MAYAR HOLDING COMPANY
(A Saudi Joint Stock Company)

Consolidated financial statements
for the year ended 31 December 2024 and
independent auditor’s report

Mayar Holding Company
(A Saudi Joint Stock Company)

Consolidated financial statements
31 December 2024

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MAYAR HOLDING COMPANY
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Mayar Holding Company, A Saudi Joint Stock Company (the "Company") and its Subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("the Code"), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with 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 judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Carrying value of goodwill	
As at 31 December 2024, the carrying value of goodwill amounted to SR 47.35 million (2023: SR Nil). The goodwill relates to the acquisitions of Saudi Installations, Operations and Maintenance Contracting Company ("ITM") and Smart Elevators Company. The management has performed the annual goodwill impairment assessment as at 31 December 2024. As the goodwill is allocated to the respective cash generating units ("CGU"), the impairment assessment was performed by comparing the carrying value of each CGU, including the goodwill, to its recoverable amount. The recoverable amount of each identified CGU was determined based on Value-In-Use ("VIU") calculations. These calculations employ a discounted cashflow (DCF) model, by using cashflow projections based on financial budgets approved by the management covering a five-year period. The Group's VIU calculations for the CGUs include significant judgement and assumptions relating to cashflow projections, and the discount rates, and is highly sensitive to the changes in these assumptions. We considered impairment of goodwill as a key audit matter, as the estimation of future cash flows and the assumptions involved in calculating the discounted value of these cash flows involve judgement that impacts the determination of recoverable amount and consequently impacts the impairment assessment of goodwill. *The Group's material accounting policy for goodwill is disclosed in note 4(a), the significant accounting estimates and assumptions relating to goodwill impairment and related disclosures are included in note 5 and 7 of the accompanying consolidated financial statements.*	We performed the following audit procedures in relation to the management's assessment of impairment of goodwill: • Assessed the appropriateness of the Group's goodwill impairment assessment model against the requirements of IAS 36; • Involved our specialists for assessing the reasonableness of the VIU calculations and the underlying assumption, including cash flow projections and discount rates used; • Tested the accuracy and relevance of the input data used in the model by reference to supporting evidence, including approved budgets, and considered the reasonableness of these budgets by comparing the Group's historical results and performance against budgets; • Performed sensitivity analysis over the key assumptions, principally sales growth rates and discount rates, to ascertain that any adverse reasonably possible changes to the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount; and • Assessed the adequacy of the disclosures in the consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE SHAREHOLDERS OF MAYAR HOLDING COMPANY
(A Saudi Joint Stock Company)

Key Audit Matters (continued)

Key audit matter	***How our audit addressed the key audit matter***
Revenue recognition	
During the year ended 31 December 2024, the Group recognized a total revenue amounting to SR 448 million (2023: SR 355 million). One of the Group's significant revenue streams is revenue from contracts with customers for installation of elevators and escalators. The Group recognizes revenue from these contracts using the percentage of completion. The determination of the percentage of completion requires significant judgement and estimates such as assessment of costs incurred over total cost of the contracts and the process for identification of loss-making contracts. The revenue and costs related to a contract include estimates as the total cost of a contract depends on various factors including estimation of material and labor costs. We determined this to be a key audit matter since percentage of completion involves significant judgement and estimation by the Group's management. *The Group's material accounting policy for revenue recognition is disclosed in note 4(n), the significant accounting estimates and assumptions relating to revenue recognition are disclosed in note 5.2 and related disclosures about revenue are included in note 23 of the accompanying consolidated financial statements.*	Our audit procedures, included among others: • Assessed the Group's estimation process (including the approval of contract budget, monitoring of project costs and activities, management's review and customer's approval of project stage of completion achieved), used in determining the amounts of revenue and costs recognized in the consolidated financial statements. • On sample basis, verified the contractual terms and work status of the customer contracts, along with discussion with management and checked that contract revenue recognized according to the percentage of completion of each contract measured by the stage of completion of physical activities. • Performed analytical procedures to compare revenue and gross margin with reported in prior periods for identifying significant fluctuations and obtaining explanation from management about such fluctuations. • Assessed the adequacy of the disclosures in the consolidated financial statements taking into account the nature, amount, and timing of recognition of revenue arising from contracts with customers.

Other Information included in the Group's 2024 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Group's 2024 annual report but does not include in the consolidated financial statements and our auditor's report thereon. The Group's 2024 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 2024 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 IFRS Accounting Standard that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA and the provisions of Companies' Law and the Company's By-Laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE SHAREHOLDERS OF MAYAR HOLDING COMPANY
(A Saudi Joint Stock Company)

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

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

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

- 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.

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, related safeguards.

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 year 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 Alluhaid & Alyahya Chartered Accountants

س.ت ١٠١٠٤٦٨٣١٤
LYCA
اللحيد واليحيى محاسبون قانونيون
Alluhaid & Alyahya
Chartered Accountants

Saleh A. Al-Yahya
Certified Public Accountant
License No. 473

Riyadh: 11 Shawwal 1446H
(09 April 2025G)

Consolidated statement of financial position
As at 31 December 2024

	Note	2024 SR	2023 SR
ASSETS			
CURRENT ASSETS			
Inventories	10	**65,004,216**	76,773,889
Trade receivables	11	**77,302,501**	62,109,938
Contract assets	12	**76,087,724**	47,866,540
Prepayments and other assets	13	**33,074,722**	31,969,083
Amounts due from related parties	14	**11,711,123**	17,358,570
Cash and bank balances	15	**10,871,769**	8,822,396
TOTAL CURRENT ASSETS		**274,052,055**	244,900,416
NON-CURRENT ASSETS			
Property, plant and equipment	6	**156,617,202**	211,289,065
Goodwill	7	**47,346,242**	-
Investment property	8	**57,192,750**	-
Deferred tax asset	22	-	203,426
Right-of-use assets	9	**8,002,851**	9,729,319
TOTAL NON-CURRENT ASSETS		**269,159,045**	221,221,810
TOTAL ASSETS		**543,211,100**	466,122,226
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Current portion of lease liabilities	9	**3,779,342**	4,481,009
Bank overdrafts and short-term borrowings	19	**198,940,511**	195,926,307
Current portion of long-term borrowings	18	**26,219,477**	33,178,084
Trade payables, accruals and other liabilities	20	**126,500,368**	81,716,713
Contract liabilities	21	**48,665,799**	39,919,792
Amounts due to related parties	14	**57,919,455**	26,782,763
Amounts due to shareholders	14	**175,931**	5,601,425
Zakat and income tax payable	22	**1,782,971**	835,988
TOTAL CURRENT LIABILITIES		**463,983,854**	388,442,081
NON-CURRENT LIABILITIES			
Lease liabilities	9	**4,253,568**	4,804,244
Long-term borrowings	18	**24,125,704**	19,155,186
Employee benefit obligations	17	**16,233,287**	15,041,362
TOTAL NON-CURRENT LIABILITIES		**44,612,559**	39,000,792
TOTAL LIABILITIES		**508,596,413**	427,442,873
EQUITY			
Share capital	16	**60,000,000**	60,000,000
Asset revaluation surplus	6	**45,184,618**	49,032,247
Retained earnings (accumulated losses)		**1,180,437**	(28,880,114)
Foreign currency translation reserve		**(70,116,852)**	(51,088,972)
Share based payment reserve		**4,653,600**	4,653,600
Treasury shares	16	**(1,283,933)**	(1,283,933)
Equity attributable to equity holders of the parent		**39,617,870**	32,432,828
Non-controlling interest	30	**(5,003,183)**	6,246,525
TOTAL EQUITY		**34,614,687**	38,679,353
TOTAL LIABILITIES AND EQUITY		**543,211,100**	466,122,226

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of income
For the year ended 31 December 2024

	Note	2024 SR	2023 SR
Revenue	23	**446,743,587**	354,959,173
Cost of sales	24	**(371,492,982)**	(314,154,896)
GROSS PROFIT		**75,250,605**	40,804,277
Selling and distribution expenses	25	**(14,988,142)**	(11,851,748)
General and administrative expenses	26	**(46,755,087)**	(43,019,360)
Reversal of (charge for) expected credit losses	11,12	**9,648,790**	(8,319,337)
OPERATING INCOME (LOSS)		**23,156,166**	(22,386,168)
Financial charges	27	**(23,981,983)**	(19,834,709)
Change in fair value of investment property	8	**14,997,210**	-
Foreign exchange gain (loss)		**95,207**	(3,569,927)
Other income	28	**4,278,457**	4,353,228
INCOME (LOSS) BEFORE ZAKAT AND TAX		**18,545,057**	(41,437,576)
Zakat expenses	22	**(681,612)**	(470,754)
Tax expenses	22	**(717,322)**	33,426
NET INCOME (LOSS) FOR THE YEAR		**17,146,123**	(41,874,904)
Attributable to:			
Equity holders of the parent		**16,567,270**	(38,217,486)
Non-controlling interests		**578,853**	(3,657,418)
		17,146,123	(41,874,904)
Earnings (loss) per share (Saudi Riyal)			
Basic and diluted attributable to equity holders of the parent	29	**0.14**	(0.32)

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of other comprehensive income
For the year ended 31 December 2024

	Note	2024 SR	2023 SR
NET INCOME (LOSS) FOR THE YEAR		**17,146,123**	(41,874,904)
OTHER COMPREHENSIVE LOSS			
Items that will be reclassified subsequently to the consolidated statement of income:			
Foreign currency translation		**(51,407,837)**	(30,487,365)
		(51,407,837)	(30,487,365)
Items that will not be reclassified subsequently to the consolidated statement of income:			
Loss on remeasurement of defined benefit obligation	17	**(689,746)**	(656,469)
Revaluation of freehold land	6	**2,154,304**	16,120,932
		1,464,558	15,464,463
Net movement of other comprehensive loss for the year		**(49,943,279)**	(15,022,902)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(32,797,156)**	(56,897,806)
Attributable to:			
Equity holders of the parent		**(10,590,749)**	(45,875,396)
Non-controlling interests		**(22,206,407)**	(11,022,410)
		(32,797,156)	(56,897,806)

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Mayar Holding Company
(A Saudi Joint Stock Company)

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Attributable to equity holders of the Parent									
	Share capital	*Share based payment reserve*	*Statutory reserve*	*(Accumulated loss) retained earnings*	*Treasury shares*	*Foreign currency translation reserve*	*Asset revaluation surplus*	*Total*	*Non-controlling interest*	*Total equity*
	SR	SR	SR	SR	SR	SR		SR	SR	SR
Balance as at 1 January 2023	60,000,000	3,461,511	1,580,638	8,413,203	(1,283,933)	(29,989,081)	34,933,797	77,116,135	15,368,561	92,484,696
Net loss for the year	-	-	-	(38,217,486)	-	-	-	(38,217,486)	(3,657,418)	(41,874,904)
Other comprehensive loss for the year	-	-	-	(656,469)	-	(21,099,891)	14,098,450	(7,657,910)	(7,364,992)	(15,022,902)
Total comprehensive loss for the year	-	-	-	(38,873,955)	-	(21,099,891)	14,098,450	(45,875,396)	(11,022,410)	(56,897,806)
Non-controlling interest share in capital increase of a subsidiary (note 30)	-	-	-	-	-	-	-	-	1,900,374	1,900,374
Share-based payments	-	1,192,089	-	-	-	-	-	1,192,089	-	1,192,089
Transfer of statutory reserve	-	-	(1,580,638)	1,580,638	-	-	-	-	-	-
Balance as at 31 December 2023	60,000,000	4,653,600	-	(28,880,114)	(1,283,933)	(51,088,972)	49,032,247	32,432,828	6,246,525	38,679,353
Balance as at 1 January 2024	**60,000,000**	**4,653,600**	-	**(28,880,114)**	**(1,283,933)**	**(51,088,972)**	**49,032,247**	**32,432,828**	**6,246,525**	**38,679,353**
Net income for the year	-	-	-	**16,567,270**	-	-	-	**16,567,270**	**578,853**	**17,146,123**
Other comprehensive loss for the year	-	-	-	**(621,426)**	-	**(28,470,387)**	**1,933,794**	**(27,158,019)**	**(22,785,260)**	**(49,943,279)**
Total comprehensive loss for the year	-	-	-	**15,945,844**	-	**(28,470,387)**	**1,933,794**	**(10,590,749)**	**(22,206,407)**	**(32,797,156)**
Disposal of partial interest in a subsidiary (note 7.1)	-	-	-	**764,358**	-	**9,442,507**	**(5,653,504)**	**4,553,361**	**6,010,997**	**10,564,358**
Acquisition of additional interest in subsidiary (note 7.2)	-	-	-	**(170,064)**	-	-	**(127,919)**	**(297,983)**	**108,793**	**(189,190)**
Non-controlling interest share in capital increase of a subsidiary (note 30)	-	-	-	-	-	-	-	-	**4,200,474**	**4,200,474**
Absorption of losses (note 11)	-	-	-	**13,520,413**	-	-	-	**13,520,413**	**636,435**	**14,156,848**
Balance as at 31 December 2024	**60,000,000**	**4,653,600**	-	**1,180,437**	**(1,283,933)**	**(70,116,852)**	**45,184,618**	**39,617,870**	**(5,003,183)**	**34,614,687**

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Consolidated statement of cashflows
For the year ended 31 December 2024

	Note	2024 SR	2023 SR
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before zakat and tax		**18,545,057**	(41,437,576)
Adjustments:			
Depreciation of property, plant and equipment	6	**11,349,231**	10,602,997
Depreciation of right-of-use assets	9	**5,131,277**	4,828,730
(Reversal of) charge for expected credit losses		**(11,467,562)**	8,319,337
(Reversal of) provision for obsolete and slow-moving inventories	10	**(753,561)**	364,226
Provision for employee benefit obligations	17	**3,049,425**	2,721,807
Financial charges	27	**23,981,983**	19,834,709
Share-based payment expense		-	1,192,089
Gain on termination of lease		**(22,881)**	(28,502)
Gain on disposal of property, plant and equipment		**(1,182,304)**	(190,263)
Change in fair value of investment property	8	**(14,997,210)**	-
Net foreign exchange differences		**(20,220,900)**	(4,150,523)
		13,412,555	2,057,031
Changes in operating assets and liabilities:			
Inventories		**14,030,210**	12,243,446
Trade receivables		**18,434,029**	1,800,361
Prepayments and other assets		**3,964,857**	4,135,504
Related parties, net		**1,775,507**	5,615,290
Trade payables, accruals and other liabilities		**45,746,830**	2,863,764
Contract assets		**(17,839,149)**	(23,942,643)
Contract liabilities		**(12,106,578)**	12,135,941
Cash from operating activities		**67,418,261**	16,908,694
Zakat and income tax paid	22	**(1,032,140)**	(1,237,880)
Finance charges paid		**(23,246,993)**	(19,066,083)
Employee benefit obligations paid	17	**(3,118,246)**	(1,376,469)
Net cash from (used in) operating activities		**40,020,882**	(4,771,738)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(23,865,576)**	(7,860,051)
Proceeds from disposal of property, plant and equipment		**2,084,935**	2,071,325
Acquisition of subsidiaries, net of cash acquired		**(3,181,943)**	-
Net cash used in investing activities		**(24,962,584)**	(5,788,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank overdrafts and short-term borrowings		**(4,623,782)**	29,015,959
Repayment of long-term borrowings		**(1,988,089)**	(19,891,252)
Amounts due to (paid to) shareholders		**(5,425,494)**	4,266,960
Repayment of principal portion of lease liabilities	9	**(5,172,034)**	(5,560,874)
Non-controlling interest share in capital increase of a subsidiary	30	**4,200,474**	1,900,374
Net cash (used in) from financing activities		**(13,008,925)**	9,731,167
Net increase (decrease) in cash and cash equivalents		**2,049,373**	(829,297)
Cash and cash equivalents at beginning of the year		**8,822,396**	9,651,693
Cash and cash equivalents at end of the year	15	**10,871,769**	8,822,396
NON-CASH TRANSACTIONS			
Remeasurement loss of employee benefits obligation	17	**(689,746)**	(656,469)
Land revaluation surplus	6	**2,154,304**	16,120,932
Additions on right-of-use assets and lease liabilities	9	**4,684,955**	6,370,169
Absorption of losses	11	**14,156,848**	-
Transfer of freehold land to investment property	6	**42,195,540**	-

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION

Mayar Holding Company (the "Company") is a Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia with Commercial Registration No. 1010398836 dated 20 Safar 1435H (corresponding to 23 December 2013). The Company is licensed to engage in managing subsidiaries of holding companies, owning real estate and movables necessary for holding companies, providing loans, guarantees, and financing for subsidiaries of holding companies, owning and leasing industrial property rights to subsidiaries of holding companies. The Company's shares are listed and traded on Saudi Stock exchange parallel market.

The financial statements of following subsidiaries are included in these consolidated financial statements:

Directly and indirectly owned subsidiary	*Principal activities*	*Country of incorporation*	*31 December 2024*	*31 December 2023*
1- Elevators Solutions Investment Company (i)	Holding Company	Saudi Arabia	72%	100%
a. Gulf Elevators & Escalators Company Limited (ii)	Assembling Elevators & Escalators	Saudi Arabia	100%	100%
b. Fuji Saudi Arabia for Elevators & Escalators Company Limited (ii)	Trading Elevators & Escalators	Saudi Arabia	100%	100%
c. Egypt Gulf Elevators & Escalators Company Limited (ii)	Assembling Elevators & Escalators	Arab Republic of Egypt	60%	60%
d. Creative Performance Company for Elevators (ii)	Trading Elevators & Escalators	Saudi Arabia	100%	100%
e. Elevators Solutions for Operation & Maintenance Company (ii), (iv)	Trading Elevators & Escalators	Saudi Arabia	100%	-
f. Saudi Installations, Operations and Maintenance Contracting Company (iii)	Trading Elevators & Escalators	Saudi Arabia	100%	-
g. Smart Elevators Company (iii)	Trading Elevators & Escalators	Saudi Arabia	100%	-
2- Jedaya Agriculture Company (note 7.2)	Holding Company	Saudi Arabia	98.58%	99.3%
3- Saudi Drip Irrigation Company Limited	Trading in Irrigation systems	Saudi Arabia	100%	100%
4- Misr Gulf for Modern Industries Company	Manufacturing rubber soles for shoes	Arab Republic of Egypt	100%	100%
5- Rasa Company for Food Industries	Food manufacturing	Saudi Arabia	97.5%	97.5%

i) On 19 Shawwal 1445H (corresponding to 28 April 2024), the name of the Elevators Solutions for Operation & Maintenance Company was changed to Elevator Solutions Investment Company.

ii) On 29 Dhul Qidah 1445H (corresponding to 6 June 2024), the Company transferred its ownership interests in Gulf Elevators & Escalators Company Limited, Fuji Saudi Arabia for Elevators & Escalators Company Limited, Elevators Solutions for Operation & Maintenance Company, Egypt Gulf Elevators & Escalators Company Limited and Creative Performance Company for Elevators to Elevator Solutions Investment Company, a wholly owned subsidiary of the Company. The internal restructuring initiative aimed at improving operational efficiency and streamlining business activities within the Group. The transfer had no impact on the Group's consolidated financial statements.

iii) On 25 Dhul Hijjah 1445 (corresponding to 1 July 2024), the Group acquired 100% of the voting shares of Saudi Installations, Operations and Maintenance Contracting Company and Smart Elevators Company specializing in elevators and escalators sector located and registered in Riyadh, Kingdom of Saudi Arabia (note 7.1).

iv) During the year, the Group established the subsidiary located in Riyadh, Kingdom of Saudi Arabia with Commercial Registration No. 1009021157 dated 19 Shawwal 1445H (corresponding to 28 April 2024).

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA). The consolidated financial statements have been prepared under the historical cost convention, except for land which has been measured at fair value. The consolidated financial statements are presented in Saudi Riyals ("SR"), which is the Group's functional and presentation currency. All financial information has been rounded off to the nearest currency unit (Saudi Riyal), unless otherwise indicated.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern. Please refer note 5.2.

Certain prior period figures have been reclassified to conform to the current period's presentation.

3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed in note 1 as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The following are detail of material accounting policies information applied by the Group in preparing its consolidated financial statements. These policies have been consistently applied to the year presented, unless otherwise stated.

a) *Business combination*

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Business combination (continued)

Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained. For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of income and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

b) *Current versus non-current classification of assets & liabilities*

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

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

c) *Fair value measurement*

The Group measures non-financial assets such as investment properties, at fair value at each statement of financial position date.

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

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

The 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.

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

c) *Fair value measurement* ***(continued)***

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would utilise 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

External valuers are involved for valuation of significant assets, such as land and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

d) *Property, plant and equipment*

Plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs related to long-term construction projects, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized with the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of income when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria related to the provision are met. Construction work in progress is stated at cost, net of accumulated impairment losses, if any.

On commissioning, construction work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policies.

Freehold land is measured at fair value less accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

d) *Property, plant and equipment (continued)*

Lands and construction work in progress are not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Category	***No. of years***
Buildings	15-30
Irrigation systems and wells	5-30
Leased hold improvements	4-10
Machinery and equipment	4-20
Furniture & office equipment	4-10
Motor vehicles	4-6
Computer equipment	4-5
Tools	4

Any item of property, plant and equipment and any significant part that was originally recognized is derecognized upon disposal; (i.e., on the date the recipient obtains control) or when no future benefits are expected from the use or disposal.

Any gain or loss arising on derecognition of an asset (which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized. The residual value, useful lives and depreciation methods of property, plant and equipment are reviewed at the end of each financial year, and adjusted prospectively, if appropriate.

e) *Inventories*

Inventory is stated at cost or at net realizable value (i.e. estimated selling price minus completion and selling costs), whichever is lower. The costs incurred in bringing each product to its present location and condition are calculated as follows:

- Raw materials: purchase cost on a weighted average cost basis.
- Finished Goods and Work in progress: The cost of materials, direct labor and a share of manufacturing overheads based on normal operating capacity, excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. An allowance for obsolete and slow-moving items, if any, is estimated at each reporting date.

f) *Financial instruments – initial recognition and subsequent measurement*

A financial instrument is any contract that gives rise to the Group's financial assets and financial liabilities or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

f) *Financial instruments – initial recognition and subsequent measurement (continued)*

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments) which are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost mainly include cash and cash equivalents, trade receivables and amounts due from related parties.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, loans and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

f) *Financial instruments – initial recognition and subsequent measurement (continued)*

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g) *Cash and cash equivalents*
Cash and cash equivalents in the consolidated statement of financial position consist of bank balances and cash in hand, which are subject to an insignificant risk of changes in value. Cash and cash equivalents that are subject to bank restrictions and are not available for use are excluded from cash and cash equivalents for the purpose of preparing the cash flow statement.

h) *Treasury shares*
Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the retained earning.

i) *Employee benefits*
The Group implements defined benefit programs under the applicable Saudi Labor Law on the basis of the employees' cumulative periods of service as at the date of the consolidated statement of financial position. The cost of providing benefits under defined benefits programs is determined individually for each program using the projected unit credit method.

Re-measurements, which include actuarial gains and losses, are recognized immediately in the consolidated statement of income in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of income in subsequent periods.

Past service costs are recognized in the consolidated statement of income on the earlier date between:
- Date of plan the plan amendment or curtailment, and
- Date on which the Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net identifiable liabilities or assets. The Group recognizes the following changes in the net defined benefits obligation under "cost of sales", "general and administrative expenses" and "selling and distribution" item in the consolidated statement of income:

- Service costs which include current service costs, past service costs, and gains and losses from non-routine reductions and adjustments
- Net interest expense or income.

j) *Zakat and income tax*
Zakat is provided for in accordance with the Zakat, Tax and Customs Authority ("ZATCA") regulations. Income tax for foreign entities is provided for in accordance with the relevant income tax regulations of the countries of incorporation. Adjustments arising from final zakat and income tax assessments are recorded in the period in which such assessments are made.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

k) *Provisions*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using the current rate that reflects, when appropriate, the risks associated with that obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost.

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

l) *Onerous contracts*

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

m) *Contingent assets and liabilities*

Contingent assets are not recognized in the consolidated financial statements, but are disclosed when it is probable that economic benefits will be acquired. An assessment is made at each reporting date to recognize contingent liabilities, which represent contingent liabilities arising from past events that can only occur with the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Group.

n) *Revenue from contracts with customers*

The Group operates in multiple industries, including the manufacturing and installation of elevators and escalators, the production of compound feed for poultry, poultry trading, and livestock. Additionally, it specializes in various plastic products, such as drip irrigation systems, semi-finished plastic compounds, high-quality PVC compounds, EVA products, and footwear, including shoes and sandals. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

<u>Contract revenue</u>

Revenue from fixed-price contracts is recognized based on the percentage of completion method, which is determined using the ratio of the costs incurred so far to the total costs related to fulfilling the contracts at the discretion of management. No contract profits are recognized until management believes that the outcome of that contract can be evaluated with reasonable certainty. In the case of contracts that are expected to incur losses, a provision is made in full for estimated future losses. The value of work completed in excess of billed amounts is included in current assets, less provision for any losses incurred or foreseen on completion of contracts, advances for completed works and received or receivable progress claims. In cases where the progress amounts received or receivable exceed the value of the completed works, the increase is included within the current liabilities as claims for the increase in the value of the executed works.

Contract modifications, i.e. change orders, are accounted for as part of existing contracts, with a cumulative preemptive adjustment to revenue. For significant contract modifications, separate contract recognition may be done, at the discretion of management.

The Group recognises revenue from such long-term contracts over time, using an input method to measure progress towards complete satisfaction of the performance obligation by reference to the percentage of completion method. In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated cost to complete.

<u>Sales of goods</u>

The Group recognizes revenue when control of the products sold is transferred to the customer, which is taken into consideration in the context of the five-step revenue recognition method and the application of applicable shipping conditions.

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

4 **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

n) *Revenue from contracts with customers (continued)*

Allocation of performance obligations
In some cases, the Group identifies delivery services as a distinct and identifiable item separately from the sale of the goods. Revenue from such services is recognized when the Group transfers control of the goods at the Group's loading site. The Group allocates a portion of the total transaction price to delivery services based on its best estimate of similar independent services.

Contract balances

i) Contract Assets
Contract assets represent the right to receive consideration for the goods or services transferred to the customer. In the event that the Group transfers the goods or services to the customer before the customer pays the consideration or before it is due, the value of the executed works in excess of the billing is recognized for the consideration earned which is conditional on successful completion.

ii) Trade receivables
A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

iii) Contract Liability
A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

iv) Retention receivable
Retention receivable represents the portion of invoices retained by customers in accordance with the contractual terms and can be recovered either upon completion of some phases of the contract or at the end of the contract term.

o) *Foreign currencies*
The Group's consolidated financial statements are presented in Saudi Riyal, which is also the parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured at historical cost, stated in a foreign currency, are translated at the prevalent exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated at the prevalent exchange rates at the date when the fair value was determined. Gains or losses resulting from translating non-monetary items that were measured at fair value are treated in accordance with the recognition of gains or losses resulting from the change in the fair value of the item (i.e., the translation differences are recognized on the items for which fair value gains or losses are measured in other comprehensive income or profit or loss item, and is also recognized in statement of income or in other comprehensive income, respectively).

In determining the spot exchange rate used on initial recognition of the related assets, expenses and revenue (or any part thereof) upon discontinuation of initial recognition of a non-monetary asset or non-monetary liability relating to the advance consideration, the date of the transaction is the date on which the Group originally recognized the non-monetary asset or liability arising from the advance consideration. If there are multiple payments paid or received in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is any 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. The recoverable amount is the fair value of the asset or cash-generating unit less costs of disposal and value in use, whichever is higher. The recoverable amount of an individual asset is determined separately, unless the asset does not generate cash flows that are largely independent of the cash flows from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the present value, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions are specified, an appropriate valuation form is used. These calculations are recognized by valuation multiples, listed share prices for publicly traded companies or other available fair value indicators.

Impairment losses from continuing operations are recognized in the consolidated statement of income in the categories of expenses that correspond to the function of impairment assets, except for any previously revalued properties and the revaluation was added to other comprehensive income. In this case, the fair value decrease is recognized in other comprehensive income until it reaches the amount of a previous revaluation.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or have decreased. If any such indication exists, the Group estimates the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed the recoverable amount and does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

q) *Expenses*

Selling and distribution expenses are those that relate specifically to sales representatives and delivery vehicles in addition to advertising and promotional expenses. All other operating expenses are classified as general and administrative expenses.

r) *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

<u>Right of use asset and lease liabilities</u>

The Group recognizes the right to use the assets on the commencement date of the lease (i.e., the date the underlying asset becomes available for use). The right to use asset is measured at cost, less any accumulated impairment losses and depreciation, and adjusted for any re-measurement of the lease liability. The cost of the right-to-use asset comprises the amount of the lease liability recognized, the initial direct costs incurred, and lease payments made on or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use value is amortized on a straight-line basis over its estimated useful life or the lease term. The right-of-use asset is also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	***No. of years***
Land	15-30
Buildings	5-30
Motor vehicles	Lease term or 4- 5 years

At the commencement date of the lease, the Group recognizes the lease liability measured at the present value of the lease payments to be paid over the lease term. Lease payments include fixed payments (including embedded fixed payments) less lease incentives receivable and variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the price of exercising the purchase option that the Group is certain to exercise and the penalty payments for terminating the lease, if the lease term reflects that the Group exercises the termination option. Variable lease payments, which are not dependent on an index or rate, are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

r) *Leases (continued)*

In calculating the present value of the lease payments, the Group uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accrual of interest and a reduction by the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is an adjustment, a change in the lease term, a change in the guaranteed fixed lease payments, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to short-term leases that have a term of 12 months or less from the start date and do not include a purchase option. The Group also applies the low value asset lease exemption to lease contracts of commercial buildings, places of residence and offices that are considered low value (i.e. less than SR 18,175). Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the term of the lease.

s) *Investment Property*

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

Other disclosures related to the uncertainties and risks to which the Group is exposed are as follows:

- Financial Instruments and Risk Management – Note 31
- Disclosures Related to Sensitivity Analysis of employee benefits – Note 17

5.1 *Judgments*

While applying the Group's accounting policies, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements.

Property, plant and equipment components

The Group's assets, classified under property, plant and equipment, are depreciated on a straight-line basis over their useful lives. When determining the useful life of an asset, it is broken down into significant components so that each significant component is depreciated separately. Judgment is required when ascertaining significant components of a major asset. While determining the significance of a component, management considers the quantitative significance of that component as well as qualitative factors such as the difference in the useful life compared to the related asset, depreciation method and replacement cycle/maintenance schedule.

5.2 *Estimates and assumptions*

Below are the key assumptions related to the future and other key sources of estimation uncertainty at the date of preparing the consolidated financial statements that have a material impact that leads to a material adjustment to the carrying amount of assets and liabilities during the next financial year. The Group has made assumptions and estimates based on the indicators available at the date of preparing the consolidated financial statements. However, existing conditions and assumptions regarding future developments may change due to changes in the market or circumstances outside the Group's control. These changes in the assumptions are reversed when they occur.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

5.2 Estimates and assumptions (continued)

Allowance for expected credit losses on trade receivables and contract assets
The Group uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. Loss rates are determined based on days past due for different groups of customer segments with similar loss patterns (i.e. in terms of geographic region, product type, customer type, price, coverage with letters of credit and other forms of credit guarantee). The provision matrix is originally determined on the basis of previously observed default rates. The Group calibrates the matrix to adjust for past credit losses with forward-looking information.

An evaluation of the interrelationship between observed past default rates, expected economic conditions and expected credit losses is an important estimation. The amount of expected credit losses is affected by changes in expected economic conditions and circumstances. Also, the Group's past credit losses and expected economic conditions may not be indicative of the customer's potential actual default in the future.

Employees defined benefits
The provision for employees' end of service benefits is calculated according to the projected unit cost method taking into account the labour laws in the investee countries. The Group is required to make assumptions regarding variables such as discount rates, rate of salary increase, longevity and employee turnover, if applicable. Changes in key assumptions can have a significant impact on the projected benefit obligations and employee defined benefit costs. The assumptions are reviewed at each reporting date. Defined benefit obligations are discounted at a rate set by reference to relevant market yields at the end of the reporting period on high quality corporate or government bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the size of the bonds, quality of the corporate bonds and the identification of outliers which are excluded, if any.

Useful lives of property, plant and equipment
The useful life of each component of the group's property, plant and equipment is estimated based on the period during which the asset is expected to be available for use. This estimate is based on a collective evaluation of practices in similar businesses, internal technical evaluation, prior experience with similar assets and application of judgments when the asset becomes available for use and starting the depreciation charge.

The estimated useful life of each asset is periodically reviewed and updated in the event that expectations differ from previous estimates as a result of normal depreciation of the asset, technical and commercial obsolescence, legal restrictions or other restrictions on the use of the asset. However, it is possible that future results of operations will be materially affected by changes in the amounts and timing of recorded expenses resulting from changes in the factors mentioned above. Reducing the estimated useful life of any item of property, plant and equipment will increase the recorded operation net expenses and reduce the non-current assets.

Revaluation of freehold land
The Group measures its freehold land at revalued amounts, with changes in fair value being recognized for freehold land classified as property, plant and equipment in OCI and freehold land classified as investment properties in statement of income. Freehold land was valued by reference to transactions involving properties of a similar nature, location and condition. The Group engages independent valuation specialists to assess fair values at each year end for the freehold land. The key assumptions used to determine the fair value of the properties are provided in notes 6 and 8.

The cost to complete and the percentage of completion of ongoing contracts
The process of estimating the cost to complete and percentage of completion of ongoing contracts requires significant estimates by management. These estimates are necessarily based on assumptions about several factors involving varying degrees of judgments and uncertainty, and actual results may differ from management's estimates which might result in future changes in revenue from contracts with customers.

Going concern
As at 31 December 2024, the Company's current liabilities exceeded current assets by SR 190 million (2023: SR 143 million), primarily due to expected scheduled debt repayments of SR 225 million (2023: SR 253 million) over the next twelve months which includes SR 155 million (2023: SR 218 million) due against a revolving credit facility. Based on the terms of the agreement, a cash settlement cannot be enforced by the lender except in the case of non-compliance with the underlying covenants, a situation that management considers to be an unlikely event given the nature of these covenants. Accordingly, management believes that the repayment date of amounts due under the revolving credit facility will continue to be rolled over until the expiry of the agreement, as was the case in the past. Furthermore, as at 31 December 2024, the Company has access to undrawn borrowing facilities amounting to SR 8 million (2023: SR 12 million) under the same revolving credit facility. The management is also in process of additional alternate financing arrangements to manage the Group's operations and growth.

The Board of Directors of the Company has approved the 5-year business plan and believes that the Company has the resources to continue in business for the foreseeable future. Accordingly, the consolidated financial statements of the Company continue to be prepared on a going concern basis.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

5.2 Estimates and assumptions (continued)

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing the asset. The value in use is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the approved budget and business plan for the next five years and do not include restructuring activities or significant future investments that will enhance the performance of the CGU being tested or other initiatives that the Group is not yet committed to. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 7.

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold land SR	Building and leasehold improvements SR	Machinery and equipment SR	Irrigation System SR	Furniture and office equipment SR	Motor vehicles SR	Computer equipment SR	Tools SR	Work in progress SR	Total SR
Cost										
1 January 2024	**82,461,903**	**93,405,001**	**111,888,518**	**21,135,453**	**7,888,907**	**17,848,171**	**10,249,297**	**3,818,018**	**1,443,697**	**350,138,965**
Acquisition of subsidiaries (note 7)	**3,343,750**	**470,312**	**-**	**-**	**287,385**	**974,782**	**46,286**	**1,006**	**-**	**5,123,521**
Additions	**447,811**	**11,129,607**	**732,231**	**-**	**281,948**	**3,142,789**	**956,732**	**669,980**	**6,504,478**	**23,865,576**
Disposals	**-**	**(43,234)**	**-**	**-**	**-**	**(1,305,421)**	**(336,714)**	**(196,572)**	**-**	**(1,881,941)**
Transfer to investment property (note 8)	**(42,195,540)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(42,195,540)**
Foreign exchange difference	**(15,938,435)**	**(12,019,548)**	**(3,612,777)**	**-**	**(550,082)**	**(235,965)**	**(421,422)**	**(675,768)**	**(1,113)**	**(33,455,110)**
Revaluation adjustment	**2,154,304**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,154,304**
31 December 2024	**30,273,793**	**92,942,138**	**109,007,972**	**21,135,453**	**7,908,158**	**20,424,356**	**10,494,179**	**3,616,664**	**7,947,062**	**303,749,775**
Accumulated depreciation										
1 January 2024	**-**	**24,990,745**	**70,635,343**	**15,003,243**	**6,254,486**	**10,932,515**	**8,168,441**	**2,865,127**	**-**	**138,849,900**
Charge for the year	**-**	**2,727,868**	**5,168,887**	**674,670**	**409,650**	**1,525,976**	**592,787**	**249,393**	**-**	**11,349,231**
Disposals	**-**	**(43,233)**	**-**	**-**	**-**	**(408,641)**	**(336,498)**	**(190,938)**	**-**	**(979,310)**
Foreign exchange difference	**-**	**(146,960)**	**(738,609)**	**-**	**(287,826)**	**(174,827)**	**(227,341)**	**(511,685)**	**-**	**(2,087,248)**
31 December 2024	**-**	**27,528,420**	**75,065,621**	**15,677,913**	**6,376,310**	**11,875,023**	**8,197,389**	**2,411,897**	**-**	**147,132,573**
Net book value as at 31 December 2024	**30,273,793**	**65,413,718**	**33,942,351**	**5,457,540**	**1,531,848**	**8,549,333**	**2,296,790**	**1,204,767**	**7,947,062**	**156,617,202**

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land *SR*	*Building and leasehold improvements* *SR*	*Machinery and equipment* *SR*	*Irigation system* *SR*	*Furniture and office equipment* *SR*	*Motor vehicles* *SR*	*Computer equipment* *SR*	*Tools* *SR*	*Work in Progress* *SR*	*Total* *SR*
Cost										
1 January 2023	83,291,264	68,896,405	107,885,524	21,135,453	7,297,074	19,499,835	9,712,514	3,950,563	43,341,390	365,010,022
Additions	-	111,291	2,802,893	-	460,795	1,964,642	529,332	547,401	1,443,697	7,860,051
Disposals	-	(1,015,217)	(360,460)	-	-	(2,885,191)	(1,739)	-	-	(4,262,607)
Transfers	-	28,865,811	5,523,727	-	296,755	-	80,385	-	(34,766,678)	-
Foreign exchange difference	(16,950,293)	(3,453,289)	(3,963,166)	-	(165,717)	(731,115)	(71,195)	(679,946)	(8,574,712)	(34,589,433)
Revaluation adjustment	16,120,932	-	-	-	-	-	-	-	-	16,120,932
31 December 2023	82,461,903	93,405,001	111,888,518	21,135,453	7,888,907	17,848,171	10,249,297	3,818,018	1,443,697	350,138,965
Accumulated depreciation										
1 January 2023	-	25,881,553	70,226,290	14,425,769	6,007,162	11,216,568	8,016,530	3,114,886	-	138,888,758
Charge for the year	-	2,160,035	5,165,622	577,474	381,001	1,399,880	558,367	360,618	-	10,602,997
Disposals	-	(1,015,213)	(281,771)	-	-	(1,082,822)	(1,739)	-	-	(2,381,545)
Foreign exchange difference	-	(2,035,630)	(4,474,798)	-	(133,677)	(601,111)	(404,717)	(610,377)	-	(8,260,310)
31 December 2023	-	24,990,745	70,635,343	15,003,243	6,254,486	10,932,515	8,168,441	2,865,127	-	138,849,900
Net book value as at 31 December 2023	82,461,903	68,414,256	41,253,175	6,132,210	1,634,421	6,915,656	2,080,856	952,891	1,443,697	211,289,065

The fully depreciated assets carried in the consolidated financial statement had a cost of SR 66.4 million (2023: SR 62.4 million).

As of 31 December 2024, none of the Group's property, plant, and equipment are pledged as security for a financing facility. As at 31 December 2023, property, plant and equipment with a cost of SR 27,700,000 were pledged as security for a financing facility.

Management determined that the freehold land constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property. The fair value of the freehold land was determined using the market comparable method. The valuations have been performed by the valuer and are based on prices of transactions for properties of similar nature, location and condition. As at the date of revaluation on 31 December 2024, the properties' fair values are based on valuations performed by 'Makeen AlQimah', 'Sultan Al Badr' and 'Art of Value Real Estate Valuation', accredited independent valuers who have valuation experience for similar properties. A net gain from the revaluation of the land of SR 2,154,304 in 2024 (2023: SR 16,120,932) is recognized in statement of other comprehensive income. The amount attributable to equity holders of the Parent was SR 45,184,618 (2023: SR 49,032,247). The cost of freehold land which has been carried at fair value is SR 23 million. Significant unobservable valuation input is price per square meter and the average price per square meter was SR 1,627.

6 PROPERTY, PLANT AND EQUIPMENT (continued)

	2024	2023
	SR	SR
Cost of sales (note 24)	**9,990,558**	9,793,679
General and administrative expenses (note 26)	**1,314,733**	780,327
Selling and distribution expenses (note 25)	**43,940**	28,991
	11,349,231	10,602,997

7 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

7.1 Acquisition of subsidiaries

On 25 Dhul Hijjah 1445 (corresponding to 1 July 2024) (the 'acquisition date'), the Group entered into a Share Purchase Agreement ('SPA') to acquire 100% of the voting shares of Saudi Installations, Operations and Maintenance Contracting Company ("ITM") and Smart Elevators Company specializing in elevators and escalators located in Riyadh, Kingdom of Saudi Arabia, for a total consideration amounting to SR 50.56 million. The Group acquired these companies because it aligns with the Group's objectives to increase its market share and diversify its product offerings, leveraging the existing market presence of the acquired entities. By broadening its product portfolio, the Group aims to solidify its position in the Saudi market and support its strategic growth initiatives.

Assets acquired and liabilities assumed

	Fair value recognized on acquisition		
	ITM	**Smart Elevators Company**	**Total**
Assets	**SR**	**SR**	**SR**
Property, plant and equipment (note 6)	5,113,815	9,706	**5,123,521**
Right-of-use assets (note 9)	76,424	59,817	**136,241**
Inventories	1,459,475	47,501	**1,506,976**
Trade receivables	7,909,826	29,017	**7,938,843**
Contract assets (note 12)	9,947,530	504,415	**10,451,945**
Prepayments and other assets	4,930,623	139,873	**5,070,496**
Amounts due from related parties	631,170	-	**631,170**
Cash and bank balances	163,987	1,654,070	**1,818,057**
Total assets	30,232,850	2,444,399	**32,677,249**
Liabilities			
Amounts due to related parties	-	(450,612)	**(450,612)**
Employee benefit obligations (note 17)	(339,000)	(232,000)	**(571,000)**
Trade payables, accruals and other liabilities	(5,605,418)	(724,843)	**(6,330,261)**
Short-term borrowings	(7,637,986)	-	**(7,637,986)**
Contract liabilities (note 21)	(13,559,149)	-	**(13,559,149)**
Zakat payable (note 22)	(778,506)	(10,262)	**(788,768)**
Lease liabilities (note 9)	(77,496)	(43,860)	**(121,356)**
Total liabilities	(27,997,555)	(1,461,577)	**(29,459,132)**
Total identifiable net assets at fair value	2,235,295	982,822	**3,218,117**
Purchase consideration	40,711,200	9,853,159	**50,564,359**
Goodwill	38,475,905	8,870,337	**47,346,242**

7 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS (continued)

The fair value of the property, plant and equipment is SR 5.12 million having carrying value of SR 1.09 million. The fair value of the acquired trade receivables is SR 7.90 million. The gross contractual amount for trade receivables due is SR 15.43 million with an expected credit loss allowance of SR 7.53 million recognized on acquisition. The fair value of the acquired inventory is SR 1.51 million. The gross inventory amount is SR 2.08 million with a provision of SR 0.58 million recognized on acquisition. The fair value of contract assets acquired is SR 10.45 million. The gross amount is SR 15.58 million with a loss allowance of SR 5.14 million recognized on acquisition.

The goodwill of SR 47 million comprises the value of expected synergies arising from the acquisition which is not separately recognised. Goodwill is allocated entirely to the elevators and escalators segment.

	SR
Purchase consideration	
Cash consideration	**5,000,000**
Deferred consideration (i)	**35,000,000**
Shares transferred at fair value (ii)	**10,564,358**
Total consideration	**50,564,358**
Analysis of cash flows on acquisition:	
Cash acquired with the subsidiaries	**1,818,057**
Cash paid	**(5,000,000)**
Net cash outflow on acquisition excluding deferred consideration	**(3,181,943)**

(i) Deferred consideration is payable within 12 months of acquisition date.

(ii) The Group transferred 28% ordinary shares of Elevator Solutions Investment Company (“ESICO”) one of the subsidiaries of the Group valued at SR 10,564,358 as part of purchase consideration. The fair value of the shares is calculated based on the fair valuation performed by the management dated 30 June 2024. The carrying value of these shares at the acquisition date was SR 9,800,000. Due to no change in control, the partial disposal of ESICO is accounted for as an equity transaction. Consequently, the excess consideration over the carrying value amounting to SR 764,358 is recognised in retained earnings.

The fair value of the 28% ordinary shares of ESICO, a non-listed company, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market. The fair value estimate is based on:

- An assumed discount rate of 12.6%
- A terminal value, calculated based on long-term sustainable growth rates of 2% which has been used to determine income for the future years

The goodwill of SR 47,346,242 comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the Elevators and Escalators segment.

From the date of acquisition, Saudi Installations, Operations and Maintenance Contracting Company and Smart Elevators Company contributed SR 28,921,494 of revenue and SR 1,667,751 to income before zakat and tax of the Group. If the business combination had taken place at the beginning of the year, the group consolidated revenue and income before zakat and tax would have been SR 471,231,935 and SR 17,784,299 respectively.

Impairment assessment of Goodwill
The Group performed its annual impairment test in December 2024. For impairment testing, goodwill acquired through a business combination is allocated to each investee entity which are considered as separate CGUs at which the goodwill is managed. The goodwill allocated to ITM amounted to SR 38,475,905 and Smart Elevators Company amounted to 8,870,337.

The recoverable amount of the ITM of SR 64,771,862 as at 31 December 2024 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the demand for products. The discount rate applied to cash flow projections is 12.6% and cash flows beyond the five-year period are extrapolated using a 2.0% growth rate that is consistent with management’s expectation of long-term average growth rate for the elevator and escalator sector in the Kingdom of Saudi Arabia. There was headroom of SR 22,791,293 and management did not identify an impairment for ITM.

The recoverable amount of the Smart Elevators Company of SR 17,627,492 as at 31 December 2024 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the demand for products. The discount rate applied to cash flow projections is 9.5% and cash flows beyond the five-year period are extrapolated using a 2.0% growth rate that is consistent with the long-term average growth rate for the elevator and escalator sector. There was headroom of SR 7,672,329 and management did not identify an impairment for Smart Elevators Company.

7. BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions.
The calculation of value in use for both entities is most sensitive to assumptions such as gross margins, discount rates and growth rates used to extrapolate cash flows beyond the forecast period.

Gross margins − Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. The gross margins for ITM and Smart Elevators Company were 33% and 53%, respectively. These are increased over the budget period for anticipated efficiency improvements. An increase of 5.8% per annum was applied for the ITM and 5% per annum for Smart Elevators Company. Any decrease in the gross margin would result in a decrease in the headroom.

Discount rates − Discount rates represent the current market assessment of the risks specific to each entity, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of each entity and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Entity-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Growth rate estimates - Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 2.0%.

The management believes that a 1% decrease in the growth rate, or a reasonable range of increase or decrease in any of the other assumptions used for cash flow projections, individually, would not change the outcome of the impairment analysis for the goodwill.

7.2 Acquisition of additional interest in Food Development Trading Company
On 1 July 2024, the Group acquired an additional 19.13% interest in the voting shares of Food Development Trading Company (indirectly owned subsidiary), increasing its ownership interest to 100% by transferring ownership of 0.72% in Jedaya Agriculture Company amounting to SR 189,190 . The carrying value of the net assets of Food Development Trading Company was SR 19,126. Following is a schedule of additional interest acquired in Food Development Trading Company:

	SR
Consideration transferred to non-controlling shareholders	**189,190**
Carrying value of additional interest in Food Development Trading Company	**(19,126)**
Difference recognised in retained earnings	**(170,064)**

Due to no change in control, the acquisition of additional ownership interest in Food Development Trading Company and transfer of shares in Jedaya Agriculture Company is accounted for as an equity transaction. Consequently, the excess consideration paid over the carrying value is recognised in retained earnings.

8 INVESTMENT PROPERTY

	2024 SR
Transfer from property, plant and equipment (note 6)	**42,195,540**
Change in fair value	**14,997,210**
At December 31	**57,192,750**

The Group's investment property consists of an agricultural land in Qassim. Management transferred the land from property, plant and equipment to investment property as the Group has rented out the property. As at 31 December 2024, fair value of the properties was determined using the market comparable method. The fair value of the property is based on valuations performed by 'Makeen Al Qimah', 'Fan Alqima Evaluators' and 'Sultan Ahmed Al-Badr Real Estate Appraisal Company', accredited independent valuers who have valuation experience for similar properties. A net gain from the revaluation of the land of SR 14,997,210 for the year ended 31 December 2024 is recognized in statement of profit and loss.

8. INVESTMENT PROPERTY (continued)

Significant unobservable valuation input:	**Range**
Price per square meter	SR 2.88 – 3.00

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value on a linear basis. Fair value measurement is classified as level 3 in fair value hierarchy.

Rental income derived from investment property for the year ended 31 December 2024 was SR 1,929,333 (note 28).

The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases land, buildings and vehicles. The information about the assets leased by the Group is as follows:

2024

	Leashold land	Buildings	Motor vehicles	Total
	SR	SR	SR	SR
Cost				
As at 1 January 2024	**1,007,032**	**10,512,029**	**8,773,423**	**20,292,484**
Acquisition of subsidiaries (note 7.1)	**-**	**136,241**	**-**	**136,241**
Additions during the year	**164,944**	**2,539,732**	**1,980,279**	**4,684,955**
Write-off on termination	**-**	**(1,521,875)**	**(733,183)**	**(2,255,058)**
Foreign exchange difference	**-**	**-**	**(1,689,126)**	**(1,689,126)**
As at 31 December 2024	**1,171,976**	**11,666,129**	**8,331,394**	**21,169,499**
Accumulated depreciation				
As at 1 January 2024	**558,543**	**5,833,630**	**4,170,990**	**10,563,165**
Charged during the year	**181,651**	**3,255,621**	**1,694,005**	**5,131,277**
Write-off on termination	**-**	**(1,141,966)**	**(390,513)**	**(1,532,479)**
Foreign exchange difference	**-**	**-**	**(995,311)**	**(995,311)**
As at 31 December 2024	**740,194**	**7,947,284**	**4,479,170**	**13,166,648**
Net book value				
At 31 December 2024	**431,782**	**3,718,845**	**3,852,224**	**8,002,851**

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

2023				
Cost				
As at 1 January 2023	1,007,032	7,507,937	8,192,108	16,707,077
Additions during the year	-	4,701,393	1,668,776	6,370,169
Write-off on termination	-	(1,697,301)	-	(1,697,301)
Foreign exchange difference	-	-	(1,087,461)	(1,087,461)
As at 31 December 2023	1,007,032	10,512,029	8,773,423	20,292,484
Accumulated depreciation				
As at 1 January 2023	446,884	4,417,678	2,432,818	7,297,380
Charged during the year	111,661	2,623,769	2,093,300	4,828,730
Write-off on termination	-	(1,207,817)	-	(1,207,817)
Foreign exchange difference	-	-	(355,128)	(355,128)
As at 31 December 2023	558,545	5,833,630	4,170,990	10,563,165
Net book value				
At 31 December 2023	448,487	4,678,399	4,602,433	9,729,319

The factory building of one of the subsidiaries is built on a leased land from the Industrial City in Jeddah for a period of 10 years at a nominal annual rent that started on 7 Dhul Qidah 1436H (corresponding to 21 August 2015). The lease contract has an extension option and the Group expects to renew the contract upon its expiry. The average lease term for the building is 8 years, and for vehicles it is 4 years.

	2024 SR	2023 SR
Cost of sales (note 24)	**2,410,060**	2,562,529
General and administrative expenses (note 26)	**2,172,634**	1,695,504
Selling and distribution expenses (note 25)	**548,583**	570,697
	5,131,277	4,828,730

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

	2024 SR	2023 SR
As at 1 January	**9,285,253**	8,949,932
Acquisition of subsidiaries (note 7)	**121,356**	-
Additions during the year	**4,684,955**	6,370,169
Financial charges (note 27)	**734,990**	768,626
Payment during the year	**(5,172,034)**	(5,560,874)
Termination	**(745,453)**	(517,986)
Foreign exchange difference	**(876,157)**	(724,614)
As at 31 December	**8,032,910**	9,285,253
Current portion of the lease liabilities	**3,779,342**	4,481,009
Non-current portion of lease liabilities	**4,253,568**	4,804,244

The maturity analysis of lease liabilities is disclosed in note 31.

10 INVENTORIES

	2024 SR	2023 SR
Raw materials	**38,616,435**	45,143,945
Finished goods	**19,733,161**	19,803,738
Consumables	**8,815,150**	7,490,205
Work in progress	**3,791,075**	5,352,776
Goods in transit	-	5,688,391
	70,955,821	83,479,055
Less: provision for obsolete and slow-moving inventories	**(5,951,605)**	(6,705,166)
	65,004,216	76,773,889

The movement in provision for obsolete and slow-moving inventories was as follows:

	2024 SR	2023 SR
As at 1 January	**6,705,166**	6,340,940
(Reversal) charge for the year	**(753,561)**	364,226
As at 31 December	**5,951,605**	6,705,166

11 TRADE RECEIVABLES

	2024 SR	2023 SR
Trade receivables	**83,570,889**	94,133,283
Less: Allowance for expected credit losses	**(6,268,388)**	(32,023,345)
	77,302,501	62,109,938

Trade receivables are non-interest bearing and generally with collection term of between 30 – 180 days.

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

	2024 SR	2023 SR
As at 1 January	**32,023,345**	27,153,354
Write-off	**(2,520,535)**	(1,933,566)
Foreign exchange difference	**(6,570)**	-
(Reversal) charge for the year (i)	**(23,227,852)**	6,803,557
As at 31 December	**6,268,388**	32,023,345

(i) During the year ended 31 December 2024, Taya Holding Company ("Ultimate Parent") acquired certain impaired trade receivables from the Group having a net carrying value of SR 8.1 million for a cash consideration of SR 21.7 million. The Group share of the excess amount paid by the Ultimate Parent amounting to SR 13.5 million, was accounted for as an equity transaction and classified as absorption of losses, as it represented a financial support from the Ultimate Parent to the Group. The transaction had no impact on the Group's statement of income; accordingly, no gain or loss was recognized. The remaining reversal was due to cash collection from the customers.

11 TRADE RECEIVABLES (continued)

The aging analysis of trade receivables and allowance for expected credit losses is as follows:

	Not overdue	*91-120 days*	*121-360 days*	*More than 360 days*	*Total*
	SR	*SR*	*SR*	*SR*	*SR*
31 December 2024					
Gross carrying amount	**57,419,518**	**14,406,497**	**8,116,512**	**3,628,362**	**83,570,889**
Expected credit loss	**970,113**	**467,390**	**1,590,362**	**3,240,523**	**6,268,388**
Expected credit loss rate	**2%**	**3%**	**20%**	**89%**	
31 December 2023					
Gross carrying amount	42,921,645	4,517,149	7,105,897	39,588,592	94,133,283
Expected credit loss	254,234	602,701	2,522,917	28,643,493	32,023,345
Expected credit loss rate	1%	13%	36%	72%	

12 CONTRACT ASSETS

	2024	2023
	SR	SR
As at 1 January	**50,599,503**	26,673,950
Acquisition of subsidiaries (note 7.1)	**10,451,945**	-
Billed during the year	**(71,629,811)**	(57,322,619)
Income recognized	**98,161,746**	83,515,841
Foreign exchange difference	**(8,692,786)**	(2,267,669)
	78,890,597	50,599,503
Less: Allowance for expected credit losses	**(2,802,873)**	(2,732,963)
As at 31 December	**76,087,724**	47,866,540

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

	2024	2023
	SR	SR
As at 1 January	**2,732,963**	1,217,183
Charge during the year	**69,910**	1,515,780
As at 31 December	**2,802,873**	2,732,963

13 PREPAYMENTS AND OTHER ASSETS

	2024	2023
	SR	SR
Advance to suppliers	**15,743,806**	18,650,947
Prepayments	**4,847,060**	2,826,874
Retention receivable	**6,866,032**	4,263,414
Margin deposits on letters of guarantee and credit	**3,215,517**	3,003,600
Employees' receivables	**927,033**	773,631
Others	**1,475,274**	2,450,617
	33,074,722	31,969,083

The management has conducted an ECL assessment on margin deposits, advance to suppliers and other receivables and has concluded that the ECL is not significant against the related balances.

14 RELATED PARTIES TRANSACTIONS AND BALANCES

The sales to and purchases from related parties are made on mutually agreed terms. The outstanding balance with related parties is unsecured and without interest and is payable on demand unless otherwise stated.

Following are the details of the significant transactions with related parties during the year:

			Amount of transaction	
Name of related party	*Nature of relationship*	*Nature of transaction*	**2024 SR**	2023 SR
Taya Holding Company	Shareholder	Transfer Trade receivables (note 11)	**21,753,557**	-
		Absorption of losses (note 11)	**13,520,413**	-
		Funding	**-**	4,400,000
Taya Real Estate Company	Affiliate	Rent charges	**1,571,480**	1,893,990
Sadric Egypt for Industries	Affiliate	Purchases	**3,234,000**	-
		Expenses paid on behalf of the Group	**-**	161,760
Helwan Machinery and Equipment Company	Affiliate	Contract revenue	**737,542**	30,337,103
		Funding	-	3,647,904
National Authority for Military Production	Affiliate	Funding	-	3,647,904
Clarity of Vision Information Technology	Affiliate	IT service charges	-	443,500
		End of service benefits	-	220,224
Misr Polymers Company	Affiliate	Expenses paid on behalf of the Group	-	15,664
Edama Utilities Company for Operation & Maintenance	Affiliate	Sales	-	78,703

Following is a summary of balances with related parties, which are shown in the consolidated statement of financial position:

Amounts due from related parties

	2024 SR	2023 SR
Arabian Gulf for Contracting and Maintenance Company	**4,163,746**	4,163,746
Sadric Egypt for Industries	**3,287,666**	8,151,271
Aklna Trading Company	**2,869,300**	3,690,140
Mr. Ali Alhumaid	**726,300**	296,166
Mr. Adeeb Alfadil	**566,030**	395,705
Misr Polymers Company	**50,432**	81,399
Misr Saudi for Contracting Company	**47,649**	78,294
Clarity of Vision Information Technology Company	**-**	436,641
Edama Utilities Company for Operation & Maintenance	**-**	65,208
	11,711,123	17,358,570

14 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Amounts due to related parties

	2024	2023
	SR	SR
Mr. Abdulrahman Alyabis (i)	**35,173,602**	-
National Authority for Military Production	**11,183,416**	13,264,663
Helwan Company for Machinery and Equipment	**11,161,675**	13,242,922
Taya Real Estate Company	**400,762**	268,857
Taya Investment Company	**-**	6,321
	57,919,455	26,782,763

(i) The amount due to Mr. Abdulrahman Alyabis includes SR 35,000,000 as payable against acquisition of subsidiaries (note 7).

Amounts due to shareholders

	2024	2023
	SR	SR
Taya Holding Company	**172,201**	4,400,000
Eng. Abdullah Bin Rayes	**3,730**	651,425
Mr. Hatem Elharthy	**-**	550,000
	175,931	5,601,425

Compensation for the key management personnel of the Group

The key management personnel of the Group consist of the Board of Directors and senior management members who have the authority and responsibility for planning, directing and controlling the activities of the Group.

	2024	*2023*
	SR	*SR*
Salaries and benefits	**5,438,622**	6,197,322
Long term benefits	**359,781**	349,743
	5,798,403	6,547,065

15 CASH AND BANK BALANCES

	2024	2023
	SR	SR
Cash at banks	**10,368,246**	8,226,501
Cash in hand	**503,523**	595,895
	10,871,769	8,822,396

16 SHARE CAPITAL AND TREASURY SHARES

a. Share capital

As of 31 December 2024, the Company's share capital amounted to SR 60,000,000 (2023: SR 60,000,000), consisting of 120,000,000 shares (2023: 120,000,000 shares) with a par value of SR 0.5 per share.

b. Treasury shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Company. As at 31 December 2024, the Company held 30,900 shares (31 December 2023: 30,900 shares) amounting to SR 1,283,933 (31 December 2023: SR 1,283,933).

17 EMPLOYEE BENEFIT OBLIGATIONS

The Group provides end of service benefits to its employees taking into consideration the local labor laws and employment market of the countries where the companies are located.

End of service benefits are mandatory for all employees who are based in the Kingdom of Saudi Arabia under the Saudi Arabian labor law and the Group's employment policies. End of service is based on employees' compensation and accumulated period of service and is payable upon termination, resignation or retirement. The Defined Benefit Obligation ("DBO") in respect of employees' end of service benefits is calculated by estimating the future benefits payments that employees have earned in return for their service. An appropriate discount rate is then applied to determine the present value of the Group's obligation. The DBO is an unfunded plan.

Re-measurements are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to consolidated statement of income in subsequent periods.

	2024 SR	2023 SR
As at 1 January	**15,041,362**	13,039,555
Current services cost	**2,266,425**	2,102,807
Finance cost	**783,000**	619,000
	3,049,425	2,721,807
Relating to the acquisition of subsidiaries (note 7.1)	**571,000**	-
Benefits paid during the year	**(3,118,246)**	(1,376,469)
Loss on remeasurement of defined benefits obligations	**689,746**	656,469
As at 31 December	**16,233,287**	15,041,362

The significant assumptions used in determining the defined benefit obligations are set out below:

	2024	2023
Discount rate	**4.8% – 5.2%**	4.2% – 4.5%
Average salary increases	**2% – 3%**	2% – 3%

The table below illustrates the approximate DBO if the Group were to change one key assumption, while the other actuarial assumptions remain unchanged. The sensitivity analysis is intended to illustrate the inherent uncertainty in the valuation of the DBO under market conditions at the measurement date. These results cannot be extrapolated due to non-linear effects that changes in key actuarial assumptions may have on the total DBO. The sensitivities only apply to the DBO and not to the net amounts recognized in the consolidated statement of financial position. The quantitative sensitivity analysis of significant assumptions on defined benefits obligation is as follows:

	2024 **SR**	2023 SR
Discount rate		
Increase by 1%	**(15,182,000)**	(14,053,000)
Decrease by 1%	**17,419,000**	16,059,000
Average salary increases		
Increase by 1%	**17,437,000**	16,071,000
Decrease by 1%	**(15,148,000)**	(14,025,000)

18 LONG-TERM BORROWINGS

The Group has obtained loans from local banks amounting to SR 64.5 million (31 December 2023: 64.5 million). The average markup on the loans is 2.75% (2023: 2.75%) per annum plus SIBOR. The movement in the loans is as follows:

	2024 SR	2023 SR
As at 1 January	**52,333,270**	60,302,420
Proceeds during the year	**38,288,709**	42,483,270
Repayments during the year	**(40,276,798)**	(50,452,420)
	50,345,181	52,333,270
Current portion	**26,219,477**	33,178,084
Non-current portion	**24,125,704**	19,155,186

There are certain financial covenants attached to the loan extended to a subsidiary relating to debt coverage ratio and maintaining minimum equity of subsidiary which are in compliance as at 31 December 2024 and at 31 December 2023.

19 BANK OVERDRAFTS AND SHORT-TERM BORROWINGS

The Group has obtained overdraft facilities and short-term loans from local banks to finance working capital requirements. These facilities are secured by personal guarantees, promissory notes from certain shareholders of the parent company and the proceeds from certain projects. These facilities carry a commission based on the prevailing market commercial rates. The outstanding balance of these facilities and loans as at 31 December 2024 was SR 198.9 million (2023: SR 195.9 million).

20 TRADE PAYABLES, ACCRUALS AND OTHERS

	2024 **SR**	2023 SR
Trade payables	**72,646,928**	43,186,781
Accrued liabilities	**24,264,366**	16,165,522
Value added tax payable	**17,992,721**	13,861,235
Employees payable	**3,435,893**	2,228,270
Retention payable	**1,734,758**	2,468,306
Professional fees payable	**646,373**	494,309
Others	**5,779,329**	3,312,290
	126,500,368	81,716,713

21 CONTRACT LIABILITIES

	2024 SR	2023 SR
As at 1 January	**39,919,792**	18,885,291
Acquisition of subsidiaries (note 7.1)	**13,559,149**	-
Billed during the year	**44,086,044**	47,538,568
Income recognized	**(48,899,186)**	(26,504,067)
At the end of the year	**48,665,799**	39,919,792

The transaction price allocated to unsatisfied performance obligations at 31 December 2024 amounted to SR 48.7 million (2023: SR 39.9 million). Management expects that a significant portion of the contract liabilities will be recognized as revenue in the next financial year.

22 ZAKAT AND INCOME TAX

22.1 *Zakat*

Movement of zakat provision

The movement of the zakat provision during the year was as follows:

	2024 SR	2023 SR
At the beginning of the year	**665,988**	400,000
Acquisition of subsidiaries (note 7.1)	**788,768**	-
Charge for the year	**681,612**	470,754
Paid during the year	**(862,140)**	(204,766)
At the end of the year	**1,274,228**	665,988

21.3 *Zakat assessments*

Zakat returns for all years until 2023 have been filed with Zakat, Tax and Customs Authority (“ZATCA”) and are still under review of ZATCA.

21.4 *Income Tax*

The tax expense and income tax provision included in these consolidated financial statements relates to the operations of subsidiaries in Egypt and is calculated based on the tax laws and regulations of Egypt.

	2024 **SR**	2023 SR
At the beginning of the year	**170,000**	1,033,114
Charge for the year	**513,896**	170,000
Foreign exchange difference	**(5,153)**	-
Paid during the year	**(170,000)**	(1,033,114)
At the end of the year	**508,743**	170,000

21.5 *Deferred Tax*

During the year ended 31 December 2024, the deferred tax impact on deductible temporary differences was reversal of SR 203,426 (31 December 2023: origination of SR 203,426).

23 REVENUE

	Timing of revenue recognition	**2024** **SR**	2023 SR
Sale of feed and agriculture products	At a point in time	**203,203,372**	140,261,437
Contracts revenue	Over the time	**138,918,483**	107,252,228
Sale of plastic products	At a point in time	**70,761,679**	83,090,082
Maintenance services	Over the time	**23,893,581**	17,568,965
Sale of spare parts	At a point in time	**9,966,472**	6,786,461
		446,743,587	354,959,173

24 COST OF SALES

	2024 SR	2023 SR
Direct material cost	**282,493,373**	236,622,774
Employee-related cost	**42,956,452**	37,797,186
Installation costs	**11,732,166**	10,150,642
Depreciation of property, plant and equipment (note 6)	**9,990,558**	9,793,679
Maintenance cost	**4,155,793**	2,583,956
Utilities	**2,966,441**	2,443,896
Depreciation of right-of-use assets (note 9)	**2,410,060**	2,562,529
Others	**14,788,139**	12,200,234
	371,492,982	314,154,896

25 SELLING AND DISTRIBUTION EXPENSES

	2024 SR	2023 SR
Employee-related expenses	**9,725,939**	7,880,601
Sales commission	**2,019,109**	1,650,055
Freight charges	**622,062**	367,883
Depreciation of right-of-use assets (note 9)	**548,583**	570,697
Travel expenses	**283,150**	242,723
Repairs and maintenance	**242,961**	181,077
Advertising expense	**198,402**	20,380
Depreciation of property, plant and equipment (note 6)	**43,940**	28,991
Others	**1,303,996**	909,341
	14,988,142	11,851,748

26 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 SR	2023 SR
Employee related expenses	**33,249,616**	27,282,206
Depreciation of right-of-use assets (note 9)	**2,172,634**	1,695,504
Professional fees	**2,007,769**	3,837,626
Depreciation of property, plant and equipment (note 6)	**1,314,733**	780,327
Government fees and related charges	**1,003,084**	1,745,770
Repairs and maintenance	**982,444**	1,000,407
Travel expenses	**867,133**	1,595,147
Utilities	**822,592**	946,341
Insurance	**289,742**	185,339
Bank charges	**279,650**	291,596
Others	**3,765,690**	3,659,097
	46,755,087	43,019,360

27 FINANCIAL CHARGES

	2024 SR	2023 SR
Financial charges on borrowings	**23,246,993**	19,066,083
Financial charges on the lease liabilities	**734,990**	768,626
	23,981,983	19,834,709

28 OTHER INCOME, NET

	2024 SR	2023 SR
Rental income	**1,929,333**	2,237,609
Gain on disposal of property, plant and equipment	**1,182,304**	190,263
Income from scrap sales	**521,572**	412,164
Governmental support	**344,000**	968,925
Miscellaneous	**301,248**	544,267
	4,278,457	4,353,228

29 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares during the year. Diluted earnings per share amounts are calculated by dividing the net income for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024 SR	2023 SR
Net income (loss) attributable to the equity holders of the Parent	**16,567,270**	(38,217,486)
Weighted average number ordinary shares	**119,969,100**	119,969,100
Earnings (loss) per share	**0.14**	(0.32)

There are no items that have diluted the weighted average number of ordinary shares.

30 NON-CONTROLLING INTEREST

	2024 SR	2023 SR
As at 1 January	**6,246,525**	15,368,561
Share in capital increase of a subsidiary	**4,200,474**	1,900,374
Share of net income (loss) for the year	**578,853**	(3,657,418)
Share of other comprehensive loss for the year	**(22,785,260)**	(7,364,992)
Absorption of losses	**636,435**	-
Disposal of interest in a subsidiary	**108,793**	-
Acquisition of partial interest in a subsidiary (note 7.1)	**6,010,997**	-
As at 31 December	**(5,003,183)**	6,246,525

31 FINANCIAL INSTRUMENTS

31.1 Financial assets

	2024 SR	2023 SR
Financial assets carried at amortized cost		
Trade receivables (note 11)	**77,302,501**	62,109,938
Contract assets (note 12)	**76,087,724**	47,866,540
Amounts due from related parties (note 14)	**11,711,123**	17,358,570
Other current assets	**10,162,550**	10,491,262
Cash and bank balances (note 15)	**10,368,246**	8,226,501
Total financial assets carried at amortized cost	**185,632,144**	146,052,811

31.2 Financial liabilities

	2024 SR	2023 SR
Financial liabilities carried at amortized cost		
Bank overdrafts and short-term loans (note 19)	**198,940,511**	195,926,307
Trade and other payables (note 20)	**79,112,740**	48,377,666
Amounts due to related parties (note 14)	**57,919,455**	26,782,763
Long-term borrowings (note 18)	**50,345,181**	52,333,270
Lease liabilities (note 9)	**8,032,910**	9,285,253
Amounts due to shareholders (note 14)	**175,931**	5,601,425
Total financial liabilities carried at amortized cost	**394,526,728**	338,306,684

31.3 Fair value measurement

Financial assets consist of cash and bank balance, trade receivables, contract assets, other current assets and amounts due from related parties. Financial liabilities consist of trade and other liabilities, lease liabilities, bank borrowing and amount due to related parties and shareholders. The fair values of financial assets and financial liabilities approximate their carrying values at the reporting date mainly due to the short-term maturities and frequent repricing of these instruments and are categorized as level 2. As at 31 December 2024 and 2023, there were no financial instruments measured at fair value.

The fair values of freehold land and investment properties are disclosed in note 6 and 8, respectively which are categorized as level 3 in the fair value hierarchy.

31.4 Financial risk management

The Group's activities expose it to various financial risks, including market risk (which includes currency risk and commission rate risk), credit risk and liquidity risk.

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplinary and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

31 FINANCIAL INSTRUMENTS (continued)

31.4 Financial risk management (continued)

Credit risk
The Group's policies limit the amount of credit exposure to any individual peers based on their credit rating as well as other factors. Moreover, the Group's policies require that bank balance are invested with a diversified group of financial institutions, in the majority of cases with investment grade credit ratings. The Group ensures that each counterparty is of an acceptable credit quality by relying on quantitative and qualitative measures compiled from internal and third party rating models. The expected credit losses details are given in note 11 and 12.

With respect to the credit risk exposure of other financial assets, namely, due from related parties, bank deposits and other current assets, the maximum credit risk of the Group is limited to their carrying values, in case there is a failure of the other party to meet its obligation.

Liquidity risk
Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group approach to managing liquidity risk is to maintain sufficient bank balance ensuring the availability of incremental funding through credit facilities and ensuring the facilities are rolled over on timely basis. The Group invests excess cash in current accounts and time deposits ensuring instruments with appropriate maturities or sufficient liquidity to meet forecast cash flow requirements.

The table below summarizes the maturity profile of the Group's financial liabilities based on undiscounted contractual payments:

	Within 1 year SR	Between 1 to 5 years SR	No specified maturity SR	Total SR
As at 31 December 2024				
Long term borrowings (note 18)	**29,805,481**	**26,139,813**	**-**	**55,945,294**
Bank overdrafts and short-term borrowings (note 19)	**198,940,511**	**-**	**-**	**198,940,511**
Lease liabilities	**4,459,785**	**4,371,855**	**-**	**8,831,641**
Trade payables and others	**79,112,740**	**-**	**-**	**79,112,740**
Amounts due to related parties	**35,574,364**	**-**	**22,345,091**	**57,919,455**
Amounts due to shareholders	**-**	**-**	**175,931**	**175,931**
Total	**347,892,881**	**30,511,668**	**22,521,022**	**400,925,571**
As at 31 December 2023				
Long term borrowings (note 18)	35,190,000	5,504,000	-	40,694,000
Bank overdrafts and short-term borrowings (note 19)	195,926,307	-	-	195,926,307
Lease liabilities	4,635,068	5,250,679	-	9,885,747
Trade payables and others	51,689,956	-	-	51,689,956
Amounts due to related parties	-	-	26,782,763	26,782,763
Amounts due to shareholders	-	-	5,601,425	5,601,425
Total	287,441,331	10,754,679	32,384,188	330,580,198

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and commission rates will affect fair value or future cash flows of financial instruments of the Group. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk consists of currency risk and commission rate risk as follows**:**

a) Currency risk
Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries.

The possible impact of +5% and -5% change in EGP exchange rate on Group's net investments in foreign subsidiaries is SR 1,084,413 (2023: SR 1,957,518) and SR (1,198,562) (2023: SR (2,163,573)).

The Group's management believes that the currency risk is not significant for all other foreign currencies as the Saudi Riyal exchange rate is mostly pegged against those currencies.

31 FINANCIAL INSTRUMENTS (continued)

31.4 Financial risk management (continued)

b) Commission rate risk

Commission rate risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in special commission rates prevailing in the market. The Group is subject to commission rate risk on its commission bearing assets and liabilities, including bank deposits and loans. The Group manages commission rate risk by constantly monitoring changes in commission rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change in commission rates, with all other variables held constant, of the Group's income before zakat and income tax (through the impact on floating rate borrowings) for the year ended 31 December:

	Gains (losses) through income and equity	
	2024 SR	2023 SR
+100 bps	**(2,492,857)**	(2,482,600)
-100 bps	**2,492,857**	2,482,600

31.5 Capital management

The primary objective of the Group's capital management is to support its business and maximize shareholders value.

For the purpose of the Group's capital management, capital comprises issued share capital and all other equity reserves attributable to equity holders. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its operations and maximize shareholder's benefits. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

Neither the subsidiaries nor the Company are subject to externally imposed capital requirements.

No changes were made to the objectives, policies and procedures for capital management during the years ending on 31 December 2024 and 31 December 2023.

The salient information relating to capital risk management of the Group as of December 31, 2024 and 2023 were as follows:

	2024 **SR**	2023 SR
Total debt	**249,285,692**	248,259,577
Less: cash and bank balances	**(10,871,769)**	(8,822,396)
Net debt	**238,413,923**	239,437,181
Total equity	**34,614,682**	38,679,353
Total capital employed	**273,028,605**	278,116,534
Gearing ratio	**87.32%**	86.09%

32 COMMITMENT AND CONTINGENCIES

The Group's bankers have issued bank guarantees amounting to SR 29,551,009 (31 December 2023: SR 22,271,198) in the normal course of business.

33 SEGMENT INFORMATION

For management purposes, the Group is organized into three business segments and holding company. The business segments are determined based on the Group's products.

Elevators and escalators segment
The Group conducts several activities including under this segment which includes manufacturing, selling, installing and maintaining elevators and escalators and their spare parts.

Feed, Poultry, and agriculture
The Group produces compound feed for poultry, poultry Trading, and livestock.

Plastic segment
The Group produces various plastic products such as drip irrigation systems plastic products, semi-finished plastic compounds, high-quality PVC compounds, EVA products, shoes and sandals products.

Below is an analysis of revenue, gross profit, net (loss) income for the year, property, plant and equipment, total assets and total liabilities for each business segment and holding company:

	Elevators and escalators	*Feed, Poultry and agriculture*	*Plastic*	*Mayar Holding Company*	*Eliminations*	*Total*
	SR	*SR*	*SR*	*SR*	*SR*	*SR*
31 December 2024						
Revenue from external customers	**172,778,537**	**203,203,372**	**70,761,678**	**-**	**-**	**446,743,587**
Gross profit	**37,823,738**	**11,576,056**	**24,757,856**	**-**	**1,092,955**	**75,250,605**
Financial charges	**6,861,512**	**12,365,796**	**1,434,598**	**3,320,077**	**-**	**23,981,983**
Depreciation and amortization	**5,773,230**	**6,635,816**	**2,948,809**	**1,122,653**	**-**	**16,480,508**
Net income for the year before zakat and tax	**6,692,778**	**7,107,479**	**12,058,207**	**(7,313,407)**	**-**	**18,545,057**
Property, plant and equipment	**53,846,386**	**86,836,446**	**15,509,858**	**424,512**	**-**	**156,617,202**
Total assets	**284,285,381**	**221,274,299**	**61,506,800**	**85,399,789**	**(109,255,169)**	**543,211,100**
Total liabilities	**286,788,733**	**191,720,444**	**49,905,911**	**61,018,679**	**(80,837,354)**	**508,596,413**
31 December 2023						
Revenue from external customers	131,718,531	140,261,437	82,979,205	-	-	354,959,173
Gross profit	28,841,047	(496,617)	11,340,829	-	1,119,018	40,804,277
Financial charges	8,019,245	10,160,100	1,059,265	596,099	-	19,834,709
Depreciation and amortization	5,744,922	6,002,185	2,754,031	930,589	-	15,431,727
Net loss for the year before zakat and tax	(7,121,079)	(24,475,204)	472,498	(10,313,791)	-	(41,437,576)
Property, plant and equipment	76,656,567	116,589,843	17,941,945	100,710	-	211,289,065
Total assets	359,231,651	157,430,542	61,402,044	81,629,371	(193,571,382)	466,122,226
Total liabilities	342,714,421	144,293,873	31,508,728	50,447,112	(141,521,261)	427,442,873

The Group does not have any inter-segment revenues.

34 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated).

Amendment to IAS 1 - Non-current liabilities with covenants
These amendments clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these amendments.

The amendments had no material impact on the Group's consolidated financial statements.

Amendment to IFRS 16 - Leases on sale and leaseback
These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The amendments had no impact on the Group's consolidated financial statements.

Amendment to IAS 7 and IFRS 7 - Supplier finance
These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The amendments had no impact on the Group's consolidated financial statements.

35 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted for certain new standards and amendments; however, the Group has not early adopted them in preparing these consolidated financial statements. The Group is currently evaluating the impact of the adoption of these standards on the consolidated financial statements.

35.1 Amendments to IAS 27 – Lack of exchangeability
An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

35.2 Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

35.3 IFRS 18, 'Presentation and Disclosure in Financial Statements'
This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

36 SUBSEQUENT EVENTS

In the opinion of the management, no matter has occurred up to and including the date of the approval of consolidated financial statements by the Board of Directors of the Group which could materially affect the consolidated financial statements and the related disclosures for the year ended 31 December 2024.

37 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements, for the year ended on 31 December 2024, were approved by the Company's Board of Directors during its meeting held on 27 Ramadan 1446 H (corresponding to 27 March 2025).