

ABDULLAH AL-OTHAIM MARKETS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REPORT

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2023

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**Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company)**

Opinion

We have audited the consolidated financial statements of Abdullah Al-Othaim Markets Company - A Saudi Joint Stock Company - (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. 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 auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company) (continued)

Key Audit Matters

Key audit matter	How our audit addressed the key audit matter
<p>Existence and valuation of inventories</p> <p>Inventories as at 31 December 2023 amounted to SR 1,090 million representing 72% of current assets of the Group.</p> <p>The cost of inventory is reduced by provisions amounted to SR 40 million including those related to estimated losses due to shrinkage (Note 11).</p> <p>We deemed it to be a key audit matter given:</p> <ul style="list-style-type: none"> • The Group deals with large number of inventory items at multiple locations with high volume of daily transactions which increases the risk of inventory shrinkage; • Significant judgements made by the management in assessing the level of provisions required as of yearend which includes assessment of inventory levels in relation to revenue for the period in consideration; and • Materiality of inventories recorded in the consolidated financial statements. <p>Refer to note (3) to the consolidated financial statements for the accounting estimates and significant assumptions and note (4) for the material accounting policy of inventories and note (11) for the disclosure of inventories.</p>	<p>Audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Attended stock counts and performed counts at a sample of the Group's stores for sample of items; • Obtained understanding of the stock counts and provisioning processes and performed walkthroughs and test of relevant key controls. When reviewing management's stock counts processes and controls, we also considered the process for controlling or managing stock movements during the count; • Performed, on sample basis, roll forward / roll back procedures on different stock counts dates; • Assessed reasonableness of the assumptions used in estimating the shrinkage provision by performing the following on sample basis: <ul style="list-style-type: none"> - Tested the accuracy and completeness of the key inputs with the underlying supports; and - Tested recent count results, for a sample of Group's stores, to evaluate that the year-end shrinkage provision adequately reflected the levels of stock loss experienced during the year. • Assessed the adequacy of the related disclosure in the consolidated financial statements of the Group.

Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company) (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of suppliers' support incentives</p> <p>The Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts (collectively "supplier support incentives") are recognized in connection with the purchase of goods from suppliers and are recorded as reduction from cost of sales based on the estimated value of the supplier support incentives.</p> <p>We deemed the recognition of suppliers' support incentives to be a key audit matter given the:</p> <ul style="list-style-type: none"> • Exercise of professional judgment in determining whether such incentives are considered part of the purchase price of the product in estimating such incentives; • Large number of suppliers with varying contractual relationships terms where significant judgement is required to estimate the incentives which are dependent on the Group's eligibility subject to the achievement of certain contractual conditions and a number of other factors that includes prevailing industry practices, certain promotional activities, continuing supplier relationship, as well as the Group's business performance during the year in terms of annual sales; and • Materiality of annual incentives recognized in the consolidated financial statements. <p>Refer to note (3) to the consolidated financial statements for the accounting estimates and significant assumptions and note (4) for the material accounting policy of suppliers' support incentives.</p>	<p>Audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process in estimating and recording each material type of suppliers' support incentives; • Evaluated, on a sample basis, the reasonableness of the incentive recognized and recorded in the correct period in reference to the contractual terms as per the supplier agreements; • Tested suppliers' support incentives that are related to the inventory balance as of yearend are appropriately recorded; and • Assessed the adequacy of the relevant disclosures in the Group's consolidated financial statements.



Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company) (continued)

Other information included in The Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 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. The Group's 2023 annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Group's 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards 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 and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company) (continued)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

**Independent Auditor's Report
To the shareholders of Abdullah Al-Othaim Markets Company
(A Saudi Joint Stock Company) (continued)**

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services



Waleed G. Tawfiq
Certified Public Accountant
License No. 437

Riyadh: 5 Shawwal 1445H
(14 April 2024)



ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023	2022
(Saudi Riyals)			
ASSETS			
Non-current assets			
Property, plant, and equipment	5	1,716,043,917	1,509,864,723
Right-of-use assets	6-a	1,908,509,579	1,617,127,983
Investment properties	7	677,049,309	479,763,738
Intangible assets	8	2,219,015	1,482,972
Other non-current assets	12	24,769,504	28,638,026
Investments in associates and joint venture	9	194,797,870	162,268,640
Equity instruments at fair value through other comprehensive income	10	3,002,069	3,002,069
Total non-current assets		4,526,391,263	3,802,148,151
Current assets			
Inventories	11	1,089,686,034	941,562,039
Prepayments and other receivables	13	166,641,038	159,050,892
Trade receivables	14	43,009,766	34,788,377
Short-term Murabaha deposits	16	35,000,000	375,000,000
Cash and cash equivalents	15	181,775,625	313,074,107
Total current assets		1,516,112,463	1,823,475,415
Assets held for sale	17	1,011,367	87,676,466
TOTAL ASSETS		6,043,515,093	5,713,300,032
EQUITY AND LIABILITIES			
EQUITY			
Paid-in share capital	19	900,000,000	900,000,000
Statutory reserve	20	-	247,787,676
Retained earnings		466,226,341	267,309,239
Fair value reserve		(2,455,069)	(2,455,069)
Currency exchange differences on translation of foreign subsidiary		(5,370,413)	(5,441,017)
Equity attributable to shareholders		1,358,400,859	1,407,200,829
Non-controlling interests		41,745,889	36,948,261
TOTAL EQUITY		1,400,146,748	1,444,149,090
Non-current liabilities			
Lease contracts liabilities	6-b	1,903,573,796	1,574,265,858
Obligation for employees' end-of-service benefits	21	294,561,348	249,589,307
Total non-current liabilities		2,198,135,144	1,823,855,165
Current liabilities			
Accounts payable		1,801,415,132	1,812,744,124
Current portion of lease contracts liabilities	6-b	147,140,558	152,183,651
Accruals and other payables	24	459,655,540	447,153,979
Zakat and foreign tax provision	25	37,021,971	33,214,023
Total current liabilities		2,445,233,201	2,445,295,777
TOTAL LIABILITIES		4,643,368,345	4,269,150,942
TOTAL EQUITY AND LIABILITIES		6,043,515,093	5,713,300,032



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (40) form an integral part of these consolidated financial statements

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2023

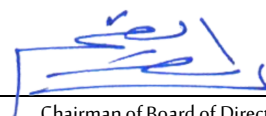
	Note	2023	2022
(Saudi Riyals)			
Net sales	29	10,203,776,010	9,549,545,554
Cost of sales		(7,932,272,037)	(7,463,923,350)
Gross profit		2,271,503,973	2,085,622,204
Rental income, net	30	86,935,759	78,527,056
Sold voucher commissions		2,500,251	2,577,962
Selling and marketing expenses	26	(1,741,084,938)	(1,605,808,200)
General and administrative expenses	27	(159,545,386)	(149,790,428)
Operating profit		460,309,659	411,128,594
Share in profit or loss of associates and joint venture, net	9	32,334,627	52,374,563
Gain on sale of investment in associate	33	-	608,549,515
Gain on sale of investment property, net	33	99,475,744	110,625,695
Income from deposits and others		16,807,979	2,274,454
Finance costs	34	(113,259,796)	(83,489,404)
Reversal of impairment loss on property, plant, and equipment	5	4,068,057	-
Other income, net	36	15,379,506	12,155,115
Income before zakat and foreign tax		515,115,776	1,113,618,532
Zakat and foreign tax	25	(17,805,829)	(30,882,117)
Income from continuing operations for the year		497,309,947	1,082,736,415
Discontinued operations:			
Loss from discontinued operations	18	-	(223,790)
Net income for the year		497,309,947	1,082,512,625
Profit attributable to:			
Shareholders of the Company			
Continuing operations		490,774,512	1,079,661,263
Discontinued operations		-	(152,177)
		490,774,512	1,079,509,086
Non-controlling interest			
Continuing operations		6,535,435	3,075,152
Discontinued operations		-	(71,613)
		6,535,435	3,003,539
Earnings per share			
Basic and diluted earnings per share from the net income for the year attributable to the shareholders of the Company	28	0.55	1.20
Basic and diluted earnings per share from income from continuing operations for the year attributable to the shareholders of the Company	28	0.55	1.20



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (40) form an integral part of these consolidated financial statements

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023	2022
(Saudi Riyals)			
Net income for the year		497,309,947	1,082,512,625
Other comprehensive income (loss) for the year			
<u>Items will not be reclassified to statement of income in subsequent periods:</u>			
Actuarial losses for employees' end-of-service benefits	21	(21,514,936)	(6,126,835)
Net changes in fair value of equity instruments at fair value through other comprehensive income	10	-	278,335
<u>Items will be reclassified to statement of income in subsequent periods:</u>			
Share in other comprehensive income (loss) of associates and joint venture	9	194,603	(986,123)
Currency exchange differences on translation of foreign subsidiary		<u>70,604</u>	<u>1,042,008</u>
Other comprehensive loss for the year		(21,249,729)	(5,792,615)
Total comprehensive income for the year		<u>476,060,218</u>	<u>1,076,720,010</u>
<u>Attributable to:</u>			
Shareholders of the Company		468,700,030	1,073,849,646
Non-controlling interests		<u>7,360,188</u>	<u>2,870,364</u>
		<u>476,060,218</u>	<u>1,076,720,010</u>



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

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ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

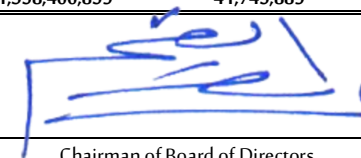
	Attributable to the shareholders of the Company								
	Paid-in share capital	Statutory reserve	Retained earnings	Fair value reserve	Currency exchange differences on translation of foreign subsidiary	Share in other comprehensive income of associates and joint venture	Total shareholders' equity	Non-controlling interests	Total equity
	(Saudi Riyals)								
For the year ended 31 December 2022									
Balance as at 1 January 2022	900,000,000	139,836,767	337,879,933	(2,733,404)	(6,483,025)	(149,088)	1,368,351,183	37,245,897	1,405,597,080
Net income	-	-	1,079,509,086	-	-	-	1,079,509,086	3,003,539	1,082,512,625
Other comprehensive income (loss)	-	-	(5,993,660)	278,335	1,042,008	(986,123)	(5,659,440)	(133,175)	(5,792,615)
Total comprehensive income	-	-	1,073,515,426	278,335	1,042,008	(986,123)	1,073,849,646	2,870,364	1,076,720,010
Reconciliations related to associate and joint venture	-	-	(1,135,211)	-	-	1,135,211	-	-	-
Transferred to statutory reserve	-	107,950,909	(107,950,909)	-	-	-	-	-	-
Cash dividends (Note 35)	-	-	(1,035,000,000)	-	-	-	(1,035,000,000)	(3,168,000)	(1,038,168,000)
Balance as at 31 December 2022	900,000,000	247,787,676	267,309,239	(2,455,069)	(5,441,017)	-	1,407,200,829	36,948,261	1,444,149,090
For the year ended 31 December 2023									
Balance as at 1 January 2023	900,000,000	247,787,676	267,309,239	(2,455,069)	(5,441,017)	-	1,407,200,829	36,948,261	1,444,149,090
Net profit for the period, as previously stated	-	-	490,774,512	-	-	-	490,774,512	6,535,435	497,309,947
Other comprehensive income (loss)	-	-	(22,339,689)	-	70,604	194,603	(22,074,482)	824,753	(21,249,729)
Total comprehensive income for the year	-	-	468,434,823	-	70,604	194,603	468,700,030	7,360,188	476,060,218
Reconciliations related to associates and joint venture	-	-	194,603	-	-	(194,603)	-	-	-
Transferred from statutory reserve (Note 20)	-	(247,787,676)	247,787,676	-	-	-	-	-	-
Cash dividends (Note 35)	-	-	(517,500,000)	-	-	-	(517,500,000)	(2,562,560)	(520,062,560)
Balance as at 31 December 2023	900,000,000	-	466,226,341	(2,455,069)	(5,370,413)	-	1,358,400,859	41,745,889	1,400,146,748



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (40) form an integral part of these consolidated financial statements

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023	2022
	(Saudi Riyals)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from continuing operations before zakat and foreign tax	515,115,776	1,113,618,532
Loss from discounting operations before zakat	-	(223,790)
Income before zakat and foreign tax	515,115,776	1,113,394,742
Adjustments for:		
Depreciation of property, plant, and equipment and right-of-use assets	370,475,684	335,662,980
Depreciation of investment properties	26,051,534	26,088,077
Amortization of intangible assets	633,036	533,097
Loss (gain) on sale of property, plant, and equipment	3,411,009	(225,630)
Reversal of impairment loss on property, plant and equipment	(4,068,057)	-
Loss (gain) on termination of lease contracts	1,018,632	(2,939,822)
Gain from sale of investment properties	(99,475,744)	(110,625,695)
Gain from sale of investment in associate	-	(608,549,515)
Finance costs	113,259,796	83,489,404
Income from deposits and others	(16,807,979)	(2,940,815)
Share in profit or loss of associates and joint venture, net	(32,334,627)	(52,374,563)
Decrease in provision for shrinkage, and slow-moving inventory	(5,441,387)	(5,449,905)
Decrease (increase) in provision for expected credit losses	(227,264)	3,396,698
Net movement in legal and other provisions	(1,708,170)	(262,302)
Obligation for employees' end-of-service benefits	42,628,399	49,439,920
Changes in:		
Inventories	(142,682,608)	(72,118,342)
Trade receivables	(7,994,125)	(2,377,414)
Prepayments and other receivables	(4,988,096)	9,788,404
Accounts payable	(11,328,992)	254,270,299
Accruals and other payables	14,041,153	36,624,769
	759,577,970	1,054,824,387
Employees' end of service benefits paid	(30,329,650)	(19,915,158)
Zakat and foreign tax paid	(13,223,442)	(11,507,296)
Net cash flows generated from operating activities	716,024,878	1,023,401,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant, and equipment	2,788,122	2,454,614
Proceeds from sale of investment properties	186,568,704	211,327,580
Proceeds from sale of investment in associate	-	846,538,700
Income from deposits and others received	17,484,132	3,246,431
Additions to property, plant, and equipment	(384,970,590)	(285,145,096)
Additions to investment properties	(224,244,145)	(93,083,082)
Additions to intangible assets	(1,369,079)	(474,271)
Short-term Murabaha deposits	(691,537,500)	(465,000,000)
Redemptions of short-term Murabaha deposits	1,031,537,500	140,000,000
Net cash flows (used in) generated from investing activities	(63,742,856)	359,864,876
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and Murabaha	405,000,000	506,000,000
Payments of loans and Murabaha	(405,000,000)	(506,000,000)
Lease contracts liabilities, net	(262,645,217)	(217,744,081)
Finance costs paid	(1,387,571)	(1,488,247)
Dividends paid - shareholders of the Company	(517,500,000)	(1,032,091,240)
Dividends paid - non-controlling interest	(2,562,560)	(3,168,000)
Net cash flows used in financing activities	(784,095,348)	(1,254,491,568)
Net change in cash and cash equivalents	(131,813,326)	128,775,241
Cash and cash equivalents at the beginning of the year	313,074,107	182,743,351
Net exchange differences on translation of foreign currencies	514,844	1,555,515
Cash and cash equivalents at the end of the year	181,775,625	313,074,107

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2023

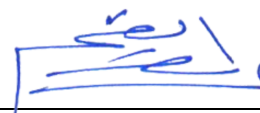
	2023	2022
	(Saudi Riyals)	
Non-cash transactions		
Additions to right-of-use assets against lease contracts liabilities (Note 6)	537,098,701	375,737,770
Transfer from capital work in progress to property, plant, and equipment (Note 5)	121,139,516	109,271,576
Net Transfer from investment properties to property, plant, and equipment (Note 5, 7)	660,746	352,184
Net Transfer from property, plant, and equipment to investment properties (Note 5, 7)	222,709	868,948
Transferred from investment properties to assets held for sale (Note 7)	-	86,621,184



Chief Financial Officer
Marwan Ahmed Ibrahim



Chief Executive Officer
Muaffaq A. Mobarah



Chairman of Board of Directors
Abdullah Saleh Al Othaim

The accompanying notes from (1) to (40) form an integral part of these consolidated financial statements

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES

Abdullah Al-Othaim Markets Company (the “Company” or “Parent Company”) is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia, under Commercial Register Number 1010031185, on 7 Rajab 1400H (corresponding to 21 May 1980). The Company changed from a limited liability company into a joint stock company according to the Ministerial Decree No.227/G on 3 Ramadan 1428H (corresponding to 15 September 2007).

The main activities of the Company include wholesale and retail trade of food, fish, meat, agricultural products, livestock, and household items. The Company is also engaged in establishing, managing, operating and maintaining supermarkets, commercial complexes, and bakeries, providing cooked and uncooked catering services, and managing training and educational centers, in addition to acquiring lands to construct buildings for lease or sale for the interest of the Company. The Company also provides import, export and marketing services to others. The company operates through the main commercial register and sub-registry as detailed in Note 40.

The Company's headquarters are located in Riyadh, Al Andlus District - Khurais Branch Street PO Box 41700, Saudi Arabia.

The Company's fiscal year begins on 1 January and ends on 31 December of each Gregorian year.

On 5 June 2023, the General Assembly of shareholders approved a resolution to divide the nominal value of the share from SR 10 per share to SR 1 per share, as a result the number of shares increased from 90 million shares to 900 million shares. Regulatory procedures have been completed to reflect the above-mentioned resolution during the current period. Accordingly, the company's capital amounting to SR 900 million, consisting of 900 million shares of SR 1 per share (31 December 2022: SR 900 million, consisting of 90 million shares of SR 10 per share).

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (collectively referred to as the “Group”).

Below are the details of the subsidiaries listed in the consolidated financial statements:

<u>Subsidiary</u>	<u>Country of Incorporation</u>	<u>Main Activity</u>	<u>Direct and Indirect ownership</u>	
			<u>percentage %</u>	
			<u>31 December</u>	<u>31 December</u>
			<u>2023</u>	<u>2022</u>
Haley Holding Company	Kingdom of Saudi Arabia	Wholesale and retail trade	100%	100%
Universal Marketing Centre Company	Kingdom of Saudi Arabia	Wholesale and retail trade	100%	100%
Seven Services Company	Kingdom of Saudi Arabia	Import, export and wholesale and retail trade	100%	100%
Bayt Al Watan Company	Kingdom of Saudi Arabia	Import, export and wholesale and retail trade	100%	100%
Marafeq Al Tashgheel Company	Kingdom of Saudi Arabia	General contracting for building	100%	100%
Abdullah Al Othaim Markets – Egypt	Arabic Republic of Egypt	Wholesale and retail	100%	100%
Thamarat Al Qassim Company	Kingdom of Saudi Arabia	Cultivation of vegetables and fodder	100%	100%
Shurofat Al Jazeerah Company	Kingdom of Saudi Arabia	General contracting and operation of commercial complexes	100%	100%
Mueen For Human Resources Company	Kingdom of Saudi Arabia	Labor services	68%	68%

The following is a summary of the controlled subsidiaries whose financial statements have been consolidated in these consolidated financial statements:

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUED)

Haley Holding Company

A limited liability company that operates under commercial registration number 1010314228 issued in Riyadh city on 9 Ramadan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, computer services (application systems and data bases), import and export services, marketing, maintenance of training and entertaining centers and cooked and uncooked catering services.

Universal Marketing Centre Company

A limited liability company that operates under commercial registration number 1010314201 issued in Riyadh city on 9 Ramadan 1432H (corresponding to 9 August 2011). The main activities of the company are investment in other companies to obtain control over them, wholesale and retail trading of food products, wheat, rice, meat, fish, home products, vehicles spare parts, computer services (application systems and data bases), import and export services, marketing, Maintenance of training and entertaining centers and cooked and uncooked catering services.

Seven Services Company

A limited liability company that operates under commercial registration number 1010320848 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, wholesale and retail trading of ready-made clothes, sport clothes, jewelry, sewing tools, bags, leather products, decorations, dropped ceilings, vehicles spare parts, agricultural produce, in addition to providing importing and exporting services on behalf of others, establishing agriculture projects and operating and managing bakeries and cafes.

The process of transferring all assets and liabilities related to Seven Services Company is currently being under process to become one of the branches of Abdullah Al-Othaim Markets Company. A new commercial registration number 1010877599, issued in Riyadh on 11 Shawwal 1444H (corresponding to 1 May 2023) was established for Seven Services Company. The management has the intention to liquidate and voluntarily dissolve Seven Services Company, however, the legal formalities related to the liquidation of Seven Services Company was not completed as at the date of the consolidated financial statements.

Bayt Al Watan Company

A limited liability company that operates under commercial registration number 1010320847 issued in Riyadh on 2 Muharram 1433H (corresponding to 27 November 2011). The main activities of the company are importing, exporting, and retail and whole sales trading of fruits and vegetables, fish, dairy products, ghee, olive, halawa, pasta, soft drinks, in addition to providing importing, exporting and marketing services for others, maintenance of training, entertainment and sports, general contracting, construction, maintenance, demolition and restoration and electrical and electronic work.

Marafeq Al Tashgheel Company

A limited liability company that operates under commercial registration number 1010321917 issued in Riyadh on 15 Muharram 1433H (corresponding to 10 December 2011). The main activities of the Company include general constructions and renovation of residential and non-residential buildings such as schools, hospitals, hotels, on-site ready-made houses and restoration of residential and non-residential buildings.

Abdullah AL Othaim Markets - Egypt

A joint stock company that operates under commercial registration number 55010 issued in Egypt on 20 Thu Al-Hijjah 1432H (corresponding to 16 November 2011). The main activities of the company are wholesale and retail trading and general trade.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

1. INFORMATION ABOUT THE COMPANY, ITS SUBSIDIARIES AND THEIR ACTIVITIES (CONTINUED)

Thamarat Al Qassim Company

A limited liability company that operates under commercial registration number 1010378315 issued in Riyadh on 30 Rajab 1434H (corresponding to 9 June 2013). The main activities of the company are agriculture, fodder, livestock and poultry breeding, import and export services, marketing to others, and the purchase of land to build buildings on them and invest them by selling or renting, and the exploitation of real estate and lands for the benefit of the Company.

On 21 Rabi' Al-Thani 1444H (corresponding to 15 November 2022), all assets and liabilities related to Thamarat Al Qassim Company were transferred to become one of the branches of Abdullah Al-Othaim Markets Company, and a new main commercial registration for Thamarat Al Qassim Company was established under No. 1010841207 issued in Riyadh on 21 Rabi Al Thani 1444H (corresponding to 15 November 2022). The management has the intention to liquidate and voluntarily dissolve Thamarat Al Qassim Company, however, the legal procedures related to liquidating and voluntarily dissolving the company has not started as of the date of the consolidated financial statements.

Shurofat Al Jazeerah Company

A limited liability company that operates under commercial registration number 1010878137 issued in Riyadh on 12 Shawwal 1444H (corresponding to 2 May 2023). The main activities of the company are general contracting and operating commercial complexes.

Mueen for Human Resources Company

A closed joint stock company that operates under commercial registration number 1010435202 issued in Riyadh on 6 Ramadan 1436H (corresponding to 23 June 2015). The main activities of the company are providing labor services regarding household workers and workers for both public and private sectors under an authorization from the Ministry of Labor No. UMM 24 issued on 23 Thul Hijja 1436H (corresponding to 16 October 2015).

2. BASIS OF PREPARATION

2-1 Statement of compliance

The consolidated financial statements 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").

2-2 Basis of measurement

The consolidated financial statements have been prepared at historical cost, except for the following items stated in the consolidated statement of financial position as follows:

- Equity instruments at fair value through other comprehensive income is measured at fair value.
- Obligation for employees' end-of-service benefits is measured at the present value of future obligations using the projected unit credit method.

2-3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Riyals, which is the functional currency of the Company, and presentation currency of the Group. All amounts in the consolidated financial statements are in Saudi Riyals unless otherwise stated.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

2-4 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group.

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 from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

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

Due to the short-term maturity of financial instruments such as receivables and payables, other receivables and payables, the carrying values approximate its fair values significantly.

2.5. New Standards, Amendment to Standards and Interpretations:

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

2.5.1. New standards, interpretations, and amendments effective in current year

<u>Standard, Interpretation, and Amendments</u>	<u>Description</u>	<u>Effective Date</u>
Narrow scope amendments to IAS 1, Practice statement 2, and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies	Annual periods beginning on or after 1 January 2023
Amendments to IAS 12 - Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction	These amendments require entities to recognize deferred tax on transactions that, at initial recognition give rise to equal amounts of taxable and deductible temporary differences.	Annual periods beginning on or after 1 January 2023
IFRS 17 - Insurance Contracts	IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.	Annual periods beginning on or after 1 January 2023

The Group has assessed that these amendments have no significant impact on the consolidated financial statements.

2.5.2. New standards, interpretations, and amendments issued but not yet effective

The Group has chosen not to early adopt new standards and amendments to IFRS which have been issued but not yet effective for the Group's accounting year beginning on or after 1 January 2024. Those standards, interpretations, and amendments are not disclosed in these consolidated financial statements as management considered these to be irrelevant to the Group's operations and will not have a material impact on the consolidated financial statements of the Group in future periods.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

3. ACCOUNTING ESTIMATES AND SIGNIFICANT ASSUMPTIONS

The preparation of the financial statements in accordance with the 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"), requires the use of judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and the notes besides the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities that might be affected in future periods.

The key assumptions concerning the future and other key sources of uncertainty estimation at the consolidated financial statements date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. In making its assumptions and estimates, the Group relies on standards available when preparing of the consolidated financial statements. Assumptions and estimates about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes in the assumptions are stated when occurred.

a- Summary of Significant Accounting Estimates and Assumptions Adopted

Definition of the lease term with renewal and termination options

The Group has defined the term of the lease as the non-cancellable lease term, in addition to any period covered by the option to extend the lease if this option is certain to be exercised.

The Group has several lease contracts that include options for extension and termination. The Group applies its judgment in assessing whether it is reasonably certain or not to exercise the option of renewing or terminating the contract. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date of the lease contract, the Group re-assesses the lease contract term if there is a significant event or change in the circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease contract.

Interest rate implicit in lease contracts

The Group cannot readily determine the interest rate implicit in all lease contracts, therefore, it uses the incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group estimates the incremental borrowing rate using observable inputs (such as available bank facilities and market interest rates).

Useful lives of property, plant, and equipment

The useful lives of property, plant and equipment are estimated by the Group for the purposes of accounting for depreciation based on the expected use of those assets. Management reviews the residual value and useful lives annually. Future depreciation charges would be adjusted when management believes the useful lives differ from previous estimates.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

3. ACCOUNTING ESTIMATES AND SIGNIFICANT ASSUMPTIONS (CONTINUED)

a- Summary of Significant Adopted Accounting Estimates and Assumptions (Continued)

Provision for inventories

Management estimates a provision to reduce the inventory value to its net realizable value, if the inventory cost is irrecoverable, inventory is damaged or became obsolete in whole or in part, if the selling price is lower than the cost, or if there are any factors that cause a decrease in the recoverable amount below the carrying value. Inventory deficit provision is calculated as a percentage of sales according to the branch classification and at the department level, and it is settled upon the actual inventory.

Customers' loyalty programs (Iktissab)

The liability of the variable consideration of the selling incentives in accordance with customers' loyalty program (Iktissab) is estimated based on the Group's practice and previous experience. The liability is reviewed when preparing the financial reports to reflect the potential value of the Group's liability toward its customers.

Progressive incentives from suppliers

The Group may receive additional incentives from suppliers according to the volume of purchases during the fiscal year. The Group recognizes such incentives upon realization in accordance with contracts signed with suppliers. The Group's management exercises its professional judgement in examining market variables and consumer behavior when estimating the recognition of the incentives at the date of the consolidated financial statements.

Recoverable amount

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount represents the higher of an asset (or CGU) fair value, less costs of disposal and value in use.

Obligation for employees' end-of-service benefits

Obligation for employees' end-of-service benefits is determined according to a defined unfunded benefit plan and measured using actuarial valuations. Actuarial valuations include many assumptions that may differ from the actual future developments. These assumptions include the determination of the discount rate, future salary increases and employees' turnover rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Thus, all assumptions are reviewed once a year or more often, as deemed necessary.

b- Going concern

The Group's management has assessed the Group's ability to continue as a going concern and is convinced that the Group has sufficient resources to continue to operate for the foreseeable future. Furthermore, management is not aware of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on the going concern basis.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies used in the preparation of the consolidated financial statements as of 31 December 2023 are the same as those followed in the consolidated financial statements for the year ended at 31 December 2022. The material accounting policies used by the Group in preparing the consolidated financial statements are as follows:

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries which are under its control. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investees. Specifically, the Company controls an investee, if and only if the Company has following three elements:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the Investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to exercise its power over the investee to influence its returns.

Generally, there is an assumption that the majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and any potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, income, and expenses of a subsidiary are included in the consolidated financial statements from the date the Company obtains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributable to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When consolidating, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses, and cash flows related to transactions between members of the Group are eliminated in full on consolidation.

Changes in the ownership of subsidiaries under control that do not result in loss of control are treated as equity transactions.

In case the Company loses control over the subsidiary, it would:

- Derecognize the related assets and liabilities of the invested subsidiary.
- Derecognize the carrying amount of any non-controlling interest.
- Derecognize accumulated exchange differences recognized in equity.
- Recognize the fair value of the consideration received.
- Recognize the fair value of any held investment.
- Recognize any surplus or deficit in the consolidated statement of income.
- Reclassify its share of items previously recognized in other comprehensive income to the income statement or transfer directly to retained earnings, if, as required by other international standards.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Classification of assets and liabilities into current / non-current

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:

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

The Group classifies all other assets as non-current.

A liability is current when:

- It is held primarily for the purpose of trading.
- It is expected to be settled in the normal operating cycle.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group recognizes the financial asset and liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. A purchase, sale or de-recognition is accounted for on trade date basis.

Financial assets

When the Group acquires a financial asset, the financial asset is classified at amortized cost or at fair value through other comprehensive income or at fair value through profit or loss based on (a) the Group's business model for managing financial assets, and (b) the contractual cash flow characteristics of the financial asset.

Initial measurement of the financial asset

Financial asset is measured at initial recognition at fair value plus any transaction costs, except for financial assets at fair value through profit or loss which are measured at fair value, (without adding the transaction costs).

Subsequent measurement of the financial asset

After initial recognition, the Group subsequently measures the financial assets based on the category under which the financial asset is classified as follows:

- At amortized cost, if the Group's objective is to hold a group of financial debt instruments to collect the contractual cash flows at defined dates that are solely payments of principal and interest on the principal amount outstanding.
- At fair value through other comprehensive income, if the Group's objective is to hold a group of financial debt instruments to collect the contractual cash flows at defined dates and sell the financial asset; and result in contractual cash flows on defined dates that are solely payments of principal and interest on the principal amount outstanding.
- At fair value through other comprehensive income, if the Group uses this measurement option that is available in IFRS 9 "Financial instruments".
- At fair value through profit or loss, unless measured at amortized cost or at fair value through other comprehensive income.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Subsequent measurement of the financial asset (Continued)

- Financial assets are measured at amortized cost using the effective interest rate. Disposal gains and losses are recognized in the consolidated statement of income when derecognizing the financial asset. As for the financial assets measured at fair value, they are measured at fair value while presenting the valuation differences through the consolidated statement of income, except for the financial assets which the Group chooses to measure at fair value at the initial recognition through other comprehensive income, in this case, valuation differences are presented in the statement of other comprehensive income. Dividends realized from such assets are recognized through the consolidated statement of income.

De-recognition of financial assets

The financial asset is de-recognized when and only when:

- The contractual rights to receive cash flows from the financial asset expire; or
- Transfers contractual rights to receive cash flows from the financial asset and transferring substantially all the risks and rewards of ownership of the financial asset; or
- Retaining contractual rights to receive cash flows from the financial asset with a contractual obligation to pay cash flows to one or more of the recipients and transferring substantially all risks and rewards of ownership of the financial asset; or
- Transfers contractual rights to receive cash flows from the financial asset without transferring or retaining substantially all the risks and rewards of ownership of the financial asset does not retain control of the financial asset; or
- Retains contractual rights to receive cash flows from the financial asset, with assuming a contractual obligation to pay the cash flows to one or more recipients without transferring or retaining substantially all the risks and rewards of ownership of the financial asset retain control over the financial asset; or

When de-recognizing a financial asset in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset acquired less any new liability assumed) is recognized in the consolidated statement of income.

Impairment of financial assets

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event'), and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts future cash payments over the expected life of the financial liability, or a shorter period of time as appropriate, to arrive at the net carrying amount on initial recognition.

De-recognition of financial liabilities

A financial liability (or a part of a financial liability) can only be de-recognized from the consolidated statement of financial position when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled, or expires.

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Reclassification of financial assets and liabilities

When the Group reclassifies a financial asset, it applies the reclassification prospectively from the date of the reclassification. The previously recognized gains, losses (including impairment losses and gains) or interests are not adjusted. Reclassification of financial liabilities from one category to the another is not permitted.

Equity and reserves

Share capital represents the nominal value of shares that have been issued, retained earnings include all current and prior year profits. All transactions with owners of the parent are recorded separately within equity.

Dividend distribution to shareholders

Dividends distribution to shareholders are recognized as a liability when the dividends are declared. In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, dividends are declared when approved by the shareholders or the delegation of the shareholders to the Board of Directors to distribute dividends to the shareholders of the Company on a semi-annual or quarterly basis in accordance with the Company's financial position and cash flows. The corresponding amount is deducted directly from equity.

Trade receivables

Trade receivables represent the amounts due from customers for goods sold or services performed in the Group's normal course of business. Trade receivables are initially recognized at fair value represented by the exchange consideration. Subsequent to initial recognition, they are measured at amortized cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a maturity of three month or less. For purpose of consolidated statement of cash flows, cash and cash equivalents includes cash on hand, on demand deposits and cash at banks.

Lease contracts

Lease contracts of which the Group is a lessee

Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases in the consolidated statement of financial position. However, the Group has elected not to recognize right-of-use asset and lease liabilities for some leases of short-term and low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognizes the right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment loss and adjusted for certain re-measurements of the lease liability.

Lease is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

ABDULLAH AL-OTHAIM MARKETS COMPANY

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Lease contracts of which the Group is a lessee (Continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured whenever there is a change in future lease payments arising from a change in an index or rate used to determine those payments, a change in the estimate of the expected payable amount under a residual value guarantee, or as appropriate, a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied its judgment to determine the lease term for some leases which contains renewal options. The assessment of whether the Group is reasonably certain to exercise such options affects the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Lease contracts of which the Group is a lessor

The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. When the Group is an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Upon the initial application of IFRS 16, the Group is not required to make any adjustments for leases in which it acts as lessor. However, the Group has applied IFRS 15 "Revenue from Contracts with Customers" to allocate the consideration of each lease and non-lease component in the contracts.

Property, plant, and equipment

Recognition and measurement

- Property, plant, and equipment are stated at historical cost less accumulated depreciation and impairment losses.
- Cost includes expenditure that is directly attributable to the acquisition of property, plant, and equipment.
- When the useful lives of property, plant, and equipment items differs, it is accounted for as separate items.
- Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of such items and are recognized net in the consolidated statement of income.

Subsequent costs

- The cost of the replaced part for an item of property, plant and equipment is recorded in the value reported for that item when it is probable that future economic benefits will flow from that part to the Group and the cost of the item can be measured reliably. The value reported for the old-replaced part is written off.
- Daily costs and expenses incurred by the Group for maintaining and operating the property, plant, and equipment are charged to the consolidated statement of income when incurred.

Depreciation

Depreciation charge is recognized in the consolidated statement of income using the straight-line method over the estimated useful life of each item of property, plant, and equipment, except for land. Assets constructed on leased lands are depreciated over the shorter of lease term, or their respective useful lives. The depreciation of property, plant, and equipment start when they are available for use as intended by the management.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Property, plant, and equipment (Continued)

The estimated useful lives of property, plant, and equipment and the useful lives during the current year are the same for the previous years as follows:

<u>Item</u>	<u>Useful lives (years)</u>
Buildings	25 years or lease term, whichever is shorter
Machinery and equipment	1 - 10
Vehicles	5 - 7
Computer hardware	2 - 10
Furniture and fixtures	2 - 10
Leasehold improvements	10 years or lease term, whichever is shorter

The Group reviews the useful lives and residual values to all items of property, plant, and equipment at the end of each fiscal year and adjusts them as necessary.

Capital work-in-progress

Capital work-in-progress is stated at cost and include the cost of construction, equipment, and direct expenses. These are not depreciated until they become ready for their intended use by the Group where they are transferred to property, plant, and equipment.

Investment properties

The Group classifies an asset as an investment property if the purpose of holding it is (a) to earn rental income, (b) for capital appreciation, or (c) both. At initial recognition, investment property is stated at cost, including expenditure that is directly attributable to the acquisition of investment properties. At subsequent measurement, the Group uses the cost model where the accumulated depreciation and accumulated impairment losses are deducted, and their fair value is disclosed as required by the IFRS at the date of preparing the consolidated financial statements.

The Group uses the straight-line method to depreciate investment properties over the estimated useful lives of each of the investment property items. Assets built on leased lands are depreciated over the shorter of the lease term or their respective useful lives. Depreciation charge is recorded in the consolidated statement of income.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired, if any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount of an assets or Cash Generating Unit ("CGU") is the higher of its fair value less costs of disposal and value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks identified to the asset. The Group calculation of impairment relies on detailed budgets and forecasts, which are prepared separately for each of the Group's CGU to which the individual assets are allocated.

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Impairment of non-financial assets (Continued)

Impairment losses of continuing operations are recognized in the consolidated statement of income in expense categories consistent with the function of the impaired asset.

Later where an asset impairment loss is reversed when there are indications for such, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is immediately recognized as income in the consolidated statement of income.

Intangible assets

Acquired intangible assets are measured at cost separately at the date of initial recognition. The cost of intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, except for capitalized development costs, are not capitalized. Expenses are recognized in the consolidated statement of income when incurred, and the estimated useful lives of the intangible assets are estimated to be finite or infinite.

<u>Item</u>	<u>Useful lives (years)</u>
Software and applications	3-10 Years

Intangible assets with definite lives are amortized over the useful life. The Group conducts the needed tests to assess for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for the intangible assets with finite useful lives are reviewed at the end of each financial period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortization period or method and are treated as changes in accounting estimates.

The amortization expenses for intangible assets with finite lives are recognized in the consolidated statement of income under an expenses category that matches the intangible asset's function.

Profit or loss resulting from the de-recognition of intangible assets is measured by the difference between the net proceeds of disposal and the asset's carrying amount, and they are included in the consolidated statement of income upon de-recognition of the asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Investments in associates and joint venture

- An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
- An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of associate's or joint venture's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the consolidated statement of income in the year in which the investment is acquired.
- The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that an associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.
- When a Group's entity transacts with an associate or a joint venture of the Group, profits or losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue

Revenue is measured based on the consideration specified in a contract with customer and excludes amount collected on behalf of third parties. The Group recognizes revenue when it transfers control of goods or services to the customer. The principles of IFRS (15) "Revenue from Contracts with Customers " are applied by using the following five steps:

Step 1: Identify the contract - in the following cases:

- When the contract has been approved and the parties are committed.
- When each party's rights are identified.
- When the payment terms are defined.
- When the contract has a commercial substance.
- When the contract is collectible.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Revenue (Continued)

Step 2: Identify the performance obligations of the contract: by identifying promised goods or services agreed in a contract and determines whether to account for each promised good or service as a separate performance obligation. A good or service is distinct and is separated from other obligations in the contract if:

- The customer can benefit from the goods or services separately or together with other resources that are readily available to the customer; and
- The good or service is separately identifiable from the other goods or services in the contract.

Step 3: Determine the transaction price: which is the amount of consideration it expects to be entitled to in exchange for transferring promised goods or services to a customer.

Step 4: Allocate the transaction price to performance obligations in the contract: by allocating the transaction price to each separate performance obligation based on the relative standalone selling price of the goods or services being provided to the customer.

Step 5: Revenue is recognized when control of the goods or services is transferred to the customer.

Accordingly, a contract with a customer is accounted for upon fulfilling all the following criteria:

- The contract parties agreed (in writing, verbally, or according to other business practice) to commit to its obligations.
- The rights of each party regarding the goods and services to be transferred is established.
- The repayment terms for goods and services to be transferred can be determined.
- The contract has a commercial implication (meaning that it is expected for the risks or the timing or amount of future cash flows of the entity to change due to the contract).
- The possibility of receiving a consideration to which the Group has the right in return of goods or services it transferred to the customer. When assessing the probability of receiving a consideration, the customer's ability and intention to repay when the amount falls due is taken into consideration. It is taken into account that the consideration might be lower than the price stated by the contract if the consideration is variable.
- The revenue is recognized when the obligation is met through transferring the good or service promised to the customer and the asset is considered transferred when the customer obtains control over the asset, and when the contract is made, meeting the obligation is determined to be made over a time period or at a point in time.

Incentives and other benefits from suppliers

Incentives and other benefits from suppliers are recognized based on the contractual terms with suppliers negotiated each year. Incentives include fixed rebates, progressive rebates, and other commercial income.

Fixed and progressive rebates are calculated based on immediate or deferred basis, depending on the contractual terms with suppliers. Rebates can be:

- Unconditional, i.e., proportionate to total purchases and subject to no other conditions; or
- Conditional, i.e., dependent on meeting certain conditions (e.g., growth in the suppliers' net sales with the Group).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Incentives and other benefits from suppliers (Continued)

Other commercial income corresponds to income from services carried out by the Group for its suppliers.

Incentives and other benefits from suppliers are recognized as a reduction of cost of sale.

Other income

- Rental income is recognized on an accrual basis in accordance with the lease contracts terms.
- Dividend income is recognized in the consolidated statement of income when declared by the investees.
- Other revenues are recognized on an accrual basis and when the conditions to earn such revenues are fulfilled in accordance with the IFRS.

Customers' loyalty program (Iktissab)

The Group defers recognition of variable consideration of incentives arising from the customers' loyalty program (Iktissab) where the Group estimates this consideration based on practice and previous experience of the Group. Then, the consideration is recognized as a liability until it is utilized by the customers. Sales amount is reduced by the amount of the liability being recognized as a deferred income. Subsequently, this liability is transferred to sales upon utilization or when the right to utilize expires.

Inventories and spare parts

Inventories

Inventories is stated at the lower of cost or net realizable value. The cost is determined using the weighted average costing method. Inventories cost consists of costs incurred to get the inventories to the warehouses. Net realizable value is the estimated selling price in the ordinary course of business, less the expected costs to sell.

Spare parts

Spare parts are charged to property, plant, and equipment when they meet the definition and conditions for such classification. Otherwise, they are classified as inventories.

Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuous use and a sale is considered highly probable. They are measured at the lower of their carrying amount or fair value less costs to sell and depreciation is ceased.

Provisions

Provisions are recognized when the Group has an obligation (legal or contractual) at the date of the financial statements arising from a past event, and it is probable that there will be outflow of economic benefits to settle this obligation and can be reliably measured. They are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks associated with that obligation.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Employees' end-of-service benefits obligation

Employees' end-of-service benefits obligation is a compensation plan paid to employees at the end of their services. As per the Saudi Labor Law, the Group pays employees when their service ends based on the period of service, salary, and reason for terminating the service. Obligation recognized in the consolidated statement of financial position regarding the end-of-service benefits represent the current value of the defined benefits obligation at the end of the reporting period. The end-of-service benefits obligation is calculated by the management on annual basis using the projected unit credit method.

The cost of the services of the defined benefits plan is recognized in the consolidated statement of income under employees' benefits cost. This cost reflects the increase in the defined benefits obligation resulting from the employees' service in the current period plus changes, reduction, and settlement of benefits. Past-service costs are recognized immediately in the consolidated statement of income.

The present value of the defined benefits 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 to maturity approximating to the terms of the related benefit obligation. Where there is no deep market in such bonds, the market rates on government bonds are used. Actuarial gains and losses arising from previous changes in actuarial assumptions are charged or credited to equity in the consolidated statement of comprehensive income in the period in which they arise.

Loans

loan is recognized at net received amount and interests are recognized using the effective interest method. Interests on loans are recognized during the period in which they are incurred. Interest on loans used to finance capital work in progress are capitalized and considered part of these works cost when they meet the criteria defined by the applicable IFRS.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset are capitalized as a part of the asset cost. Qualified assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the consolidated statement of income in the period in which they are incurred by the Group.

Accounts payable and accruals

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

Foreign currency transactions

Foreign currency transactions are translated into Saudi Riyals using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the financial period are translated into Saudi Riyals using the exchange rates prevailing at that date. As for non-monetary item in foreign currencies recorded at fair value, they are retranslated according to the exchange rate prevailing at the date of determining its fair value. Non-monetary items in quoted currencies at historical cost are not retranslated.

Translation differences on settlement of non-monetary items and retranslation of monetary items are included in the consolidated statement of income for that period. Translation differences resulting from non-monetary items like equity classified as financial assets through comprehensive income are recognized under cumulative changes in fair value in the consolidated statement of comprehensive income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

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4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

Foreign currency transactions (Continued)

Assets and liabilities of foreign subsidiaries are translated into Saudi Riyals using the exchange rates prevailing at the date of the consolidated financial statements. Income and expenses are translated for each of the statement of income and the statement of other comprehensive income using the exchange rates prevailing at the transactions dates. The translation differences are recognized in the consolidated statement of other comprehensive income. These differences are recognized in the consolidated statement of income during the year of which foreign operations are disposed. Goodwill and change in fair value resulting from acquisitions of foreign companies are treated as foreign companies' assets and liabilities and translated using the exchange rate prevailing at the financial reporting date.

Segmental information

A business segment consists of assets and operations providing goods or services that are exposed to risks and returns different from those of other business segments which are measured according to the reports used by the executive management. A geographic segment relates to providing goods or services within an economic environment exposed to risks and returns different from those of other segments working in other economic environments.

Offsetting

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and when the Group intends to settle the assets and liabilities on a net basis in order to realize the asset and to settle the liability simultaneously.

Zakat and foreign taxes

The Company and its subsidiaries are subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. As for subsidiaries outside the Kingdom of Saudi Arabia, they are subject to the laws of countries they are registered in. Zakat and foreign tax are recognized according to the accrual basis. Zakat provision is calculated according to the zakat base or adjusted net income, whichever is larger. Any differences between the provision and the final assessment are recorded when realized and recognized at that time.

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5. PROPERTY, PLANT, AND EQUIPMENT

	<u>Properties</u>		Machinery and equipment	Motor vehicles	Computers	Furniture and fixtures	Leasehold improvements	Capital work in progress	Total
	Lands	Buildings							
<u>Cost</u>									
As at 1 January 2023	541,164,612	576,435,013	610,337,527	134,442,153	248,247,800	350,467,278	380,425,618	29,801,510	2,871,321,511
Additions	67,798,925	4,414,816	72,837,388	12,654,677	46,159,143	37,880,731	22,856,550	120,368,360	384,970,590
Transferred from capital work in progress	-	8,756,082	14,411,094	-	6,082,474	16,804,483	75,085,383	(121,139,516)	-
Transfers between items	-	5,090,763	(650)	-	-	13,422	(5,103,535)	-	-
Transferred from (to) investment properties	-	452,481	(595,000)	-	769,983	-	(236,501)	-	390,963
Disposals	-	(30,924,660)	(19,666,622)	(1,591,742)	(12,079,825)	(21,547,370)	(11,376,493)	(3,964,855)	(101,151,567)
Exchange differences on translation of foreign currency	-	-	(2,468,457)	(212,765)	(748,214)	(126,288)	(2,371,800)	(11,368)	(5,938,892)
As at 31 December 2023	608,963,537	564,224,495	674,855,280	145,292,323	288,431,361	383,492,256	459,279,222	25,054,131	3,149,592,605
<u>Accumulated depreciation</u>									
As at 1 January 2023	-	204,439,313	408,423,511	99,642,125	188,310,956	242,739,380	217,901,503	-	1,361,456,788
Depreciation for the year	-	26,456,080	49,511,192	9,672,960	27,979,741	32,079,161	29,677,886	-	175,377,020
Transfer from (to) investment properties	-	15,083	(594,996)	-	546,635	-	(13,796)	-	(47,074)
Transfers between items	-	2,344,992	1,414	-	6,330	2,032	(2,354,768)	-	-
Reversal of impairment loss (a)	-	-	(1,835,332)	(143,715)	(308,519)	(41,616)	(1,738,875)	-	(4,068,057)
Disposals	-	(30,924,652)	(18,735,441)	(1,251,931)	(11,883,339)	(20,802,824)	(11,354,249)	-	(94,952,436)
Exchange differences on translation of foreign currency	-	-	(1,847,621)	(217,599)	(602,460)	(44,571)	(1,505,302)	-	(4,217,553)
As at 31 December 2023		202,330,816	434,922,727	107,701,840	204,049,344	253,931,562	230,612,399	-	1,433,548,688
Net book value	608,963,537	361,893,679	239,932,553	37,590,483	84,382,017	129,560,694	228,666,823	25,054,131	1,716,043,917

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5. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

	<u>Properties</u>		<u>Machinery and equipment</u>	<u>Motor vehicles</u>	<u>Computers</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Capital work in progress</u>	<u>Total</u>
	<u>Land</u>	<u>Buildings</u>							
<u>Cost</u>									
As at 1 January 2022	508,550,199	549,851,456	570,596,954	129,064,221	220,522,704	318,979,010	331,074,347	44,482,546	2,673,121,437
Additions	32,614,413	11,747,089	54,699,494	18,113,038	32,208,723	28,709,120	11,980,422	95,072,797	285,145,096
Transferred from capital work in progress	-	22,371,430	10,882,684	-	6,961,388	19,008,206	50,047,868	(109,271,576)	-
Transfers between items	-	-	316,480	(85,000)	(13,860)	(217,620)	-	-	-
Transferred from (to) investment properties	-	-	-	-	(761,583)	35,000	-	(292,995)	(1,019,578)
Disposals	-	(7,534,962)	(19,499,462)	(12,071,197)	(8,819,507)	(15,791,917)	(6,437,634)	(188,625)	(70,343,304)
Exchange differences on translation of foreign currency	-	-	(6,658,623)	(578,909)	(1,850,065)	(254,521)	(6,239,385)	(637)	(15,582,140)
As at 31 December 2022	541,164,612	576,435,013	610,337,527	134,442,153	248,247,800	350,467,278	380,425,618	29,801,510	2,871,321,511
<u>Accumulated depreciation</u>									
As at 1 January 2022	-	184,756,479	387,421,145	103,956,358	174,487,708	229,173,925	201,359,834	-	1,281,155,449
Depreciation for the year	-	27,217,792	44,769,696	8,118,172	24,704,438	29,500,117	25,860,085	-	160,170,300
Transfer from (to) investment properties	-	-	-	-	(537,812)	34,998	-	-	(502,814)
Transfers between items	-	-	319,495	(84,998)	(2,869)	(231,628)	-	-	-
Disposals	-	(7,534,958)	(19,173,576)	(11,758,804)	(8,730,162)	(15,610,050)	(5,306,770)	-	(68,114,320)
Exchange differences on translation of foreign currency	-	-	(4,913,249)	(588,603)	(1,610,347)	(127,982)	(4,011,646)	-	(11,251,827)
As at 31 December 2022	-	204,439,313	408,423,511	99,642,125	188,310,956	242,739,380	217,901,503	-	1,361,456,788
Net book value	541,164,612	371,995,700	201,914,016	34,800,028	59,936,844	107,727,898	162,524,115	29,801,510	1,509,864,723

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5. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

- a. During the year, the Group assessed that the impairment loss recorded in a previous year related to the property, plant, and equipment of Abdullah Al Othaim Markets Company - Egypt (Subsidiary) no longer exists. Accordingly, during the year the Group estimated the recoverable amount of these property, plant, and equipment and determined their value in use, which showed a greater amount than their book value. As a result, the Group reversed the impairment loss on property, plant, and equipment amounting to SR 4.07 million in the consolidated statement of income. The reversed amount during the year does not exceed the previously recorded loss.
- b. During the year, the Group disposed property, plant, and equipment with a net book value of SR 6.2 million (31 December 2022: SR 2.23 million), of which the sale of those assets resulted in a losses of SR 3.41 million (31 December 2022: capital gains SR 226 thousand).
- c. The Group has some buildings that are built on lands leased from third parties.
- d. Capital work in progress represents the costs associated with preparing new branches for operation.
- e. Depreciation expense charged during the year is allocated as follows:

	<u>2023</u>	<u>2022</u>
Selling and marketing expenses	152,953,359	137,617,577
Rental income, net	13,017,737	14,010,054
General and administrative expenses	9,375,267	8,542,669
	<u>175,346,363</u>	<u>160,170,300</u>

6. LEASE CONTRACTS

a. RIGHT-OF-USE ASSETS

	<u>2023</u>	<u>2022</u>
<u>Cost</u>		
Balance at the beginning of the year	2,694,359,019	2,365,660,016
Additions during the year	537,098,701	375,737,770
Disposals during the year	(91,316,190)	(36,105,014)
Exchange differences on translation of foreign currency	(4,039,370)	(10,933,753)
Balance at the end of the year	<u>3,136,102,160</u>	<u>2,694,359,019</u>
<u>Accumulated depreciation</u>		
Balance at the beginning of the year	1,077,231,036	920,597,998
Charge for the year	195,098,664	175,492,680
Disposals during the year	(43,208,280)	(14,832,760)
Exchange differences on translation of foreign currency	(1,528,839)	(4,026,882)
Balance at the end of the year	<u>1,227,592,581</u>	<u>1,077,231,036</u>
Net book value at the end of the year	<u>1,908,509,579</u>	<u>1,617,127,983</u>

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6. LEASE CONTRACTS (CONTINUED)**b. Lease contracts liabilities**

The movement on lease contracts liabilities during the year ended 31 December is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	1,726,449,509	1,528,366,475
Additions during the year	537,098,701	375,737,770
Add: finance costs on lease liabilities	100,713,869	75,025,098
Termination/modifications	(47,089,278)	(24,212,076)
Deduct: payments during the year	(262,645,217)	(217,744,081)
Exchange differences on translation of foreign currency	(3,813,230)	(10,723,677)
Balance at the end of the year	<u>2,050,714,354</u>	<u>1,726,449,509</u>
<u>Of which:</u>		
Non-current portion	1,903,573,796	1,574,265,858
Current portion	147,140,558	152,183,651
	<u>2,050,714,354</u>	<u>1,726,449,509</u>

c. Amounts recognized in the consolidated statement of income for the year ended 31 December:

	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	195,098,664	175,492,680
Finance costs on lease liabilities	100,713,869	75,025,098
Short-term leases expense included in selling and marketing expenses	26,136,608	18,158,240
Short-term leases expense included in cost of sales	1,957,589	1,134,018
Short-term leases expense included in general and administrative expenses	917,541	882,071
Short-term leases expense included in rental income, net	198,134	235,377
Loss (gain) from derecognition due to termination of lease contracts	1,018,632	(2,939,822)
Total amount recognized in the consolidated statement of income	<u>326,041,037</u>	<u>267,987,662</u>

7. INVESTMENT PROPERTIES

Investment properties represent commercial centers, exhibitions, buildings, and the lands where they were built on, which are mainly held for investment and leasing to others. The movement on investment properties during the year ended 31 December is as follows:

	<u>2023</u>	<u>2022</u>
<u>Cost</u>		
Balance at the beginning of the year	781,645,037	874,830,652
Additions during the year	224,244,145	93,083,082
Disposals during the year	(32,664,060)	(100,667,091)
Transfers (to) from property, plant, and equipment (Note 5)	(390,963)	1,019,578
Transferred to assets held for sale	(469,003)	(86,621,184)
Balance at the end of the year	<u>972,365,156</u>	<u>781,645,037</u>
<u>Accumulated depreciation</u>		
Balance at the beginning of the year	301,881,299	275,290,408
Depreciation for the year	26,051,534	26,088,077
Transfers from property, plant, and equipment	47,074	502,814
Disposals during the year	(32,664,060)	-
Balance at the end of year	<u>295,315,847</u>	<u>301,881,299</u>
Net book value at the end of year	<u>677,049,309</u>	<u>479,763,738</u>

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7. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the investment properties as at 31 December 2023 amounted to SR 931 million (2022: amounted to SR 689 million) evaluated by qualified and independent experts. The following are the data of the real estate appraiser:

Name: Elite Real Estate Valuation Company

Qualifications: Membership of the Saudi Authority for Accredited Valuers

License number: 1210001377

The fair value was measured according to the applicable valuation techniques (market comparison approach, income approach, and residual value approach).

Investment properties include buildings built on leased lands amounted to SR 98.6 million (2022: amounted to SR 122.3 million).

On 5 June 2023, the General Assembly of shareholders approved the sale of vacant land owned by the company, with a net book value of SR 87,092,960, with an area space of 44,421 square meters, at a price of SR 4,200 per meter, with a total amount of SR 186,568,704, to Abdullah Al-Othaim for Investment Company (related to the Chairman of the Board of Directors). The sale of the land resulted in a net capital gain before Zakat of SR 99,475,744, which was recognized in the consolidated statement of income and the title of the land has been transferred and the entire sale amount has been collected.

The Group has some lands that are not available for disposal, use or development at the present time, for reasons related to the regulation of areas in which these lands located by the competent government bodies. Based on its best estimates, management believes that there are no indications as of the date of preparation of the consolidated financial statements that would affect the recoverable value of those lands. These estimates may vary depending on the results of the work of the competent government bodies. As at 31 December 2023, the book value of these lands amounted to SR 27.5 million (31 December 2022: SR 27.5 million).

8. INTANGIBLE ASSETS

Intangible assets are represented by computer systems. and they are amortized over the period of their useful lives, and the movement was as follows:

	<u>2023</u>	<u>2022</u>
<u>Cost</u>		
Balance at the beginning of year	7,685,718	7,211,447
Additions	<u>1,369,079</u>	<u>474,271</u>
Balance at the end of year	<u>9,054,797</u>	<u>7,685,718</u>
<u>Accumulated amortization</u>		
Balance at the beginning of year	6,202,746	5,669,649
Charged for the year	<u>633,036</u>	<u>533,097</u>
Balance at the end of year	<u>6,835,782</u>	<u>6,202,746</u>
Net book value for the year	<u><u>2,219,015</u></u>	<u><u>1,482,972</u></u>

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9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Details of the companies included in the consolidated financial statements which are accounted for using the equity method:

	<u>Country of Incorporation</u>	<u>Ownership percentage %</u>	
		<u>2023</u>	<u>2022</u>
AlWousta Food Services Company - Associate ⁽¹⁾	Kingdom of Saudi Arabia	25%	25%
Riyadh Food Industries Company - Associate ⁽²⁾	Kingdom of Saudi Arabia	55%	55%
Gulf Flour Milling Industrial Company - Joint venture ⁽³⁾	Kingdom of Saudi Arabia	33.33%	33.33%

- (1) The main activities of the company are managing, operating, and monitoring of Al Baik restaurants in Riyadh, Qassim, Hail and Al Jouf. The Company is a limited liability company and the headquarter of the Company is in Jeddah. The investment has been classified as an investment in associate company since there is a significant influence over the company.
- (2) The main activities of the company are the purchase of lands to construct buildings for manufacturing plants for the purpose of investment for its own interest, management, maintenance, and development of manufacturing plants for others, marketing food and consumable goods, and whatever necessary to establish or participate in shops and markets, import and export of food and consumable goods. The investment has been classified as an investment in associate company since there is a significant influence over company.
- (3) The main activities of the company are packaging and grinding grains, flour manufacturing, feed manufacturing, and storage in grain silos, in accordance with the ministry of investment license number 101034210105632, dated 15 Shawwal 1442H (corresponding to 27 May 2021). The investment has been classified as an investment in joint arrangements (joint venture) since there is a significant influence over the company.

a) Summary of investment movements during the year:

	Abdullah Al-Othaim for Investment Company - Associate	AlWousta Food Services Company - Associate	Riyadh Food Industries Company - Associate	Gulf Flour Milling Industrial Company - Joint venture	Total
Summary of the investment movement during the year 2023					
Balance at the beginning of the year	-	27,247,595	38,507,734	96,513,311	162,268,640
Share in profit or loss	-	3,373,682	(1,108,843)	30,069,788	32,334,627
Share in other comprehensive income	-	54,679	202,338	(62,414)	194,603
Balance at the end of the year	-	30,675,956	37,601,229	126,520,685	194,797,870
Summary of the investment movement during the year 2022					
Balance at the beginning of the year	229,562,715	25,699,944	43,056,727	50,549,999	348,869,385
Share in profit or loss	9,323,531	1,459,688	(4,451,327)	46,042,671	52,374,563
Share in other comprehensive income	(897,061)	87,963	(97,666)	(79,359)	(986,123)
Disposals ⁽¹⁾	(237,989,185)	-	-	-	(237,989,185)
Balance at the end of the year	-	27,247,595	38,507,734	96,513,311	162,268,640

- (1) On 27 September 2022, the General Assembly of shareholders approved the sale of all the Company's shares in Abdullah Al-Othaim Investment Company to Al-Othaim Holding Company (Founding shareholder) at a price of SR 62 per share, based on the Group's management estimates, with a total amount of SR 846,538,700, which resulted in gains before Zakat amounted to SR 608,549,515 (After Zaka: SR 593,335,777).

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9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

b) Associates and joint venture balances:

	2023	2022
Gulf Flour Milling Industrial Company - Joint venture	126,520,685	96,513,311
Riyadh Food Industries Company - Associate	37,601,229	38,507,734
AlWousta Food Services Company - Associate	30,675,956	27,247,595
	<u>194,797,870</u>	<u>162,268,640</u>

c) The summarized financial statements of the associate companies and the joint venture

Summary of statement of financial position:

	31 December 2023		
	AlWousta Food Services Company - Associate	Riyadh Food Industries Company - Associate	Gulf Flour Milling Industrial Company - Joint venture
Cash and cash equivalents	8,498,659	3,660,432	124,461,458
Other current assets	44,291,280	97,413,894	117,977,232
Non-current assets	97,889,076	58,610,774	1,218,567,083
Total assets	<u>150,679,015</u>	<u>159,685,100</u>	<u>1,461,005,773</u>
Accounts payable and other current liabilities	19,045,295	43,366,462	64,162,549
Other current liabilities	4,778,215	33,711,459	103,255,596
Non-current liabilities	4,151,683	9,239,501	933,960,941
Total liabilities	<u>27,975,193</u>	<u>86,317,422</u>	<u>1,101,379,086</u>
Total equity	<u>122,703,822</u>	<u>73,367,678</u>	<u>359,626,687</u>
Total equity and liabilities	<u>150,679,015</u>	<u>159,685,100</u>	<u>1,461,005,773</u>

	31 March 2022	31 December 2022		
	Abdullah Al- Othaim for Investment Company - Associate	AlWousta Food Services Company - Associate	Riyadh Food Industries Company - Associate	Gulf Flour Milling Industrial Company - Joint venture
Cash and cash equivalents	26,493,969	19,712,764	6,015,978	183,287,699
The rest of the current assets	399,535,745	41,469,383	111,536,665	102,929,774
Non-current assets	3,629,084,502	82,053,226	64,837,895	1,262,393,772
Total assets	<u>4,055,114,216</u>	<u>143,235,373</u>	<u>182,390,538</u>	<u>1,548,611,245</u>
Accounts payable and other current liabilities	53,305,429	23,106,869	49,760,505	82,035,925
Other current liabilities	476,745,883	7,682,008	44,955,352	56,438,642
Non-current liabilities	1,653,076,085	3,456,116	12,850,545	1,133,015,527
Total liabilities	<u>2,183,127,407</u>	<u>34,244,993</u>	<u>107,566,402</u>	<u>1,271,490,094</u>
Total equity	<u>1,871,986,809</u>	<u>108,990,380</u>	<u>74,824,136</u>	<u>277,121,151</u>
Total equity and liabilities	<u>4,055,114,216</u>	<u>143,235,373</u>	<u>182,390,538</u>	<u>1,548,611,245</u>

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9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (CONTINUED)

Summary of statement of comprehensive income:

	31 December 2023		
	AlWousta Food Services Company - Associate	Riyadh Food Industries Company - Associate	Gulf Flour Milling Industrial Company - Joint venture
Net sales	419,576,028	211,718,348	565,636,888
Gross profit	102,020,833	42,183,667	259,449,263
General and administrative expenses	(104,569,137)	(12,938,454)	(55,876,109)
Selling and marketing expenses	-	(23,975,242)	(56,573,369)
Finance costs	-	(4,351,790)	(58,013,400)
Other income (expenses)	16,418,885	(1,473,426)	8,837,440
Zakat and tax expense	(375,854)	(1,269,100)	(15,131,054)
Net profit (loss) for the year	13,494,727	(1,824,345)	82,692,771
Other comprehensive income (loss)	218,715	367,887	(187,237)
Total comprehensive income (loss)	13,713,442	(1,456,458)	82,505,534

	31 March 2022	31 December 2022		
	Abdullah Al-Othaim for Investment Company - Associate	AlWousta Food Services Company - Associate	Riyadh Food Industries Company - Associate	Gulf Flour Milling Industrial Company - Joint venture
Net sales	204,509,538	342,818,088	212,975,079	578,319,338
Gross profit	98,152,927	75,293,749	36,674,374	260,114,683
General and administrative expenses	(15,510,468)	(83,474,384)	(13,418,444)	(51,629,805)
Selling and marketing expenses	(24,380,668)	-	(25,114,662)	(32,023,454)
Finance costs	(10,470,524)	-	(3,318,218)	(44,112,246)
Other income (expenses)	-	14,393,894	(1,124,926)	2,259,697
Zakat and tax expense	(1,273,793)	(416,369)	(1,373,481)	(14,089,836)
Net profit (loss) for the year	67,460,208	5,796,890	(7,675,357)	120,519,039
Other comprehensive income (loss)	(6,570,019)	351,854	(177,574)	(238,078)
Total comprehensive income (loss)	60,890,189	6,148,744	(7,852,931)	120,280,961

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10. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The following are details of equity instruments at fair value through other comprehensive income:

	<u>Country of Incorporation</u>	<u>Ownership percentage %</u>	
		<u>2023</u>	<u>2022</u>
Southern European Company SEIC	Bosnia and Herzegovina	17.98%	17.98%
National Laboratories Company Limited	Kingdom of Saudi Arabia	6.00%	6.00%

The balance of equity instruments at fair value through other comprehensive income are as follows:

	<u>2023</u>	<u>2022</u>
Unlisted equity instruments at fair value through other comprehensive income	5,457,138	5,457,138
Fair value reserve	(2,455,069)	(2,455,069)
	<u>3,002,069</u>	<u>3,002,069</u>

11. INVENTORIES

	<u>2023</u>	<u>2022</u>
Trade inventories	1,096,494,667	964,279,296
Spare parts and materials not available for sale	34,778,258	24,311,021
Provision for shrinkage and slow-moving inventories	(41,586,891)	(47,028,278)
	<u>1,089,686,034</u>	<u>941,562,039</u>

Below is the movement in the inventory provisions for the year ended 31 December:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	47,028,278	52,478,182
Additions	26,463,586	34,922,535
Reversals	(31,851,477)	(40,233,384)
Exchange differences on translation of foreign currency	(53,496)	(139,055)
Balance at the end of the year	<u>41,586,891</u>	<u>47,028,278</u>

12. OTHER NON-CURRENT ASSETS

	<u>2023</u>	<u>2022</u>
Advance letter of guarantee	10,300,000	10,000,000
Non-current portion of receivables related to a sale of land	9,155,745	10,799,599
Unused labor visa fees	5,313,759	7,838,427
	<u>24,769,504</u>	<u>28,638,026</u>

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13. PREPAYMENTS AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
Prepaid expenses	84,341,128	101,895,027
Advance payments to suppliers	50,380,593	44,087,826
Advance letter of credits and guarantees	11,748,890	1,327,731
Due from employees	5,255,082	4,178,993
Current portion of receivables related to sale of land	1,643,857	1,587,701
Refundable deposits	1,478,249	2,026,482
Others	13,715,732	5,432,033
	<u>168,563,531</u>	<u>160,535,793</u>
Provision for doubtful debts	<u>(1,922,493)</u>	<u>(1,484,901)</u>
	<u>166,641,038</u>	<u>159,050,892</u>

Movement in provision for doubtful debts:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of year	1,484,901	1,478,584
Additions	447,082	9,047
Reversals	(9,490)	(2,730)
Balance at the end of year	<u>1,922,493</u>	<u>1,484,901</u>

14. TRADE RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade receivables	84,881,761	76,887,636
Less: provision for expected credit losses and others	<u>(41,871,995)</u>	<u>(42,099,259)</u>
	<u>43,009,766</u>	<u>34,788,377</u>

The movement in provision for expected credit losses and others is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	42,099,259	38,702,561
Additions	2,946,913	3,405,149
Write-off	(3,174,177)	(8,451)
Balance at the end of the year	<u>41,871,995</u>	<u>42,099,259</u>

Aging analysis of trade receivables for the year ended 31 December is as follows:

		Less than	91-180	181-270	270-365	More than
	Total	90 days	days	days	days	365 days and others
2023						
Trade receivables	84,881,761	35,031,289	6,175,077	1,347,833	754,537	41,573,025
Less: provision for expected credit losses	(41,871,995)	(378,057)	(600,972)	(867,959)	(1,375,984)	(38,649,023)
2022						
Trade receivables	76,887,636	27,029,822	2,641,971	1,512,169	1,384,581	44,319,093
Less: provision for expected credit losses	(42,099,259)	(259,422)	(382,603)	(630,207)	(645,834)	(40,181,193)

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15. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash at banks	108,834,825	265,072,962
Cash on hand	32,940,800	48,001,145
Short-term Murabaha deposits ⁽¹⁾	40,000,000	-
	<u>181,775,625</u>	<u>313,074,107</u>

(1) Short-term Murabaha deposits included in cash and cash equivalents are deposits with original maturities of less than three months. These deposits are with local banks and earn interest at prevailing market rates.

16. SHORT-TERM MURABAHA DEPOSITS

Short-term Murabaha deposits represent deposits with a local bank that earn interest at prevailing market rates. These deposits are with original maturities of more than three months.

Income from short-term Murabaha deposits for the year ended 31 December 2023 amounted to SR 16.81 million (31 December 2022: SR 2.27 million).

17. ASSETS HELD FOR SALE

On 12 October 2022, the Board of Directors approved the sale of a land owned by the Company located in Riyadh city with an area of 44,421.12 square meters at a price of SR 4,200 per square meter with a total amount of SR 186,568,704 to Abdullah Al-Othaim Investment Company (a related party). Subsequently, the General Assembly of shareholders approved the sale of the land in its extraordinary meeting that was held on 5 June 2023 (Note 7).

The remaining balance as of 31 December 2023 amounting to SR 1,011,367 represents the net assets related to Thamarat Al Qassim Company (a subsidiary under liquidation).

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18. DISCONTINUED OPERATIONS

As at 31 December 2022, discontinued operations represent is the net book value of the remaining non-current assets held for sale related to activities that were discontinued in Mueen Business Company for Maintenance and Operation (a subsidiary of subsidiary). During 2021, the Group were directed to liquidate Mueen Business Company for Maintenance and Operation and to appoint a liquidator for the Company. The following are the losses resulting from the exclusion of discontinued operations during the year.

	<u>2023</u>	<u>2022</u>
Expenses	-	(223,790)
	-	(223,790)

19. PAID IN SHARE CAPITAL

The Company's capital is divided into 900,000,000 shares (31 December 2022: 90,000,000 shares) with a nominal value of SR 1 per share (31 December 2022: SR 10).

20. STATUTORY RESERVE

In accordance with the Company's amended By-laws which was approved by the General Assembly of the shareholders in its extraordinary meeting that was held on 5 June 2023 to comply with the provisions of the new Companies' Laws, the Company is no longer required to maintain a percentage of profits as a statutory reserve as it was applicable in the previous Companies' Laws, where companies were required to transfer 10% of the net profit for the year to the statutory reserve until the statutory reserve reaches 30% of the share capital. In addition, the General Assembly of the shareholders approved in the same meeting transferring the entire balance of the statutory reserve to retained earnings.

21. OBLIGATION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

The Group grants end-of-service benefits to its employees, in accordance with the labor law in the Kingdom of Saudi Arabia. The benefits provided under this program represent a lump sum based on the employees' last salary, allowances, and accumulated years of service at the end of employment.

The benefit obligation recognized in the consolidated statement of financial position in respect of the defined benefit plan at the end of service represents the present value of the defined benefit obligation at the date of preparing the consolidated financial statements.

Actuarial gains and losses arising from the remeasurement of the defined benefit obligation, if any, are recognized and included in other comprehensive income and in the consolidated statement of changes in equity.

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21. OBLIGATION FOR EMPLOYEES' END-OF-SERVICE BENEFITS (CONTINUED)

The following table shows the movement in end of service benefits liability:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	249,589,307	206,961,651
Service cost	42,628,399	49,439,920
Discount factor cost	11,158,356	6,976,059
Paid during the year	(30,329,650)	(19,915,158)
Actuarial losses from remeasurement	21,514,936	6,126,835
Balance at the end of the year	<u>294,561,348</u>	<u>249,589,307</u>

Significant actuarial assumptions

The Group has performed an independent actuarial calculation as at 31 December 2023 and 31 December 2022 to ensure the adequacy of provision for employees' end-of-service benefits using the projected unit credit method as required by IAS 19: Employee Benefits.

	<u>2023</u>	<u>2022</u>
Salaries increase rate	4 – 4.5%	3.75 – 4%
Discount rate	4.5 – 5%	4.25 – 4.5%

Sensitivity analysis

The results are affected by the assumptions used. The table below shows the change in the defined benefit obligation based on the increase or decrease in the value of the underlying assumptions as at 31 December:

	<u>2023</u>		<u>2022</u>	
	Amount	Change	Amount	Change
Base	<u>294,561,348</u>		<u>249,589,307</u>	
<u>Discount rate</u>				
+1%	276,985,008	(5.97%)	233,251,008	(6.55%)
-1%	314,643,995	6.82%	268,434,634	7.55%
<u>Salaries increase rate</u>				
+1%	314,542,131	6.78%	268,327,535	7.51%
-1%	276,746,588	(6.05%)	233,037,267	(6.63%)

22. LOANS AND SHOT-TERM MURABAHA

The Group utilizes Islamic bank facilities (Murabaha) to finance its trade operations. These facilities bear financing costs at prevailing market rates. These facilities are secured by promissory notes under the name of the Company.

As at 31 December 2023, the available and unutilized facilities for the purpose of meeting the Group's liabilities when it becomes due amounted to SR 1,095 million (31 December 2022: SR 1,095 million).

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23. RELATED PARTIES

Transactions with related parties represent transactions entered between the Company and its associates, subsidiaries, major shareholders and senior executives of the Group, in addition to the entities related to these parties. Management of the Group approved a policy for prices and conditions for transactions with related parties. Transactions with related parties represent mainly in rent revenue, rent expenses, purchases of goods and manpower services.

<u>Related party</u>	<u>Nature of relationship</u>
Al-Othaim Holding Company	Founding shareholder
Abdullah Al-Othaim for Investment Company	Associate
AlWousta Food Services Company	Associate
Riyadh Food Industries Company	Associate
Gulf Flour Milling Industrial Company	Joint venture
General Organization of Social Insurance	Related to a Board of Directors member
Almarai Company	Related to a Board of Directors member
Al-Jouf Agricultural Development Company	Related to a Board of Directors member
The Arabic Company for Agricultural Services "ARASCO"	Related to a Board of Directors member
Members of the Board of Directors and Senior Executives	Group's management
Abdullah Al-Othaim for Fashion Company	Subsidiary of an associate
Abdullah Al-Othaim for Entertainment Company	Subsidiary of an associate
Emtiyaz Al Riyadh Trading Company	Subsidiary of an associate
Fourth Milling Company	Subsidiary of an associate
Rimal Al Sawahil for Contracting and Maintenance	Related to a Board of Director member of a subsidiary
Radial Construction and Development Contracting Company (Previously Saudi Pillar for Contracting)	Related to the Chairman of the Board of Directors
Bait Alshateera Fast Food Restaurants Company	Related to a Board of Directors member

Transactions with related parties for the year ended 31 December 2023 are as follows:

<u>Related Party</u>	<u>Rent Expense</u>	<u>Rental Income</u>	<u>Purchase of Inventory</u>	<u>Labor Revenues and Others</u>	<u>Labor Expenses and Others</u>	<u>Sale of Investment Properties</u>	<u>Purchase of land through auction</u>
Abdullah Al-Othaim for Investment Company	14,171,513	36,198,173	-	-	4,734,679	186,568,704	-
AlWousta Food Services Company	-	616,720	-	-	-	-	-
Riyadh Foods Industries Company	-	-	95,275,698	1,181,975	93,431	-	-
General Organization of Social Insurance	6,032,486	-	-	-	-	-	36,233,082
Almarai Company	-	-	498,268,322	-	-	-	-
Al-Jouf Agricultural Development Company	-	-	31,464,298	-	-	-	-
The Arabic Company for Agricultural Services "ARASCO"	-	-	28,932,360	-	-	-	-
Bait Alshateera Fast Food Restaurants Company	-	398,875	-	-	-	-	-
Abdullah Al-Othaim for Fashion Company	-	153,003	-	-	-	-	-
Radial Construction and Development Contracting Company	-	-	-	-	5,783,282	-	-
Rimal Al Sawahil for Contracting and Maintenance	-	-	-	23,473,462	-	-	-
Abdullah Al-Othaim for Entertainment Company	-	1,524,911	-	151,549	-	-	-
Fourth Milling Company	-	-	7,921,175	450,000	-	-	-

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23. RELATED PARTIES (CONTINUED)

Transactions with related parties for the year ended 31 December 2022 are as follows:

<u>Related Party</u>	<u>Rent</u> <u>Expense</u>	<u>Rental</u> <u>Income</u>	<u>Purchase of</u> <u>Inventory</u>	<u>Labor</u> <u>Revenues</u> <u>and Others</u>	<u>Labor</u>	<u>Sale of</u>
					<u>Expenses</u> <u>and</u> <u>Others</u>	<u>Investment</u> <u>Properties</u> <u>and</u> <u>Associate</u>
Al-Othaim Holding Company	10,000	-	-	1,001,224	-	846,538,700
Abdullah Al-Othaim for Investment Company	13,630,410	36,384,550	-	-	4,582,284	211,327,580
AlWousta Food Services Company	-	566,625	-	-	-	-
Riyadh Foods Industries Company	-	-	104,286,714	140,096	-	-
General Organization of Social Insurance	5,562,500	-	-	-	-	-
Almarai Company	-	-	470,223,631	-	-	-
Al-Jouf Agricultural Development Company	-	-	26,038,513	-	-	-
The Arabic Company for Agricultural Services "ARASCO"	-	-	27,951,420	-	-	-
Bait Alshateera Fast Food Restaurants Company	-	388,375	-	-	-	-
Abdullah Al-Othaim for Fashion Company	-	175,525	-	-	-	-
Radial Construction and Development Contracting Company	-	-	-	-	17,587,323	-
Rimal Al Sawahil for Contracting and Maintenance	-	-	-	18,719,433	-	-
Abdullah Al-Othaim for Entertainment Company	-	1,524,911	-	-	-	-
Emtiyaz Al Riyadh Trading Company	-	-	-	11,500	-	-
Fourth Milling Company	-	-	7,949,003	1,046,350	-	-

Board members and senior executives' benefits during the year

	<u>Charged to comprehensive income</u>	
	<u>2023</u>	<u>2022</u>
Short term benefits	25,518,303	27,159,226
Post-employment benefits	1,364,913	620,744
	26,883,216	27,779,970

Below are the balances due from/to related parties

<u>Amounts due from related parties (included in trade receivables)</u>	<u>2023</u>	<u>2022</u>
Rimal Al Sawahil for Contracting and Maintenance	12,669,700	2,897,038
Bait Alshateera Fast Food Restaurants Company	2,776	-
Al-Othaim Holding Company	-	161,873
Abdullah Al-Othaim for Entertainment Company	-	133,319
Emtiyaz Al Riyadh Trading Company	-	70,104
	12,672,476	3,262,334

<u>Amounts due to related parties (included in trade payables)</u>	<u>2023</u>	<u>2022</u>
Almarai Company	127,147,413	117,068,013
Riyadh Foods Industries Company	28,987,799	33,544,544
The Arabic Company for Agricultural Services (ARASCO)	3,994,542	5,075,970
Al-Jouf Agricultural Development Company	2,706,170	9,981,178
Fourth Milling company	1,357,085	894,885
Abdullah Al-Othaim for Investment Company	1,155,300	1,070,337
Radial Construction and Development Contracting Company	1,071,403	1,763,279
Bait Alshateera Fast Food Restaurants Company	-	765
	166,419,712	169,398,971

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24. ACCRUALS AND OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
Due to employees	135,551,541	133,788,221
Al-Othaim prepaid cards	61,837,010	49,425,340
Amounts due to contractors and deposits from others	53,925,462	57,071,798
Accrued value-added tax	48,073,991	41,107,275
Deferred revenues related to customers' loyalty program	45,522,719	54,149,270
Accrued utilities	35,987,588	23,309,931
Deferred revenues	30,998,519	29,384,533
Advance payments from tenants and others	18,603,845	20,645,517
Provisions	6,747,662	9,389,985
Others	22,407,203	28,882,109
	<u>459,655,540</u>	<u>447,153,979</u>

25. ZAKAT AND FOREIGN INCOME TAX

25-1 Zakat

Zakat is calculated on the basis of adjusted net income or Zakat base whichever is higher according to the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in Saudi Arabia. Due to the negative Zakat base, current year's Zakat is calculated on the basis of the adjusted net income method.

The movement in Zakat provision during the year is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of year	33,214,023	13,839,202
Charge for the year	16,794,596	30,882,117
Prior years' adjustments	(800,039)	-
Paid during the year	(13,223,441)	(11,507,296)
Balance at the end of year	<u>35,985,139</u>	<u>33,214,023</u>

- The Group submitted its consolidated zakat declarations for all years up to 2022 and paid zakat liabilities accordingly.
- The Group received its final zakat assessment for all previous years up to 2011 and for the years from 2014 to 2018.
- ZATCA was communicated to conclude on the Group's zakat status and issue the final zakat assessment for the years 2012 and 2013, and the final assessment has not been issued to date.
- On 24 October 2023, the Group received the zakat assessment from ZATCA for the years 2019 and 2020.
- Zakat declarations for the years 2021 and 2022 are subject to the examination by ZATCA, and the final assessment has not been issued to date.

25-2 Foreign income tax

Abdullah Al-Othaim Markets Company – Egypt (a subsidiary) is subject to the Egyptian Corporate Income Tax Law No. 91 of 2005 and its amendments. The company has submitted its tax returns to the Tax Authority for all years up to 2022 within the legal deadlines, and all tax returns have been examined up to 2019.

The movement in foreign tax provision during the year is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of year	-	-
Charge for the year	1,011,233	-
Exchange differences on translation of foreign currency	25,599	-
Balance at the end of year	<u>1,036,832</u>	<u>-</u>

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26. SELLING AND MARKETING EXPENSES

	<u>2023</u>	<u>2022</u>
Employee salaries and benefits	977,411,874	934,640,235
Depreciation of right-of-use assets	162,004,455	150,416,393
Depreciation and amortization	152,984,018	137,621,964
Utilities	129,540,295	112,302,710
Packaging supplies and materials	44,774,102	42,148,071
Advertising and marketing	44,085,707	29,012,081
Repair and maintenance	39,804,320	35,895,819
Electronic payments commission	30,457,832	27,495,794
Goods transportation fees	29,722,669	26,631,533
Rents	26,136,608	18,158,240
Fuel and oil	25,358,799	18,360,254
Fees and subscriptions	18,775,298	16,326,295
Cleaning, hospitality, and office supplies	12,186,954	11,702,858
Bank charges	6,403,247	6,429,286
Insurance expenses	6,307,956	6,768,991
Others	35,130,804	31,897,676
	<u>1,741,084,938</u>	<u>1,605,808,200</u>

27. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2023</u>	<u>2022</u>
Employee salaries and benefits	116,179,810	109,746,261
Depreciation and amortization	9,904,460	8,993,169
Fees and subscriptions	8,737,473	7,145,828
Depreciation of right-of-use assets	6,339,975	3,158,341
Professional fees	5,762,392	8,326,582
Utilities	1,864,311	2,949,308
Repair and maintenance	1,829,890	1,832,141
Bank charges	1,454,385	965,155
Cleaning, hospitality, and office supplies	1,230,552	1,277,705
Rents	917,541	882,071
Others	5,324,597	4,513,867
	<u>159,545,386</u>	<u>149,790,428</u>

Professional fees above include the following:

	<u>2023</u>	<u>2022</u>
Fees for audit and review	1,865,000	1,010,600
Fees for other services	100,000	100,000
	<u>1,965,000</u>	<u>1,110,600</u>

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28. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

Earnings per share for the ordinary shareholders for the year ended 31 December 2023 and 31 December 2022, are calculated based on the weighted average number of shares outstanding during the period. The Group does not have any dilutive instruments, accordingly, the diluted earnings per share is equal to the basic earnings per share.

The number of shares for the period ended 31 December 2023 has been adjusted to reflect the share division described in Note 1. Since this represents an increase in the number of the basic shares, without a corresponding change in resources, the weighted average number of basic shares outstanding during all reported periods is adjusted retrospectively.

The following is the calculation of basic and diluted earnings per share for the year ended 31 December:

a. Basic and diluted earnings per share from net continuing operations income attributable to the shareholders of the company

	<u>2023</u>	<u>2022</u>
Net income for the year from continuing operations	490,774,512	1,079,661,263
Weighted average number of shares	<u>900,000,000</u>	<u>900,000,000</u>
Basic and diluted earnings per share from net income for the year from continuing operations	<u>0.55</u>	<u>1.20</u>

b. Basic and diluted earnings per share from the net income attributable to the shareholders of the company

	<u>2023</u>	<u>2022</u>
Net income for the year	490,774,512	1,079,509,086
Weighted average number of shares	<u>900,000,000</u>	<u>900,000,000</u>
Basic and diluted earnings per share from the net income for the year	<u>0.55</u>	<u>1.20</u>

29. SEGMENTAL INFORMATION

The Group is engaged mainly in food supplies retail and wholesale. The Group operates in the Kingdom of Saudi Arabia and Arab Republic of Egypt, in addition to leasing commercial centers for the purpose of sale or lease for the interest of the Group. The results of the segments are reviewed by the Group's executive management. Revenues, profits, assets, and liabilities are measured using the same accounting principles used in the preparation of the consolidated financial statements.

a. Selected information for each business segment is summarized below:

Consolidated statement of financial position as of 31 December 2023

<u>Item</u>	<u>Retail and</u>	<u>Real Estate and</u>	<u>Others</u>	<u>Total</u>
	<u>Wholesale</u>	<u>Leasing</u>		
Property, plant, and equipment	1,708,985,814	-	7,058,103	1,716,043,917
Right-of-use assets	1,706,373,790	196,401,395	5,734,394	1,908,509,579
Other non-current assets	-	-	24,769,504	24,769,504
Investment properties	-	677,049,309	-	677,049,309
Intangible assets	2,219,015	-	-	2,219,015
Assets held for sale	-	-	1,011,367	1,011,367
Total assets	4,749,548,246	879,284,807	414,682,040	6,043,515,093
Total liabilities	4,303,385,926	257,656,507	82,325,912	4,643,368,345

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29. SEGMENTAL INFORMATION (CONTINUED)

Consolidated statement of financial position as of 31 December 2022

<u>Item</u>	<u>Retail and</u>	<u>Real Estate and</u>	<u>Others</u>	<u>Total</u>
	<u>Wholesale</u>	<u>Leasing</u>		
Property, plant, and equipment	1,504,200,469	-	5,664,254	1,509,864,723
Right-of-use assets	1,591,446,768	24,278,351	1,402,864	1,617,127,983
Other non-current assets	-	-	28,638,026	28,638,026
Investment properties	-	479,763,738	-	479,763,738
Intangible assets	835,438	-	647,534	1,482,972
Assets held for sale	-	-	87,676,466	87,676,466
Total assets	4,743,289,385	512,430,770	457,579,877	5,713,300,032
Total liabilities	4,092,922,344	85,713,255	90,515,343	4,269,150,942

Consolidated statement of income for the year ended 31 December 2023

<u>Item</u>	<u>Retail and</u>	<u>Real Estate and</u>	<u>Others</u>	<u>Total</u>
	<u>Wholesale</u>	<u>Leasing</u>		
Sales	9,954,183,399	-	325,590,518	10,279,773,917
Sales outside the Group	9,954,183,399	-	249,592,611	10,203,776,010
Rental income outside the Group	-	145,171,470	-	145,171,470
Inter-segment sales and revenues	-	60,000	75,997,907	76,057,907
Total income, sales commissions, and net rental income	2,214,845,954	86,935,759	59,158,270	2,360,939,983
Operating profit	352,553,122	86,935,759	20,820,778	460,309,659

Consolidated statement of income for the year ended 31 December 2022

<u>Item</u>	<u>Retail and</u>	<u>Real Estate and</u>	<u>Others</u>	<u>Total</u>
	<u>Wholesale</u>	<u>Leasing</u>		
Sales	9,309,096,651	-	294,652,024	9,603,748,675
Sales outside the Group	9,309,096,651	-	240,448,903	9,549,545,554
Rental income outside the Group	-	135,585,492	-	135,585,492
Inter-segment sales and revenues	-	92,252	54,203,121	54,295,373
Total income, sales commissions, and net rental income	2,041,165,150	78,527,056	47,035,016	2,166,727,222
Operating profit	330,669,001	78,527,056	1,932,537	411,128,594

b. Distribution of retail and wholesale sales revenues and rental income on geographical regions as follows

For the year ended 31 December 2023

<u>Geographical area</u>	<u>Retail and</u>	<u>Percentage</u>	<u>Real Estate</u>	<u>Percentage</u>	<u>Others</u>	<u>Percentage</u>
	<u>Wholesale</u>	<u>%</u>	<u>and Leasing</u>	<u>%</u>		<u>%</u>
Central region - Saudi Arabia	5,809,557,622	58.4%	72,609,767	50%	189,504,034	75.9%
Eastern region - Saudi Arabia	972,084,066	9.8%	56,914,643	39.2%	45,952,534	18.4%
Southern region - Saudi Arabia	1,394,702,391	14.0%	4,597,191	3.2%	2,252,874	0.9%
Northern region - Saudi Arabia	799,369,225	8.0%	5,659,926	3.9%	523,812	0.2%
Western region - Saudi Arabia	758,359,885	7.6%	5,076,199	3.5%	11,359,357	4.6%
Arabic Republic of Egypt	220,110,210	2.2%	313,744	0.2%	-	-
Total	9,954,183,399	100%	145,171,470	100%	249,592,611	100%

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29. SEGMENTAL INFORMATION (CONTINUED)

For the year ended 31 December 2022

Geographical area	Retail and	Percentage	Real Estate	Percentage		Percentage
	Wholesale	%	and Leasing	%	Others	%
Central region - Saudi Arabia	5,739,881,031	61.7%	67,612,215	49.8%	191,677,253	79.8%
Eastern region - Saudi Arabia	925,242,480	9.9%	55,023,864	40.6%	27,762,543	11.5%
Southern region - Saudi Arabia	1,184,800,909	12.7%	3,933,170	2.9%	4,421,141	1.8%
Northern region - Saudi Arabia	672,490,582	7.2%	4,687,044	3.5%	195,578	0.1%
Western region - Saudi Arabia	556,749,080	6.0%	3,868,497	2.9%	16,392,388	6.8%
Arabic Republic of Egypt	229,932,569	2.5%	460,702	0.3%	-	-
Total	9,309,096,651	100%	135,585,492	100%	240,448,903	100%

c. Timing of revenue recognition

	2023	2022
At a point in time	9,954,183,399	9,309,096,651
Over a period of time	394,764,081	375,034,395
	10,348,947,480	9,685,131,046

30. RENTAL INCOME, NET

	2023	2022
Stores rental income	116,193,929	115,859,088
Marketing rental income	28,977,541	19,726,404
Total rental income	145,171,470	135,585,492
Rental expenses	(58,235,711)	(57,058,436)
Rental income, net	86,935,759	78,527,056

31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group has the following contingent liabilities and capital commitments:

	2023	2022
Letters of guarantee ⁽¹⁾	95,402,468	86,082,268
Letters of credit	57,468,874	33,029,042
Commitments on capital work in progress	43,851,564	54,720,766
Long-term capital contracts	25,198,296	-

(1) The balance includes an amount of SR 85.71 million (31 December 2022: SR 85.71 million) related to promissory note issued under the name of the Company as a guarantee for bank facilities obtained by Riyadh Foods Industries Company (an associate).

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32. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial instruments recorded in the Group's consolidated statement of financial position mainly consist of trade and other receivables, equity instruments at fair value through other comprehensive income, cash and cash equivalents, loans and Murabaha, accounts payable, prepayments and other receivables, and accruals and other payables.

Foreign exchange rate

Foreign exchange risk results from changes and fluctuations in the value of financial instruments due to changes in foreign exchange rates. The Group did not undertake any significant transactions in currencies other than the Saudi Riyals, US dollar, UAE Dirham, and Egyptian Pound. Since the exchange rates of the Saudi Riyals and the UAE Dirham are pegged to the US dollar, transactions in these currencies do not represent significant currency risk.

The Group's policy is, wherever possible, to allow the Group entities to settle liabilities denominated in their functional currency with cash generated from their operations in that currency.

Where Group entities have liabilities denominated in currencies other than their functional currencies (and do not have sufficient reserves in those currencies for settlement), cash denominated in those currencies will be transferred, wherever possible, from elsewhere within the Group. In order to monitor the ongoing effectiveness of this policy, management makes periodic forecasts, analyzed in the major currencies held by the Group, of liabilities due for settlement and expected cash reserves. The Group's management monitors currency exchange rates and believes that currency risk is not significant.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss, and arises principally from trade receivables, amounts due from related parties and cash balances with banks.

The carrying amount of financial assets represents the maximum exposure to credit risk.

The Group's exposure to credit risk is affected mainly by the individual characteristics of the 'trade receivables' and 'due from related parties'. However, the management does not expect to be exposed to significant credit risk from trade receivables since it has a wide customer base that operates in different activities, multiple locations, and it monitors outstanding receivables periodically.

The Group deposits its funds in financial banks with high reliability and credit rating. Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by settling with cash or other financial assets. The Group also has a policy regarding the amount of funds deposited in each bank. The Group's approach to liquidity management aims to ensure that it has sufficient liquidity on an ongoing basis, as much as possible, to meet its obligations under normal and critical conditions, without incurring unacceptable losses or jeopardizing the group's reputation. Management does not anticipate any significant credit risk arising from this.

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32. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is represented in the Group's inability to meet its financial obligations as they fall due. Liquidity needs are monitored on a monthly basis and management ensures that sufficient funds are available to meet any commitments as they fall due.

The Group's financial liabilities consist of payables, accruals, other payables, and lease commitments. The Group works to limit liquidity risks by ensuring the availability of sufficient banking facilities, in addition to making a harmonization between the collection periods of customer balances and the periods of payment of suppliers' balances and other payables.

Fair value

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. As such, differences can arise between carrying values and fair value estimates. Fair value is defined by the market-based measurement and assumptions used by market participants.

Management considers that the fair value of short-term financial assets and liabilities approximates their book value due to the short maturity of their maturities.

Management estimated that the fair value of long-term loans and Murabaha is close to their book value, because the commission rate on these loans changes periodically with the change in the market commission rate.

The following table shows the analysis of items recorded at fair value, according to the level of the fair value hierarchical measurement:

	2023		
	Level 1	Level 2	Level 3
Unlisted equity instruments at fair value through other comprehensive income	-	-	3,002,069

	2022		
	Level 1	Level 2	Level 3
Unlisted equity instruments at fair value through other comprehensive income	-	-	3,002,069

The fair value of the unlisted equity instruments at fair value through other comprehensive income has been estimated on the basis of net asset value based on the latest available financial statements (level 3).

Commission risk

Financial instruments are exposed to the risk of changes in value as a result of changes in the commission rates of its financial assets and liabilities with a variable commission. The actual commission rates and the periods during which financial assets and liabilities are re-priced or matured are indicated in the related notes.

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33. GAINS ON SALE OF INVESTMENT IN ASSOCIATE AND INVESTMENT PROPERTIES

	<u>2023</u>	<u>2022</u>	
	<u>Al-Mahra land (Riyadh)</u>	<u>Madinah land (Al-Madinah)</u>	<u>Investment in Associate</u>
Selling price	186,568,704	211,327,580	846,538,700
Net book value	(87,092,960)	(100,701,885)	(237,989,185)
Profit before zakat	99,475,744	110,625,695	608,549,515
Zakat	(2,486,894)	(2,765,642)	(15,213,738)
Net profit after zakat	96,988,850	107,860,053	593,335,777

34. FINANCE COSTS

	<u>2023</u>	<u>2022</u>
Finance costs related on lease contracts liabilities	100,713,869	75,025,098
Finance costs related to the discount factor of obligation for employees' end-of-service benefits	11,158,356	6,976,059
Finance costs related to short-term loans	1,387,571	1,488,247
	113,259,796	83,489,404

35. DIVIDENDS

- On 9 August 2023, the Board of Directors decided to distribute interim cash dividends to shareholders for the first half of 2023 with a total amount of SR 270 million, at SR 0.3 per share. The dividends were paid during the third quarter of 2023.
- On 20 June 2023, the General Assembly of the shareholders of Mueen for Human Resources Company (Subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2022, with a total amount of SR 8,008,000 of which SR 2,562,560 represent distributions to non-controlling interests.
- On 11 February 2023, the Board of Directors decided by circulation to distribute cash dividends to the shareholders for the fourth quarter of 2022 with a total amount of SR 247.5 million, at SR 2.75 per share. The dividends were paid during the first quarter of 2023.
- On 15 November 2022, the Board of Directors decided by circulation to distribute interim cash dividends to shareholders for the third quarter of 2022 with a total amount of SR 675 million, at SR 7.5 per share. The dividends were paid during the fourth quarter of 2022.
- On 17 August 2022, the Board of Directors decided by circulation to distribute interim cash dividends to shareholders for the first half of 2022 with a total amount of SR 180 million, at SR 2 per share. The dividends were paid during the third quarter of 2022.
- On 19 June 2022, the General Assembly of the shareholders of Mueen for Human Resources Company (Subsidiary) decided to distribute dividends to the Company's shareholders for the fiscal year ended 31 December 2021, with a total amount of SR 9,900,000 of which SR 3,168,000 represent distributions to non-controlling interests.
- On 15 February 2022, the Board of Directors decided by circulation to distribute cash dividends to shareholders for the second half of 2021 with a total amount of SR 180 million, at SR 2 per share. The dividends were paid during the first quarter of 2022.

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36. OTHER INCOME, NET

	<u>2023</u>	<u>2022</u>
Reversals of provisions no longer required	8,778,897	1,552,790
Net sales of used wooden pallets	4,361,559	1,567,900
Financial claims compensation	2,958,345	6,901,660
Cash surplus from count of branches cashier sales boxes	2,381,461	1,518,032
Dividends from equity instruments at fair value through other comprehensive income	240,000	-
Write off of incomplete capital work in progress	(3,053,613)	(121,223)
Others	(287,143)	735,956
	<u>15,379,506</u>	<u>12,155,115</u>

37. SUBSEQUENT EVENTS

On 6 February 2024, the Board of directors decided to distribute interim cash dividends to the shareholders for the second half of 2023, amounting to SR 270 million, at SR 0.30 per share, and will be paid during the first quarter of 2024.

The Group's management believes that no additional material events have occurred after the end of the year that may require an adjustment or disclosure in these consolidated financial statements.

38. COMPARATIVE FIGURE

Certain comparative figures for the previous year have been reclassified in line with the current year's presentation. These reclassifications have been made to improve the quality of the information displayed. Reclassification changes do not reflect previously reported profit or equity.

The following is a summary of the reclassification in the consolidated income statement for the year ended 31 December 2022:

	<u>As previously presented</u>	<u>Reclassification</u>	<u>As currently presented</u>
Rental income, net	77,829,367	697,689	78,527,056
Selling and marketing expenses	(1,606,423,432)	615,232	(1,605,808,200)
General and administrative expenses	(148,477,507)	(1,312,921)	(149,790,428)
Total		<u>-</u>	

39. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Director on 20 Ramadan 1445H (corresponding to 30 March 2024).

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40. COMMERCIAL REGISTER AND SUB-REGISTERS

The Company operates through the main register and the following sub-register:

Location	Date(H)	Branch CR number	Location	Date(H)	Branch CR number
Khamis Mushait	15/10/1427 H	5855027353	Riyadh	07/07/1400 H	1010031185
Riyadh	27/02/1428 H	1010229962	Riyadh	13/03/1423 H	1010177274
Qaisumah	21/10/1428 H	2512005596	Riyadh	13/03/1423 H	1010177256
Rafha	21/11/1429 H	3453002583	Riyadh	29/06/1412 H	1010090534
Al mabraz	04/03/1428 H	2252034289	Riyadh	09/03/1416 H	1010137057
haremila	14/10/1436 H	1018000533	Riyadh	25/05/1424 H	1010188731
Riyadh	11/09/1428 H	1010238504	Riyadh	13/05/1411 H	1010080676
Arar	14/10/1436 H	3450014950	Riyadh	13/03/1423 H	1010177251
Riyadh	27/02/1428 H	1010229967	Riyadh	09/09/1426 H	1010213252
Khamis Mushait	19/11/1427 H	5855027504	shagraa	06/03/1428 H	1113001040
Khamis Mushait	19/11/1427 H	5855027502	Riyadh	15/06/1416 H	1010138943
Hofuf	30/10/1430 H	2251039396	Riyadh	13/03/1423 H	1010177262
Al kharj	06/11/1429 H	1011012754	Buraydah	18/10/1436 H	1131056119
King Khalid Military City	06/11/1430 H	2515000016	Riyadh	13/03/1423 H	1010177264
Mahail Asir	19/02/1431 H	5860033691	Riyadh	13/03/1423 H	1010177259
Riyadh	10/07/1430 H	1010270690	Riyadh	25/05/1424 H	1010188730
Riyadh	06/11/1429 H	1010257796	Riyadh	12/06/1416 H	1010138824
Hail	14/10/1436 H	3350043614	Buraydah	02/04/1422 H	1131015790
Riyadh	19/08/1422 H	1010171174	Riyadh	13/03/1423 H	1010177275
Riyadh	19/08/1422 H	1010171171	Riyadh	13/03/1423 H	1010177267
Riyadh	15/05/1424 H	1010188522	Riyadh	14/01/1418 H	1010145630
Riyadh	15/05/1424 H	1010188519	Riyadh	13/03/1423 H	1010177253
Riyadh	15/05/1424 H	1010188527	Buraydah	08/06/1424 H	1131018424
Riyadh	15/05/1424 H	1010188532	Riyadh	11/05/1424 H	1010188356
Riyadh	15/05/1424 H	1010188531	Riyadh	15/05/1424 H	1010188533
Riyadh	15/05/1424 H	1010188528	Riyadh	15/05/1424 H	1010188526
Riyadh	05/02/1436 H	1010428392	Riyadh	15/05/1424 H	1010188524
Riyadh	15/05/1424 H	1010188529	Riyadh	25/05/1424 H	1010188729
Riyadh	15/05/1424 H	1010188525	Al majmaah	23/08/1427 H	1122002735
Riyadh	13/08/1434 H	1010380876	Al kharj	15/05/1424 H	1011009998
Riyadh	15/05/1424 H	1010188530	Al kharj	15/05/1424 H	1011009997
Riyadh	08/10/1424 H	1010191671	Al mithnab	08/09/1427 H	1130001283
Riyadh	03/07/1437 H	1010443382	Onaizah	27/03/1428 H	1128007104
Hafar Al-Batin	05/02/1436 H	2511022699	Alrass	22/05/1426 H	1132002987
Riyadh	22/06/1431 H	1010289458	Hafar Al-Batin	08/09/1427 H	2511006896
Riyadh	22/06/1431 H	1010289502	Riyadh	08/10/1424 H	1010191670
Al kharj	23/06/1431 H	1011014067	Tabuk	16/03/1426 H	3550021583
Dilam	22/06/1431 H	1012001917	Bukayriyah	22/05/1426 H	1134000732
Riyadh	10/08/1432 H	1010312430	Hafar Al-Batin	13/08/1426 H	2511006396
Qurayyat	14/10/1436 H	3452010000	Al kabraa	04/11/1426 H	1135000684
trif	03/07/1437 H	3451003467	Hafar Al-Batin	13/08/1426 H	2511006397
Jizan	10/08/1437 H	5900034634	Sakaka	07/06/1431 H	3400012968
Al kharj	14/10/1436 H	1011023511	Tabuk	17/04/1426 H	3550021581
Riyadh	22/07/1434 H	1010377428	Tabuk	16/03/1426 H	3550021582
Riyadh	04/11/1435 H	1010422721	Tabuk	18/03/1426 H	3550021590
Sadir	14/10/1436 H	1126002263	Khamis Mushait	14/10/1427 H	5855027348
Al-Qunfudhah	17/10/1436 H	4603008754	Riyadh	16/08/1427 H	1010223040
Bisha	18/10/1436 H	5851008492	albadaye	07/07/1437 H	1129004812
Abu Arish	21/08/1436 H	5901032474	Riyadh	13/10/1436 H	1010435915
Al asyah	14/10/1436 H	1136003215	Riyadh	13/10/1436 H	1010435920
Al selil	17/10/1436 H	1017001964	Hotat Bani Tamim	17/10/1436 H	1013002232
Ghat	14/10/1436 H	1124000574	Riyadh	13/10/1436 H	1010435921
Buraydah	16/10/1437 H	1131056989	Riyadh	13/10/1436 H	1010435922
Riyadh	16/11/1438 H	1010610489	sabya	04/12/1436 H	5906033026
Gwaieehah	03/07/1437 H	1117004607	Qurayyat	15/10/1438 H	3452010438
Dammam	13/04/1438 H	2050111410	Al mazahmeeah	13/10/1436 H	1111002429
Riyadh	13/04/1438 H	1010467219	Khamis Mushait	14/11/1430 H	5855033231

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40. COMMERCIAL REGISTER AND SUB-REGISTERS (CONTINUED)

Location	Date(H)	Branch CR number	Location	Date(H)	Branch CR number
Sarat abidh	03/02/1438 H	5856070255	Riyadh	05/11/1430 H	1010275699
Riyadh	13/04/1438 H	1010467222	Arar	28/06/1431 H	3450014067
alnamas	02/08/1438 H	5859007149	Riyadh	13/10/1436 H	1010435912
Hofuf	19/07/1438 H	2251068085	Riyadh	05/11/1430 H	1010275701
Ahad Rufaidah	16/10/1437 H	5857069954	Hofuf	22/06/1431 H	2251040248
Al kharij	13/06/1438 H	1011024379	Dammam	08/07/1431 H	2050071342
Khamis Mushait	16/10/1437 H	5855069953	Riyadh	06/04/1422 H	1010167452
Riyadh	01/07/1438 H	1010469526	Khamis Mushait	22/06/1431 H	5855034628
Jizan	01/07/1438 H	5900036108	Hafar Al-Batin	22/06/1431 H	2511011206
Najran	01/07/1438 H	5950033069	jeddah	24/10/1431 H	4030204792
Riyadh	13/04/1438 H	1010467220	jeddah	24/10/1431 H	4030204790
Riyadh	16/10/1437 H	1010462825	Wadi Al-Dawasir	24/08/1434 H	1185005063
Buraydah	13/04/1438 H	1131057375	Buraydah	13/08/1434 H	1131049202
Riyadh	11/09/1428 H	1010238502	Jizan	25/08/1434 H	5900023717
Riyadh	23/11/1431 H	1010296774	Onaizah	12/08/1434 H	1128016793
Riyadh	23/03/1423 H	1010177602	Riyadh	12/08/1434 H	1010380648
Riyadh	13/04/1438 H	1010467218	Riyadh	13/08/1434 H	1010380871
Afif	13/04/1438 H	1118004613	Zulfi	05/11/1435 H	1123004300
Al khubar	17/10/1436 H	2051060968	Khamis Mushait	13/08/1434 H	5855053489
Dammam	14/10/1436 H	2050106284	Riyadh alkhabra	05/11/1435 H	1135002092
Jizan	15/08/1438 H	5900036359	Riyadh	13/08/1434 H	1010380875
Riyadh	05/08/1435 H	1010416304	Riyadh	13/08/1434 H	1010380873
Riyadh	13/10/1424 H	1010191816	Najran	24/08/1434 H	5950027442
Riyadh	12/02/1431 H	1010280812	Abha	12/08/1434 H	5850053412
Riyadh	23/03/1423 H	1010177603	Jubail	12/08/1434 H	2055020069
Riyadh	04/11/1435 H	1010422705	Riyadh	12/08/1434 H	1010380647
afraj	14/10/1436 H	1015002801	Hasa	12/08/1434 H	2250053175
Riyadh	16/10/1437 H	1010462830	Abha	05/04/1435 H	5850059594
Riyadh	24/07/1437 H	1010443956	Sharurah	12/08/1434 H	5951001851
Buraydah	12/08/1434 H	1131049220	Riyadh	04/11/1435 H	1010422718
Riyadh	08/10/1424 H	1010191669	jeddah	05/11/1435 H	4030275812
Buraydah	10/08/1432 H	1131035991	Riyadh	04/11/1435 H	1010422678
Taif	13/04/1438 H	4032051196	Riyadh	04/11/1435 H	1010422708
Majarda	01/07/1438 H	5864070717	Al kaharj	16/10/1437 H	1011024103
Makkah	13/04/1438 H	4031098593	Al kaharj	04/11/1435 H	1011022342
Dammam	13/04/1438 H	2050111411	Riyadh	13/10/1436 H	1010435914
Riyadh	13/04/1438 H	1010467224	Dawadmi	17/10/1436 H	1116011064
Buraydah	13/10/1436 H	1131056080	Riyadh	13/10/1436 H	1010435919
Al Jubail	01/03/1439 H	2055026296	Sager	18/10/1436 H	1115003388
Buraydah	26/04/1440 H	1131295606	Riyadh	12/03/1439 H	1010613419
Riyadh	22/05/1440 H	1010518911	Jizan	12/03/1439 H	5900037551
Yanbu	18/05/1440 H	4700108137	Buraydah	12/03/1439 H	1131058228
Riyadh	22/05/1440 H	1010518904	Al khubar	12/03/1439 H	2051065208
Madinah Munawwarah	05/07/1440 H	4650208437	Hasa	12/03/1439 H	2250069574
Riyadh	05/07/1440 H	1010564926	Riyadh	12/03/1439 H	1010613429
Jeddah	05/07/1440 H	4030327964	jeddah	16/03/1439 H	4030297999
Hasa	05/07/1440 H	2031101056	Zulfi	16/03/1439 H	1123004585
Jizan	05/07/1440 H	5900117278	Ras Tanura	16/03/1439 H	2066004575
Abha	05/07/1440 H	5850123122	Mahail Asir	26/03/1439 H	5860610032
Albahah	05/07/1440 H	5800104098	Dammam	26/03/1439 H	2050239181
Riyadh	05/07/1440 H	1010564927	Rijal almaa	26/03/1439 H	5861615657
Dammam	05/07/1440 H	2050123343	Zulfi	24/04/1439 H	1123101351
Madinah Munawwarah	05/07/1440 H	4650208436	Jeddah	24/04/1439 H	4030603291
Riyadh	05/07/1440 H	1010564925	Riyadh	24/04/1439 H	1010931574
Riyadh	13/10/1436 H	1010435916	Khamis Mushait	24/04/1439 H	5855338960
Riyadh	24/07/1440 H	1010568789	Riyadh	24/04/1439 H	1010931572
Riyadh	14/11/1440 H	1010588059	Riyadh	10/06/1439 H	1010938595
Makkah	14/11/1440 H	4031229626	Riyadh	03/07/1439 H	1010948888
Arar	14/11/1440 H	3450173854	Hafar Al-Batin	03/07/1439 H	2511108271

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40. COMMERCIAL REGISTER AND SUB-REGISTERS (CONTINUED)

Location	Date(H)	Branch CR number	Location	Date(H)	Branch CR number
Riyadh	14/11/1440 H	1010588057	Darbaa	03/07/1439 H	1163101145
Riyadh	14/11/1440 H	1010588058	Riyadh	03/07/1439 H	1010948894
Riyadh	12/01/1441 H	1010595063	Riyadh	09/07/1439 H	1010949500
Riyadh	11/10/1441 H	1010595059	Riyadh	09/07/1439 H	1010949505
Riyadh	12/01/1441 H	1010595058	Riyadh	09/07/1439 H	1010949508
Nairyah	16/02/1441 H	2056102604	Al kharij	09/07/1439 H	1011138162
Riyadh	16/02/1441 H	1010599291	Dammam	09/07/1439 H	2050240897
Hail	16/02/1441 H	3350145953	Riyadh	09/07/1439 H	1010949512
Riyadh	06/01/1441 H	1010594012	Riyadh	09/07/1439 H	1010949513
Riyadh	28/04/1441 H	1010618961	Riyadh	09/07/1439 H	1010949502
Riyadh	28/04/1441 H	1010618960	Quwaiyah	12/08/1439 H	1117101488
Hafar Al-Batin	05/09/1441 H	2511116846	Riyadh	12/08/1439 H	1010447630
Makkah	19/12/1441 H	4031239414	Riyadh	20/08/1439 H	1010448661
Riyadh	19/12/1441 H	1010646294	Riyadh	29/08/1439 H	1010449640
Riyadh	08/07/1441 H	1010630604	Madinah Munawwarah	17/10/1439 H	4650201342
Trbah	18/02/1442 H	4034102055	Abu Arish	01/11/1439 H	5901716779
Al kharij	18/02/1442 H	1011143995	Riyadh	01/11/1439 H	1010453594
Hail	03/03/1442 H	1010663017	Riyadh	01/11/1439 H	1010453595
Riyadh	03/03/1442 H	1010663016	Al kharij	01/11/1439 H	1011138589
Riyadh	03/03/1442 H	1010663015	Riyadh	28/01/1440 H	1010471509
Makkah	03/03/1442 H	4036100994	Riyadh	28/01/1440 H	1010471518
Riyadh	17/03/1442 H	1010666193	Riyadh	28/01/1440 H	1010471520
Riyadh	17/03/1442 H	1010666194	Riyadh	28/01/1440 H	1010471504
Riyadh	10/04/1442 H	1010670419	Riyadh	28/01/1440 H	1010471506
Riyadh	30/06/1441 H	1010628775	Tabarjal	28/01/1440 H	3402101431
Abha	22/01/1427 H	5850026673	Dawmah alJandal	28/01/1440 H	3401100588
Riyadh	15/08/1439 H	1010448247	Riyadh	28/01/1440 H	1010471519
Bukayriyah	05/07/1442 H	1134103008	Riyadh	14/04/1440 H	1010499948
Al baha	10/01/1444 H	5800108472	Jeddah	18/10/1436 H	4030283859
Khamis Mushait	10/01/1444 H	5855361971	Hnakeiah	18/08/1442 H	4653101665
Khamis Mushait	10/01/1444 H	5855361972	Dammam	08/09/1442 H	2050144805
Mhail asser	10/01/1444 H	5860618585	Makkah	08/09/1442 H	4031249686
Taymaa	16/04/1443 H	3554101653	Hail	08/09/1442 H	3350153311
Riyadh	14/08/1444 H	1010866181	Sehat	09/11/1442 H	2062618597
Dammam	24/05/1444 H	2050165730	Riyadh	24/10/1422 H	1010172886
Khamis Mushait	23/05/1444 H	5855364557	Hail	27/10/1442 H	3350153785
Madinah Munawwarah	24/05/1444 H	4650252710	Makkah	01/12/1442 H	4031251921
Madinah Munawwarah	24/05/1444 H	4650252711	Hail	07/02/1443 H	3350155511
darmaa	24/05/1444 H	1110100863	Mhail asser	13/03/1443 H	5860616415
Riyadh	02/01/1433 H	1010320848	Riyadh	11/06/1439 H	1010938723
Al Quwaiyah	06/10/1444 H	1117104568	Al hasa	16/04/1443 H	2031107681
Hafar Al-Batin	06/10/1444 H	2511130811	Dammam	16/04/1443 H	2050151462
al lith	06/10/1444 H	4601104086	Abha	06/06/1443 H	5850134921
Al kharij	28/10/1444 H	1011152983	Tabah	13/06/1443 H	3355241026
alkhafaji	28/10/1444 H	2057475775	Khamis Mushait	21/06/1443 H	5855357850
alkhafaji	28/10/1444 H	2057475776	Abha	05/09/1443 H	5850136547
alkhafaji	28/10/1444 H	2057475777	Najran	14/08/1443 H	5950127817
Madinah Munawwarah	14/11/1444 H	4650258829	Khamis Mushait	14/08/1443 H	5855359286
Madinah Munawwarah	14/11/1444 H	4650258830	Jeddah	16/02/1441 H	4030367402
Madinah Munawwarah	14/11/1444 H	4650258831	jeddah	05/11/1435 H	4030275808
tathleeth	15/11/1444 H	5854102438	Riyadh	05/07/1440 H	1010564924
Buraydah	28/12/1444 H	1131330145	Hafar Al-Batin	14/09/1424 H	2511005548
Al Jubail	28/12/1444 H	2055137553	Qatif	08/11/1443 H	2053121367
Arar	28/12/1444 H	3450182282	Madinah Munawwarah	10/01/1444 H	4650247676
Madinah Munawwarah	28/12/1444 H	4650260227	Al baha	20/11/1443 H	5800108281
Afif	18/01/1445 H	1118107345	Tabuk	10/01/1444 H	3550146383
jeddah	18/01/1445 H	4030519533	Taif	10/01/1444 H	4032261512
Taif	19/01/1445 H	4032269962	Buraydah	23/11/1434 H	1131050022

ABDULLAH AL-OTHAIM MARKETS COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(All amounts are presented in Saudi Riyals unless otherwise stated)

40. COMMERCIAL REGISTER AND SUB-REGISTERS (CONTINUED)

Location	Date(H)	Branch CR number	Location	Date(H)	Branch CR number
Dammam	19/02/1445 H	2050175449	Baqaa	07/07/1444 H	3352361345
haql	03/03/1445 H	3553101398	Nabhaniyah	08/07/1444 H	1151101046
Al khubar	03/03/1445 H	2051250676	Al kharj	13/07/1444 H	1011152234
Yanbu	03/03/1445 H	4700120443	Arar	13/07/1444 H	3450181454
Rafha	03/03/1445 H	3453106609	Belgreshy	09/08/1444 H	5801775741
jeddah	03/03/1445 H	4030525375	Almugadrah	09/08/1444 H	5864528141
Hail	03/03/1445 H	3350167300	Damd	09/08/1444 H	5904617743
jeddah	03/03/1445 H	4030525374	Dammam	04/09/1443 H	2050156724
Riyadh	01/03/1443 H	1010747779	Makkah	05/09/1443 H	4031264098
Riyadh	11/05/1443 H	1010765405	Riyadh	29/07/1434 H	1010378315
Riyadh	28/10/1444 H	1010881705	Hafar Al-Batin	14/10/1436 H	2511023875
Riyadh	14/11/1444 H	1010886211	Al selil	18/10/1443 H	1017101646
Riyadh	28/12/1444 H	1010904544	Mahd Alzhab	08/11/1443 H	4652103039
Riyadh	28/12/1444 H	1010904546	Hail	08/11/1443 H	3350160566
Riyadh	19/02/1445 H	1010917432	Al hassa	08/11/1443 H	2031109645
Riyadh	19/02/1445 H	1010917433	Al hassa	08/11/1443 H	2031109646
Riyadh	03/03/1445 H	1010922986	Khamis Mushait	17/11/1443 H	5855361034
Dawadmi	19/04/1445 H	1116628300	jeddah	07/01/1444 H	4030480621
jeddah	01/05/1445 H	4030532448	Sharurah	19/04/1445 H	5951130686
Onaizah	01/05/1445 H	1128190626	Buraydah	19/04/1445 H	1131333029
Riyadh	01/05/1445 H	1010952973	Ramah	01/05/1445 H	1120101957
Jizan	01/05/1445 H	5900145372	umluj	01/05/1445 H	4701103488
jeddah	12/05/1445 H	4030533626	Riyadh	01/05/1445 H	1010952972
Dammam	12/05/1445 H	2050178949	ahad al masarihah	01/05/1445 H	5911506396
Riyadh	26/07/1445 H	1010981604	jeddah	06/06/1445 H	4030536347
Riyadh	26/07/1445 H	1010981605	Al hassa	06/06/1446 H	2252107832
Riyadh	05/08/1445 H	1010984141	Riyadh	14/06/1445 H	1010966557
jeddah	01/09/1445 H	4030549511	Riyadh	02/02/1428 H	1010228732
Taif	01/09/1445 H	4032275312	Riyadh	26/07/1445 H	1010981105
jeddah	01/09/1445 H	4030549512	Riyadh	26/07/1445 H	1010981606