Financial Performance (2025)

Indicator	2025	2024	Change
E-Commerce Revenue (SAR million)	94.3	68.6	+37.4%
Share of Total Revenue	12.4%	9.4%	+300 bps
Visitor Conversion Rate	Improved ~18%	—	—

The 37.4% growth in e-commerce revenues is attributable to several key factors, most notably the improvement of search functionality and payment experience on the platform, expansion of digital payment options and installment options, and enhanced order status and delivery tracking visibility. The expansion of Click & Collect services and showroom support for returns of digital orders also contributed to digital channel growth.

Despite the accelerated growth of the digital channel, the showroom network remains the primary sales channel, accounting for approximately 87.6% of total revenues in 2025, compared to 12.4% for e-commerce, reflecting the continued importance of showrooms within the Company's multi-channel selling model.

## Digital Marketing Strategy

Al Saif Gallery's digital marketing strategy during 2025 was anchored on two primary peak periods: Ramadan, with digital and in-showroom activations to strengthen brand presence and attract customers; and Eid, with gifting offers and multi-channel marketing to stimulate purchases. These two campaigns contributed to raising the average basket value and supporting digital channel revenue growth of 37%. Integration between the digital platform and the showroom network enhances the customer experience through integrated options covering ordering, collection, returns, and after-sales service.



# Supply Chain and Logistics Operations

## Supply Chain Structure

The supply model relies on direct sourcing from key factories in China, Turkey, India, and Thailand, under framework agreements specifying technical standards, quality criteria, and lead times with periodic on-site audit visits. The supply network operates through: two central warehouses in Riyadh covering the Kingdom; a fulfillment center in Jeddah (~8,000 m<sup>2</sup>) serving the Western Region and e-commerce orders; and a distribution facility in Dubai supporting GCC markets. Domestic distribution combines third-party logistics partners and an internal transport fleet for intercity replenishment.

## Shipment Scheduling and Peak Season Management

The Company coordinated purchasing and inbound shipment scheduling ahead of the Ramadan and Eid seasons, achieving a balance between product availability, shipping costs, and working capital efficiency, and reducing out-of-stock risks in the highest-demand categories.

## Supplier Development and Quality Control

Between 10% and 15% of inbound shipments are subject to random inspections covering compliance with SASO standards, energy efficiency labeling, and durability and safety requirements. Non-conformance cases are addressed through documented corrective and preventive actions (CAPA) with contractual penalties activated upon recurrence.

## Key Operational Improvements – 2025

- Spreading inbound shipments over wider time windows to avoid receiving congestion during peak seasons.
- Qualifying alternative suppliers for the highest-selling SKUs to strengthen supply security.
- **Inventory Turnover Improvement:** Increasing inventory turnover from 1.5× to 1.8× as a result of assortment and purchasing management discipline.





# Human Capital and Capacity Building

Front-line employees – sales associates, showroom supervisors, and service staff – are the backbone of Al Saif Gallery's consultative and service model. During 2025, the Company focused on four development pillars:

### Technical Training:

Quarterly workshops on owned brands, safety protocols, and customer service escalation through the internal e-learning platform.

### Consultative Selling:

An approach based on listening and transparency in explaining product features and usage limitations.

### Operational Leadership:

Training supervisors on schedule management, display standard control, and operational discipline.

### Recognition and Retention:

Quarterly incentives linked to customer evaluation and operational quality indicators.

## Measurable Outcomes (2025)

Indicator	2025	2024	Change
Employee Turnover Rate (Front-Line)	~28%	~32%	-4 pp
Net Promoter Score (NPS)	+35	+28	+7 points
Return Rate (Optimized Categories)	↓ ~8%	—	—

**Disclosure:** NPS and employee turnover rate figures are derived from internal Company measurements according to the Company's own definitions and methodology, and are presented for internal benchmarking purposes.



# 04

## Corporate Governance



Corporate Governance Overview	32
Governance Structure	33
Board of Directors	34
Board Committees	42
Compliance, Internal Control, Internal Audit, and Risk Management	44
Shareholder Affairs, Ownership, and Dividend Policy	47
Related Party Transactions and Conflicts of Interest	49
Remuneration Disclosures and Statutory Declarations	51



# Corporate Governance Overview

Al-Saif Stores for Development and Investment Company is committed to implementing a governance framework consistent with the requirements of the Capital Market Authority (CMA) and its relevant regulations, as well as the requirements of the Saudi Exchange (Tadawul). This framework is designed to ensure clear lines of accountability, fair treatment of shareholders, enhanced decision-making quality, strengthened transparency, and effective oversight of performance, risks, and compliance. The Board of Directors exercises its role of strategic oversight over the Company's business, performance, risk management, and internal control systems, while delegating specific detailed tasks to its sub-committees – with ultimate responsibility remaining vested in the Board.

## Compliance with Corporate Governance Regulations – 'Apply and Explain' Disclosure

In compliance with Article (90/1) of the Corporate Governance Regulations, the Board of Directors acknowledges that the Company applies all provisions of the Regulations, with the exception of those set out in the table below, together with the reasons for non-application and the remediation plan.

**Table (1): Provisions of the Corporate Governance Regulations Applied and Not Applied**

Article No.	Subject	Status	Reason for Non-Application
Thirty-Ninth	(e), (f)	<ul style="list-style-type: none"> <li>The Board of Directors shall make the necessary arrangements to obtain an evaluation of its performance from a qualified external party every three years.</li> <li>The executive members of the Board of Directors shall conduct a periodic evaluation of the Chairman's performance.</li> </ul>	Guidance Article. - to be implemented in the future.
Sixty-Seventh	–	Formation of a Risk Management Committee by a decision of the Board of Directors (Risk Management Committee)	The Board of Directors will establish a Risk Management Committee whenever it deems appropriate.
Eighty-Second	(2), (3)	Employee share programs in the company, or allocation of a portion of the net profits achieved by the company to establish a fund for employees to spend on such programs.	Guidance Article.
Eighty-Fifth	(1), (4)	<p>Develop performance indicators that link the Company's performance to its social responsibility initiatives and benchmark them against peer companies with similar activities.</p> <p>Develop community awareness programs to promote the Company's social responsibility.</p>	Advisory article
Ninety-Second	–	Formation of a specialized Corporate Governance Committee.	Guidance Article - The Board of Directors does not consider it necessary to establish an independent committee at this time and has assigned its responsibilities to the Audit Committee.

All other provisions of the Regulations: Fully Applied.





# Governance Structure

The governance structure of Al-Saif Stores for Development and Investment Company comprises : the General Assembly, Board of Directors, Board Committees, Executive Management, and Control Functions (Internal Audit, Compliance, and Risk Management).

## Lines of Accountability:

- **General Assembly:** Approves material matters and exercises statutory oversight over Board performance.
- **Board of Directors:** Approves strategy and policies, and oversees performance, risks, compliance, and the integrity of internal controls.
- **Sub-Committees:** Exercise specific powers under approved charters and submit recommendations to the Board.
- **Executive Management:** Implements plans and policies and manages day-to-day operations within approved authority limits.
- **Control Functions:** Provide reasonable assurance regarding the effectiveness of internal controls, risk management, and compliance.





# Board of Directors

## Board Composition and Member Classification

**Table (2): Board Composition and Member Classification (31/12/2025)**

No.	Name	Position	Classification	Independence	First Appointment	Current Term
1	Suleiman bin Mohammed Al-Saif	Chairman of the Board	Non-Executive	Non-Independent	12/09/1435H (09/07/2014G)	07/10/2025
2	Mohammed bin Suleiman Al-Saif	Vice Chairman / Managing Director	Executive	Non-Independent	12/09/1435H (09/07/2014G)	07/10/2025
3	Haytham bin Suleiman Al-Saif	Executive Vice Chairman and Member	Executive	Non-Independent	12/09/1435H (09/07/2014G)	07/10/2025
4	Muhannad bin Suleiman Al-Saif	Member	Non-Executive	Non-Independent	12/09/1435H (09/07/2014G)	07/10/2025
5	Mohammed bin Saud Al-Zamil	Member	Non-Executive	Independent	23/05/1443H (27/12/2021G)	07/10/2025
6	Abdulmajeed bin Suleiman Al-Dakheel	Member	Non-Executive	Independent	23/05/1443H (27/12/2021G)	07/10/2025

**Note:** Ahmad bin Suleiman Al-Saif and Ahmad bin Saleh Al-Sultan both declined to stand for re-election in the current term. Two seats have been allocated within the Board structure to complete the statutory quorum, and the required procedures are in progress.

**Independent Members Ratio:** 2 out of 6 = 33.3%

**Non-Executive Members Ratio (including Independent):** 4 out of 6 = 66.7%



# Biographies of Board Members and Senior Executive Management

## Suleiman bin Mohammed bin Saleh Al-Saif Chairman of the Board

**Nationality:** Saudi | **Date of Appointment:** 12/09/1435H (09/07/2014G)

**Academic Qualifications:**

- Certificate in Islamic Sciences, Scientific Institute, Riyadh, Kingdom of Saudi Arabia, 1974G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Chairman of the Board	2006G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Nuwaa Real Estate Investment Company	Chairman of the Board	2017G	Real Estate Development	Closed Joint-Stock	Within KSA
3	Bait Al-Tasne'a Al-Blastikia Company	Chairman of the Board	2015G	Plastic Manufacturing	To be completed	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Al-Saif Commercial Agencies Company	Vice Chairman of the Board	2018G	2022G	Wholesale of Household Goods	Closed Joint-Stock – Within KSA
2	Al-Saif Commercial Agencies Company	General Manager	1982G	2017G	Wholesale of Household Goods	Closed Joint-Stock – Within KSA
3	International Trade	–	1975G	Ongoing	General Trade (Asia / Europe)	–

## Mohammed bin Suleiman bin Mohammed Al-Saif Managing Director

**Nationality:** Saudi | **Date of Appointment:** 12/09/1435H (09/07/2014G)

**Academic Qualifications:**

- Master of Science in Finance, University of Tampa, Florida, United States of America, 2011G
- Bachelor's in Financial Management, King Saud University, Kingdom of Saudi Arabia, 2006G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Managing Director	2014G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Nuwaa Real Estate Investment Company	Co-Founder and Board Member	2017G	Real Estate Development	Closed Joint-Stock	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Al-Saif Stores for Development and Investment Company	Chief Executive Officer	2012G	2024G	Household Goods Retail	Listed Joint-Stock – Within KSA
2	Capital Market Authority (CMA)	Trainee	2008G	2011G	Capital Market Regulation	Government Entity – Within KSA
3	Yaqeen Financial Services Company	Financial Analyst	2006G	2007G	Investment Banking Services	Closed Joint-Stock – Within KSA

# Biographies of Board Members and Senior Executive Management (continued)

## Haytham bin Suleiman bin Mohammed Al-Saif Executive Vice Chairman and Board Member

**Nationality:** Saudi | **Date of Appointment:** 12/09/1435H (09/07/2014G)

**Academic Qualifications:**

- Master's in Islamic Policy, Higher Institute for the Judiciary, Kingdom of Saudi Arabia, 2012G
- Bachelor's in Sharia, Imam Mohammed bin Saud Islamic University, Kingdom of Saudi Arabia, 2008G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Executive Vice Chairman and Board Member	2014G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Nuwaa Real Estate Investment Company	Co-Founder and Board Member	2017G	Real Estate Development	Closed Joint-Stock	Within KSA
3	Thakaa Al-Yawm Medical Company (Wixana)	Co-Founder	2019G	Medical Equipment & Supplies	Limited Liability	Within KSA
4	Rushouf Trading Company	Co-Founder and Board Member	2019G	Honey Retail	Closed Joint-Stock	Within KSA
5	Naseelah Trading Company (Clara)	Co-Founder	2019G	Beauty & Home Appliances	Limited Liability	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Al-Saif Stores for Development and Investment Company	Marketing Director	2014G	2023G	Household Goods Retail	Listed Joint-Stock – Within KSA

## Muhannad bin Suleiman bin Mohammed Al-Saif Board Member

**Nationality:** Saudi | **Date of Appointment:** 12/09/1435H (09/07/2014G)

**Academic Qualifications:**

- Bachelor's in Sharia, Imam Mohammed bin Saud Islamic University, Kingdom of Saudi Arabia, 2012G
- Business Administration Course Certificate, Indiana University, United States of America, 2012G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Board Member and Audit Committee Member	2014G / 2021G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Nuwaa Real Estate Investment Company	CEO and Board Member	2017G	Real Estate Development	Closed Joint-Stock	Within KSA
3	Mishkati Lighting Company	Board Member	2023G	Wholesale & Retail Lighting	Closed Joint-Stock	Within KSA
4	Isnad Company	Co-Founder and General Manager	2019G	Transport & Logistics	Limited Liability	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Al-Saif Stores for Development and Investment Company	Development Manager	2014G	2017G	Household Goods Retail	Listed Joint-Stock – Within KSA
2	Nuwaa Real Estate Investment Company	Deputy CEO	2017G	2023G	Real Estate Development	Closed Joint-Stock – Within KSA



# Biographies of Board Members and Senior Executive Management (continued)

## Mohammed bin Saud bin Abdulaziz Al-Zamil

### Independent Board Member

**Nationality:** Saudi | **Date of Appointment:** 23/05/1443H (27/12/2021G)

**Academic Qualifications:**

- Certificate in International Wealth & Investment Management (CME4), 2024G
- Certified in Strategy and Competitive Analysis (CSCA), Institute of Management Accountants, USA, 2021G
- Certified Management Accountant (CMA), Institute of Management Accountants, USA, 2020G
- Project Management Professional (PMP), Project Management Institute, USA, 2017G
- Executive Venture Investment Program License, UC Berkeley, USA, 2016G
- Management Acceleration Program (MAP), INSEAD Business School, France, 2015G
- Master's in Manufacturing Systems Engineering and Management, University of Warwick, United Kingdom, 2011G
- Bachelor's in Chemical Engineering, King Saud University, Kingdom of Saudi Arabia, 2009G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Independent Board Member, Chairman of N&R Committee, Audit Committee Member	2021G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Al Arabiya Lil Oud Company	Audit Committee Member	2024G	Oriental Perfumes & Derivatives	Closed Joint-Stock	Within KSA
3	Amnco Security & Safety Solutions Company	Chairman of the Board	2020G	Security & Safety Solutions	Limited Liability	Within KSA
4	Saudi Transport and Logistics Company (Mabrad)	Chairman of the Board	2021G	Land Transport & Logistics	Limited Liability	Within KSA
5	BATC Real Estate Company	Board Member	2020G	Real Estate Investment	Limited Liability	Within KSA

**Current Positions (continued):**

No.	Organization	Position	Since	Sector	Legal Entity	Location
6	BATC Investment and Business Logistics Company	Board Member and Managing Director	2020G	Investment, Security & Transport	Listed Joint-Stock	Within KSA
7	Amnco Facilities Management Company	Chairman of the Board	2020G	Facilities Management	Limited Liability	Within KSA
8	Ibrahim Mohammed Al-Mana and Brothers Company	Board Member and Audit Committee Member	2025G	Healthcare Sector	Closed Joint-Stock	Within KSA
9	King Saud University – Chemical Engineering Dept.	Advisory Council Member	2020G	Higher Education	Educational Entity	Within KSA
10	Sawatir Shade Structures Manufacturing Company	Board Member	2025G	Construction & Shading	Limited Liability	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Jazel Investment Company	Chief Executive Officer	2019G	2021G	Energy Manufacturing & Services	Limited Liability – Within KSA
2	Al-Wafa Industries Company	Chief Executive Officer	2017G	2019G	Automotive Parts Manufacturing	Limited Liability – Within KSA
3	Saudi Industrial Development Fund (SIDF)	Senior Advisor and Deputy General Manager	2009G	2017G	Industrial Development & Support	Government Entity – Within KSA



# Biographies of Board Members and Senior Executive Management (continued)

## Abdulmajeed bin Suleiman bin Mohammed Al-Dakheel Independent Board Member

**Nationality:** Saudi | **Date of Appointment:** 23/05/1443H (27/12/2021G)

**Academic Qualifications:**

- Bachelor's in Accounting Sciences, Southern Utah University, United States of America, 2012G

**Current Positions:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Al-Saif Stores for Development and Investment Company	Independent Board Member and Audit Committee Chairman	2022G	Household Goods Retail	Listed Joint-Stock	Within KSA
2	Al-Qahwa Al-Khashbiya Trading Company	Audit Committee Member	2024G	Coffee Production	Closed Joint-Stock	Within KSA
3	Asasiyyat Al-Tanmia for Agriculture and Trade Company	Audit Committee Chairman and Board Member	2023G	Agriculture & Trade	Closed Joint-Stock	Within KSA
4	Jazan Development and Investment Company	Audit Committee Member	2022G	Agriculture	Closed Joint-Stock	Within KSA
5	Saudi Venture Investment Company	Audit Committee Member	2021G	Venture Investment	Closed Joint-Stock	Within KSA
6	ValuHub	Partner	2020G	Technical Services	Closed Joint-Stock	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Al-Saif Stores for Development and Investment Company	Nominations & Remuneration Committee Member	March 2022G	September 2025G	Household Goods Retail	Listed Joint-Stock – Within KSA
2	BKF Al-Bassam & Partners Company	Partner	2018G	2020G	Legal Accounting	Limited Liability – Within KSA
3	Ernst & Young and Partners	Financial Advisor	2014G	2018G	Audit & Assurance	Professional Limited Liability – Within KSA
4	Saudi Aramco Refinery (Jubail)	Financial Accountant	2013G	2014G	Crude Oil Refining	Limited Liability – Within KSA

# Senior Executive Management

Table (2-A): Senior Executives

No.	Name	Position	Appointment Date
1	Ahmad bin Saleh bin Mohammed Al-Sultan	Chief Executive Officer (CEO)	2024G
2	Mu'ataz Ali Al-Ashqar	Chief Financial Officer (CFO)	2021G





# Senior Executives

## Ahmad bin Saleh bin Mohammed Al-Sultan

### Chief Executive Officer (CEO)

**Nationality:** Saudi

**Academic Qualifications:**

- Master of Business Administration, Brunel University, United Kingdom, 2010G
- Bachelor's in Finance, Qassim University, Kingdom of Saudi Arabia, 2006G

**Current Positions at Other Companies:**

No.	Organization	Position	Since	Sector	Legal Entity	Location
1	Cenomi Retail	Board Member and Audit Committee Member	2023G	Wholesale & Retail of Clothing & Furniture	Listed Joint-Stock	Within KSA

**Key Previous Professional Experience:**

No.	Organization	Position	From	To	Sector	Legal Entity
1	Thob Al-Aseel Company	Chief Executive Officer	2018G	2024G	Premium Consumer Goods	Saudi Joint-Stock – Within KSA
2	Al-Saif Stores for Development and Investment Company	Executive Committee Member and Board Member	2021G	2024G	Household Goods Retail	Listed Joint-Stock – Within KSA
3	Nusk Commercial Projects Company	Executive Vice President	2012G	2018G	International Fashion	Limited Liability – Within KSA
4	Nusk Commercial Projects Company	Operations Manager	2010G	2012G	International Fashion	Limited Liability – Within KSA

## Mu'ataz Ali Al-Ashqar

### Chief Financial Officer (CFO)

Category	Details
<b>Nationality</b>	Jordanian
<b>Academic Qualifications</b>	Bachelor's in Accounting, Applied Sciences University, Hashemite Kingdom of Jordan, 2001
<b>Current Positions</b>	Chief Financial Officer at Al Saif Gallery since 2021G to date
<b>Key Previous Professional Experience</b>	<ul style="list-style-type: none"> <li>• CFO – Tri Spectrum Company (2019G–2021G): Specialized in electrical building products.</li> <li>• CFO – Abu Quffara Holding Group (2016G–2018G): Operating in contracting and building materials.</li> <li>• CFO – Freto Lays Pepsi (2014G–2016G) Food Products Company.</li> <li>• CFO – Al-Mazra'a Dairy Company (2018G–2019G): Specialized in dairy and cheese products.</li> <li>• Head of Accounting – National Integrated Industries Complex (2009G–2012G): Specialized in manufacturing air conditioners, washing machines, and refrigerators.</li> <li>• Senior Accountant – BASF (2001G–2008G): Global construction chemicals company.</li> </ul>



## Board of Directors' Responsibilities

The Board of Directors exercises its responsibilities in accordance with applicable regulations, the most notable of which include:

- Approving strategy, objectives, general policies, business plans, and budgets.
- Overseeing financial and operational performance and monitoring material variances and remediation plans.
- Overseeing internal control systems, risk management, and compliance frameworks, and ensuring their effectiveness.
- Approving the governance structure, committee charters, and delegation of authority policies.
- Overseeing disclosures and transparency, protecting shareholder rights, and ensuring equitable access to information.

## Procedures for Briefing Non-Executive Members on Shareholder Proposals

- Meeting agendas and adequate supporting materials are made available to members sufficiently in advance of each meeting.
- Shareholder proposals are documented in the minutes of General Assembly meetings and referred to the Board at the earliest subsequent meeting.
- Each member has the right to access any information they deem necessary for the performance of their duties, pursuant to the Board charter and approved internal policies.



# Board of Directors Meetings and Attendance – 2025

**Table (3): Board of Directors Meetings – 2025**

(Total meetings: 4 – 11/03/2025 | 01/07/2025 | 23/07/2025 | 07/10/2025)

No.	Name	Meeting 1 (11/03)	Meeting 2 (01/07)	Meeting 3 (23/07)	Meeting 4 (07/10)	Attendance Rate	Notes
1	Suleiman bin Mohammed Al-Saif	✓	✓	✓	✓	100%	–
2	Ahmad bin Suleiman Al-Saif	✓	✓	✓	–	75%	Membership ended 22/09/2025G
3	Mohammed bin Suleiman Al-Saif	✓	✓	✓	✓	100%	–
4	Haytham bin Suleiman Al-Saif	✓	✓	✓	✓	100%	–
5	Muhannad bin Suleiman Al-Saif	✓	✓	✓	✓	100%	–
6	Ahmad bin Saleh Al-Sultan	✓	✓	✓	✓	100%	Membership ended 22/09/2025G. For clarification, he attended the fourth meeting as CEO only.
7	Abdulmajeed bin Suleiman Al-Dakheel	✓	✓	✓	✓	100%	–
8	Mohammed bin Saud Al-Zamil	✓	✓	✓	✓	100%	–

## Shareholders' Meetings

- The first Extraordinary General Assembly meeting was held on 30/06/2025, with all 8 members in attendance.
- The second Extraordinary General Assembly meeting was held on 24/09/2025, with all 8 members in attendance.

Note: The shareholders' register was requested twice for the purposes of the assembly.



## Changes in Board Membership During 2025

- First: Mr. Ahmad bin Saleh Al-Sultan declined to stand for re-election to the Board, given his appointment as Chief Executive Officer of the Company.
- Second: Mr. Ahmad bin Suleiman Al-Saif declined to stand for re-election for the upcoming term, as recorded in the minutes of the Nominations and Remuneration Committee meeting dated 20/08/2025.

## Performance Evaluation of the Board, Committees, and Executive Management

The Company has an approved framework for evaluating the performance of the Board of Directors, its committees, individual members, and senior executive officers, in compliance with Article (90/7) of the Corporate Governance Regulations.

### Evaluation Mechanism:

- The Board conducts an annual self-assessment of its collective effectiveness and the performance of its sub-committees.
- Each committee is assessed independently based on its charter and actual outputs during the year.
- The performance of the CEO and senior executives is evaluated by the Nominations and Remuneration Committee under Board supervision.

### Evaluation Criteria:

1. Clarity of roles and authorities and their alignment with approved regulations.
2. Quality and frequency of Board and committee meetings and level of member participation.
3. Effectiveness of oversight over financial and operational performance and risk management.
4. Degree of compliance with disclosure and governance requirements.
5. Member skills development and orientation programs.

**Evaluation Result for 2025:** The internal evaluation confirmed that the Board and its committees operate with efficiency and effectiveness appropriate to the Company's size and current stage. Independence criteria were verified for all members classified as independent. The evaluation did not produce any material recommendations requiring disclosure. No external party was engaged to conduct the evaluation during 2025.

**Training and Professional Development:** The Company ensures that Board members are kept up to date with the latest legislative and regulatory developments through periodic guidance notices issued by CMA and Tadawul, in addition to participation in relevant training programs.





# Board Committees

## Audit Committee

### Regulatory Basis

Pursuant to Articles 21(2-d) and 52 of the Corporate Governance Regulations, and Article 87(10) thereof, the Audit Committee provides its opinion on the adequacy of internal control, financial control, and risk management systems.

### Role and Responsibilities

Oversight of the integrity of financial reporting, effectiveness of internal controls and risk management, internal audit activities, and nomination of the external auditor and monitoring of its independence.

### Membership – 2025

Name	Capacity
Abdulmajeed bin Suleiman Al-Dakheel	Committee Chairman – Independent
Mohammed bin Saud Al-Zamil	Member – Independent
Muhannad bin Suleiman Al-Saif	Member – Board Member

Appointment Date: 26 September 2025G for a period of three years, ending 25 September 2028G.

### Table (4): Audit Committee Meetings and Attendance (2025)

(Total meetings: 10 – Attendance allowance per session: SAR 3,000)

No.	Name	Capacity	1	2	3	4	5	6	7	8	9	10	Rate
			(14/01)	(24/02)	(10/03)	(21/04)	(04/05)	(04/06)	(21/07)	(01/09)	(14/10)	(03/12)	
1	Abdulmajeed Al-Dakheel	Committee Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
2	Muhannad Al-Saif	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
3	Mohammed Al-Zamil	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

### Summary of Committee Activities During 2025:

- Reviewing annual and quarterly financial statements prior to their approval and submitting recommendations to the Board.
- Discussing accounting policies, material estimates, and non-routine matters.
- Approving the internal audit plan and monitoring its reports and closing of observations.
- Recommending the appointment / re-appointment of the external auditor and assessing its independence.
- Recommending the appointment of an independent third party to review related party transactions.
- Discussing ongoing legal matters affecting the Company.

### Audit Committee Annual Report – 2025

#### Appointment of Independent External Auditor

The Committee recommended the re-appointment of Albassam PKF to audit the financial statements for the financial year 2025, at total fees of SAR 465,000.

#### Annual Audit Plan

The Committee approved the audit plan submitted by the external auditor after confirming that it covers all key areas of significance and material risk.

#### Review of Financial Statements

The Committee discussed the financial policies applied in accordance with IFRS standards. The audit resulted in an unqualified opinion from the independent auditor on the financial statements for the year ended 31 December 2025G.

#### Committee's Opinion on the Adequacy of Internal Control Systems

No material weaknesses were identified during audit procedures. The Audit Committee acknowledges that the objectives of the internal control, financial control, and risk management systems have been achieved to a reasonable degree.

#### Audit Committee Recommendations Rejected by the Board

No recommendations of the Audit Committee were rejected by the Board of Directors during the financial year 2025G.

**Abdulmajeed bin Suleiman Al-Dakheel**  
Audit Committee Chairman



## Nominations and Remuneration Committee

**Role and Responsibilities:** Supporting the Board in nomination processes, verifying independence criteria, preparing the remuneration policy and linking it to performance, and preparing recommendations regarding the remuneration of members and senior executives.

### Membership Following Reconstitution on 07/10/2025:

Name	Capacity
Mohammed bin Saud Al-Zamil	Committee Chairman – Independent
Saad bin Mohammed Al-Otaibi	Member – External to the Board
Mohammed bin Saleh Al-Mazeed	Member – External to the Board

### Table (5): Nominations and Remuneration Committee Meetings and Attendance (2025)

(Previous composition – 2 meetings: 24/03/2025 and 20/08/2025 – Attendance allowance: SAR 3,000/session)

No.	Name	Capacity	Meeting 1 (24/03)	Meeting 2 (20/08)	Rate	Notes
1	Abdulmajeed bin Suleiman Al-Dakheel	Committee Chairman	✓	✓	100%	–
2	Ahmad bin Suleiman Al-Saif	Member	Excused	✓	50%	Apologized for first meeting
3	Mohammed bin Suleiman Al-Chafees	Member	✓	✓	100%	–

(New composition – no meetings held during 2025 following reconstitution on 07/10/2025)

### Summary of Committee Activities During 2025:

- Reviewing the skills matrix and Board requirements for the 2025G–2028G term.
- Verifying independence criteria and conflicts of interest declarations for all members.
- Reviewing the remuneration policy and recommending necessary updates.
- Preparing nomination recommendations for the new term and approving election results.
- Setting attendance allowances for the Board, committees, and Board Secretary.

## Executive and Investment Committee

The Executive and Investment Committee was dissolved by resolution of the Board of Directors at its second meeting on 23/07/2025. The Committee held no meetings during 2025 prior to its dissolution.



# Compliance, Internal Control, Internal Audit, and Risk Management

## Internal Control System

The Board of Directors acknowledges that the Company is working to design and implement an internal control system aimed at providing reasonable assurance with respect to:

- The integrity and reliability of financial reporting.
- The efficiency of operations and the protection of assets.
- Compliance with applicable regulations, rules, and instructions.

## Risk Management Governance and Accountability Framework

Level	Role
Board of Directors and Audit Committee	Setting the Company's risk appetite, reviewing the highest-impact risks on a quarterly basis, and approving risk disclosures in the Annual Report
Executive Management	Bearing direct responsibility for risks and mitigating actions within each functional area
Internal Audit	Verifying the effectiveness of controls and submitting improvement recommendations to the Audit Committee

Note: In the absence of a standalone Risk Committee (as disclosed in Table 1 above), the Audit Committee currently performs risk oversight duties on behalf of the Board of Directors.

## Key Risk Management Achievements During 2025

- **Updating the Principal Risk Register:** with refined definitions, clear tolerance limits, improved mitigation procedures, and enhanced escalation pathways.
- **Deploying seasonal readiness plans:** for Ramadan and peak periods, aligning commercial operations, supply chain, and showroom activities.
- **Qualifying alternative suppliers:** for the highest-selling items and strengthening delivery tracking mechanisms from source to point of sale.
- **Launching targeted e-learning programs:** on data protection and loss prevention, with periodic knowledge assessments for employees.

# Risk Management

## Overview

Al-Saif Stores for Development and Investment Company manages its risks through a clear and practical framework aimed at protecting its employees, customers, and shareholders, and ensuring the continued efficient operation of its showrooms and digital channels. This framework rests on three principles:

**Early identification of material risks, proactive action, and continuous improvement of controls.**





**Table (5-A): Principal Risk Matrix – 2025**

No.	Risk Category	Description	Adopted Mitigation Measures
1	Workforce Costs	Government levies on non-Saudi workers and rising wages may increase operating costs	Workforce planning and progressive Saudization; efficient scheduling; targeted retention programs
2	Seasonality	Ramadan and year-end peaks increase the complexity of demand forecasting and inventory management	Pre-season purchasing; continuously refreshed forecasts; flexible workforce
3	Supply Chain	Shipping delays or logistical disruptions may cause inventory stockouts or cost increases	Multiple suppliers for key items; safety stock; clear service level agreements
4	Competition	Intensifying competition may pressure pricing and margins	Differentiated value proposition; strengthening proprietary brands; focus on after-sales services
5	Consumer Demand	Changes in disposable income, VAT, or consumer confidence	Flexible pricing ranges; digital channel growth; continuous demand indicator monitoring
6	Liquidity Risk	Inventory and showroom costs require stable cash flows	Periodic cash flow forecasts; disciplined inventory management; capital expenditure controls
7	Credit Risk	Inability of a counterparty to meet its obligations	Approved credit limits; accounting provisions; deposits with highly-rated local banks
8	Foreign Exchange and Interest Rates	USD-denominated purchases and changes in borrowing costs	Standardizing SAR/USD contract terms with suppliers; monitoring interest rate indicators
9	Cybersecurity	Attacks on POS systems or digital channels may disrupt operations or expose customer data	Multi-factor authentication; timely security updates; backups; incident response procedures
10	Health and Safety	Injuries or unsafe handling in showrooms and distribution centers	Periodic safety briefings; regular equipment inspections; emergency procedure drills
11	Product Quality	Defective products may lead to returns or recalls	Supplier certification; sampling tests upon receipt; clear labeling; documented recall procedures
12	Fraud and Loss	Theft or internal control weaknesses may cause inventory and cash losses	Surveillance cameras; electronic exception reports; periodic stocktakes; confidential reporting channels
13	Business Continuity	Physical or emergency events may temporarily close a location	Approved business continuity plans; emergency contact lists; alternative logistics arrangements



**Management's Acknowledgment Regarding Control Effectiveness**  
*(Management assessment – not an absolute assurance)*

Based on the findings of internal audit activities and control reviews conducted during the financial year 2025, management confirms that controls and the risk management framework were effective in all material respects. Work continues on improving three areas:

- 1. Strengthening cybersecurity fundamentals.**
- 2. Completing the qualification of alternative suppliers for the most in-demand items.**
- 3. Developing loss prevention practices within showrooms.**



## Internal Audit

The Company has an internal audit function as part of its internal control framework. The Three-Year Internal Audit Plan (2025G-2027G) was approved at the Audit Committee meeting on 04/06/2025G.

### Summary of the Annual Internal Audit Plan – 2025:

No.	Audit Area	Priority Level	Status
1	Accounts Payable	High	Completed
2	Accounts Receivable	High	Completed
3	Inventory Management	High	Completed
4	Cash Management	High	Completed
5	Fixed Asset Purchases	Medium	Completed
6	Review of Showroom Operations	Medium	Completed
7	Payroll and Benefits Review	High	Completed
8	Review of Lease Agreements and Obligations	Medium	Completed

### Internal Audit Results for 2025:

The internal audit function submitted its periodic reports to the Audit Committee. No material control weaknesses were identified during the year. All recommendations carried forward from previous years were followed up, and all material observations were fully closed. The Audit Committee acknowledges that the internal audit function performed its duties with independence and objectivity in accordance with the approved plan.

## Compliance

The compliance function works to ensure alignment of the Company's practices with applicable regulations and the requirements of CMA and Tadawul, principally: the Corporate Governance Regulations, Disclosure and Transparency Rules, and Professional Conduct Rules. Compliance activities during 2025 included:

- Reviewing all material disclosures prior to their publication on the Tadawul platform.
- Verifying that periodic reporting requirements (quarterly and annual) were met on time.
- Updating related party registers and conflicts of interest declarations for Board members and executives.
- Monitoring application of the Corporate Governance Regulations and submitting periodic reports to the Audit Committee.





# Shareholder Affairs, Ownership, and Dividend Policy

## Capital Structure

Item	Details
Total Number of Shares	350,000,000 shares
Par Value per Share	SAR 1.00
Paid-Up Capital	SAR 350,000,000
Share Type	Ordinary shares – single class
Voting Rights	One vote per share

The Company has no preferred shares, special voting rights, or restrictions on ownership transfer other than those stipulated in its Articles of Association.

## Subsidiaries outside Saudi Arabia

Name of Subsidiary	Ownership Percentage	Capital	Main Business	Location of Operation	Country of In-corporation
ALSAIF GALLERY TRADING	100.00%	AED 10,000	Utensils and Tools Wholesale Trading- Retail Sale of House Refrigerators, Wash Machines and Electrical Apparatuses	UAE	UAE
Al-Saif Gallery Kuwait Company for wholesale sale of household utensils and table accessories	100.00%	KWD 5,000	Selling tools, household utensils and small electronic devices	Kuwait	Kuwait
Al Saif for Development and Investment	100.00%	OMR 20,000	Selling household utensils and electrical appliances	Oman	Oman
ALSAIF GALLERY TRADING COMPANY	100.00%	QAR 200,000	Trading in household items and electrical appliances	Qatar	Qatar

## Shareholders

**Table (6): Disclosed Shareholders as at 31/12/2025**

No.	Shareholder Name	Number of Shares	Ownership %
1	Suleiman Mohammed Saleh Al-Saif	218,750,000	62.500000
2	Ibtihaj Suleiman Mohammed Al-Saif	14,076,064	4.021733
3	Arqam Capital Limited	11,043,394	3.155255
4	Al-Rajhi Private Fund 4	6,231,530	1.780437
5	Suleiman Turki Ali Al-Turki	6,199,504	1.771287
6	Ahmad Suleiman Mohammed Al-Saif	5,150,000	1.471429
7	Al-Alamah Al-Raidah Trading Company (Single-Person Company)	4,631,453	1.323272
8	Ittihad Capital Private Joint-Stock Company	4,143,942	1.183983
9	Mohammed Suleiman Mohammed Al-Saif	3,819,080	1.091166
10	Muhannad Suleiman Mohammed Al-Saif	3,678,060	1.050874
11	Haytham Suleiman Mohammed Al-Saif	3,500,000	1.000000
12	Hilah Abdullah Saleh Al-Saif	3,500,000	1.000000
13	Nuwaa Real Estate Investment Closed Joint-Stock Company	2,868,240	0.819497
14	Al-Saif Plus Trading Single-Person Holding Company	2,117,420	0.604977
15	Maha Suleiman Mohammed Al-Saif	1,833,113	0.523747
16	Amal Suleiman Mohammed Al-Saif	1,750,000	0.500000
17	Asma Suleiman Mohammed Al-Saif	1,750,000	0.500000
18	Manal Suleiman Mohammed Al-Saif	1,750,000	0.500000
19	Alaa Suleiman Mohammed Al-Saif	1,750,000	0.500000
–	Remaining Shareholders	51,458,200	14.702319
–	<b>Total</b>	<b>350,000,000</b>	<b>100.000000</b>



## Major Shareholders (5% or More)

Pursuant to Article (45) of the Corporate Governance Regulations, shareholders holding 5% or more of total capital are disclosed.

**Table (6-A): Shareholders with 5% or More as at 31/12/2025**

No.	Shareholder Name	Shares (Start of Year)	% Start	Shares (End of Year)	% End	Change
1	Suleiman bin Mohammed bin Saleh Al-Saif	218,750,000	62.50%	218,750,000	62.50%	None

No other shareholder holds 5% or more of the Company's capital.

## Ownership of Board Members, Senior Executives, and Their Relatives

**Table (7): Ownership of Current Board Members and Their Relatives as at 31/12/2025**

No.	Member Name	Capacity	Shares (Start 2025)	% Start	Shares (End 2025)	% End	Change
1	Suleiman bin Mohammed Al-Saif	Chairman	218,750,000	62.500000	218,750,000	62.500000	—
2	Mohammed bin Suleiman Al-Saif	Managing Director	3,819,080	1.091166	3,819,080	1.091166	—
3	Haytham bin Suleiman Al-Saif	Executive Vice Chairman	3,500,000	1.000000	3,500,000	1.000000	—
4	Muhannad bin Suleiman Al-Saif	Member	3,678,060	1.050874	3,678,060	1.050874	—
5	Mohammed bin Saud Al-Zamil	Independent Member	1,250	0.000357	1,250	0.000357	—
6	Abdulmajeed bin Suleiman Al-Dakheel	Independent Member	11,677	0.003336	11,677	0.003336	—

**Table (8): Ownership of Senior Executives and Their Relatives as at 31/12/2025**

No.	Executive Name	Position	Number of Shares	Ownership %
1	Ahmad bin Saleh Al-Sultan	Chief Executive Officer	None	—
2	Mu'ataz Ali Al-Ashqar	Chief Financial Officer	None	—

## Dividend Policy

The Company has adopted a dividend policy that balances shareholder returns with growth and expansion requirements. Dividends are approved by the Ordinary General Assembly based on a recommendation from the Board of Directors, taking into account the following factors:

- The level of net distributable profits after statutory reserves.
- Liquidity and cash flow requirements and investment plans.
- Requirements of the Companies Law and the Articles of Association.
- Economic conditions and the level of operational performance.

*Governance Disclosure: This policy does not constitute a commitment or guarantee to achieve a specific distribution level in any future financial year. The distribution decision depends on the circumstances of each year individually.*





# Related Party Transactions and Conflicts of Interest

## Governance Framework for Related Party Transactions

In compliance with Article (71) of the Companies Law and relevant CMA regulations, the Company subjects all transactions with related parties to approved approval procedures designed to ensure that such transactions are on fair competitive terms no less favorable than market terms, and are fully disclosed in accordance with regulatory requirements.

### Oversight Mechanisms:

- Related party transactions are reviewed by an independent advisor appointed by the Audit Committee.
- Each member with an interest refrains from participating in deliberations or voting on transactions relating to that interest.
- Material transactions are presented to the Audit Committee prior to approval by the Board of Directors.
- Material transactions are disclosed via the Tadawul platform in accordance with immediate disclosure requirements.

**Source of Acknowledgment:** Pursuant to the audited consolidated financial statements, related parties are defined as shareholders and companies owned by shareholders (affiliated companies), and all terms of such transactions are approved by Group management. The Audit Committee also reviews these transactions on a periodic basis and provides its views to the Board of Directors prior to approval, which is consistent with the requirements of Article 87(10) of the Corporate Governance Regulations.

### Related Party Transactions

Based on Note (5) of the audited consolidated financial statements of Al-Saif Stores for Development and Investment Company, the following are all related party transactions for the year ended 31 December 2025G:



## First: Operating Transactions with Related Parties

Related Party	Nature of Relationship	Transaction Type	2025G (SAR)	2024G (SAR)
Nuwaa Real Estate Investment Company	Related to Chairman of the Board	Property Management & Rentals	2,405,448	27,766,817
Nuwaa Real Estate Investment Company	Related to Chairman of the Board	Sales	48,147	—
Suleiman Mohammed Saleh Al-Saif	Shareholder / Chairman	Rentals	11,558,588	—
Suleiman Mohammed Saleh Al-Saif	Shareholder / Chairman	Financing	—	20,000,000
Suleiman Mohammed Saleh Al-Saif	Shareholder / Chairman	Expenses on Behalf	—	96,276
Suleiman Mohammed Saleh Al-Saif	Shareholder / Chairman	Sale of Land and Building	—	97,000,000
Mohammed Suleiman Al-Saif	Shareholder	Financing	—	15,000,000
Mohammed Suleiman Al-Saif	Shareholder	Expenses on Behalf	—	1,598,412
Haytham Suleiman Al-Saif	Shareholder	Sales	—	156,043
Muhannad Suleiman Al-Saif	Shareholder	Sales	—	40,458
Ahmad Suleiman Al-Saif *	Vice Chairman (Former)	Sales	—	44,299
Al-Saif Coffee Trading Company	Related to a Board Member	Goods Supply	64,430	1,485,576
Al-Saif Commercial Agencies Company	Related to Chairman of the Board	Goods Supply	—	4,238,532
Al-Saif Plus Company	Related to a Board Member	Goods Supply	11,682,621	15,816,422

\* Mr. Ahmad Suleiman Al-Saif served in his capacity until 22 September 2025G.

## Second: Key Management Remuneration

Key management comprises Board members, the General Manager, the CFO, and senior executives:

Beneficiary	Nature of Entitlement	2025G (SAR)	2024G (SAR)
Board of Directors	Allowances and Remuneration	1,227,500	1,130,000
Senior Management	Salaries	8,621,583	5,351,481
Senior Management	Allowances and Other Benefits	1,192,373	701,916
<b>Total</b>		<b>11,041,456</b>	<b>7,183,397</b>



## Disclosure and Governance Notes

**From the Financial Statements:** Related parties are defined as shareholders and companies owned by shareholders (affiliated companies), and all terms of such transactions are approved by Group management.

**From the Audit Committee Report:** The Audit Committee reviews transactions with related parties on a periodic basis and provides its views to the Board of Directors prior to approval, consistent with the requirements of Article 87(10) of the Corporate Governance Regulations.

## Analysis of Material Changes in Related Party Transactions

Pursuant to the requirements of the Board of Directors Report Guide issued by CMA, material changes of  $\geq 10\%$  significance are disclosed as follows:

- Material decrease in Nuwaa Real Estate Investment Company transactions (from SAR 27.7 million to SAR 2.4 million) – a decline of over 91%, which warrants disclosure in the Board Report in accordance with CMA guide requirements.
- New rental transaction with the Chairman of the Board in the amount of SAR 11.5 million, which did not appear in 2024 – a material transaction requiring full disclosure and documentation of its terms.
- Complete cessation of supply transactions with Al-Saif Commercial Agencies Company (which amounted to SAR 4.2 million in 2024).
- Increase in key management remuneration by 53.7% (from SAR 7.18 million to SAR 11.04 million), which exceeds the materiality threshold (10%), requiring explanation in the Board Report.

## Conflicts of Interest Policy

Each Board member and key executive commits annually to disclosing any potential or actual conflict of interests in accordance with the declaration form approved by the Board. In the event of a conflict:

1. The member or executive notifies the Board or the relevant committee immediately.
2. The member refrains from participating in deliberations or voting related to the matter.
3. The procedure is documented in the meeting minutes.

*Board Declaration: No conflicts of interest were recorded during the financial year 2025G that were not disclosed or addressed in accordance with the approved procedures.*





# Remuneration Disclosures and Statutory Declarations

## Remuneration Policy

### Governing Principles

The Company's remuneration policy is based on the following objectives and principles:

- **Performance Linkage:** Variable remuneration is designed to reflect the achievement of approved strategic objectives and financial and operational key performance indicators.
- **Competitiveness:** Maintaining compensation levels that ensure the attraction of qualified talent and the enhancement of retention.
- **Moderation:** Ensuring that remuneration is not excessive or unjustified in light of Company performance.
- **Transparency and Disclosure:** Full disclosure of member and executive remuneration in accordance with regulatory requirements.
- **No Guaranteed Variable Remuneration:** This policy does not constitute a commitment to pay variable remuneration in the event that performance criteria are not met.

### Role of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee reviews the remuneration structure and submits its recommendations to the Board regarding the remuneration of members and senior executives, taking into account market data, Company performance, and regulatory requirements.

## Board of Directors Remuneration

The Board of Directors held three (3) meetings during 2025G on the following dates: 11 March 2025G, 23 July 2025G, and 7 October 2025G. The attendance allowance per session is SAR 3,000 in accordance with the approved remuneration policy.

**Table (10-A): Board of Directors Remuneration for the Year 2025 (SAR)**

No.	Member Name	Capacity	1st Session 11/03	2nd Session 01/07	3rd Session 23/07	4th Session 07/10	Attendance Allowance (SAR)	Annual Reward (SAR)	Total (SAR)
1	Sulaiman bin Mohammed Al-Saif	Chairman of the Board – Non-Executive	✓	✓	✓	✓	12,000	100,000	112,000
2	Ahmed bin Sulaiman Al-Saif *	Vice Chairman (until 22/09/2025)– Non-Executive	✓	✓	✓	–	9,000	100,000	109,000
3	Mohammed bin Sulaiman Al-Saif	Member – Executive	✓	✓	✓	✓	12,000	100,000	112,000
4	Haitham bin Sulaiman Al-Saif	Member – Executive	✓	✓	✓	✓	12,000	100,000	112,000
5	Muhannad bin Sulaiman Al-Saif	Member – Non-Executive	✓	✓	✓	✓	12,000	100,000	112,000
6	Ahmed bin Saleh Al-Sultan	Member – Non-Executive (until 22/09/2025)	✓	✓	✓	–	9,000	100,000	109,000
7	Mohammed bin Saud Al-Zamil	Member – Independent	✓	✓	✓	✓	12,000	100,000	112,000
8	Abdulmajeed bin Sulaiman Al-Dukhail	Member – Independent	✓	✓	✓	✓	12,000	100,000	112,000
<b>Total</b>							<b>90,000</b>	<b>800,000</b>	<b>890,000</b>

\* The membership of Mr. Ahmad bin Suleiman Al-Saif ended on 22 September 2025G, and his remuneration was calculated based on his actual period of membership.

## Audit Committee Remuneration

The Audit Committee held ten (10) meetings during 2025G, with an attendance rate of 100% for all members.

**Table (10-B): Audit Committee Remuneration – 2025G (Saudi Riyals)**

No.	Member Name	Capacity	Sessions Attended	Attendance Allow. (SAR)	Annual Remun. (SAR)	Total (SAR)
1	Abdulmajeed bin Suleiman Al-Dakheel	Committee Chairman – Independent	10/10	30,000	50,000	80,000
2	Mohammed bin Saud Al-Zamil	Member – Independent	10/10	30,000	50,000	80,000
3	Muhannad bin Suleiman Al-Saif	Member– Non-Executive	10/10	30,000	50,000	80,000
	<b>Total</b>			<b>90,000</b>	<b>150,000</b>	<b>240,000</b>

## Nominations and Remuneration Committee Remuneration

The Nominations and Remuneration Committee held two (2) meetings during 2025G on: 24 March 2025G and 20 August 2025G.

**Table (10-C): Nominations and Remuneration Committee Remuneration – 2025G (Saudi Riyals)**

No.	Member Name	Capacity	Session 1 (24/03)	Session 2 (20/08)	Attendance Allow. (SAR)	Annual Remun. (SAR)	Total (SAR)
1	Abdulmajeed bin Suleiman Al-Dakheel	Committee Chairman – Independent	✓	✓	6,000	25,000	31,000
2	Mohammed bin Suleiman Al-Ghafees	Member	✓	✓	6,000	25,000	31,000
3*	Ahmad bin Suleiman Al-Saif	Member (until 22/09/2025G)	–	✓	3,000	25,000	28,000
	<b>Total</b>				<b>15,000</b>	<b>75,000</b>	<b>90,000</b>

\* Annual remuneration was calculated in accordance with the actual period of membership.

## Summary of Total Board and Committee Remuneration

**Table (10-D): Total Board of Directors and Committee Remuneration – 2025G (Saudi Riyals)**

Item	Total (SAR)
Board of Directors Members' Remuneration	866,000
Audit Committee Members' Remuneration	240,000
Nominations and Remuneration Committee Members' Remuneration	90,000
Board Secretary Remuneration and Other Disbursements	31,500
<b>Total Board and Committee Remuneration</b>	<b>1,251,500</b>

Note: The above amounts are fully reconciled with amounts disclosed in the audited consolidated financial statements for the year ended 31 December 2025G – Related Party Note.

## Executive Management Remuneration (Senior Executives)

As disclosed in the audited consolidated financial statements, the remuneration and benefits of key management (CEO, CFO, and senior executive officers) were as follows:

**Table (10-E): Executive Management Remuneration – 2025G vs. 2024G (Saudi Riyals)**

Item	2025G (SAR)	2024G (SAR)	Change %
Salaries and Remuneration	8,621,583	5,351,481	+61.1%
Allowances and Short-Term Benefits	1,192,373	701,916	+69.9%
<b>Total</b>	<b>9,813,956</b>	<b>6,053,397</b>	<b>+62.1%</b>

**Explanation of Material Change (≥10%):** Executive management remuneration increased by +62.1% compared to the prior year. This increase is attributable to:

- (1) Changes in senior executive leadership and the establishment of competitive compensation packages reflecting the scale of the business and approved growth requirements.
- (2) Payment of variable remuneration linked to the achievement of approved performance indicators during 2025G. This change exceeds the materiality threshold and is disclosed in accordance with the requirements of the Board of Directors Report Guide issued by the Capital Market Authority.



## Disclosure of Policy Compliance with Applicable Regulations

In compliance with the disclosure requirements of Article 10 of the approved Remuneration and Compensation Policy, and Article (58) of the Corporate Governance Regulations, the Board of Directors declares as follows:

- No loans or credit facilities have been granted to Board members or senior executives.
- No remuneration has been paid to independent members that is linked to or derived directly or indirectly from the Company's profits.
- Board members' remuneration was reviewed by the Nominations and Remuneration Committee prior to presentation to the General Assembly.
- Board remuneration is disbursed following approval by the Ordinary General Assembly.
- All disclosed remuneration is fully reconciled with the audited consolidated financial statements for the year ended 31 December 2025G.

## Board of Directors' Statutory Declarations

The Board of Directors declares the following:

- **Accuracy of Financial Statements:** The audited consolidated financial statements for the year ended 31 December 2025G present a true and fair view of the Company's financial position, results of operations, and cash flows in accordance with IFRS standards.
- **Effectiveness of Internal Controls:** The Board – through the Audit Committee – reviewed the effectiveness of the internal control and risk management system, and no material deficiencies were identified.
- **Going Concern:** Based on information available at the time of preparing this report, the Board has no reason to doubt the Company's ability to continue operations for the foreseeable future. (Projections – with qualification: these assessments are based on information available at the time of declaration and may be affected by changes in the operating or regulatory environment.)
- **No Penalties:** No fines, penalties, or disciplinary actions were issued against the Company or any Board member or senior executive during 2025G by the Capital Market Authority or any other regulatory body. (To be confirmed with the Legal Department.)
- **Compliance with Governance Regulations:** Full disclosure of all applied and non-applied provisions of the Corporate Governance Regulations has been made, as set out in Table (1) of this section.



## Regulatory Fines and Penalties

Item	Details
CMA Fines	None
Tadawul Sanctions	None
Material Fines from Other Government Entities	None

## Material Penalties and Litigation

Item	Details
Material Ongoing Litigation	None
Amounts Provided as Claims Provisions	None

## CFO's Declaration on the Integrity of Financial Statements

The Chief Financial Officer declares that the financial statements for the year ended 31/12/2025G fairly present, in all material respects, the Company's financial position, results of operations, and cash flows in accordance with applicable accounting requirements.

## Board of Directors' Statement

The Board of Directors bears full responsibility for the content of this report and declares that – to the best of its knowledge – it does not contain any misleading statements or omit any material information that would affect the decisions of shareholders and investors.

## Final Disclosure Declaration:

The Board of Directors states that this report has been prepared in compliance with the Board of Directors Report Guide issued by the Capital Market Authority, the Corporate Governance Regulations, the Rules of the Saudi Exchange (Tadawul), and the Companies Law and its implementing regulations, and that its contents reflect the facts and data available up to the date of its approval, without bias or selective disclosure.

## Suleiman bin Mohammed bin Saleh Al-Saif

Chairman of the Board of Directors  
Al-Saif Stores for Development and Investment Company



# 05 Financial Report

Financial Review	55
Independent Auditor's Report	59
Consolidated Statement of Financial Position	62
Consolidated Statement of Comprehensive Income	62
Consolidated Statement of Changes in Equity	63
Consolidated Statement of Cash Flows	64
Notes to the Consolidated Financial Statements	64



# Financial Review

## Revenue Growth and Operational Efficiency Improvement

Al Saif Stores for Development and Investment (Al Saif Gallery) recorded an improvement in its financial performance during 2025, driven by revenue growth and enhanced operational efficiency, along with the Company's continued development of sales channels and expansion of its digital presence.

The Company's revenue for the year reached SAR 758.8 million compared to SAR 731.6 million in 2024, recording an annual growth of 3.7%. This growth is primarily attributed to increased demand for the Company's products, along with the continued expansion in e-commerce sales.

E-commerce sales recorded a growth of 37.4% on a year-on-year basis, directly reflecting the Company's investments in developing its digital capabilities and improving the customer experience. The contribution of e-commerce to total sales also increased to 12.4% in 2025 compared to 9.4% in 2024, supporting the Company's strategy based on the integration of sales channels.

## Profitability Improvement

The Company's profitability during 2025 witnessed a notable improvement, supported by revenue growth and improved operating margins.

- Gross profit increased to SAR 178.0 million compared to SAR 113.0 million in 2024.
- Operating profit reached SAR 70.4 million compared to SAR 13.5 million in the previous year.
- Net profit increased to SAR 58.0 million compared to SAR 37.5 million in 2024, recording an annual growth of 54.6%.

This improvement reflects the strong performance of the Company's operating activities in addition to improved profit margins.





## Note on Year-on-Year Comparison

It should be noted that the net profit for 2024 of SAR 37.5 million included a non-recurring capital gain of approximately SAR 43 million resulting from the sale of a real estate asset, which affects the direct comparability between the results of the two years.

## Fourth Quarter Performance

The Company achieved strong performance during the fourth quarter of 2025, with net profit reaching SAR 8.48 million, an increase of 233% compared to the same period of the previous year.

### This performance was supported by:

- Revenue growth during the quarter of 28%
- Improved profit margins
- Operating profit increase of 134% compared to the same period of the previous year.

## Cash Flows and Capital Structure

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased to SAR 130.1 million compared to SAR 67.8 million in the previous year, recording a growth of 92%.

On the other hand, operating cash flows for the year reached SAR 78.7 million, a decrease of 61% compared to the previous year, primarily due to an increase in inventory of SAR 74.6 million resulting from the Company's expansion of its product portfolio.

### During the year, the Company repaid all outstanding loans, which contributed to:

- Strengthening the capital structure
- Improving the Company's financial position
- Increasing financial flexibility.

### As at year-end:

- Total assets reached SAR 790.8 million compared to SAR 741.0 million in 2024.
- Shareholders' equity increased to SAR 496.4 million compared to SAR 439.2 million in the previous year.

## Future Outlook

The Company continues to strengthen its presence in digital sales channels, along with expanding its offerings in the large home appliances segment, benefiting from the growing demand in this sector.

The Company expects that the growth in digital sales and the expanding customer base will support brand presence and enhance revenue growth and improve profitability over the long term.

### Revenue Breakdown by Sales Channel During 2025

Item	Value (SAR million)
Revenue	758.8
E-commerce Revenue	94.3
E-commerce Share of Revenue	12.4%

### Geographic Revenue Analysis

Market	2025	2024	Growth	Share
Kingdom of Saudi Arabia	697.0	677.9	+2.8%	91.9%
GCC Countries	61.8	53.7	+15.3%	8.1%
<b>Total</b>	<b>758.8</b>	<b>731.6</b>	<b>+3.7%</b>	<b>100%</b>





## Key Financial Indicators

<b>Revenue:</b> <b>758.8</b> million SAR (+3.7%)	<b>Gross Profit:</b> <b>178.0</b> million SAR (+57.6%)	<b>Gross Profit Margin:</b> <b>23.5%</b>	<b>Operating Profit:</b> <b>70.4</b> million SAR (+422.5%)
<b>Operating Profit Margin:</b> <b>9.3%</b>	<b>Net Profit:</b> <b>58.0</b> million SAR (+54.6%)	<b>Net Profit Margin:</b> <b>7.6%</b>	<b>Capital Expenditure:</b> <b>8.7</b> million SAR (-73.6%)
<b>Operating Cash Flows:</b> <b>78.7</b> million SAR (-61.0%)	<b>Earnings Per Share:</b> <b>0.17</b> SAR		

**Revenue:** SAR **758.8** million  
(2024: SAR 731.6 million)

**Net Profit:** SAR **58.0** million  
(2024: SAR 37.5 million)

**Gross Profit:** SAR **178.0** million  
(2024: SAR 113.0 million)

**Total Assets:** SAR **790.8** million  
(2024: SAR 741.0 million)

**Shareholders' Equity:**  
 SAR **496.4** million  
 (2024: 439.2 مليون ريال)



## Earnings Before Interest, Taxes, Depreciation and Amortization

EBITDA (operating earnings before depreciation) increased from SAR 67.8 million to SAR 130.1 million, recording a growth of 92% on a year-on-year basis. Operating cash flows for the year amounted to SAR 78.7 million, a decrease of 61% compared to the previous year, primarily attributed to an increase in inventory of SAR 74.6 million resulting from the Company's expansion of its product portfolio. During the same year, the Company strengthened its financial position by repaying all outstanding loans, which contributed to improving the capital structure and enhancing its financial flexibility.

Note: EBITDA is a non-IFRS financial measure. The Company defines this item as follows:

**EBITDA = Operating Profit + Depreciation of Property and Equipment + Depreciation of Right-of-Use Assets + Additional Depreciation**

The following table presents the full reconciliation with the nearest IFRS item (Operating Income):

Item	2025	2024	Change %
Operating Profit	<b>70,388</b>	13,470	+422.5%
Add: Depreciation of Property and Equipment	<b>21,032</b>	20,528	+2.5%
Add: Depreciation of Right-of-Use Assets	<b>37,374</b>	32,723	+14.2%
Add: Additional Depreciation of Property and Equipment	<b>1,318</b>	1,086	+21.4%
Add: Total Other Income/Expenses	—	—	—
<b>EBITDA</b>	<b>130,113</b>	67,807	+91.9%

Note: All figures in thousands of Saudi Riyals



### Income Statement (Five-Year Summary)

Item	2025	2024	2023	2022	2021
Revenue	<b>758,847</b>	731,551	719,780	739,108	825,289
Cost of Revenue	<b>(580,859)</b>	(618,600)	(535,107)	(551,285)	(568,637)
<b>Gross Profit</b>	<b>177,988</b>	112,951	184,673	187,822	256,651
Operating Expenses	<b>(107,600)</b>	(99,481)	(90,541)	(75,215)	(82,144)
<b>Operating Profit</b>	<b>70,388</b>	13,470	94,132	112,607	174,508
Finance Costs	<b>(11,398)</b>	(20,599)	(11,839)	(8,032)	(7,076)
Other Income	<b>(8,069)</b>	(51,980)	(20,439)	(32,937)	24,004
Profit Before Zakat	<b>67,059</b>	44,852	102,732	137,512	191,436
Zakat	<b>(9,028)</b>	(7,312)	(4,545)	(7,746)	(6,551)
<b>Net Profit</b>	<b>58,031</b>	37,540	98,187	129,766	184,884
<b>EBITDA</b>	<b>130,113</b>	67,807	137,164	146,024	206,166

Note: All figures in thousands of Saudi Riyals

### Assets, Liabilities and Equity (Five-Year Summary)

Item	2025	2024	2023	2022	2021
Current Assets	<b>431,274</b>	392,882	500,773	361,542	347,354
Non-Current Assets	<b>359,488</b>	348,150	440,210	291,038	263,651
<b>Total Assets</b>	<b>790,762</b>	741,033	940,982	652,580	611,005
Current Liabilities	<b>114,528</b>	143,054	329,160	120,913	115,246
Non-Current Liabilities	<b>179,789</b>	158,767	209,269	120,561	114,620
<b>Total Liabilities</b>	<b>294,317</b>	301,822	538,430	241,474	229,866
<b>Total Shareholders' Equity</b>	<b>496,445</b>	439,211	402,553	411,106	381,139

Note: All figures in thousands of Saudi Riyals





## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY  
A SAUDI LISTED JOINT STOCK COMPANY (1 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Al Saif Stores for Development and Investment Company (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

We have audited the consolidated financial statements of the Group, which comprise the following:

- The consolidated statement of financial position as at 31 December 2025;
- The consolidated statement of comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent from the Group in accordance with the International Code of Ethics for Professional Accountants that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY  
A SAUDI LISTED JOINT STOCK COMPANY (2 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### KEY AUDIT MATTERS (continued)

Key Audit Matters	How our audit addressed the key audit matter
<b>Revenue Recognition</b>	
<ul style="list-style-type: none"> <li>• With reference to the accounting policy relating to the revenue recognition, the Group's revenues for the year ended 31 December 2025 amounted to SR 758.8 million (2024: 731.5 million) (Refer Note 22).</li> <li>• Revenue is a key indicator of performance measurement, resulting in inherent risks in the revenue recognition process through revenue overstatements.</li> <li>• Revenue is recognized when product and services are provided the customer.</li> <li>• Due to the inherent risks in the revenue recognition process and the significance of revenue value, revenue recognition was considered as a key audit matter.</li> </ul> <p>Refer to material accounting policy information in note 4.17 for revenue recognition policy, and note 22 for more detail of revenue in the consolidated financial statements.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessment of the appropriateness of the Group's revenue recognition policy based on IFRS 15 "Revenue from contracts with customers".</li> <li>• Evaluation of the design and implementation of key controls in relation to the recognition of revenue;</li> <li>• Tested a sample of recorded revenue transactions by comparing them to supporting documents to verify that the revenue was appropriately recognized and had actually occurred.;</li> <li>• Inspected a test of a sample of contract with customers to evaluate the contractual arrangements and other supporting documents;</li> <li>• Inquired from the management representatives regarding fraud awareness and the existence of any actual fraud cases; and</li> <li>• Assessing the adequacy and appropriateness of the disclosures made in the consolidated financial statements.</li> </ul>

### OTHER INFORMATION

Other information consists of the information included in the Group's 2025 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information 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, we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY  
A SAUDI LISTED JOINT STOCK COMPANY

(3 / 5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws 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 the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY  
A SAUDI LISTED JOINT STOCK COMPANY

(4 / 5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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's 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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.



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AL SAIF STORES FOR DEVELOPMENT AND INVESTMENT COMPANY  
A SAUDI LISTED JOINT STOCK COMPANY

(5 /5)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLOIDATED FINANCIAL STATEMENTS (continued)

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.

**PKF Al-Bassam**  
Chartered Accountants

Ahmed Abdul Majeed Mohandis  
Certified Public Accountant  
License No. 477  
Riyadh, Kingdom of Saudi Arabia  
06 Ramadhan 1447H  
Corresponding to: 23 February 2026




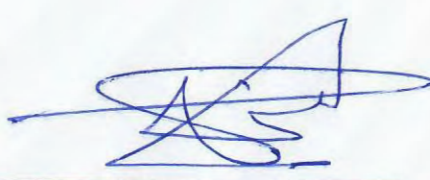
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

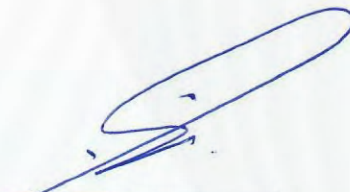
	Note	31 December 2025 AED	31 December 2024 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment, net	6	158,066,233	172,418,574
Right-of-use assets, net	7	199,678,664	174,531,393
Intangible assets, net	8	1,742,808	1,200,402
<b>Total non-current assets</b>		<b>359,487,705</b>	<b>348,150,369</b>
<b>Current assets</b>			
Inventories, net	9	355,675,171	282,746,598
Trade and other receivables, net	10	4,481,207	6,646,552
Advances, prepayments and other receivables	11	45,250,635	35,066,488
Cash and cash equivalents	12	25,867,429	68,422,738
<b>Total current assets</b>		<b>431,274,442</b>	<b>392,882,376</b>
<b>Total assets</b>		<b>790,762,147</b>	<b>741,032,745</b>
<b>Equity</b>			
Share capital	13	350,000,000	350,000,000
Additional capital contribution		156,431	156,431
Statutory reserve	14	5,100	5,100
Retained earnings		146,283,245	89,049,599
<b>Total equity</b>		<b>496,444,776</b>	<b>439,211,130</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term lease liabilities	7	167,121,796	147,648,164
Provision for employees' benefits	15	12,667,569	11,119,073
<b>Total non-current liabilities</b>		<b>179,789,365</b>	<b>158,767,237</b>
<b>Current liabilities</b>			
Short-term lease liabilities	7	31,707,267	27,090,616
Short term loan	16	-	65,350,019
Trade payables	17	55,656,502	27,540,380
Advances, accruals and other payables	18	18,133,502	15,767,128
Dividends payable	19	23,752	23,752
Zakat provision	20	9,006,983	7,282,483
<b>Total current liabilities</b>		<b>114,528,006</b>	<b>143,054,378</b>
<b>Total liabilities</b>		<b>294,317,371</b>	<b>301,821,615</b>
<b>Total equity and liabilities</b>		<b>790,762,147</b>	<b>741,032,745</b>
<b>Contingencies and commitments</b>	21		

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

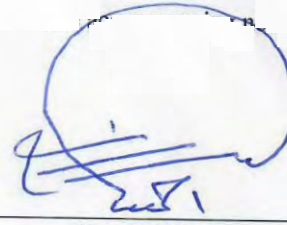
	Note	31 December 2025 AED	31 December 2024 AED
Revenue	22	758,846,574	731,551,279
Cost of revenue		(580,858,518)	(618,600,307)
<b>Gross profit</b>		<b>177,988,056</b>	<b>112,950,972</b>
Selling and distribution expenses	23	(60,252,683)	(61,083,441)
General and administrative expenses	24	(47,347,184)	(38,397,179)
<b>Operating profit</b>		<b>70,388,189</b>	<b>13,470,352</b>
Finance costs	25	(11,398,001)	(20,599,251)
Other income	26	7,565,120	51,899,103
Gain on sale of financial assets at FVTPL	27	503,749	81,352
<b>Net profit for the year before zakat</b>		<b>67,059,057</b>	<b>44,851,556</b>
Zakat expense	20	(9,027,686)	(7,312,000)
<b>Net profit for the year</b>		<b>58,031,371</b>	<b>37,539,556</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
Actuarial loss on re-measurement of employees' benefits obligations	15	(797,725)	(881,128)
		(797,725)	(881,128)
<b>Total comprehensive income for the year</b>		<b>57,233,646</b>	<b>36,658,428</b>
<b>Basic and diluted earnings per share (AED)</b>	28	<b>0.17</b>	<b>0.11</b>


  
 Ahmed Al-Sultan  
 CEO


  
 Suleiman bin Muhammad bin Saleh  
 Alsaif  
 Chairman

  
 Motaz Al Ashqar  
 Financial Manager

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

  
 Ahmed Al Sultan  
 CEO

  
 Suleiman bin Muhammad bin  
 Saleh Alsaif  
 Chairman

  
 Motaz Al Ashqar  
 Financial Manager

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2025**

Note	Share capital SAR	Additional capital contribution SAR	Statutory reserve SAR	Retained earnings SAR	Total SAR
<b>Balance as of 1 January 2024</b>	350,000,000	156,431	5,100	52,391,171	402,552,702
Net profit for the year	-	-	-	37,539,556	37,539,556
Other comprehensive loss	-	-	-	(881,128)	(881,128)
<b>Total comprehensive income</b>	-	-	-	36,658,428	36,658,428
<b>Balance as at 31 December 2024</b>	350,000,000	156,431	5,100	89,049,599	439,211,130
<b>Balance as of 1 January 2025</b>	350,000,000	156,431	5,100	89,049,599	439,211,130
Net profit for the year	-	-	-	58,031,371	58,031,371
Other comprehensive loss	-	-	-	(797,725)	(797,725)
<b>Total comprehensive income</b>	-	-	-	57,233,646	57,233,646
<b>Balance as at 31 December 2025</b>	350,000,000	156,431	5,100	146,283,245	496,444,776

**Ahmed Al Sultan**

**CEO**

**Suleiman bin Muhammad  
bin Saleh Alsaif**

**Chairman**


**Motaz Al Ashqar**


**Financial Manager**


The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	For the year ended 31 December	
		2025	2024
		ﷲ	ﷲ
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit for the year before zakat		67,059,057	44,851,556
<b>Adjustments for:</b>			
Depreciation of property and equipment	6	21,951,609	21,219,869
Depreciation of right-of-use assets	7	37,374,480	32,722,639
Amortization of intangible	8	398,431	393,667
Gain on sale of financial assets at FVTPL	27	(503,749)	(81,352)
Provision for employees' benefits	15	1,663,289	1,604,770
Provision for expected credit loss	10	1,333,185	128,771
Gain on disposal of property and equipment	26	(326,699)	(43,002,331)
Gain on lease termination		(2,020,330)	(271,077)
Provision for slow-moving goods	9	1,683,009	-
Finance costs	25	11,398,001	20,599,251
		140,010,283	78,165,763
<b>Changes in operating assets and liabilities:</b>			
Trade receivables, net		832,160	5,580,655
Inventories, net		(74,611,582)	126,867,849
Advances, prepayments and other receivables		(10,184,147)	19,587,235
Trade payables		28,116,122	(12,873,311)
Due to related parties		-	(7,451,431)
Advances, accruals and other payables		3,347,774	(1,166,603)
		87,510,610	208,710,157
Employees' benefits paid	15	(1,525,518)	(2,365,841)
Zakat paid	20	(7,303,186)	(4,574,787)
<b>Net cash flows generated from operating activities</b>		<b>78,681,906</b>	<b>201,769,529</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property and equipment		469,358	97,012,226
Addition of property and equipment	6	(7,741,927)	(32,742,510)
Addition of intangible assets	8	(940,837)	(111,206)
Purchase of financial assets at FVTPL	27	(251,022,267)	(10,058,280)
Proceeds from sale of financial assets FVTPL	27	251,526,016	10,139,632
<b>Net cash flows (used in) / generated from investing activities</b>		<b>(7,709,657)</b>	<b>64,239,862</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	19	-	(11,123)
Finance cost paid		(2,452,206)	(14,944,794)
Proceeds from short-term loans	16	43,726,908	245,632,097
Repayments of short-term loans	16	(109,076,927)	(410,941,194)
Lease liabilities paid	7	(45,725,333)	(41,470,310)
<b>Net cash flows used in financing activities</b>		<b>(113,527,558)</b>	<b>(221,735,324)</b>
<b>Net change in cash and cash equivalents</b>		<b>(42,555,309)</b>	<b>44,274,067</b>
<b>Cash and cash equivalents at beginning of year</b>	12	<b>68,422,738</b>	<b>24,148,671</b>
<b>Cash and cash equivalents at end of the year</b>	12	<b>25,867,429</b>	<b>68,422,738</b>
<b>The non-cash transactions:</b>			
Increase in right of use assets and lease liabilities	7	70,387,297	23,910,841
Lease termination in right of use-asset		7,865,546	40,477,750
Lease termination in lease liability		9,885,876	40,748,827

  
**Ahmed Al Sultan**  
 CEO

  
**Suleiman bin Muhammad bin Saleh Alsaif**  
 Chairman

  
**Motaz Al Ashqar**  
 Financial Manager

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS ACTIVITIES**

Al Saif Stores for Development and Investment Company (the "Company") and its subsidiaries (together the "Group") is a Saudi Joint-Stock Company which was established in accordance with the Companies Law in the Kingdom of Saudi Arabia under commercial registration number 1010111193 and unified national number 7018060504 issued in Riyadh on 18 Dhu al-Hijjah 1413H corresponding to 09 September 1993. The Company was converted from a limited liability company to a closed joint stock company on 23 Muharram 1436H corresponding to 16 November 2014 as per the approval of the Ministry of Commerce and Industry No. 322 /s. On 07 Muharram 1445H corresponding to 25 July 2023 as per the approval of the Capital Market Authority (CMA), the status of the Company has been changed to Joint Stock Company.

The principle activity of the Group is the sale and import of household utensils, wholesale and retail trade in household utensils, electrical appliances, cleaning supplies, general contracting activity, construction, repair, restoration and demolition of buildings and public construction of road works, water and sewage works, dams, drilling wells, maintenance and operation of electrical, mechanical and electronic installations, landscaping and blacksmithing, carpentry, aluminum, decoration, gypsum, decoration, maintenance and cleaning works, management and operation of cities, utilities, buildings and public and private facilities, buying and owning real estate and lands to construct buildings on them.

As at 31 December 2025, the total number of branches leased by the Group were 73 (31 December 2024: 73), operating in the Kingdom of Saudi Arabia, United Arab Emirates, Kuwait, Sultanate of Oman and Qatar under the trademark of "Al Saif Gallery".

**Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The Group manages business through the following subsidiaries:

Name of subsidiaries	Location	% of shareholding	
		31 December 2025	31 December 2024
Al Saif Gallery Trading	UAE	100%	100%
Al Saif Gallery Kuwait	Kuwait	100%	100%
Al Saif Gallery Oman	Oman	100%	100%
Al Saif Gallery Qatar	Qatar	100%	100%

The head office of the Group is located at P.O. Box 10448, Riyadh 11626, Kingdom of Saudi Arabia.

The following are the branches of the Group:

C.R. Name	Unified National Number	City
Branch of Al-Saif Stores Development and Investment Company	7006766682	Riyadh
Branch of Al-Saif Stores Development and Investment Company	7014262740	Hafar Al-Batin
Branch of Al-Saif Stores Development and Investment Company	7011320848	Skaka
Al-Saif Household Utensils, Branch of Al-Saif Stores Development and Investment Company	7014697572	Khamis Mushait
Branch of Al-Saif Stores Development and Investment Company	7013719971	Najran
Branch of Al-Saif Stores Development and Investment Company	7011838609	Dhahran
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7014914662	Jazan
Al-Saif Gallery for Household Utensils, Branch of Al-Saif Stores Development and Investment Company	7013445007	Makkah
Branch of Al-Saif Stores Development and Investment Company	3350038998	Hail
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7013025569	Bisha
Branch of Al-Saif Stores Development and Investment Company	7013226357	Dammam
Branch of Al-Saif Stores Development and Investment Company	7011519191	Hofuf
Branch of Al-Saif Stores Development and Investment Company	7013987123	Kharj

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS ACTIVITIES (CONTINUED)**

The following are the branches of the Group (Continued):

<b>C.R. Name</b>	<b>Unified National Number</b>	<b>City</b>
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7006392851	Taif
Al-Saif Gallery Trading CO., Branch of Al-Saif Stores Development and Investment Company	7014350396	Medina
Branch of Al-Saif Stores Development and Investment Company	7012377755	Buraydah
Branch of Al-Saif Stores Development and Investment Company	7014777176	Tabuk
Branch of Al-Saif Stores Development and Investment Company	7013987123	Kharj
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7006392851	Taif
Al-Saif Gallery Trading CO., Branch of Al-Saif Stores Development and Investment Company	7014350396	Medina
Branch of Al-Saif Stores Development and Investment Company	7012377755	Buraydah
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7011641664	Jedda
Branch of Al-Saif Stores Development and Investment Company	7011779233	Abha
Branch of Al-Saif Stores Development and Investment Company	7003765679	Khafji
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7007552602	yanbu
Al-Saif Hall for household utensils, Branch of Al-Saif Stores Development and Investment Company	7012651415	Riyadh
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7003784902	Alrass
Al-Saif Gallery Trading, Branch of Al-Saif Stores Development and Investment Company	7002576721	Jubail
Branch of Al-Saif Stores Development and Investment Company	1010183788	Riyadh
Branch of Al-Saif Stores Development and Investment Company	7005514752	Unaizah
Branch of Al-Saif Stores Development and Investment Company	7005514679	Albaha
Al-Saif Stores Development and Investment Company	7008895281	Dawadmi
Al-Saif Gallery Trading	7015454031	Mahayel Aseer
Branch of Al-Saif Stores Development and Investment Company	7001692826	Riyadh
Branch of Al-Saif Stores Development and Investment Company	7008415130	Riyadh
Branch of Al-Saif Stores Development and Investment Company	1010672622	Riyadh
Branch of Al-Saif Stores Development and Investment Company	2051232518	khobar
Suleiman Mohammad Al-Saif Gallery for household utensils, branch of Al-Saif Stores Company for Development and Investment	7011451650	Makkah
Branch of Al-Saif Stores Development and Investment Company	7026561246	Arar
Branch of Al-Saif Stores Development and Investment Company	2050089147	Qatif
Branch of Al-Saif Stores Development and Investment Company	4031088383	Al qonfoza
Branch of Al-Saif Stores Development and Investment Company	5900029071	Sabya
Branch of Al-Saif Stores Development and Investment Company	7008415130	Warehouse
Al Saif Gallery Trading – Abu Dhabi	4605329	Abu Dhabi
Al Saif Gallery Trading -Ajman	201819494	Ajman
Al Saif Gallery Kuwait	468654	Kuwait
Al Saif for Development and Investment	1515501	Oman
Al Saif Gallery	196193	Qatar

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.2 BASIS OF MEASUREMENT**

These consolidated financial statements are prepared under the historical cost method except for the following:

- Investments that are measured at fair value; and
- Employees' post-employment benefits recognized at the present value of future obligations using the Projected Unit Credit Method.

**2.3 FUNCTIONAL AND PRESENTATION CURRENCY**

These consolidated financial statements are presented in Saudi Riyals (ﷲ) which is the functional and presentation currency.

**2.4 BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the parent company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

When the group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between

- the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 “Financial Instruments” when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.5. NEW STANDARDS, AMENDED STANDARDS AND INTERPRETATIONS**

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group's Consolidated Financial Statements, except for where referenced below.

**New amendments to standards issued and applied effective in the year 2025**

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 21	Lack of Exchangeability	1 January 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.  The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

**New standards, amendments, and revised IFRS issued but not yet effective**

The Group has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	The amendments clarify the recognition and derecognition of financial assets and financial liabilities, including settlement date accounting for certain electronic payment systems. They also provide additional guidance on assessing contractual cash flow characteristics of financial assets, including contingent cash flows arising from environmental, social and governance (ESG)-linked features. The amendments also introduce new and updated disclosure requirements in IFRS 7.
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	These amendments modify the 'own use' requirements and hedge accounting provisions in IFRS 9 for contracts that expose entities to variability in electricity prices due to uncontrollable natural conditions such as weather. Targeted disclosure requirements are introduced in IFRS 7.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	IFRS 18 replaces IAS 1 and establishes a new framework for the presentation and disclosure of financial statements. The standard introduces new categories for income and expenses (operating, investing and financing) and requires presentation of new subtotals, including operating profit or loss and profit or loss before financing and income taxes. It also enhances guidance on aggregation and disaggregation, introduces disclosure requirements for management-defined performance measures, and removes classification options for interest and dividends in the statement of cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. BASIS OF PREPARATION (CONTINUED)**

**2.5. NEW STANDARDS, AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)**

**New standards, amendments, and revised IFRS issued but not yet effective (continued)**

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 19	Subsidiaries without Public Accountability	1 January 2027	IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles. The standard affects disclosure requirements only and does not impact recognition or measurement.

Management anticipates that these new standards interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

**3. USE OF ESTIMATES AND JUDGMENTS**

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses stated in the consolidated financial statements and the accompanying notes. Although these estimates are based on the best information available to management, final actual results may differ from these estimates.

**Impairment of financial assets**

The implementation of business model approach under IFRS 9 requires judgement to ensure that financial assets of the Group are classified in to the appropriate category. Deciding whether the classified categories will require assessment of contractual provisions that do or may change the timing or amount of the contractual cash flows. Objective evidence may exist in circumstances in which a counterparty has been placed in bankruptcy or has failed on the repayments of principal and interest. In other circumstances, the Group uses judgment in order to determine whether a financial asset may be impaired using Expected Credit Loss ("ECL") model. The Group uses judgement in order to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. In addition, the Group also make judgments in deciding whether the measurement of expected credit loss reflect reasonable and supportable information that is available without undue cost or effort that include historical, current, and forecast information.

**3.1 ESTIMATES**

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 and in future periods affected. The areas involving a higher degree estimates are significant to the consolidated financial statements are as follows:

**Provision for slow-moving inventories**

The management makes a provision for slow moving items. Estimates of net recoverable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring on or subsequent to the consolidated statement of financial position date to the extent that such events confirm conditions existing at the end of year.

**Provision for zakat**

Management has assessed the zakat position having regard to the local zakat legislation, decrees issued periodically and conventions. Interpretation of such legislation decrees and conventions are not always clear and entail completion of assessment by the Zakat, Tax and Customs Authority ("ZATCA").

**Actuarial valuation of employees' post-employment benefits**

The cost of the post-employment benefits ("employee benefits") under the defined benefit plan is determined using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and rate of employee turnover. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**3. USE OF ESTIMATES AND JUDGMENTS (CONTINUED)**

**3.1 ESTIMATES (CONTINUED)**

**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, asset's recoverable amount is estimated. For further detail, please refer 4.3.

**Determination of discount rate for present value calculations**

Discount rate represents the current market assessment of the risks specific to the Group, taking into consideration the tenure of the agreement and the individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of the Group.

**3.2 JUDGMENTS**

The areas involving a higher degree of judgments and are significant to the consolidated financial statements are as follows:

**Useful lives of property and equipment and intangibles**

As described in note 4.1, the Group estimates the useful lives of property and equipment and intangibles at the end of each annual reporting period. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charges are adjusted where management believes the useful lives differ from previous estimates.

**Going concern**

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

**4. MATERIAL ACCOUNTING POLICIES**

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

**4.1 PROPERTY AND EQUIPMENT**

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of an asset. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in profit or loss when incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	<b>Depreciation rate</b>
Buildings	3-7%
Leasehold improvements	5-10% / or contract term, whichever is shorter
Vehicles	25%
Furniture and office equipment	10%
Decorations	5-50%
Computers and office equipment	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting period and are adjusted whenever appropriate as changes in accounting estimate in the year where the change take place and the following years.

**Capital work in progress**

Capital work in progress are recognized at cost. This cost includes all direct expenses and other costs attributable to bringing the assets to working condition for their intended use. Projects in progress are transferred to property and equipment when completed and ready for their intended use.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.2 INTANGIBLE ASSETS**

Items of intangibles are measured at cost less accumulated amortization and any accumulated impairment losses. If significant parts of an item of intangibles have different useful lives, then they are accounted for as separate items (major components) of intangibles. Any gain or loss on disposal of an item of intangibles is recognized in profit or loss. Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Amortization is calculated to write off the cost of items of intangible less their estimated residual values using the straight line method over the estimated useful lives, and is recognized in profit and loss. The estimated useful lives are as follows:

<b>Asset</b>	<b>Amortization rate</b>
Software	20%

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS**

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, asset's recoverable amount is estimated.

For impairment testing, assets are combined together into the smallest group of assets that generates cash inflows from continuing use, namely CGU, that are largely independent of the cash inflows of other assets or CGUs.

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 discount rate that reflects current market assessments of the time value of cash and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. The impairment losses are recognized in profit or loss.

**4.4 LEASES**

**The Group as lessee**

At inception of a contract, the Group assesses whether a 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, for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

**Right-of-use assets**

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underlying asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated amortization and impairment and is settled for any remeasurement of a lease liability. The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received. The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.4. LEASES (CONTINUED)**

**The Group as lessee (continued)**

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

**Lease termination**

The Group accounts for lease terminations as lease modifications. Upon termination of a lease, the related lease liability is derecognized and the corresponding right-of-use asset is reduced to nil. Any difference between the carrying amount of the lease liability derecognized and the carrying amount of the right-of-use asset written off, together with any termination penalties paid or receivable, is recognized immediately in the Statement of profit and loss and other comprehensive income.

**Short term lease contracts**

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less or leases of low-value assets. The Group recognizes lease payments associated with those leases as expenses on a straight-line basis over the lease term.

**Extension options**

In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was a significant event or major change in the circumstances that fall under its control.

**The Group as lessor**

When the Group is a lessor, it determines, at the commencement of the lease, whether the lease is a finance lease or operating lease.

To classify each lease, the Group perform overall assessment whether lease transfers all substantially all the risks and rewards incidental to ownership of an underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers specific indicators such as whether the lease term is for a major part of the economic life of the underlying asset.

The initial measurement in case of finance leases: the lessor shall use the interest rate implicit in the lease to measure the net investment in the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.4. LEASES (CONTINUED)**

**The Group as lessor (continued)**

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- (a) Fixed payments;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee; and
- (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

Upon subsequent measurement, a lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The initial measurement in case of operating leases: A lessor shall recognize lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Upon subsequent measurement, a lessor shall apply IAS 36 to determine whether an underlying asset subject to an operating lease is impaired and to account for any impairment loss identified.

When the Group is an intermediate lessor, it calculates its interest in the head lease and sublease separately. Classification of the sublease is assessed by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease, the Group applies exemption, the sublease shall be classified as an operating lease.

If the arrangement includes lease and non-lease components, the Group shall allocate the consideration in the contract by applying IFRS 15 for allocation the consideration in the contract.

**4.5. INVENTORIES**

Inventories are measured at the lower of cost or net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, goods costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value comprises selling price in the ordinary form of business, less costs related to completing the sale. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

**4.6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and cash in current accounts with banks and other short-term highly liquid investments with original maturities of three months or less (if any), which are available to the Group without any restrictions.

**4.7. FINANCIAL INSTRUMENTS**

**Classification and measurement of financial assets and financial liabilities**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

**Classification and measurement of financial assets and financial liabilities**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified at FVTPL.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4. MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.7 FINANCIAL INSTRUMENTS (CONTINUED)**

**Classification and measurement of financial assets and financial liabilities (continued)**

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company 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. This includes all derivative financial assets.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets (unless they are trade receivables without a significant financing component that is initially measured at the transaction price) are initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. 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.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	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.

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument. The Group measures loss provisions at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, 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.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all value 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.

For receivables, the Group applies the simplified approach to estimate ECLs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.7 FINANCIAL INSTRUMENTS (CONTINUED)**

**Impaired financial assets**

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

**Presentation of impairment**

Loss provisions for financial assets are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables, if any, are presented in the consolidated statement of profit or loss under a separate item.

**Financial liabilities:**

Financial liabilities are classified as measured at amortized cost or FVTPL. The financial liabilities are classified at FVTPL if they are classified as held-for-trading, they are derivative, or they are 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.

**Derecognition of financial assets**

A financial asset (or part of a group of similar financial assets) is primarily derecognized (i.e., excluded from the Group's consolidated statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired.
- The Group has transferred its rights to receive cash flows from the asset or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

**Hedge accounting**

IFRS 9 hedge accounting requirements do not apply to the Group since it does not have any hedging contracts. The adoption of IFRS 9 as at 1 January 2020 did not have any material impact on the Group's consolidated financial statements.

**4.8 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.

**4.9 PROVISION FOR EMPLOYEE BENEFIT'S**

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Employees' post-employment benefits

The liability or asset recognized in the statement of financial position in respect of defined benefit. The plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

Defined benefit costs are categorized as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.9 PROVISION FOR EMPLOYEE BENEFIT'S (CONTINUED)**

**Service cost**

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

**Interest cost**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expense in the statement of profit or loss.

**Re-measurement gains or losses**

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

**4.10 SEGMENT REPORTING**

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components of the Group. All operational results of the operating segments are reviewed by the Group's operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

**4.11 EARNINGS PER SHARE**

The Group presents basic and diluted earnings per share data for its ordinary shares. Earnings per share from operating profit and net profit is calculated by dividing the profit or loss attributable to the Group's ordinary shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

**4.12 CONTINGENT ASSET AND LIABILITIES**

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability. Contingent assets are not recognized, but are disclosed where an inflow of economic benefits is probable

**4.13 BORROWINGS**

Borrowings are recognized at the proceeds received less transaction costs incurred net of interests and upfront fee and presented netting of the principle amount of the loan, and such interest and commission are amortized over the life of the loan using the effective interest rate method. Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalized up to stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, otherwise, such costs are charged to the consolidated statement of profit or loss.

**4.14 PROVISIONS**

A provision is recognized if, as a result of a past event, the Group has a present (legal or constructive) obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation.

**4.15 TRADE PAYABLES AND ACCRUALS**

Liabilities are recognized for amounts due and to be paid in the future for goods or services received, whether billed by the supplier or not.

**4.16 ZAKAT**

The Group is subject to Zakat as per the regulations of Zakat, Tax and Customs Authority (ZATCA). Accrued Zakat is recognized and charged to profit or loss for the current year. Additional Zakat liabilities, if any, related to prior years' assessments are calculated by the Group in the period in which the final assessments are finalized.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.17 REVENUE RECOGNITION**

The Group recognizes revenue under IFRS 15 using the following five- steps model:

Step 1: Identify the contract with the customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price.	The transaction price is the amount of consideration the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocation of transaction price.	For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The Group recognizes revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

**Identify the contract with the customer.**

The Group carefully evaluates the terms and conditions of the contracts with its customers because revenue is recognized only when performance obligations in contracts with customers are satisfied. A change in the scope or price (or both) of a contract is considered as a contract modification and the Group determines whether this creates a new contract or whether it will be accounted for as part of the existing contract.

**Identifying performance obligations**

Once the Group has identified the contract with a customer, it evaluates the contractual terms and its customary business practices to identify all the promised services within the contract and determine which of those promised services (or bundles of promised services) will be treated as separate performance obligations.

**Identify the transaction price**

The Group determines transaction price as the amount which it expects to be entitled. It includes an estimate of any variable consideration, the effect of a significant financing component (i.e., the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or payable to a customer (if any). Variable considerations are limited to the amount for which it is highly probable that a significant reversal will not occur when the uncertainties related to the variability are resolved.

**Allocation of transaction price**

Once the performance obligations have been identified and the transaction price has been determined, transaction price is allocated to the performance obligations, generally in proportion to their stand-alone selling prices (i.e., on a relative stand-alone selling price basis). When determining stand-alone selling prices, the Group is required to use observable information, if any. If stand-alone selling prices are not directly observable, the Group makes estimates based on information that is reasonably available.

Revenue is recognized only when the Group satisfies a performance obligation by transferring control to the customer. Control may be transferred over time or at a point in time. Where a performance obligation is satisfied overtime, the Group identifies the progress under the contract based on either of an input or output method which best measures the performance completed to date. The method selected is applied consistently to similar performance obligations and in similar circumstances.

The Group believes that it fulfills its performance obligations in its contracts with customers at a point in time, and hence it recognizes revenue as and when it fulfills its obligations under contracts with customers. The Group is engaged in the sale and import of household utensils and wholesale and retail trade in household utensils through its various outlets located in different regions of the Kingdom of Saudi Arabia, United Arab Emirates and Kuwait. Revenue from the sale of goods is recognized when the Group sells a product to the customer.

Other revenue is recorded in consolidated statement of profit or loss when matured.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**4 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**4.18 COST OF REVENUE**

The cost of revenue incurred during the year comprises the costs of purchasing goods that are ready for sale, wages and salaries of galleries staff, depreciation of property and equipment, warehouse and galleries rental expenses, packing and packaging expenses, and good shipping and unloading expenses.

**4.19 EXPENSES**

Selling and distribution expenses are those arising from the Group's efforts underlying the selling and distribution functions. All other expenses, excluding cost of sales and financial costs, are classified as general and administrative expenses. Allocations of common expenses between cost of sales and selling and distribution, and general and administrative expenses, when required, are made on a consistent basis.

**4.20 FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in profit or loss.

**4.21 DIVIDENDS**

Dividends are recorded in the consolidated financial statements in the period in which they are approved by the shareholders of the Group.

**4.22. FOREIGN OPERATIONS**

As at the reporting date, the assets and liabilities of the subsidiaries are translated into Saudi Riyal (SAR), at the rate of exchange ruling at the consolidated statement of financial position date and their consolidated statements of profit or loss are translated at the average exchange rates for the year. Components of equity, other than retained earnings, are translated at the rate ruling at the date of occurrence of each component. Translation adjustments in respect of these components of equity are recorded through consolidated statement of other comprehensive income as a separate component of equity.

**4.23. CURRENT VS NON-CURRENT CLASSIFICATION**

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Group classifies all other liabilities as non-current.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**5. RELATED PARTIES**

The related parties are the Shareholders of the Group and the Companies owned by the shareholders (associated companies). The terms of these transactions are approved by the Group's management.

The following are the most important transactions with related parties and the balances resulting from them:

Description	Relationship	Nature of transactions	For the year ended	
			31 December 2025	31 December 2024
Nawat Real Estate Investment Company	Affiliate	Rent expense & expense on behalf of the Group	2,405,448	27,766,817
		Sales	48,147	-
		Rental expenses	11,558,588	-
		Financing received	-	20,000,000
Suleiman Muhammad Salih Al-Saif	Shareholder / Chairman	Expenses paid on behalf of the shareholder	-	96,276
		Sale of land and building	-	97,000,000
Muhammad Suleiman Al Saif	Shareholder	Expenses paid on behalf of the shareholder	-	1,598,412
		Financing received	-	15,000,000
Haithem Suleiman Al Saif	Shareholder	Sales	-	156,043
Muhannad Suleiman Al Saif	Shareholder	Sales	-	40,458
*Ahmed bin Suleiman Al-Saif	Deputy Chairman	Sales	-	44,299
Al-Saif Coffee Trading Company	Affiliate (Related to Board Member)	Purchases	64,430	1,485,576
Al-Saif Commercial Agencies Company	Affiliate (Related to Chairman of the Board)	Purchases	-	4,238,532
Al-Saif Plus Company	Affiliate (Related to Board Member)	Purchases	11,682,621	15,816,422

\* Mr Ahmed bin Suleiman Al-Saif served till 26<sup>th</sup> September 2025.

**Remunerations of the Group's key management personnel**

Key management personnel are those persons, including the Board of Directors, Managing Director, Chief Financial Officer and top executives having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly. Transactions with key management personnel includes fees, basic salaries, bonuses and other benefits as per the Group's policies, which are as follows:

Nature of transaction	31 December 2025	31 December 2024
	ﷲ	ﷲ
Board of directors	1,227,500	1,130,000
Key management personnel	8,621,583	5,351,481
	1,192,373	701,916
	11,041,456	7,183,397



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**6. PROPERTY AND EQUIPMENT, NET**

	Land £	Buildings £	Leasehold improvements £	Vehicles £	Furniture and Office equipment £	Decorations £	Computers and office equipment £	Capital work in progress (CWIP) £	Total £
<b>Cost:</b>									
<b>Balance as at 01 January 2025</b>	<b>36,589,785</b>	<b>45,306,195</b>	<b>44,527,399</b>	<b>11,135,575</b>	<b>5,191,316</b>	<b>120,734,624</b>	<b>11,794,069</b>	<b>136,289</b>	<b>275,415,252</b>
Additions during the year	-	888,599	897,874	950,376	117,988	4,545,222	341,868	-	7,741,927
Disposals during the year	-	-	-	(624,483)	-	-	-	(136,289)	(760,772)
<b>Balance as at 31 December 2025</b>	<b>36,589,785</b>	<b>46,194,794</b>	<b>45,425,273</b>	<b>11,461,468</b>	<b>5,309,304</b>	<b>125,279,846</b>	<b>12,135,937</b>	<b>-</b>	<b>282,396,407</b>
<b>Accumulated depreciation:</b>									
<b>Balance as at 01 January 2025</b>	-	<b>10,636,074</b>	<b>21,319,249</b>	<b>7,850,387</b>	<b>2,733,361</b>	<b>53,567,320</b>	<b>6,890,287</b>	-	<b>102,996,678</b>
Depreciation for the year	-	2,128,153	5,191,164	1,407,408	429,980	11,771,897	1,023,007	-	21,951,609
Disposals during the year	-	-	-	(618,113)	-	-	-	-	(618,113)
<b>Balance as at 31 December 2025</b>	-	<b>12,764,227</b>	<b>26,510,413</b>	<b>8,639,682</b>	<b>3,163,341</b>	<b>65,339,217</b>	<b>7,913,294</b>	<b>-</b>	<b>124,330,174</b>
<b>Net book value as at:</b>									
<b>31 December 2025</b>	<b>36,589,785</b>	<b>33,430,567</b>	<b>18,914,860</b>	<b>2,821,786</b>	<b>2,145,963</b>	<b>59,940,629</b>	<b>4,222,643</b>	<b>-</b>	<b>158,066,233</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**6. PROPERTY AND EQUIPMENT, NET (CONTINUED)**

	Land	Buildings	Leasehold improvements	Vehicles	Furniture and Office equipment	Decorations	Computers and office equipment	Capital work in progress (CWIP)	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Cost:</b>									
<b>Balance as at 01 January 2024</b>	70,055,190	28,411,818	40,729,367	9,067,927	4,479,341	109,608,918	10,828,380	25,456,166	298,637,107
Additions during the year	-	6,828,388	4,649,802	2,072,456	727,266	10,197,216	950,031	7,317,351	32,742,510
Transferred from CWIP	-	29,032,753	32,360	-	52,692	3,484,565	34,858	(32,637,228)	-
Disposals during the year	(33,465,405)	(18,966,764)	(884,130)	(4,808)	(67,983)	(2,556,075)	(19,200)	-	(55,964,365)
<b>Balance as at 31 December 2024</b>	<b>36,589,785</b>	<b>45,306,195</b>	<b>44,527,399</b>	<b>11,135,575</b>	<b>5,191,316</b>	<b>120,734,624</b>	<b>11,794,069</b>	<b>136,289</b>	<b>275,415,252</b>
<b>Accumulated depreciation:</b>									
<b>Balance as at 01 January 2024</b>	-	8,769,602	17,440,083	6,652,372	2,419,713	42,592,026	5,857,483	-	83,731,279
Depreciation for the year	-	2,275,326	4,723,100	1,201,263	371,824	11,600,353	1,048,003	-	21,219,869
Disposals during the year	-	(408,854)	(843,934)	(3,248)	(58,176)	(625,059)	(15,199)	-	(1,954,470)
<b>Balance as at 31 December 2024</b>	-	<b>10,636,074</b>	<b>21,319,249</b>	<b>7,850,387</b>	<b>2,733,361</b>	<b>53,567,320</b>	<b>6,890,287</b>	<b>-</b>	<b>102,996,678</b>
<b>Net book value as at:</b>									
31 December 2024	36,589,785	34,670,121	23,208,150	3,285,188	2,457,955	67,167,304	4,903,782	136,289	172,418,574

During the year 2024, land and building having book value of ₹ 53.77 million were sold to chairman of the Group at a price of ₹ 97 million.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**6. PROPERTY AND EQUIPMENT, NET (CONTINUED)**

Depreciation expense is allocated to the expense items as follows:

	Note	31 December 2025	31 December 2024
		₹	₹
Cost of revenue		21,031,771	20,527,719
General and administrative expenses	24	919,838	692,150
		<b>21,951,609</b>	<b>21,219,869</b>

**7. RIGHT OF USE ASSET AND LEASE LIABILITIES**

**a) Right-of-use assets, net**

	31 December 2025	31 December 2024
	₹	₹
<b>Balance as at 01 January</b>	174,531,393	223,820,941
Additions during the year*	70,387,297	23,910,841
Amortization for the year**	(37,374,480)	(32,722,639)
Termination during the year	(7,865,546)	(40,477,750)
<b>Balance as at 31 December</b>	<b>199,678,664</b>	<b>174,531,393</b>

\* Addition relates to renewal of lease contracts during the year.

\*\* Amortization expense is charged to cost of revenue.

**b) Lease liabilities:**

- The movement is as follows:

	Note	31 December 2025	31 December 2024
		₹	₹
<b>Lease liabilities</b>			
<b>Balance as at 01 January</b>		174,738,780	224,954,309
Additions during the year		70,387,297	23,910,841
Finance charge on lease liabilities	25	9,314,195	8,092,767
Paid during the year		(45,725,333)	(41,470,310)
Termination during the year		(9,885,876)	(40,748,827)
<b>Balance as at 31 December</b>		<b>198,829,063</b>	<b>174,738,780</b>

Lease liabilities are stated in the consolidated statement of financial position as follows:

	31 December 2025	31 December 2024
	₹	₹
Current portion	31,707,267	27,090,616
Non-current portion	167,121,796	147,648,164
<b>Total lease liabilities</b>	<b>198,829,063</b>	<b>174,738,780</b>

The statement of profit or loss shows the following amounts relating to leases:

	Note	31 December 2025	31 December 2024
		₹	₹
Amortization expense for right of use assets		37,374,480	32,722,639
Finance charge on lease liabilities	25	9,314,195	8,092,767
Expense related to short term leases		36,301,852	37,591,945
<b>Total amounts recognized in consolidated profit or loss</b>		<b>82,990,527</b>	<b>78,407,351</b>

A discount rate ranging from 4.08% to 6.16% (2024: 3.58% to 5.64%) has been used. Various depreciation rates have been used over life of each contract.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**7. RIGHT OF USE ASSET AND LEASE LIABILITIES (CONTINUED)**

**b) Lease liabilities (continued):**

**Maturity profile of lease liabilities:**

	31 December 2025	31 December 2024
	₹	₹
Less than 1 year	41,710,600	34,947,122
More than 1 year less than 5 years	135,397,541	111,662,246
5 years onwards	65,853,104	67,566,918
<b>Total undiscounted lease liabilities</b>	<b>242,961,245</b>	<b>214,176,286</b>
Less: finance cost	(44,132,182)	(39,437,506)
	<b>198,829,063</b>	<b>174,738,780</b>

**8. INTANGIBLE ASSETS, NET**

	31 December 2025	31 December 2024
	₹	₹
<b>Cost:</b>		
<b>Balance as at 01 January</b>	1,992,150	1,880,944
Additions	940,837	111,206
<b>Balance as at 31 December</b>	<b>2,932,987</b>	<b>1,992,150</b>
<b>Accumulated amortization:</b>		
<b>Balance as at 01 January</b>	791,748	398,081
Charge for the year*	398,431	393,667
<b>Balance as at 31 December</b>	<b>1,190,179</b>	<b>791,748</b>
<b>Net book value</b>	<b>1,742,808</b>	<b>1,200,402</b>

\*The amortization expense is charge to general and administrative expenses (note 24).

**9. INVENTORIES, NET**

	31 December 2025	31 December 2024
	₹	₹
Finished goods	359,763,560	274,362,654
Goods in transit	-	10,789,324
Provision for slow-moving goods	(4,088,389)	(2,405,380)
	<b>355,675,171</b>	<b>282,746,598</b>

The following is the movement on the slow-moving goods allowance::

	31 December 2025	31 December 2024
	₹	₹
<b>Balance as at 01 January</b>	2,405,380	2,405,380
Charge for the year	1,683,009	-
<b>Balance as at 31 December</b>	<b>4,088,389</b>	<b>2,405,380</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**10. TRADE AND OTHER RECEIVABLES, NET**

	31 December 2025	31 December 2024
	AED	AED
<i>Financial Assets carried at amortized cost - unsecured</i>		
Trade and other receivables	6,371,601	7,203,761
Less: Provision for expected credit loss	(1,890,394)	(557,209)
	<b>4,481,207</b>	<b>6,646,552</b>

A summary of movements in provisions for expected credit loss is as follows:

	31 December 2025	31 December 2024
	AED	AED
<b>Balance as at 01 January</b>	557,209	428,438
Charge for the year (note 23)	1,333,185	128,771
<b>Balance as at 31 December</b>	<b>1,890,394</b>	<b>557,209</b>

**11. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**

	31 December 2025	31 December 2024
	AED	AED
Advances to suppliers	22,465,870	4,729,282
Prepaid expenses	11,276,530	15,086,245
Prepaid rent	6,126,864	10,442,668
Others	3,922,142	3,537,830
	<b>43,791,406</b>	<b>33,796,025</b>
<i>Financial Assets carried at amortized cost - unsecured</i>		
Letters of credit margin	652	42,600
Employee custodies and advances	1,458,577	1,227,863
	<b>1,459,229</b>	<b>1,270,463</b>
	<b>45,250,635</b>	<b>35,066,488</b>

**12. CASH AND CASH EQUIVALENTS**

	31 December 2025	31 December 2024
	AED	AED
Cash on hand	1,409,459	1,487,194
Cash at banks - current accounts	24,457,970	66,935,544
	<b>25,867,429</b>	<b>68,422,738</b>

**13. SHARE CAPITAL**

The Group's Capital as on 31 December 2025 is AED 350 million (31 December 2024: AED 350 million) distributed over 350 million (31 December 2024: 350 million) shares, with a nominal value of AED 1 per share (31 December 2024: AED 1 per share).

**14. STATUTORY RESERVE**

As for the consolidated financial statements, a statutory reserve has been formed for Al Saif Gallery Trading (UAE) in accordance with the articles of incorporation, so that no less than 5% of the net profits are provided annually to form the statutory reserve. Provision may be stopped if the statutory reserve reaches half of the capital.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**15. PROVISION FOR EMPLOYEES' BENEFITS**

During the year the actuarial valuations of the defined benefit obligations were carried out under the projected unit credit method.

Provision for employees' end of service benefits recognized in the consolidated statement of financial position:

	31 December 2025	31 December 2024
	AED	AED
The present value of the defined benefit obligation	<b>12,667,569</b>	<b>11,119,073</b>

	Note	31 December 2025	31 December 2024
<b>Balance as at 01 January</b>		<b>11,119,073</b>	10,473,016
Current service cost		1,663,289	1,604,770
Interests on current service cost	25	613,000	526,000
Paid during the year		(1,525,518)	(2,365,841)
Loss from re-measurement of employees' benefits obligations		797,725	881,128
<b>Balance as at 31 December</b>		<b>12,667,569</b>	<b>11,119,073</b>

**Amount recognized in the consolidated statement of profit or loss for the year ended.**

	Note	31 December 2025	31 December 2024
Service cost		1,663,289	1,604,770
Interest on current service cost	25	613,000	526,000
		<b>2,276,289</b>	<b>2,130,770</b>

**Amounts recognized in the consolidated statement of the other comprehensive income for the year ended.**

	31 December 2025	31 December 2024
Actuarial (loss) / gain due to change in financial assumption	(84,000)	220,000
Actuarial (loss) due to change in experience assumptions	(713,725)	(1,101,128)
	<b>(797,725)</b>	<b>(881,128)</b>

**Following are the major assumptions used:**

	31 December 2025	31 December 2024
- Number of employees	1198	1,222
- Rate of change in salary (% per annum)	1%	1%
- Average age of employees (years)	35	34
- Discount rate	5.1%	5.2%
- Employee turnover (withdrawal) rates	Moderate	Moderate

The duration of the defined benefit obligation is 7 years (31 December 2024: 7 years).

**Sensitivity analysis of significant actuarial assumptions:**

	Change in assumption	Increase / (decrease) in present value of employee's post-employment benefit liability	
- Discount rate	+1%	11,661,000	(6.32%)
- Discount rate	-1%	13,362,000	7.34%
- Long term salary	+1%	13,392,000	7.58%
- Long term salary	-1%	11,624,000	(6.62%)
- Employee turnover rate	+1%	12,673,000	1.81%
- Employee turnover rate	-1%	12,187,000	(2.10%)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**16. SHORT TERM LOAN**

Murabaha entered with local banks at competitive interest rates represented in agreements to buy goods and Murabaha contracts against the following guarantees:

- Signing on a promissory note
- A letter and facilities and Murabaha agreements.
- Other financial and administrative terms and conditions.
- A joint guarantee, a fine, a performance guarantee, and a personal guarantee from one of the shareholders.

Movement of short-term loan during the year

	31 December 2025	31 December 2024
	SAR	SAR
<b>Balance at 01 January</b>	65,350,019	230,659,116
Borrowings collected during the year	43,726,908	245,632,097
Less: payments made during the year	(109,076,927)	(410,941,194)
<b>Balance at 31 December</b>	-	65,350,019

\*The Group was in compliance with all covenants as at 31 December 2025 and 31 December 2024.

**17. TRADE PAYABLES**

Trade payable includes amount payable to supplier for goods and installation services.

**18. ADVANCES, ACCRUALS AND OTHER PAYABLES**

	31 December 2025	31 December 2024
	SAR	SAR
<i>Financial Liabilities carried at amortized cost - unsecured</i>		
Value Added Tax payable	6,033,441	4,528,100
Employees vacation accrual	4,853,178	4,060,456
Deferred revenue	3,215,721	1,411,293
Advance from customers	1,796,460	2,437,122
Ticket accrual	1,110,494	1,053,645
Accrued interest	-	981,400
Other accruals	1,124,208	1,295,112
	<b>18,133,502</b>	<b>15,767,128</b>

**19. DIVIDENDS PAYABLE**

No dividend has been declared for the year ended 31 December 2025 (31 December 2024: nil).

**20. ZAKAT PROVISION**

**a) Movement in zakat provision for the year ended:**

	31 December 2025	31 December 2024
	SAR	SAR
<b>Balance at 01 January</b>	7,282,483	4,545,270
Zakat charge for the year	9,006,983	7,312,000
Paid during the year	(7,303,186)	(4,574,787)
Prior period adjustment	20,703	-
<b>Balance at 31 December</b>	<b>9,006,983</b>	<b>7,282,483</b>

**b) Status of zakat assessment**

Zakat return for the year ended 31 December 2024 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA"). The Group has obtained a certificate from the ZATCA valid 13 Dhu Al-Qidah 1447H corresponding to 30 April 2026. The Group has closed all zakat assessments up to 2024. The Group has no open assessment orders to the date of issuance of consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**21. COMMITMENTS AND CONTINGENCIES**

**a) Commitments**

Commitments represent open letters of credit for purchasing goods of SAR 25.81 million from local banks at 31 December 2025 (31 December 2024: SAR 47.35 million).

**b) Contingencies**

There are no contingencies made by the Group at 31 December 2025 and 31 December 2024.

**22. REVENUE**

	31 December 2025	31 December 2024
	SAR	SAR
Revenue	<b>758,846,574</b>	<b>731,551,279</b>

The Group's revenue of SAR 697.0 million (31 December 2024: SAR 677.9 million) and SAR 61.8 million (31 December 2024: SAR 53.7) relates to business within KSA and outside KSA respectively.

All revenues are recognized at point in time.

**23. SELLING AND DISTRIBUTION EXPENSES**

	31 December 2025	31 December 2024
	SAR	SAR
Advertisement expense	34,001,714	33,706,642
Utilities	9,822,210	9,988,583
Bank charges	4,036,467	3,734,515
Government related expenses	3,475,362	3,000,727
Rent expenses	1,780,701	1,750,687
Provision for expected credit loss	1,333,185	128,771
Repair and maintenance expenses	848,790	861,231
Travel and accommodation expense	271,479	365,762
Others	4,682,775	7,546,523
	<b>60,252,683</b>	<b>61,083,441</b>

**24. GENERAL AND ADMINISTRATIVE EXPENSES**

	31 December 2025	31 December 2024
	SAR	SAR
Wages and salaries	29,748,409	23,653,905
Rent expense	5,984,117	4,983,438
Travel and accommodation expense	1,277,018	919,631
Computer, office equipment and publications	1,206,872	1,361,360
Legal and professional*	1,086,895	784,038
Depreciation of property and equipment (note 6)	919,838	692,150
Temporary labor wages	623,064	1,075,677
Amortization of intangible assets (note 8)	398,431	393,667
Utilities	369,626	363,106
Telecommunication	231,877	516,921
Others	5,501,037	3,653,286
	<b>47,347,184</b>	<b>38,397,179</b>

\*The professional fees for auditing the annual consolidated financial statements and reviewing the interim condensed consolidated financial statements for the Group amounted SAR 0.48 million (2024: SAR 0.48 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**25. FINANCE COSTS**

	31 December 2025	31 December 2024
	AED	AED
Finance charge on the lease liabilities (note 7)	9,314,195	8,092,767
Finance cost on short term loan	1,470,806	11,980,484
Interest on the provision for employee benefit (note 15)	613,000	526,000
	<b>11,398,001</b>	<b>20,599,251</b>

**26. OTHER INCOME AND EXPENSE, NET**

	31 December 2025	31 December 2024
	AED	AED
Rental income	3,916,327	3,484,657
Income from delivery services	2,109,946	3,147,491
Gain on lease termination	2,020,330	271,077
Others	(808,182)	1,993,547
Gain on disposal of property and equipment	326,699	43,002,331
	<b>7,565,120</b>	<b>51,899,103</b>

**27. GAIN ON SALE OF FINANCIAL ASSETS AT FVTPL**

	31 December 2025	31 December 2024
	AED	AED
Additions during the year	251,022,267	10,058,280
Disposals during the year	(251,526,016)	(10,139,632)
Gain on sale of financial assets at FVTPL	<b>503,749</b>	<b>81,352</b>

**28. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the period with number of shares as at year end. Diluted earnings per share is the same as basic earnings per share since the Group does not have any diluted instruments.

Number of shares has been calculated using the weighted average number of shares outstanding during the year.

	31 December 2025	31 December 2024
	AED	AED
Net profit for the year	58,031,371	37,539,556
Weighted average number of shares	350,000,000	350,000,000
Earnings per share (AED)	<b>0.17</b>	<b>0.11</b>

**29. FINANCIAL RISK MANAGEMENT**

The Group's principal financial liabilities consist of trade payables, lease liabilities, due to a related parties, loans and other payables.

The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as cash and cash equivalents, trade and other receivables and due from related parties which arise directly from its operations, and employees' loans and advances.

The Group is exposed to market risk, credit risk, liquidity risk and operational risk. The Group's senior management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk appetite. The management reviews and agrees policies for managing each of these risks which are summarized below.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**29. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**a) Market risk**

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

**- Interest rate risk**

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. Management monitors the changes in interest rates risks i.e. SAIBOR and believes that interest rate risks to the Group are not significant as all such facilities are on short term basis.

**- Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is subject to currency risk on purchases. The majority of the Group's transactions are denominated in Saudi Riyals and US Dollars which have a fixed exchange rate. Therefore, they are not considered to represent a significant risk to the Group. The Group exposure to foreign currency risk is primarily limited to transactions in Arab Emirates Dirham ("AED"), Kuwaiti Dinar (KWD), Omani Riyal (OMR) and Qatari Riyal (QAR). The Group is not exposed to foreign currency fluctuation risk arising from the AED and OMR as this is pegged to USD.

Sensitivity analysis relating to currency risk is not presented as the currency risk relating to Kuwaiti Dinar is not significant to the Group.

**- Profit rate risk**

The Group's financial assets and liabilities subject to profit rate risk are not considered to represent a significant risk to the Group.

**- Equity price risk**

Equity price risk is the risk of changes in the fair value of equity securities as the result of changes in value of individual shares. During the year, the Group has quoted investments carried at FVTPL where the impact of changes in equity prices will be reflected due to fair value changes, on disposal or when they are deemed to be impaired. Changes in fair value and impairment losses or losses arising on disposal are recognized in profit or loss. As at 31 December 2025, the Group has no investment in equity securities subject to equity price risk.

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is not exposed to credit risk from its operating activities (primarily for trade receivables). The Group has no significant concentration of credit risk. Cash is placed with local banks having sound credit ratings.

All financial assets of the Group are categorized at amortized cost. The maximum exposure to credit risk at year end is the carrying amount of the financial assets as set out below:

	As at 31 December 2025	As at 31 December 2024
	AED	AED
Cash at bank	24,457,970	66,935,544
Trade receivables	6,371,601	7,203,761
Other receivables	1,459,229	1,270,463
	<b>32,288,800</b>	<b>75,409,768</b>

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis, the receivable balances are monitored with the result that the Group's exposure to bad debts is not significant to the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**29. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**b) Credit risk (continued)**

The carrying amount of financial assets represents the maximum credit exposure Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings of A+ to BBB+.
- The receivables are shown net of allowance for impairment of trade receivables and sales returns.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures.

The aging analysis of these trade and other receivables is as follows:

**31 December 2025**

	<u>0 – 90 days</u>	<u>91 – 180 days</u>	<u>181-270 days</u>	<u>271-365 days</u>	<u>Above 365 days</u>	<u>Total</u>
Trade receivables	4,383,579	492,269	140,454	66,169	1,289,130	6,371,601
Less: ECL allowance	(456,657)	(71,905)	(30,421)	(42,281)	(1,289,130)	(1,890,394)
<b>Net trade receivables</b>	<b>3,926,922</b>	<b>420,364</b>	<b>110,033</b>	<b>23,888</b>	<b>-</b>	<b>4,481,207</b>

**31 December 2024**

	<u>0 – 90 days</u>	<u>91 – 180 days</u>	<u>181-270 days</u>	<u>271-365 days</u>	<u>Above 365 days</u>	<u>Total</u>
Trade receivables	3,187,563	1,340,375	1,300,033	131,311	1,244,479	7,203,761
Less: ECL allowance	-	(20,732)	(37,234)	(9,254)	(489,989)	(557,209)
<b>Net trade receivables</b>	<b>3,187,563</b>	<b>1,319,643</b>	<b>1,262,799</b>	<b>122,057</b>	<b>754,490</b>	<b>6,646,552</b>

**Calculation of loss allowance**

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is the estimated percentage of the outstanding receivable balance that will not be recovered when a customer defaults on their payment obligation.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**c) Liquidity risk**

Liquidity risk is the risk that a Group has difficulties in obtaining the financing necessary to meet obligations associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly and at a value close to its fair value. Liquidity risk is managed by regularly monitoring the adequacy of available liquidity through committed credit facilities and the Group's shareholders to meet the Group's obligations and commitments when due. The Group aims to maintain a balance between continuity of funding and flexibility. The Group also has short-term banking facilities from local banks that are renewed annually and used as needed.

All financial liabilities of the Group are categorized at amortized cost. The following are the contractual maturities of financial liabilities:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**29. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**c) Liquidity risk (continued)**

31 December 2025	Carrying amount	Total	Less than 1	1 – 5 years	More than 5 years
			Contractual cash flows		
<i>Non-derivative financial liabilities</i>					
Lease liabilities	198,829,063	242,961,245	41,710,600	135,397,541	65,853,104
Trade payables	55,656,502	55,656,502	55,656,502	-	-
Dividends payable	23,752	23,752	23,752	-	-
Advances, accruals and other payables	18,133,502	18,133,502	18,133,502	-	-
	<b>272,642,819</b>	<b>316,775,001</b>	<b>115,524,356</b>	<b>135,397,541</b>	<b>65,853,104</b>

31 December 2024	Carrying amount	Total	Less than 1	More than 1 year but less than 5 years	More than 5 years
			Contractual cash flows		
<i>Non-derivative financial liabilities</i>					
Lease liabilities	174,738,780	214,176,286	34,947,122	111,662,246	67,566,918
Short term loan	65,350,019	65,350,019	65,350,019	-	-
Trade payables	27,540,380	27,540,380	27,540,380	-	-
Dividends payable	23,752	23,752	23,752	-	-
Advances, accruals and other payables	15,767,128	15,767,128	15,767,128	-	-
	<b>283,420,059</b>	<b>322,857,565</b>	<b>143,628,401</b>	<b>111,662,246</b>	<b>67,566,918</b>

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors its capital base using a ratio of net debt to equity. Net debt is calculated as short-term loan less cash and cash equivalents.

**d) Capital risk management**

The Board's policy is to maintain an efficient capital base to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to shareholders.

The Group's objectives when managing capital are:

- 1) 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
- 2) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group adjust the amount of dividends paid to shareholders. The Group mainly relies on its operations to meet its capital expenditures.

**30. 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. 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

### 30. **FAIR VALUE MEASUREMENT (CONTINUED)**

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. This is 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 at fair value 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 period. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyses the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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. The carrying values of all financial instruments reflected in these consolidated financial statements approximate their fair values except for investment in subsidiary which are reflected at cost less impairment losses, if any.

### 31. **OPERATING SEGMENT**

IFRS 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief operating decision maker in order to allocate resources to segments and to assess their performance.

The Group operates on one segment of selling and importing of household utensils and electrical appliances therefore operating segment information is not applicable to the Group.

### 32. **SEASONAL CHANGES**

The operations and revenues of the Group are affected by seasonal factors based on the variation of consumption and demand between the seasons. The management of the Group seeks to minimize the seasonal impact by managing inventories to meet demand during the year.

### 33. **SUBSEQUENT EVENTS**

There are no further significant subsequent events since the year-end that require disclosure or adjustment in the consolidated financial statements.

### 34. **BOARD OF DIRECTORS APPROVAL**

The Group's consolidated financial statements for the year 2025 have been approved by the Board of Directors on 16<sup>th</sup> February 2026 (corresponding to 28 Shaban 1447H).

السَّيْفُ خَالِدِي  
*Alsaif Gallery*

