



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-Eqtisadiah, 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
 Employees	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
 Customers	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
 Suppliers & Partners	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
 Shareholders	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
 Community	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.



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