AYYAN INVESTMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR YEAR ENDED DECEMBER 31, 2024

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(A SAUDI JOINT STOCK COMPANY)

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AYYAN INVESTMENT COMPANY
A SAUDI JOINT STOCK COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Ayyan Investment Company (the "Company") and its subsidiaries (collectively referred to as 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 International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

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

- The consolidated statement of financial position as at 31 December 2024;
- The consolidated statements of profit or loss and other comprehensive income for the year then ended;
- The consolidated statement of changes in equity for the year then ended;
- The consolidated statement of cash flows for the year then ended, and;
- The notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The group incurred a net loss attributable to shareholders during the year ended December 31, 2024, amounting to SR 164.41 million and its accumulated losses as of December 31, 2024 amounted to SR 410.98 million, which represents 40.84% of the capital. As illustrated in note 16 to the consolidated financial statements, the group has entered into a share purchase and subscription agreement for sale of its shareholding of two of its subsidiaries. Management consider that the result of such sale will improve the financial position of the Group. In addition, if required, the Group may consider selling part of its investment properties to further address this matter. These events and conditions, along with other matters, indicate the existence of a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern. Our opinion has not been modified on this matter.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF AYYAN INVESTMENT COMPANY
A SAUDI JOINT STOCK COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the key audit matters
1. Impairment of Investment Properties	
As of December 31, 2024, the Group's investment properties amounted to SR 121.34 million (2023: SR 126.29 million), which are carried at cost. Management performs an annual impairment review to asses any potential indicators of impairment for the Group's investment properties. In case of any indicators, a detailed impairment study is conducted to assess the impairment based on the recoverable amount, using relevant market data. The impairment assessment involves the application of valuation techniques which involve professional judgment, estimates, and assumptions. The book value of investment properties is adjusted by any indicated impairment. Based on the materiality of the investment properties and the inherent uncertainty in the judgments used in the impairment assessment, this has been identified as a key audit matter. Further details on the accounting policies can be found in note 3.13, and management's estimates and judgments are outlined in note 4g.	We have performed the following procedures: • We have obtained the valuation reports from the management of the independent valuator who is accredited from Saudi Association of Valuators ("Taqeem"). • We have involved our auditor's expert to review the valuation techniques, basis and assumptions used by the management's expert to value the investment properties. • We performed audit procedures to test completeness and accuracy of information presented by the management to its expert. • We have verified the final valuation reports and assessed whether there was any impairment to be recorded to investment properties. • We have discussed the valuation reports with the management and their expert to assess the market data and assumptions used. • Based on our assessment, we have ensured that the disclosure is appropriate in the consolidated financial statements.
2. Investments in equity instruments designated at fair value through other comprehensive income	
As of December 31, 2024, the Group holds investments in equity instruments designated at fair value through other comprehensive income, amounting to SR 145.89 million (2023: SR 82.5 million). These investments have been classified based on the Group's business model and the contractual cash flow characteristics of the investments. The classification under IFRS 9 requires significant judgment in testing the business model and assessing the contractual cash flow specifications. Given the complexity and subjectivity involved in these judgments, this matter has been considered a key audit matter. For further details, please refer to the accounting policies in note 3.17 and the management estimates and judgments in note 4e.	We have performed the following procedures: • We have checked the appropriateness of the Group classification of the financial instruments as per the Group's business model and the related contractual cash flows. • We have obtained the valuation reports of the independent valuator who is accredited from Saudi Association of Valuators ("Taqeem") to measure the fair value of financial instruments. • We have involved auditor's expert to review the valuation techniques, basis and assumptions used by the management's expert to value these investments. • We performed audit procedures to test completeness and accuracy of information presented by the management to the external valuator. • We have discussed the valuation reports with the management and their expert to verify market data and assumptions used. • Based on our assessment, we have ensured that the disclosure is appropriate in the consolidated financial statements.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor, who expressed an unmodified opinion dated 18 April 2024.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Group but does not include the consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report of the Group, 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 CONSILDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF AYYAN INVESTMENT COMPANY
A SAUDI JOINT STOCK COMPANY
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

For PKF Al-Bassam
Chartered Accountants

شركة بي كي اف البسام
محاسبون ومراجعون قانونيون
C. R. 1010385804
PKF Al Bassam
chartered accountants

Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar, Kingdom of Saudi Arabia
Ramadan 10, 1446H
Corresponding to: March 10, 2025

AYYAN INVESTMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	**December 31, 2024**	December 31, 2023
ASSETS		**SR**	SR
Non-current assets			
Property, plant and equipment, net	6	**4,689,039**	1,042,248,330
Intangible assets, net	7	**-**	12,039,642
Investments in equity instruments designated at fair value through other comprehensive income	8	**145,885,775**	82,496,266
Investment in an associate	9	**22,408,607**	18,685,449
Investment properties	10	**121,338,880**	126,287,577
Right of use assets	11	**1,270,044**	61,780,276
Goodwill	12	**-**	2,094,678
Total non-current assets		**295,592,345**	1,345,632,218
Current assets			
Inventories	13	**11,404,135**	46,313,861
Trade receivables, prepayments and other assets	14	**4,554,226**	209,188,295
Cash and cash equivalents	15	**27,254,883**	61,770,101
		43,213,244	317,272,257
Assets of disposal group held for sale	16.4	**1,393,940,807**	-
Total current assets		**1,437,154,051**	317,272,257
TOTAL ASSETS		**1,732,746,396**	1,662,904,475
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	1	**1,006,363,280**	806,363,280
Share premium		**59,760,538**	65,478,995
Statutory reserve	17	**7,786,135**	7,786,135
Accumulated losses		**(410,983,771)**	(258,024,934)
Reserve for acquisition of additional shares in a subsidiary	18	**(124,221,642)**	(122,454,330)
Fair value reserve		**63,651,702**	(5,518,338)
Reserve for re-measurement of employees' defined benefit obligations		**4,514,434**	6,370,012
Total equity attributable to shareholders'		**606,870,676**	500,000,820
Non-controlling interest	34	**6,148,544**	8,620,391
TOTAL EQUITY		**613,019,220**	508,621,211
LIABILITIES			
Non-current liabilities			
Long term loans	19	**-**	536,238,166
Lease liabilities	11	**1,358,972**	55,026,374
Employees' defined benefits obligations	21	**2,498,821**	42,930,189
Total non-current liabilities		**3,857,793**	634,194,729
Current liabilities			
Long term loan	19	**-**	31,419,205
Short term loans	20	**4,109,481**	175,371,372
Trade payables, accrued expenses and other liabilities	22	**5,508,271**	294,321,733
Lease liabilities	11	**43,886**	13,420,181
Zakat provision	23	**2,206,338**	5,556,044
		11,867,976	520,088,535
Liabilities of disposal group held for sale	16.4	**1,104,001,407**	-
Total current liabilities		**1,115,869,383**	520,088,535
Total liabilities		**1,119,727,176**	1,154,283,264
TOTAL EQUITY AND LIABILITIES		**1,732,746,396**	1,662,904,475

The consolidated financial statements were approved and authorised for issue by the board of directors on behalf of the shareholders and were signed on Ramadan 9, 1446H corresponding to March 9, 2025.

Ahmed Ibrahim	**Raed Mohamed Al Naeem**	**Faisal Abdullah Al Qahtani**
Finance Manager	**CEO**	**Chairman**

The accompanying notes form an integral part of these consolidated financial statements

AYYAN INVESTMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023 (Adjusted – note 16)
Continuing operations		**SR**	SR
Revenue	27	**15,438,429**	20,085,153
Cost of revenue	28	**(12,988,625)**	(16,422,216)
Gross profit		**2,449,804**	3,662,937
General and administrative expenses	29	**(14,493,792)**	(11,040,671)
Selling and marketing expenses	30	**(1,084,936)**	(1,254,220)
Operating loss		**(13,128,924)**	(8,631,954)
Finance cost	31	**(332,231)**	(165,969)
Dividends income	32	**2,050,009**	2,991,015
Share of results of an associate	9	**5,656,757**	862,834
Realized gain on investments at fair value through other comprehensive income	8.5	**-**	26,724
Other income	33	**891,683**	3,451,904
Loss for the year before zakat		**(4,862,706)**	(1,465,446)
Zakat	23	**(484,221)**	(1,000,000)
Loss from continued operations		**(5,346,927)**	(2,465,446)
Loss from discontinued operations	16.2	**(159,115,417)**	(213,600,148)
Net loss for the year		**(164,462,344)**	(216,065,594)
OTHER COMPREHENSIVE LOSS			
Items that will not be reclassified subsequently to the profit or loss			
Change in fair value of equity instruments designated at fair value through other comprehensive income	8.5	**80,620,146**	(20,245,556)
Re-measurement (loss) / gain on employee defined benefit liabilities		**(1,790,077)**	838,987
Share of OCI from associate	9	**(210,859)**	-
Other comprehensive income / (loss) for the year		**78,619,210**	(19,406,569)
Total comprehensive loss for the year		**(85,843,134)**	(235,472,163)
Net (loss) / profit for the year attributable to:			
Ordinary shareholders		**(164,408,943)**	(216,250,945)
Non-controlling interest		**(53,401)**	185,351
Net loss for the year		**(164,462,344)**	(216,065,594)
Ordinary shareholders		**(85,739,787)**	(235,734,988)
Non-controlling interest		**(103,347)**	262,825
Total comprehensive loss for the year		**(85,843,134)**	(235,472,163)
Total comprehensive income / (loss) attributable to ordinary shareholders arising from:			
Continuing operations		**73,483,142**	(22,399,201)
Discontinued operations		**(159,222,929)**	(213,335,787)
		(85,739,787)	(235,734,988)
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted	25	**(0.06)**	(0.03)
Loss per share attributable to the ordinary equity holders of the Company:			
Basic and diluted	25	**(1.78)**	(2.49)

The consolidated financial statements were approved and authorised for issue by the board of directors on behalf of the shareholders and were signed on Ramadan 9, 1446H corresponding to March 9, 2025.

Ahmed Ibrahim	**Raed Mohamed Al Naeem**	**Faisal Abdullah Al Qahtani**
Finance Manager	**CEO**	**Chairman**

The accompanying notes form an integral part of these consolidated financial statements

AYYAN INVESTMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	Share Capital	Share premium	Statutory reserve	Accumulated losses	Reserve for acquisition of additional shares in a subsidiary	Fair value reserve	Reserve for re-measurement of employees' defined benefit obligations	Total equity attributable to shareholders of the Company	Non-controlling interest	Total equity
		SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
Balance as at January 1, 2023		806,363,280	65,478,995	7,786,135	(42,978,981)	(122,454,330)	15,932,210	5,608,499	735,735,808	8,357,566	744,093,374
Net loss for the year		-	-	-	(216,250,945)	-	-	-	(216,250,945)	185,351	(216,065,594)
Other comprehensive loss		-	-	-	-	-	(20,245,556)	761,513	(19,484,043)	77,474	(19,406,569)
Total comprehensive loss for the year		-	-	-	(216,250,945)	-	(20,245,556)	761,513	(235,734,988)	262,825	(235,472,163)
Net movement in fair value of equity instrument designated at fair value through other comprehensive income		-	-	-	1,204,992	-	(1,204,992)	-	-	-	-
Balance as at December 31, 2023		806,363,280	65,478,995	7,786,135	(258,024,934)	(122,454,330)	(5,518,338)	6,370,012	500,000,820	8,620,391	508,621,211
Balance as at January 1, 2024		**806,363,280**	**65,478,995**	**7,786,135**	**(258,024,934)**	**(122,454,330)**	**(5,518,338)**	**6,370,012**	**500,000,820**	**8,620,391**	**508,621,211**
Net loss for the year		-	-	-	**(164,408,943)**	-	-	-	**(164,408,943)**	**(53,401)**	**(164,462,344)**
Other comprehensive loss		-	-	-	-	-	**80,620,146**	**(1,950,990)**	**78,669,156**	**(49,946)**	**78,619,210**
Total comprehensive loss for the year		-	-	-	**(164,408,943)**	-	**80,620,146**	**(1,950,990)**	**(85,739,787)**	**(103,347)**	**(85,843,134)**
Realized gain on disposal of equity instruments designated at fair value through other comprehensive income transferred to retained earnings	8.5	-	-	-	**11,450,106**	-	**(11,450,106)**	-	-	-	-
Increase in share capital due to right issue	1	**200,000,000**	-	-	-	-	-	-	**200,000,000**	-	**200,000,000**
Transaction costs related to issuance of right shares	1	-	**(5,718,457)**	-	-	-	-	-	**(5,718,457)**	-	**(5,718,457)**
Acquisition of additional shares in a subsidiary	18	-	-	-	-	**(1,767,312)**	-	**95,412**	**(1,671,900)**	**(2,368,500)**	**(4,040,400)**
Balance as at December 31, 2024		**1,006,363,280**	**59,760,538**	**7,786,135**	**(410,983,771)**	**(124,221,642)**	**63,651,702**	**4,514,434**	**606,870,676**	**6,148,544**	**613,019,220**

The consolidated financial statements were approved and authorised for issue by the board of directors on behalf of the shareholders and were signed on Ramadan 9, 1446H corresponding to March 9, 2025.

Ahmed Ibrahim	**Raed Mohamed Al Naeem**	**Faisal Abdullah Al Qahtani**
Finance Manager	**CEO**	**Chairman**

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

AYYAN INVESTMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES	**SR**	SR
Loss for the year before zakat		
Continuing operations	**(4,862,706)**	(1,465,446)
Discontinued operations	**(154,326,219)**	(210,600,148)
Loss for the period before zakat including discontinued operations	**(159,188,925)**	(212,065,594)
Adjustments for:		
Depreciation on property, plant and equipment	**28,329,935**	26,196,834
Depreciation on investment properties	**133,038**	212,835
Depreciation of right of use asset	**9,131,103**	11,921,587
Amortization of intangible assets	**1,958,588**	827,208
Gain from disposal of property, plant and equipment	**96,778**	(52,247)
Loss on derecognition of right of use assets	**116,813**	-
Finance cost	**52,345,649**	68,611,452
Share of results from associate	**(5,656,757)**	(862,834)
Dividends income	**(2,050,009)**	(2,991,015)
Allowance for expected credit losses	**4,040,299**	4,120,663
Realized gain on investments at fair value through other comprehensive income	**-**	(26,724)
Employees' defined benefits obligations	**15,102,190**	12,256,232
	(55,641,298)	(91,851,603)
Changes in operating assets and liabilities:		
Trade receivables, prepayments and other assets	**(10,898,638)**	(71,851,250)
Inventories	**(5,171,574)**	(16,142,375)
Trade payables, accrued expenses and other liabilities	**(48,086,274)**	200,169,767
Cash (used in) / generated from operations	**(119,797,784)**	20,324,539
Finance cost paid	**(57,305,059)**	(44,384,406)
Defined benefits obligations for employees paid	**(5,348,243)**	(7,445,153)
Zakat paid	**(4,653,500)**	(4,326,440)
Net cash used in operating activities	**(187,104,586)**	(35,831,460)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(43,015,447)**	(39,076,625)
Proceeds from disposal of investments at fair value through other comprehensive income	**17,230,637**	19,227,065
Purchase of intangible assets	**(1,285,514)**	(2,264,537)
Dividend received from an associate	**1,722,740**	2,361,453
Cash dividends received	**2,050,009**	2,991,015
Purchase of additional shares in a subsidiary	**(4,040,400)**	-
Addition of right of use assets	**-**	(207,462)
Proceeds from disposal of property, plant and equipment	**-**	174,363
Net cash used in investing activities	**(27,337,975)**	(16,794,728)
FINANCING ACTIVITIES		
Proceeds from borrowings	**522,166,362**	387,901,430
Repayment of loans	**(507,212,786)**	(334,630,912)
Net proceeds from share issuance	**194,281,543**	-
Lease liabilities repayments	**(14,435,223)**	(15,924,172)
Net cash generated from financing activities	**194,799,896**	37,346,346
Net change in cash and cash equivalents	**(19,642,665)**	(15,279,842)
Cash and cash equivalent as at 1 January	**61,770,101**	77,049,943
Cash and cash equivalent classified as held for sale (note 16.4)	**(14,872,553)**	-
Cash and cash equivalents as at 31 December	**27,254,883**	61,770,101

Supplement information related to non-cash transaction are disclosed in note 37.

The consolidated financial statements were approved and authorised for issue by the board of directors on behalf of the shareholders and were signed on Ramadan 9, 1446H corresponding to March 9, 2025.

Ahmed Ibrahim	**Raed Mohamed Al Naeem**	**Faisal Abdullah Al Qahtani**
Finance Manager	**CEO**	**Chairman**

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

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Ayyan Investment Company ("the Company") is a Saudi Joint Stock Company established as per Ministerial Decree No. 573 dated 14 Rabea II 1414H corresponding to October 1, 1993 and registered under Commercial Register No. 2051064048 dated 19 Rajab 1438H corresponding to April 16, 2017. The Company has a branch registered under commercial registration number 2252021816 which is located in Al-Ahsa, Kingdom of Saudi Arabia.

The authorized, issued and paid up share capital as at December 31, 2024, amounted to SR 1,006,363,280 divided into 100,636,328 shares with par value of SR 10 per share.

During the year ended December 31, 2024, the Company made a right issue of SR 200 million consisting of 20 million new shares with a par value of SR 10 per share. Accordingly, the authorized, issued and paid up capital of the Company was increased to SR 1,006,363,280 (December 31, 2023: SR 806,363,280) consisting of 100,636,328 shares (December 31, 2023: 80,636,328 shares). The Company incurred transaction costs of SR 5.72 million related to the right issue which has been accounted for as a deduction from equity. In accordance with the offering, the increase in capital through right issues was in order to purchase medical devices and equipment for Salam Hospital of Al Salam Medical Services Company (a subsidiary), the payment of suppliers of subsidiaries (Al Salam Medical Services Company and Al Ahsa Medical Services Company), the payments of obligations owed by Al Salam Medical Services Company to financing entities and the payment of operating expenses of Al Salam Medical Services Company. Following the right issue, the proceeds arising from right issue were injected as equity contribution in the books of one of the subsidiaries (Al Salam Medical Services Company) for settlement of its obligations as set forth in the offering prospectus. Part of the proceeds received by Al Salam Medical Services Company was used by the subsidiary to partially settle the balance due to a related party in the amount of SR 150 million. During the year, on November 13, 2024, the group announced that the board of directors has recommended to amend the use of proceeds of the right issue amounting to SR 200 million. The group further announced a shareholders' meeting to be held on December 5, 2024 for obtaining shareholders' approval by voting on this matter and approval was obtained from the shareholders relating to this.

The main activity of the Company is general construction of non-residential buildings including schools, hospitals, hotels etc.

The Company's head office is located in Al-Khobar, Kingdom of Saudi Arabia.

1.1 Structure of the group

1.1.1 Details of Company's Subsidiaries

These consolidated financial statements include the results of the Company and the following subsidiaries:

Company	Legal Form	Incorporation Country	Effective ownership 2024	Effective ownership 2023
A. Al-Ahsa Food Industries Company	Limited Liability Company	Saudi Arabia	**100%**	100%
B. Al-Ahsa Medical Services Company*	Closed Joint Stock Company	Saudi Arabia	**97.4%**	96.3%
C. Al Salam Medical Services Company*	Closed Joint Stock Company	Saudi Arabia	**100%**	100%

The Company and its subsidiaries are referred to as "the Group".

*During the year ended December 31, 2024, these subsidiaries have been classified as held for sale. (note 16).

A. Al-Ahsa Food Industries Company ("AFIC")

Al-Ahsa Food Industries Company is a Saudi limited liability company registered under Commercial Register No. 2252023850 dated 7 Muharram 1416H corresponding to June 6, 1995. The principle activities of Al-Ahsa Food Industries Company are the production of dates and their derivatives and it is wholly owned by the Company. The subsidiary's accumulated losses exceeded its capital. Under the provisions of Article 182 of the Companies Law, the shareholders are required to resolve to continue in the business and provide support to the subsidiary or liquidate it. At their meeting the Board of Directors resolved to continue to support the subsidiary and provide it with the necessary funding.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

1.1 Structure of the group (Continued)

1.1.1 Details of Company's Subsidiaries (Continued)

B. Al-Ahsa Medical Services Company ("AMSC")

Al-Ahsa Medical Services Company is a closed joint stock company under Commercial Register No. 2252025213 dated 07 Sha'ban 1418H corresponding to December 07, 1997. Al-Ahsa Medical Services Company is engaged in the establishment, management, operation and maintenance of hospitals. On May 1, 2019, The Company acquired additional 16.32% of the subsidiary's equity shares from the non-controlling interest, this resulted in an increase of the Company's ownership in the subsidiary from 53.61% to 69.9%.

During the year 2021, the Company increased the capital from SR 737,320,690 to SR 806,363,280 by issuing new shares (6,904,259 shares) for the acquisition of 26.43% of AMSC shares for SR 148.5 million, which led to an increase in the actual ownership percentage in the subsidiary from 69.9% to 96.3%.

During the year 2024, the Group acquired an additional 1.03% of the non-controlling interests of the subsidiary, which led to an increase in the effective ownership percentage in the subsidiary from 96.3% to 97.4% (note 18).

C. Al Salam Medical Services Company (ASMSC)

Al Salam Medical Services Company is a Saudi Closed Joint Stock Company Registered under commercial registration number 2051059611 dated 16 Safar 1436H corresponding to December 9, 2014. The principal activities of ASMSC include establishing, maintenance and operating hospitals, medical centers, government and private dispensaries. On March 15, 2020, the Group has acquired 100% share capital and voting interest in ASMSC and obtained control. The subsidiary's accumulated losses exceeded its capital. Under the provisions of Article 182 of the Companies Law, the shareholder is required to resolve to continue in the business and provide support to the subsidiary or liquidate it. The shareholder resolved to continue to support the subsidiary and provide it with the necessary funding.

1.1.2 Details of Company's Associate

These consolidated financial statements include the financial statements of the Company and the following associate:

Company	Legal Form	Incorporation Country	Effective ownership 2024	Effective ownership 2023
Twareat Medical Care Company	Closed Joint Stock Company	Saudi Arabia	**25%**	25%

Twareat Medical Care Company ("the Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051054263 dated 6 Jumada' II 1439H (February 22, 2018). The Company has obtained license from Ministry of Health under license number 3810501201210012 ending on Jumada' I 20, 1446H. The Company is engaged in General construction of residential buildings, renovation of residential and non-residential buildings, stores of medical devices and products, hospitals, medical operations of hospitals, general medical complexes, medical operations of medical complexes and one-day surgery centers, ambulance service centers, medical laboratories, home medical service centers, medical clinic mobile, telemedicine and telemedicine centers, medical operations of medical laboratories, radiology centers and supporting medical services, activities of drug stores and retail sale of medical devices, equipment and supplies. During 2019, the group acquired 25% shares of the Company (refer to note 9).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Preparation of consolidated financial statements

The accompanying consolidated financial statements have been prepared on the historical cost convention except for the end of service benefits which are recognized at the present value of future obligation using the projected unit credit method and investments in equity instruments designated at fair value through other comprehensive income which is measured at fair value. The preparation of consolidated financial statements in conformity with IFRS requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the consolidated financial statements. These areas that are significant to the consolidated financial statements are disclosed in note 4.

2.3 Operational and presentation currency

These consolidated financial statements are presented in Saudi Riyal (“SR”) which is the Group’s functional and presentation currency. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries detailed in note 1. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the shareholders of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

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

2. BASIS OF PREPARATION (Continued)

2.4.1 Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified Consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

2.5 Going concern principle

The group incurred a net loss attributable to shareholders during the year ended December 31 2024, amounting to SR 164.41 million and its accumulated losses as of December 31, 2024 amounted to SR 410.98 million, which represents 40.84% of the capital. As illustrated in note 16, the group has entered into a share purchase and subscription agreement for sale of its shareholding of two of its subsidiaries. Management consider that the result of such sale will improve the financial position of the Group. In addition, if required, the Group may consider selling part of its investment properties to further address this matter. Management believes that the use of the going concern principle is appropriate in preparing the consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

3.1 Revenue

Revenue is recognized at the fair value of the consideration received or receivables taking in the consideration the payment terms specified in the contract with the customer excluding any tax or fees. The Group recognize revenues from contracts based on five steps model as follows:

- Identify the contract with the customer i.e. agreement with the Group which create exercisable rights and obligations.
- Identifying the performance obligation such as promises to deliver goods or services.
- Determining the transaction price based on the expected consideration receivables against the satisfaction of the performance obligation (excluding any amounts received on behalf of third parties)
- Allocate the transaction price for each performance obligation based on estimated selling price for goods and service provided to the client.
- Recognize revenue when (or as) the performance obligation is satisfied such as delivery of the contracted goods or services to the client till the client obtain the control which can be at a point of time or over time.

(a) Sale of goods

The sale of goods is recognized when the goods are delivered or shipped, in accordance with agreed contractual terms, when the control of the goods is transferred to the buyer and the Group has no continuing management relationship to the extent normally associated with ownership or effective control over the goods sold.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.1 Revenue (Continued)

(b) Rendering of services

Revenue from services are recognized on the satisfaction of the related performance obligations and is classified as revenues from the main operating activities. Certain services are subject to variable considerations such as discounts and rejections. The Group calculate discounts and rejections based on its best estimates and depending on its experience and knowledge about the past and current events.

Some contracts include variable considerations such as claims disallowed (rejection of claims) which is not paid by third-party payor, volume discount and prompt payment discount. Discounts comprise retrospective volume discounts granted to certain insurance companies on attainment of certain levels of business and constitute variable consideration. These are accrued over the course of the arrangement based on estimates of the level of business expected and are adjusted against revenue at the end of the arrangement to reflect actual volumes. The normal business process associated with transactions with insurers includes amount of claims disallowed (disallowance provision) which is not paid by the insurer. These disallowed claims could be for various technical or medical reasons. Accordingly, the Group expects an amount of consideration that is less than what was originally invoiced. These disallowances constitute a variable consideration and are assessed based on all information (historical, current and forecast) that is reasonably available to the Group and identify a reasonable number of possible consideration amounts. Management estimates variable consideration using the single most likely amount method for prompt payment discount.

Revenue from inpatient services are recognized over a period of time and outpatient services are recognized at the point in time.

(c) Income from operating leases

Income from operating leases is recognized on straight line basis over the life of the lease contract. Un-earned revenues represent amounts received from the customers in advance and recognized as liabilities to be amortized on a straight-line basis when earned.

(d) Term deposit income

Income from term deposit for commission-related financial assets is recognized using the effective commission rate.

(e) Dividends

Dividends income is recognized when the Group has the right to receive these dividends. This is usually the case when the shareholders of the investee companies, resolve to distribute dividends.

(f) Other

Other income is recognized on an accrual basis.

3.2 Expenses

Distribution expenses principally comprise of costs incurred in the distribution and delivery of the Group's products.

Marketing expenses principally comprise of costs incurred in marketing and advertising the Group's products and services. All expenses, other than cost of sales, distribution and marketing expenses, are classified as administrative expenses.

Administrative expenses include indirect costs not specifically part of cost of revenue as required under generally accepted accounting principles. Allocations between distribution, marketing and administrative expenses and cost of revenue, when required, are made on a consistent basis.

3.3 Earnings per share

Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the year. The Group does not have any factors that may result in a reduction in the basic earnings per share. Accordingly, the basic earnings per share is equal to the diluted earnings per share.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Foreign currency transactions

Presentation currency

The accompanying consolidated financial statements are presented in Saudi Riyals which is the functional currency and presentation currency of the parent company. Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the group entity operates (the functional currency). All of the Group's subsidiaries operate mainly in the Kingdom of Saudi Arabia.

Transaction and balances

Transactions denominated in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences on monetary items are recognized in the consolidated statement of profit and loss and other comprehensive income in the period in which they arise.

3.5 Employees defined benefit obligations

Liabilities for defined benefit obligations of employees are determined using the projected credit unit method, with an actuarial valuation performed at the end of each financial year. The re-measurement, consisting of actuarial gains or losses, is recognized directly in the consolidated statement of financial position with the addition or reversal of the carrying amount in other comprehensive income in the year in which they occur. Re-measurement recognized in other comprehensive income is recognized immediately in retained earnings and will not be reclassified to consolidated profit or loss in subsequent periods. Changes in the present value of the benefit obligation arising from the plan's adjustments or reductions are recognized directly in profit or loss as an interest expense. Interest cost is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are classified as follows:

- Service cost (including the cost of the current service or the cost of the previous service, plus gains and losses from reductions and adjustments).
- Interest expense
- re-measurement

The Group recognizes the first two items of the defined benefit costs on the consolidated statement of profit or loss under "administrative expenses", while the third component of the "re-measurement" is charged to comprehensive income and is recognized in the consolidated statement of changes in equity. A termination benefit obligation is recognized when the Group cannot withdraw the offer of termination benefits or when the Group recognizes any related restructuring costs, whichever is earlier.

Short-term employee benefits

Employees' accrued liabilities for wages, salaries, annual leaves and sick leaves, which are expected to be repaid within 12 months after the end of the period and are recognized in the period in which the related service is provided, are recognized in the amount expected to be paid for the benefits expected to be paid for that service and disclosed in current liabilities.

3.6 Zakat

The Group is subject to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the kingdom of Saudi Arabia. Zakat is calculated on accrual basis. Zakat is calculated on the higher of zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

3.7 Segmental reporting

The sector represents a unit that can be identified in the group that sells or provides goods and services (the sectors by activity) or those that sell or deliver goods and services within a specific economic environment (the sectors by geographical area). Each sector has its own risk and benefits from the risks and benefits of other sectors. The Group's segments are divided into industrial, service (medical) and investment sectors. Although the Industry Department does not meet the quantitative requirements that qualify it to be a segmental reporting, management is required to disclose it separately as it monitors the sector as a potential sector to grow economically and is expected to contribute significantly to the Group's future revenues.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.8 Property, plant and equipment

Property, plant and equipment are stated at their cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction are carried at cost, less any recognized impairment loss. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property and equipment (except freehold land and building under construction) are depreciated over its useful lives using the straight-line method.

The estimated useful life of the principal classes of assets are as follows:

Description	Useful life
Buildings and leasehold improvements	5 – 33 years
Machinery	10 – 13.3 years
Vehicles	4 - 5 years
Furniture, and office equipment	4 – 10 years
Computer	4 - 8 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit or loss and other comprehensive income.

The capital work in progress is the cumulative costs incurred by the Group for the construction of additional buildings. Costs incurred on capital work in progress are recorded and transferred to property, plant and equipment upon completion of construction. Finance costs are capitalized from loans relating to the construction of qualifying assets within the period of time required to complete and prepare them for the intended purpose.

Capitalization of costs

The cost of an item of property, plant and equipment comprises:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that year.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Borrowing costs related to qualifying assets are capitalized as part of the cost of the qualified assets until the commencement of commercial production. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the reporting year in which they are incurred. Maintenance and normal repairs which do not extend the estimated economic useful life of an asset or production output are charged to the consolidated statement of profit or loss and other comprehensive income as and when incurred.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.8 Property, plant and equipment (Continued)

Capital work-in-progress
Assets in the course of construction or development are capitalized in the capital work-in-progress ("CWIP") account. The asset under construction or development is transferred to the appropriate category in property, plant and equipment or intangible assets (depending on the nature of the project), once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction / development cost and any other directly attributable to the construction or acquisition of an item of CWIP intended by management. Costs associated with testing the items of CWIP (prior to its being available for use) are capitalized net of proceeds from the sale of any production during the testing period. Capital work-in-progress is not depreciated or amortized.

3.9 Intangible assets
Intangible assets with finite lives acquired separately are recorded at cost less accumulated amortization and the total impairment loss. Amortization is recognized using the straight-line method over its estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each reporting period and any changes in estimates are accounted for on a future basis. Intangible assets with indefinite useful lives that are acquired separately are stated at cost less accumulated impairment losses.

An intangible asset is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Gains or losses on de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated profit or loss on de-recognition of the asset.

The Group's significant intangible assets, their useful lives and the methods used to determine the cost of intangible assets acquired during the business combination are as follows:

	Productive life
Computer program	4 years
Contractual relations	5 years

3.10 Impairment of tangible and intangible assets
At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in consolidated statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in consolidated statement of profit or loss and other comprehensive income.

3.11 Inventory
Inventories are valued at the lower of cost and net realizable value. Cost of inventories is determined on a weighted average basis and includes costs of purchase of inventory, production or conversion costs and other costs incurred to bringing the inventories to their present location and condition. In the case of manufactured goods and work in progress, the cost includes an appropriate share of indirect production costs based on normal operating capacity.

Net realizable value (NRV) 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.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.12 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Investment properties

Initial recognition of investment properties is carried at cost including transaction costs. Investment properties are subsequently measured at cost less accumulated depreciation and any impairment losses. Investment properties in land held for capital appreciation and not for sale in the short term are in the normal course of business, land held for future indefinite use and buildings that are used for leasing. Depreciation of buildings is calculated over a period of 33 years using the straight line method and the depreciation of the land is not accounted for.

The fair values of investment properties that reflect the prevailing market conditions are disclosed at the reporting date. The fair value is determined on the basis of an annual valuation by an independent valuer.

The carrying values of investment properties are reviewed to ensure that there is no impairment in value when events or changes in circumstances indicate that the carrying amount is not recoverable. Where there are indications that the carrying amount of the investment property exceeds its estimated recoverable amount, that difference is recognized as an impairment loss on the consolidated statement of profit or loss and other comprehensive income. Recoverable amount is the higher of fair value less costs to sell or value in use.

Investment properties are derecognized when they are permanently excluded from use or no future economic benefits are expected upon disposal. The difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated profit or loss for the period in which the asset is derecognized.

3.14 Investment in an associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights.
Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the date of acquisition.
The Group’s share of post-acquisition profit or loss is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.
The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes separately in the consolidated statement of profit or loss.
Accounting policies of associates are required to be changed where necessary to ensure consistency with the policies adopted by the Group.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which they are incurred.

3.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis as follows:

(a) Right of use asset

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

(b) Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are discounted using the additional borrowing rate, which represents the price that the tenant will pay to borrow the money needed to obtain an asset of similar value in a similar economic environment on similar terms and conditions.

Payments relating to short term leases and rentals of low value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease period of 12 months or less.

The lease terms are renegotiated on an individual basis and have a wide range of terms and conditions. The lease agreements do not impose any obligations, but the leased assets may not be used as security for borrowing purposes.

3.17 Financial instruments

3.17.1 Financial assets

The group classify its financial assets based on the entity's business model for managing the financial assets and the contractual terms of the cash flows as follows:

- Financial assets at amortized cost
- Equity instruments at fair value through other comprehensive income.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.17.1.1 Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. The Group de-recognizes a financial asset at amortized cost when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any gain or loss on de-recognition is recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

3.17.1.2 Equity instruments at fair value through other comprehensive income

Equity instruments at fair value through other comprehensive income are those instruments for which the Group has irrevocably elected to present subsequent changes in its fair value in Other Comprehensive Income. This election is made on an instrument-by-instrument basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Change in the fair value of such instruments are recognized in OCI and are never reclassified to profit or loss.

The Group de-recognizes the equity instruments at fair value through other comprehensive income when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any gain or loss on de-recognition is recognized as an equity transaction and are never reclassified to profit or loss.

3.17.1.3 Investment in equity instruments at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss (FVTPL):

- Debt investments that do not qualify for measurement at either amortized cost or fair value though other comprehensive income (FVTOCI)
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income.

These assets are subsequently measured at fair value. Change in the fair value of such instruments and dividends are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
The Group de-recognizes the equity instruments at fair value through profit or loss when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any gain or loss on de-recognition is charged to profit or loss.

3.17.2 Financial Liabilities

Financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Non-derivative financial liabilities of the Group comprise of bank borrowings and trade and other payables.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17.3 Impairment of financial assets

The Group assesses on a forward-looking basis the Expected Credit Losses (“ECL”) associated with its financial assets, carried at amortized cost.

For accounts receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome, which also incorporates forward-looking information for macroeconomic factors such as inflation and gross domestic product growth rate.

Other financial assets such as employees’ receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

3. MATERIAL ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

3.17.4 Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.18 Government grant

Government grants are not recognized until there is a reasonable assurance that the Group will comply with the conditions attaching to them. Government grants are recorded in the period during which they are received and are included as a deduction from the relevant fixed asset.

3.19 Discontinued operations

Discontented operations represent a component of the Group that either has been disposed of or is classified as held for sale and:

a) Represents a separate major line of business or geographical area of operations,
b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
c) Is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are presented in the consolidated statement of profit or loss and other comprehensive income, which includes post-tax gains or losses for discontinued operations plus gains and losses recognized after taxes during the re-measurement of the fair value of the assets or disposal groups, which represents discontinued operations less cost of sale.

3.20 Non-current assets (or disposal group) held for sale and discontinued operations

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

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group) but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Following are the critical judgement and key assumptions:

(a) Impairment of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Useful lives and residual values of property, plant and equipment and intangible assets

The Group's management estimates the useful lives of its property and equipment and intangible assets for the purpose of calculating depreciation and amortization. These estimates are determined after considering the expected usage of the asset or physical wear and tear for useful lives. Useful lives and residual values are reviewed by the management on an annual basis. Any change in the depreciation is accounted for prospectively.

(c) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants in the principal market 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 to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(e) Fair value of investments in equity instruments designated at fair value through other comprehensive income

The fair value of investments in equity instruments that are not quoted in active markets is determined by using known valuation techniques such as discounted cash flows and recent transaction prices. Fair value is determined at a given time on the basis of market conditions and available information about the investee companies. These estimates are subjective in nature, involve uncertainties and require a high degree of diligence, and therefore cannot be determined with extreme precision. Future events (such as continued operating profit and financial strength) are uncertain and it is possible, based on current information, that the results for the next fiscal year will differ from earlier assumptions, requiring future adjustments to the carrying amount of investments. In cases where discounted cash flow models are used to estimate fair values, future cash flows are estimated by the management in accordance with the information available with the representatives of the investee and according to the latest available audited or unaudited financial statements.

(f) Goodwill impairment

An impairment test is performed on cash-generating units by comparing the carrying amount of the cash-generating units and their recoverable amount. The recoverable amount of the cash-generating unit is the higher of its fair value less costs to sell or its value in use. The valuation process used to determine fair value and value in use includes the use of methods such as the discounted cash flow method that uses assumptions to estimate cash flows. The recoverable amount depends largely on the discount rate used in the discounted cash flow model as well as the expected future cash flows.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(g) Investment properties impairment

The Group reviews the carrying amount of investment properties to determine whether there is any indication that the asset is impaired. Where necessary, management uses estimates and judgments to determine whether there is any indication of impairment in value of investment properties. The carrying values of investment properties are reviewed to ensure that there is no impairment in value when events or changes in circumstances indicate that the carrying amount is not recoverable. Where there are indications that the carrying amount of the investment properties exceeds its estimated recoverable amount, that difference is recognized as an impairment loss on the consolidated statement of profit or loss and other comprehensive income. Recoverable amount is the higher of fair value less costs to sell or value in use.

(h) Impairment of financial assets

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

(i) Employee end of service benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using various assumptions that may differ from actual developments in future. The assumptions used include the discount rate, future salary increases, mortality rates and future pension increases. Changes in these assumptions will impact the carrying amount of the pension obligation. The Group determines the appropriate discount rate at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the expected term of the related pension obligation.

(j) Impairment of inventories

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

(k) Rejections and discounts

The Group calculate discounts and rejections based on its best estimates and depending on its experience and knowledge about the past and current events.

(l) Allowance for expected credit losses

For accounts receivables, the Group applies the simplified approach. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from published default rates and historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate.

(m) Revenue recognition

The application of IFRS 15 has required management to make the following judgements:

Satisfaction of performance obligations

The Group is required to assess each of its contracts with patients to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its agreements with customers (mainly insurance companies). In making such judgment the Group assess the impact of any variable consideration in the contract, due to insurance claims discount or any other variable items, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Transfer of control in contracts with customers

In case where the Group determines that performance obligation are satisfied at a point in time, revenue is recognized when services or control over the assets that is subject of contract is transferred to the patients.

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS

5.1 New and amended IFRS standards issued and effective in the year 2024

The following amendments to standards relevant to the Group are effective for the annual periods beginning on or after January 1, 2024 (unless otherwise stated). The Group adopted these standards and / or amendments, however, there is no significant impact of these on the consolidated financial statements:

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IAS 1	Classification of liabilities as current or non-current	January 1, 2024	The amendment has clarified o what is meant by a right to defer settlement, o that a right to defer must exist at the end of the reporting period, o that classification is unaffected by the likelihood that an entity will exercise its deferral right, and o that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of liability would not impact its classification.
IFRS 16	Leases on sale and leaseback	January 1, 2024	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.
IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024	These amendments require to add disclosure requirements to enhance transparency of supplier finance arrangements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

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

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

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

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND NEW STANDARDS (Continued)

5.2 New standards, amendments and revised IFRS issued but not yet effective (Continued)

Amendments to standard	Description	Effective from accounting period beginning on or after	Summary of amendment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features. Additionally, these amendments introduce new disclosure requirements and update others.
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Management anticipates that these amendments will be adopted in the Group’s consolidated financial statements as and when it is applicable and adoption of this amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

6. PROPERTY, PLANT AND EQUIPMENT, NET

	Note	**Lands**	**Buildings and improvements**	**Machinery and equipment**	**Vehicles**	**Furniture & office equipment**	**Computers**	**Capital work-in-progress**	**Total**
December 31, 2024		**SR**	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**
Cost									
At January 1, 2024 (as previously presented)		165,897,406	888,084,061	181,795,103	6,928,657	32,588,121	22,177,106	27,060,241	1,324,530,695
Reclassification adjustment	38.1	-	-	-	-	-	-	(21,555,489)	(21,555,489)
At January 1, 2024 (after reclassification)		165,897,406	888,084,061	181,795,103	6,928,657	32,588,121	22,177,106	5,504,752	1,302,975,206
Additions		**-**	**146,615**	**18,346,459**	**367,424**	**229,901**	**1,006,460**	**9,744,835**	**29,841,694**
Disposals		**-**	**-**	**(3,928,424)**	**-**	**(7,054)**	**(30,443)**	**-**	**(3,965,921)**
Transferred to intangible assets	7	**-**	**-**	**-**	**-**	**-**	**-**	**(573,931)**	**(573,931)**
Capitalization		**-**	**6,161,629**	**978,672**	**-**	**38,743**	**122,389**	**(7,301,433)**	**-**
Transfer to disposal group classified as held for sale	16.1	**(165,897,406)**	**(883,943,950)**	**(171,518,082)**	**(5,656,895)**	**(28,883,330)**	**(22,362,797)**	**(7,374,223)**	**(1,285,636,683)**
At December 31, 2024		**-**	**10,448,355**	**25,673,728**	**1,639,186**	**3,966,381**	**912,715**	**-**	**42,640,365**
Accumulated Depreciation									
At January 1, 2024 (after reclassification)		-	110,862,157	116,322,715	4,823,631	18,280,172	10,438,201	-	260,726,876
Charge for the year	6.1	-	**16,788,125**	**8,781,664**	**484,863**	**814,485**	**2,233,233**	**-**	**29,102,370**
Disposals		-	-	**(3,680,314)**	-	**(5,524)**	**(30,432)**	-	**(3,716,270)**
Transfer to disposal group classified as held for sale	16.1	-	**(118,777,543)**	**(98,244,837)**	**(3,856,211)**	**(15,452,296)**	**(11,830,763)**	-	**(248,161,650)**
At December 31, 2024		**-**	**8,872,739**	**23,179,228**	**1,452,283**	**3,636,837**	**810,239**	**-**	**37,951,326**
Net book value									
At December 31, 2024		**-**	**1,575,616**	**2,494,500**	**186,903**	**329,544**	**102,476**	**-**	**4,689,039**

6. PROPERTY, PLANT AND EQUIPMENT, NET (Continued)

	Note	**Lands**	**Buildings and improvements**	**Machinery and equipment**	**Vehicles**	**Furniture & office equipment**	**Computers**	**Capital work-in-progress**	**Total**
December 31, 2023		SR	SR	SR	SR	SR	SR	SR	SR
Cost									
At January 1, 2023, (as previously presented)		165,897,406	390,763,625	150,634,077	5,457,172	22,540,994	11,397,857	551,178,919	1,297,870,050
Reclassification adjustments	38.1	-	-	-	-	-	-	(21,555,489)	(21,555,489)
At January 1, 2023, (after reclassification)		165,897,406	390,763,625	150,634,077	5,457,172	22,540,994	11,397,857	529,623,430	1,276,314,561
Additions		-	133,475	13,651,936	1,181,735	689,343	1,014,280	22,405,856	39,076,625
Disposals		-	-	(1,072,031)	(428,250)	(171,406)	(100,884)	-	(1,772,571)
Transferred to intangible assets	7	-	-	-	-	-	-	(9,445,538)	(9,445,538)
Capitalizations (adjusted)	6.4	-	498,383,832	19,129,889	718,000	9,518,116	9,329,159	(537,078,996)	-
Reclassification		-	1,000	(548,768)	-	11,074	536,694	-	-
Fair value adjustments		-	(1,197,871)	-	-	-	-	-	(1,197,871)
At December 31, 2023		165,897,406	888,084,061	181,795,103	6,928,657	32,588,121	22,177,106	5,504,752	1,302,975,206
Accumulated Depreciation									
At January 1, 2023		-	96,731,418	108,766,944	4,903,211	16,876,226	8,902,698	-	236,180,497
Charge for the year	6.1	-	14,130,739	8,649,510	348,670	1,521,958	1,545,957	-	26,196,834
Disposals		-	-	(1,002,477)	(428,250)	(119,857)	(99,871)	-	(1,650,455)
Reclassification	6.5	-	-	(91,262)	-	1,845	89,417	-	-
At December 31, 2023		-	110,862,157	116,322,715	4,823,631	18,280,172	10,438,201	-	260,726,876
Net book value									
At December 31, 2023		165,897,406	777,221,904	65,472,388	2,105,026	14,307,949	11,738,905	5,504,752	1,042,248,330

6. PROPERTY, PLANT AND EQUIPMENT, NET (Continued)

6.1 Depreciation allocation

	Note	**December 31, 2024**	December 31, 2023
		SR	SR
Cost of revenues	28	**527,732**	251,035
General and administrative expenses	29	**361,459**	318,791
Selling and marketing expenses	30	**37,788**	101,901
Depreciation from discontinued operations		**28,175,391**	25,525,107
		29,102,370	26,196,834

Al-Salam Medical Services Company

6.2 Additions to capital work in progress includes interest capitalized during the year ended December 31, 2024, amounting to nil (December 31, 2023: SR 1.28 million), payroll cost capitalized during the year amounting to SR 1.24 million (December 31, 2023: SR 21.56 million).

6.3 The title deed for one of the transferred lands having the value of SR 113.96 million was previously registered under the name of the Holding Company, Ayyan Investment Company. Subsequent to the year-end, the title has been legally transferred to the subsidiary company (Al-Salam Medical Services Company).

6.4 The adjustments in the capitalization of buildings primarily relate to the reversal of previously capitalized advances to suppliers for construction contracts, amounting to SR 10.37 million, which were transferred during the year ended December 31, 2023. Additionally, an adjustment of SR 8.89 million related to the governmental grant associated with the buildings were not transferred to the related assets in year 2023, accordingly capitalization of the year 2023 has been adjusted by this amount. Both capitalization adjustments were having no impact on the net book value of property, plant and equipment as of December 31, 2023.

6.5 The reclassification adjustments on the accumulated depreciation in the year ended December 31, 2023, has been done to properly present the assets under its appropriate categories in the fixed asset schedule.

7. INTANGIBLE ASSETS, NET

Intangible assets were comprising of the medical services programs used by AMSC and ASMSC which has been transferred to assets for disposal group held for sale. The movement of intangible assets during the year is as follows:

	Note	**December 31, 2024**	December 31, 2023
		SR	SR
<u>**Cost**</u>			
Balance at January 1		**17,544,010**	5,833,935
Additions		**1,210,195**	2,264,537
Transferred from property, plant and equipment	6	**573,931**	9,445,538
Transfer to disposal group classified as held for sale	16.1	**(19,328,136)**	-
Balance at December 31		**-**	17,544,010
<u>**Accumulated amortization**</u>			
Balance at 1 January		**5,504,368**	4,677,160
Charged during the year	7.1	**1,914,651**	827,208
Transfer to disposal group classified as held for sale	16.1	**(7,419,019)**	-
Balance at December 31		**-**	5,504,368
Net book value		**-**	12,039,642

7.1 Amortization charged during the year is allocated to the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	SR	SR
Amortization from discontinued operations	**1,914,651**	827,208
	1,914,651	827,208

8. INVESTMENTS IN EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	SR	SR
Unquoted equity securities	**145,885,775**	82,496,266
	145,885,775	82,496,266

8.1 Unquoted equity securities

	Note	Ownership % 2024	Ownership % 2023	2024	2023
				SR	SR
Industrialization and Energy Services Co. TAQA	**8.1.A**	**0.95**	0.95	**104,201,941**	63,888,068
Arab Paper Manufacturing Co. (Warq)	**8.1.B**	**2.31**	4.74	**35,786,591**	17,100,507
Al Ahsa Tourism & Leisure Co.	**8.1.C**	**7.57**	7.57	**1,441,242**	1,507,691
Arab Company for Industrial Fibers (Ibn Rushd)		**0.42**	0.42	**-**	-
Taleem Investment Co. Ltd		**-**	-	**-**	-
Rawasi Alkhaleej Real Estate Company	**8.3.A**	**4.74**	-	**4,456,001**	-
				145,885,775	82,496,266

8.1.A Industrialization and Energy Services Company is Saudi closed joint stock company whereby the Group owns 0.95% of equity shares of investee Company (December 31, 2023: 0.95% of the equity shares). The Group's management determined the value of investments in the Industrialization and Energy Services Company as of December 31, 2024 based on a report from an independent valuer based on the consolidated financial statements of the investee Company as of September 30, 2024 (which represent the latest available financial information) by a value of the investment amounting to SR 104.2 million. For determining the fair value in year 2024, the Group used the multiples methods, based on the latest available financial information.

8.1.B Arab Paper Manufacturing Company (Warq) is Saudi closed joint stock company whereby the Group owns 2.31% of equity shares of investee Company (December 31, 2023: 4.74% of the equity shares). The Group's management determined the value of investments in the Arab Paper Manufacturing Company (Warq) as of December 31, 2024 based on sale transaction as at December 15, 2024 by a value of the investment amounting to SR 35.79 million.

8.1.C Al Ahsa Tourism & Leisure Company is Saudi closed joint stock company whereby the Group owns 7.57% of equity shares of investee Company (December 31, 2023: 7.57% of the equity shares). The Group's management determined the value of investments in the Al Ahsa Tourism & Leisure Company as of December 31, 2024 based on a report from an independent valuer based on the financial statements of the investee Company as of December 31, 2023 (which represent the latest available financial information) by a value of the investment amounting to SR 1.44 million. For determining the fair value in year 2024, the Group used the multiples methods, based on the latest available financial information.

8.2 The above investments were valued by an independent valuation expert who issued his report after evaluating all investments by Value Hub for business valuation & Partners Company and evaluation business license for the valuator Abdullah Khalaf AlYousuf No. 3912000021. The independent valuation expert issued his report on the value of these investments as at December 31, 2024. The guideline publicly-traded comparable method, using the earnings multiples of similar companies in GCC and other countries, was used to assess the fair value of investments.

8.3 During the year ended December 31, 2024, the Group partially disposed of its investment in Arab Paper Manufacturing Company (Warq), classified as an equity instrument measured at fair value through other comprehensive income (FVTOCI). The Group sold 693,666 shares to Environmental Services Material Recycling Company for a total consideration of SR 17,230,663, at a price of SR 24.84 per share. As part of this transaction, five investment properties owned by Warq were to be transferred to a newly established company "Rawasi Alkhaleej Real Estate Company" (Rawasi), in which the existing shareholders, including the Group, received shareholding according to the shareholding which was 4.74%, before disposal of investments in Warq. Additionally, Environmental Services Material Recycling Company acquired 10% of Warq's shares from the current shareholders, including the Group, while Warq issued 17,302,692 new shares to Environmental Services Material Recycling Company, to increase its share capital. Prior to this disposal, the Group held 2,134,350 shares, representing 4.74% of Warq's share capital. After the transaction and completion of the capital increase, as of December 31, 2024, the Group holds 1,440,684 shares, and its new shareholding percentage has been diluted from 4.74% to 2.31% of Warq's share capital. The fair value of this investment continues to be recognized in other comprehensive income, with no impact on profit or loss in accordance with the Group's accounting policy for equity instruments classified under FVTOCI.

8. INVESTMENTS IN EQUITY INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

8.3.A As of December 31, 2024, the Group has recognized its investment in Rawasi based on its share of Rawasi's net assets, which primarily consist of the fair value of the transferred investment property amounting to SR 93.72 million. This is due to only one investment property being transferred to the newly established company, while the remaining four properties, originally agreed to be transferred, are still registered under Warq's name as of December 31, 2024, and accordingly it has not been recorded on contingent basis.

8.4 During the year ended December 31, 2023, the investment in Taleem Investment Company Limited was disposed. The Group received an amount of SR 19.23 million, resulting in a realized gain of SR 0.03 million from disposal.

8.5 Movement in equity instruments designated at fair value through other comprehensive income is as follows:

	2024	2023
	SR	SR
Balance at January 1	82,496,266	121,942,163
Change in fair value	**80,620,146**	(20,245,556)
Realized gain form disposal	**-**	26,724
Proceeds from disposal during the year	**(17,230,637)**	(19,227,065)
Balance at December 31	**145,885,775**	82,496,266

The hierarchy for determining the fair value of financial instruments, valuation techniques used and key inputs for valuation is disclosed in Note 35.

9. INVESTMENT IN AN ASSOCIATE

In March 2019, the Group acquired 25% of Twareat Medical Care Company at a total cost of SR 15.4 million, which is initially recognized at cost including consideration paid and direct incidental expenses. The above cost includes an option to acquire more shares in Twareat Medical Care Company which has been valued by the independent valuer accredited by the Saudi Association of Independent Valuers (Taqeem) who issued his report showing the fair value of identifiable assets amounting to SR 11.1 million and goodwill amounting to SR 4.3 million which is included in the carrying value of the investment. Furthermore, the call option for purchase of additional shares of the investment has been valued at zero at the acquisition date as well as the date of these consolidated financial statements. Twareat Medical Services Company was a limited liability company registered in the Kingdom of Saudi Arabia. The main activity of the company is the provision of administrative services, medical support services, human health activities and social work, and during the year 2021 the company increase its capital from SR 5,277,000 to SR 8,999,000. During the year 2022, the Company was converted from a “Limited Liability Company” to a “Closed Joint Stock Company” effective 11 Shawwal 1443H corresponding to May 12, 2022. During the year 2022, as per the shareholders’ resolution dated August 21, 2022, the Company had increased its share capital by SR 11 million through transfer from retained earnings. The related formalities have been completed during 2022.

During the year 2023, as per the shareholders’ resolution dated Ramadan 20, 1444H (corresponding to April 11, 2023), the Company further increased its share capital by SR 20 million through transfer from retained earnings. The related legal formalities had been completed during that year end. As at 31 December 2023, the ordinary share capital was SR 40 million at a nominal value of SR 1 per share.

Subsequent to year ended December 31, 2024 on January 29, 2025, the associate of the Group “Twareat Medical Care Company.” announced the listing of its shares on Nomu – Parallel Market as a direct listing. The indicative share price upon listing was set as SR 12 per share. The Group’s share is subject to a lock-up period of twelve months after listing, and the Group will be having same shareholding (25%) in the associate after listing.

9.1 The movement of investment in an associate for the year ended December 31, 2024 and 2023 is as follows:

	2024	2023
	SR	SR
Shareholding	**25%**	25%
December 31, 2023 audited	**18,685,449**	20,184,068
Share of profit after consolidation adjustments*	**5,656,757**	862,834
Share of OCI	**(210,859)**	-
Less: Dividend received	**(1,722,740)**	(2,361,453)
Balance at December 31	**22,408,607**	18,685,449

* Share of result from associate comprised of amortization of purchase price allocation (PPA) of the identifiable assets and share of result from associate.

9. INVESTMENT IN AN ASSOCIATE (Continued)

9.2 The financial information of the associate represents the values presented in the financial statements of the associate and not the group's share of those values. It has also been presented after fair value adjustments and is as follows:

	2024	2023
	SR	SR
Current assets	**89,782,869**	61,399,418
Non-current assets	**27,194,235**	25,143,291
Current liabilities	**36,590,706**	24,035,336
Non-current liabilities	**12,294,743**	11,048,724
Net equity	**68,091,655**	51,458,649
Shareholding	**25%**	25%
Group's proportionate share in equity	**17,022,914**	12,864,662
Goodwill embedded in investment in associate	**4,288,000**	4,288,000
Cost of acquisition	**793,538**	793,538
Share of OCI	**(210,859)**	-
Adjustments based on previous years audited financial statements	**515,014**	304,157
Purchase price allocation	**-**	435,092
Net investment in associate	**22,408,607**	18,685,449
Revenue for the year	**191,985,337**	154,723,503
Net income for the year	**24,367,397**	3,451,335
Other comprehensive income for the year	**(843,437)**	-
	25%	25%
Group's proportionate share in net income	**6,091,849**	862,834
Amortization of purchase price allocation	**(435,092)**	(1,740,361)
Adjustment based on the final audited financial statements of 2022	**-**	2,679,028
Adjustments based on the previous years	**-**	(938,667)
Group's net share of profit	**5,656,757**	862,834
Proportionate share in other comprehensive income	**(210,859)**	-

10. INVESTMENT PROPERTIES, NET

	Note	**Lands**	**Leased Building**	**Total**
<u>December 31, 2024</u>		**SR**	**SR**	**SR**
Cost				
Cost at January 1, 2024		149,351,128	7,007,183	156,358,311
Less: impairment of investment properties		**(26,252,660)**	**-**	**(26,252,660)**
Less: transfer to disposal group classified as held for sale	16.1	**(1,759,588)**	**(7,007,183)**	**(8,766,771)**
Balance at December 31, 2024		**121,338,880**	**-**	**121,338,880**
<u>Accumulated depreciation</u>				
Balance at January 1, 2024		-	3,818,074	3,818,074
Charged during the year		**-**	**133,399**	**133,399**
Less: transfer to disposal group classified as held for sale	16.1	**-**	**(3,951,473)**	**(3,951,473)**
Balance at December 31, 2024		**-**	**-**	**-**
<u>Net book value</u>				
At December 31, 2024		121,338,880	-	121,338,880

10. INVESTMENT PROPERTIES, NET

Investment properties represents land and leased buildings as follows:

	Lands	Leased building	Total
December 31, 2023	**SR**	**SR**	**SR**
Cost			
Cost at January 1, 2023	149,351,128	7,007,183	156,358,311
Less: impairment of investment properties	(26,252,660)	-	(26,252,660)
Balance at December 31, 2023	123,098,468	7,007,183	130,105,651
Accumulated depreciation			
Balance at January 1, 2023	-	3,605,239	3,605,239
Charged during the year	-	212,835	212,835
Balance at December 31, 2023	-	3,818,074	3,818,074
Net book value			
At December 31, 2023	123,098,468	3,189,109	126,287,577

Investment properties represents lands and leased buildings held by the Group. The fair value of the investment properties amounted to SR 181.47 million as of December 31, 2024 (December 31, 2023: SR 221.5 million) and was determined based on the evaluation by independent certified real estate valuators as follows:

- Emad Al-Dulaijan for Real Estate Evaluation Company and evaluation license for the valuator Emad Ali Al-Dulaijan No. 1210000616.

The fair value of the properties has been determined based on the prevailing market prices for similar investment properties. Part of the investment properties represents lands of Ayyan Investment Company which have been mortgaged for loans acquired by one of the subsidiaries, where this loan has been classified in liabilities relating to disposal group held for sale (note 16).

Movement in impairment of investment properties is as follows:

	2024	2023
	SR	SR
Balance at January 1	26,252,660	26,252,660
Balance at December 31	**26,252,660**	26,252,660

11. RIGHT OF USE ASSET AND LEASE LIABILITIES

The right of use asset and lease liabilities as of December 31, 2024 consists of leased land. Movement of right of use assets is as follows:

11.1 Right of use assets

Movement on right of use assets is as follows:

	Note	Machinery and medical equipment	Furniture and office equipment &vehicles	IT Equipment	Land	Building	Total
		SR	**SR**	**SR**	**SR**	**SR**	**SR**
December 31, 2024							
Cost:							
Opening (after reclassification)		58,841,323	8,294,448	6,575,911	1,632,913	5,402,995	80,747,590
Additions	11.1.1	**5,007,256**	**-**	**-**	**-**	**-**	**5,007,256**
De-recognized		**-**	**-**	**-**	**-**	**(5,402,995)**	**(5,402,995)**
Transfer to disposal group classified as held for sale	16.1	**(63,848,579)**	**(8,294,448)**	**(6,575,911)**	**-**	**-**	**(78,718,938)**
		-	**-**	**-**	**1,632,913**	**-**	**1,632,913**

11. RIGHT OF USE ASSET AND LEASE LIABILITIES (Continued)

11.1 Right of use assets (Continued)

Accumulated depreciation:							
Opening		10,440,773	1,742,091	1,381,145	302,391	5,100,914	18,967,314
Charge for the year		**5,493,549**	**876,601**	**694,977**	**60,478**	**-**	**7,125,605**
De-recognized		**-**	**-**	**-**	**-**	**(5,100,914)**	**(5,100,914)**
Transfer to disposal group classified as held for sale	16.1	**(15,934,322)**	**(2,618,692)**	**(2,076,122)**	**-**	**-**	**(20,629,136)**
		-	**-**	**-**	**362,869**	**-**	**362,869**
Net book value		**-**	**-**	**-**	**1,270,044**	**-**	**1,270,044**

	Note	Machinery and medical equipment	Furniture and office equipment &vehicles	IT Equipment	Land	Building	Total
		SR	SR	SR	SR	SR	SR
December 31, 2023							
Cost:							
Opening as previously presented		49,710,628	8,294,448	6,575,911	1,632,913	5,402,995	71,616,895
Reclassification adjustments	38.1.4	9,130,695	-	-	-	-	9,130,695
Opening after reclassification		58,841,323	8,294,448	6,575,911	1,632,913	5,402,995	80,747,590
		58,841,323	8,294,448	6,575,911	1,632,913	5,402,995	80,747,590
Accumulated depreciation:							
Opening		2,009,618	335,314	265,840	241,913	4,193,042	7,045,727
Charge for the year		8,431,155	1,406,777	1,115,305	60,478	907,872	11,921,587
		10,440,773	1,742,091	1,381,145	302,391	5,100,914	18,967,314
Net book value		48,400,550	6,552,357	5,194,766	1,330,522	302,081	61,780,276

11.1.1 Additions during the year included related advance payments amounting to SR 0.83 million.

11.1.2 The depreciation charged during the year is allocated to the general and administrative expenses.

11.2 Lease liabilities

Movement in lease liabilities is as follows:

	2024	2023
	SR	SR
At January 1	**68,446,555**	81,861,075
Additions during the year	**5,007,256**	207,462
Paid during the year	**(12,616,899)**	(16,191,059)
Charge for the year		
Continued operations	**274,429**	106,544
Discontinued operations till September 30, 2024 / for the year	**1,413,332**	2,462,533
De-recognition	**(185,268)**	-
Transfer to disposal group classified as held for sale (note 16.1)	**(60,936,547)**	-
Total balance at the year end	**1,402,858**	68,446,555
Less: current portion	**(43,886)**	(13,420,181)
Non-current portion	**1,358,972**	55,026,374

11. RIGHT OF USE ASSET AND LEASE LIABILITIES (Continued)

11.2 Lease liabilities (Continued)

As at year end, the minimum lease payments of lease liabilities are as follows:

	2024	2023
	SR	SR
Lease payments		
Within one year	**100,000**	15,342,568
Year two to five	**400,000**	57,744,727
Year five and above	**1,600,000**	1,700,000
Gross minimum lease payments	**2,100,000**	74,787,295
Less: Finance charges	**(697,142)**	(6,340,740)
Present value of net minimum lease payments	**1,402,858**	68,446,555

The right of use asset and liabilities related to disposal group has been transferred to the disposal group classified as held for sale (note 16).

12. GOODWILL

The goodwill has been transferred to the disposal group classified as held for sale (note 16.6.3).

13. INVENTORIES, NET

	2024	2023
	SR	SR
Dates and others	**11,808,930**	7,204,784
Medical consumables	**-**	14,458,288
Medicines	**-**	16,609,915
Medical supplies and spare parts	**-**	8,445,669
	11,808,930	46,718,656
The movement in the provision during the year		
Balance at January 1,	**(404,795)**	(404,795)
Balance at December 31,	**(404,795)**	(404,795)
	11,404,135	46,313,861

No impairment expense or reversal has been recognized for inventories, as expired inventories are returned to suppliers before their expiry date in accordance with the terms agreed with the suppliers.

No write-downs of inventories to net realizable value or reversals of such write-downs have been recognized, as the sales prices of pharmaceutical inventories are regulated by the Ministry of Health and have remained consistent and not subject to material fluctuation subsequent to the year-end.

14. TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	Note	2024	2023
		SR	SR
Trade receivables		**2,313,372**	163,982,901
Prepayments and other receivables		**2,269,937**	45,639,711
Due from related parties	24	**-**	151,508
		4,583,309	209,774,120
Less: Expected credit losses	14.1	**(29,083)**	(585,825)
		4,554,226	209,188,295

14.1 The movement in the expected credit losses during the year ended December 31 is as follows:

	2024	2023
	SR	SR
Balance at January 1	**585,825**	23,339,853
Charge for the year	**344,336**	4,120,663
Write off	**-**	(26,874,691)
Transfer to disposal group classified as held for sale	**(901,078)**	-
Balance at December 31	**29,083**	585,825

14. TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (Continued)

14.2 Aging of trade receivables

	2024	2023
	SR	SR
Within 3 months	**2,303,695**	96,388,117
from 3 to 6 months	**1,098**	30,150,713
Over 6 months	**8,579**	37,444,071
	2,313,372	163,982,901

The Group's credit terms require receivables to be settled within 30 to 60 days, depending on the customer type, in accordance with industry practices in the healthcare and food sector. The Group does not obtain collateral for receivables, making them unsecured, and no interest is charged on outstanding balances. As of December 31, 2024, approximately nil of the Group's accounts receivable balance was due from various governmental and insurance entities (December 31, 2023: 92%).

The Group measures the loss allowance for accounts receivable based on lifetime expected credit losses (ECL). The ECL is determined using a provision matrix, which considers historical default rates, the current financial position of debtors, and relevant industry-specific factors. Additionally, the assessment incorporates broader economic conditions and evaluates both current and forecasted trends as of the reporting date.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances, demand deposits and highly liquid investments that mature within three months or less. As of December 31, 2024, and 2023. Cash and cash equivalents in full included cash and bank balances and short-term bank deposits.

	2024	2023
	SR	SR
Cash at banks – current account	**3,418,808**	14,155,156
Murabaha investment deposits	**23,836,075**	47,500,000
Cash on hand	**-**	114,945
	27,254,883	61,770,101

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On February 26, 2024, Ayyan Investment Company announced the signing of a non-binding memorandum of understanding (MOU) with Dallah Health Services Company (Dallah) regarding the sale of all its shares in Al Salam Medical Services Company (a subsidiary) and Al-Ahsa Medical Services Company (a subsidiary). On August 19, 2024, the Company signed a share purchase and subscription agreement (SPSA) with Dallah. The consideration for this transaction, due to the Company by Dallah will be non-cash, consisting of the issuance of new shares by Dallah to the Company amounting to 3,893,603 shares, which will represent 3.83% of Dallah's share capital after the capital increase. There may also be a cash consideration payable to the Company or Dallah based on certain conditions specified in the SPSA. The transaction is subject to a number of conditions precedent specified in the SPSA, which include certain terms relating to the contracts and operations of the subsidiaries under sale and other conditions as specified by both parties. The completion of this transaction will also be subject to the approval of the Board of Directors of both parties, as well as obtaining the necessary regulatory approvals from the relevant authorities and shareholders' approval of both parties. As at the year ended December 31, 2024, the relevant approvals were still under progress. The financial impact of this agreement will be determined at a later stage following the completion of the relevant procedures as stipulated in the SPSA.

The assets held for sale criteria was considered to be met at August 19, 2024 when the share purchase and subscription agreement was signed by both parties. Based on management's analysis, Al-Ahsa Medical Services Company (a subsidiary) and Al Salam Medical Services Company (a subsidiary) are considered to be a separate, major, line of business in respect of its medical services sector, accordingly, comparative figures for the consolidated statement of profit or loss and other comprehensive income have been reclassified and are shown as a separate line item as "loss from discontinued operations".

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

16.1 The assets held for sale criteria was considered to be met at August 19, 2024. However, management has deemed transfer of disposal group classified as held for sale based on latest available financial information i.e September 30, 2024. Management believes that there will be no material adjustments between the date of meeting the criteria and September 30, 2024. The carrying amounts of assets and liabilities as of September 30, 2024, are as follows:

	Note	Balances on September 30, 2024 after reclassification adjustments	Allocated to Disposal Group entities: Al Ahsa Medical Services Company	Allocated to Disposal Group entities: Al Salam Medical Services Company	Total before eliminations	Group level eliminations	Inter-company eliminations	Total
Assets		**SR**	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**
Property, plant and equipment	6	**1,037,475,033**	**143,186,328**	**894,288,705**	**1,037,475,033**	**-**	**-**	**1,037,475,033**
Right of use assets	11	**58,089,802**	**4,982,220**	**53,107,582**	**58,089,802**	**-**	**-**	**58,089,802**
Goodwill		**2,094,678**	**2,094,678**	**-**	**2,094,678**	**-**	**-**	**2,094,678**
Intangible assets	7	**11,909,117**	**428,822**	**11,480,295**	**11,909,117**	**-**	**-**	**11,909,117**
Investment properties	10	**4,815,298**	**2,167,663**	**2,647,635**	**4,815,298**	**-**	**-**	**4,815,298**
Trade and other receivables		**375,202,717**	**306,711,859**	**68,490,858**	**375,202,717**	**-**	**(172,307,622)**	**202,895,095**
Inventories		**38,427,963**	**21,508,958**	**16,919,005**	**38,427,963**	**-**	**-**	**38,427,963**
Cash and cash equivalents		**25,372,285**	**2,013,980**	**23,358,305**	**25,372,285**	**-**	**-**	**25,372,285**
Total assets		**1,553,386,893**	**483,094,508**	**1,070,292,385**	**1,553,386,893**	**-**	**(172,307,622)**	**1,381,079,271**
Liabilities								
Long term loans	19	**552,054,966**	**28,505,991**	**523,548,975**	**552,054,966**	**-**	**-**	**552,054,966**
Lease liabilities	11	**60,936,547**	**3,973,099**	**56,963,448**	**60,936,547**	**-**	**-**	**60,936,547**
Employee defined benefit liabilities	21	**45,780,602**	**36,620,859**	**9,159,743**	**45,780,602**	**-**	**-**	**45,780,602**
Short term loans	20	**213,189,623**	**121,472,298**	**91,717,325**	**213,189,623**	**-**	**-**	**213,189,623**
Trade payables, accrued expenses and other liabilities		**421,908,050**	**54,932,639**	**366,975,411**	**421,908,050**	**(53,000,000)**	**(172,307,622)**	**196,600,428**
Zakat provision	23	**2,472,315**	**2,250,000**	**222,315**	**2,472,315**	**-**	**-**	**2,472,315**
Total liabilities		**1,296,342,103**	**247,754,886**	**1,048,587,217**	**1,296,342,103**	**(53,000,000)**	**(172,307,622)**	**1,071,034,481**
Net assets value of disposal group								**310,044,790**

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

16.2 Financial performance for the year ended December 31, 2024 are as follows:

	Al Ahsa Medical Services Company	Al Salam Medical Services Company	Total
	SR	SR	SR
Revenue	**276,773,408**	**196,487,190**	**473,260,598**
Cost of revenue	**(228,437,661)**	**(235,315,038)**	**(463,752,699)**
Selling and distribution expenses	**-**	**(5,671,594)**	**(5,671,594)**
General and administrative expenses	**(49,502,544)**	**(66,683,801)**	**(116,186,345)**
Allowance for impairment of doubtful receivables	**(2,882,624)**	**(1,157,675)**	**(4,040,299)**
Other income	**13,235,846**	**841,692**	**14,077,538**
Finance costs	**(2,936,314)**	**(49,077,104)**	**(52,013,418)**
Profit / (loss) before zakat	**6,250,111**	**(160,576,330)**	**(154,326,219)**
Zakat	**(4,789,198)**	**-**	**(4,789,198)**
Net profit / (loss)	**1,460,913**	**(160,576,330)**	**(159,115,417)**
Other comprehensive income	**(1,928,926)**	**85,155**	**(1,843,771)**
Total comprehensive loss	**(468,013)**	**(160,491,175)**	**(160,959,188)**

Financial performance for the year ended December 31, 2023 are as follows:

	Al Ahsa Medical Services Company	Al Salam Medical Services Company	Total
	SR	SR	SR
Revenue	262,946,758	50,802,823	313,749,581
Cost of revenue	(216,686,880)	(139,743,878)	(356,430,758)
Selling and distribution expenses	-	(2,170,072)	(2,170,072)
General and administrative expenses	(45,538,107)	(60,918,464)	(106,456,571)
Allowance for impairment of doubtful receivables	-	(556,742)	(556,742)
Other income	9,408,580	301,317	9,709,897
Finance costs	(2,024,266)	(66,421,217)	(68,445,483)
Profit / (loss) before zakat	8,106,085	(218,706,233)	(210,600,148)
Zakat	(3,000,000)	-	(3,000,000)
Net profit / (loss)	5,106,085	(218,706,233)	(213,600,148)
Other comprehensive income	2,134,270	(983,482)	1,150,788
Total comprehensive loss	7,240,355	(219,689,715)	(212,449,360)

16.3 Cash flows for the year ended December 31, 2024 and December 31, 2023 are as follows:

	2024	2023
	SR	SR
Net cash (used in) / generated from operating activities	**(139,916,547)**	(14,135,214)
Net cash used in investing activities	**(43,913,778)**	(39,446,646)
Net cash generated from financing activities	**193,471,166**	41,514,805
Net increase / (decrease) in cash and cash equivalents	**9,640,841**	(12,067,055)

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

16.4 Details of disposal group classified as held for sale as at December 31, 2024

Carrying amounts of assets and liabilities as at December 31, 2024 were as follows:

	Note	Al Ahsa Medical Services Company	Al Salam Medical Services Company	Total before eliminations	Group level elimination	Inter-company elimination	Total
Assets		**SR**	**SR**	**SR**	**SR**	**SR**	**SR**
Property, plant and equipment		**142,631,047**	**904,593,897**	**1,047,224,944**	**-**	**-**	**1,047,224,944**
Right of use assets		**4,875,216**	**52,194,400**	**57,069,616**	**-**	**-**	**57,069,616**
Goodwill		**2,094,678**	**-**	**2,094,678**	**-**	**-**	**2,094,678**
Intangible assets		**3,002,165**	**12,365,905**	**15,368,070**	**-**	**-**	**15,368,070**
Investment properties		**2,167,981**	**2,647,678**	**4,815,659**	**-**	**-**	**4,815,659**
Trade and other receivables		**307,775,855**	**79,252,038**	**387,027,893**	**-**	**(175,746,240)**	**211,281,653**
Due from related parties	16.5	**210,755**	**-**	**210,755**	**-**	**-**	**210,755**
Inventories		**21,437,893**	**19,564,986**	**41,002,879**	**-**	**-**	**41,002,879**
Cash and cash equivalents		**9,911,795**	**4,960,758**	**14,872,553**	**-**	**-**	**14,872,553**
Total assets		**494,107,385**	**1,075,579,662**	**1,569,687,047**	**-**	**(175,746,240)**	**1,393,940,807**
Liabilities							
Long term loans		**26,017,709**	**510,815,581**	**536,833,290**	**-**	**-**	**536,833,290**
Lease liabilities		**3,654,510**	**54,761,264**	**58,415,774**	**-**	**-**	**58,415,774**
Employee defined benefit liabilities		**39,853,807**	**12,371,829**	**52,225,636**	**-**	**-**	**52,225,636**
Short term loans		**120,592,284**	**91,237,610**	**211,829,894**	**-**	**-**	**211,829,894**
Trade payables, accrued expenses and other liabilities		**62,110,763**	**294,974,826**	**357,085,589**	**(53,000,000)**	**(175,746,240)**	**128,339,349**
Due to related parties	16.5	**-**	**112,387,839**	**112,387,839**	**-**	**-**	**112,387,839**
Zakat provision		**3,747,310**	**222,315**	**3,969,625**	**-**	**-**	**3,969,625**
Total liabilities		**255,976,383**	**1,076,771,264**	**1,332,747,647**	**(53,000,000)**	**(175,746,240)**	**1,104,001,407**
Net value of net assets							**289,939,400**

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

16.5 Related party transactions by discontinued operations (disposal group held for sale)

Transactions with related parties comprise of the following:

Nature of transactions	December 31, 2024	December 31, 2023
Fund repaid to related parties	**150,000,000**	-
Fund received / obtained from related parties	**88,500,000**	153,100,000
Services and Purchases	**19,044,108**	19,586,794
Expenses charged to affiliates	**8,249,546**	-
Revenue earned from related parties	**85,883**	100,693
Purchase of IT software and equipment	**-**	2,464,221

Due from related party balances are stated as follows:

	December 31, 2024	December 31, 2023
	SR	SR
Al Othman Holding Group of Companies	**179,544**	-
Takween Developed Industrial Company	**31,211**	31,682
Al-Othman Agricultural Production and Processing Company	**-**	119,826
	210,755	151,508

Due to related party balances are stated as follows:

	December 31, 2024	December 31, 2023
	SR	SR
Al Othman Holding Group of Companies	**109,673,682**	161,697,847
Systems of Strategic Business Solutions	**2,714,157**	1,364,213
	112,387,839	163,062,060

16.6 Other financial and relevant information

16.6.1 Property, plant and equipment, net

- The project for land and buildings are pledged against a term loan from Ministry of Finance (note 19.3).
- The total expected cost to complete the project as at December 31, 2024 is SR 29.91 million (2023: SR 5.55 million) (note 36).

16.6.2 Right of use asset and lease liabilities

- During the year 2019 ASMSC (subsidiary) entered into a leasing agreement with a financial institution for lease of its medical equipment, for a total assets value of SR 99.2 million and a lease term of 84 months. During the year 2021, the term of the lease agreement increased from 84 months to 96 months with no change in overall scope of leased assets. This change in lease term resulted in lease re-measurement impact of SR 12.35 million. During the year 2022, the term of the lease agreement increased from 96 months to 105 months with no change in overall scope of leased assets. This change in lease term resulted in lease re-measurement impact of SR 4.2 million (note 35). During the year 2024, the Company has modified its “end of term options” clause in the master lease agreement which granted the Company to buy back leased assets at the fair market value not to exceed 10% of the “Original Equipment Cost” with no change in overall scope of leased assets which resulted in the modification of the leased assets lives. This change in “end of term options” resulted in lease re-measurement impact of SR 0.99 million.

16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Continued)

16.6 Other Financial and relevant information (Continued)

16.6.3 Goodwill

Goodwill resulted from the Group's control at the time of acquisition over the Al-Ahsa Medical Services Company, after completing the purchase of additional interest in the company during the year 2015, in which control was achieved. According to the requirements of the International Financial Reporting Standards, the Group's management are required to annually measures the impairment of goodwill mentioned above. The Group's management carried out impairment assessment for the year ended December 31, 2024. The recoverable amount has been determined on the basis of the value in use. The two main assumptions used in the measurement are the discount rate and expected future cash flows from the business, which are as follows:
- Discount rate used to discount future cash flows is 9.67% (2023: 10.33%)
- Profit before zakat, interest, depreciation and amortization is expected to grow at 2.5% (2023: 2.5%) over the next 5 years

As per the above rates, recoverable amount, determined based on value in use model, is more than the book value, therefore there are no impairment losses for goodwill to be recorded for the year ended December 31, 2024.

Sensitivity to changes in assumptions used
With regard to assessing the value in use of the cash-generating units, the management believes that there is no potential change in any of the underlying assumptions that could cause the carrying value of goodwill to decrease substantially from its recoverable amount.

16.6.4 Finance Cost

The finance cost related to one of the subsidiary of the Group (Al-Salam Medical Services Company) for the year ended December 31, 2024, amounted to SR 39.06 million, which has been impacted by the modification in the financing arrangements in the year ended December 31, 2023, the unwinding of the modification impact resulting in a gain that arose from the reversal of finance cost amounting to SR 11.7 million, which resulted from the decrease in the expected future payments of the loan installments due to the decrease in SAIBOR rate from 6.33% in 2023 to 5.55% in 2024. The new expected future installments has been discounted using the original effective interest rate.

17. STATUTORY RESERVE

In accordance with the Company’s by-laws, the Group is required to transfer at least 10% of its net income each year to a statutory reserve until such reserve equals to 30% of the share capital. This reserve is not available for distribution to the shareholders. If this reserve exceeds (30%) of the paid-up capital, the ordinary general assembly may decide to distribute the increase to shareholders in the years in which the company does not achieve net profits sufficient to distribute the share determined for them in the company’s bylaws.

18. RESERVE FOR ACQUISITION FOR ADDITIONAL SHARES IN A SUBSIDIARY

The movement on the reserve for acquisition of additional shares in a subsidiary during the year is as follows:

	Note	**December 31, 2024**	December 31, 2023
		SR	SR
Opening balance		**122,454,330**	122,454,330
Movement for the year	18.1	**1,767,312**	-
Closing balance		**124,221,642**	122,454,330

The reserve for acquisition for additional shares in a subsidiary relates to one of the subsidiary of the Group (Al Ahsa Medical Services Company). This reserve is expected to be eliminated in full on the completion of sale of the subsidiary.

18.1 During the year ended December 31, 2024, the Group acquired an additional 155,400 shares that comprises 1.03% of the share capital in one of its subsidiary (Al Ahsa Medical Services Company), which led to an increase in the effective ownership percentage in the subsidiary from 96.3% to 97.4%. The consideration paid against this acquisition amounted to SR 4.04 million which resulted an increase in the reserve for acquisition for additional shares in a subsidiary.

18. RESERVE FOR ACQUISITION FOR ADDITIONAL SHARES IN A SUBSIDIARY (Continued)

Addition to the reserves has been calculated as follows:

	December 31, 2024	December 31, 2023
	SR	SR
Consideration paid	**4,040,400**	-
Value of net assets acquired	**(2,368,500)**	-
Excess consideration paid over value	**1,671,900**	-
Comprise of:		
Share of reserve for remeasurement of employees defined benefits obligations	**(95,412)**	-
Reserve for acquisition of additional shares in a subsidiary	**1,767,312**	-
	1,671,900	-

19. LONG TERM LOANS

	2024	2023
	SR	SR
Loan from commercial bank - ASMSC (note 19.1)	-	414,191,403
Loan from commercial bank - AMSC (note 19.2)	-	35,759,860
Loan from Ministry of Finance - ASMSC (note 19.3)	-	117,706,108
	-	567,657,371

The detail of outstanding loans of the Group are as follows:

	Current		**Non-Current**		**Total**	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Long term loans	**SR**	SR	**SR**	SR	**SR**	SR
Commercial banks	**-**	22,424,214	**-**	427,527,049	**-**	449,951,263
Ministry of Finance	**-**	8,994,991	**-**	108,711,117	**-**	117,706,108
Total Borrowings	**-**	31,419,205	**-**	536,238,166	**-**	567,657,371

19.1 This loans belong to the subsidiary ASMSC which had signed facility agreement ("the facility"), to partially finance the construction of hospital, comprising of documentary credits and bills, deferred payment credits/documentary credits and bills, performance guarantees, long term loan facility amounting to SR 163.43 million and medium term loan facility amounting to SR 122.16 million. During the year 2021, the Company capitalized interest amounting to SR 2.7 million, related to this loan, in capital work in progress. This complete loan has been paid by the Company during the year ended December 31, 2021.

During the year 2021, the company has changed its financing arrangement and obtained a new facility with a new commercial bank, whereby the purpose of financing is to pay outstanding obligations of previous commercial bank, financing the remaining cost of completing the hospital construction, and any other entitlements. During the year 2021, the company obtained loan amounting SR 443.2 million from this facility, out of which SR 116 million is a medium term flexible murabaha loan and SR 327.2 million is long term flexible Murabaha loan. During the year ended 2022, the company obtained loan amounting SR 97.80 million from this facility, out of which SR 65 million is a short-term facility and SR 32.80 million is long term flexible Murabaha loan.

The facility carries mark up at market rates and is secured by corporate guarantees of the Holding Company (Ayyan Investment Company), joint and personal guarantees of several related parties, assignment of proceeds and guarantees from certain financial and other suppliers, mortgage of title deed of land of the Holding Company and the Company's property, and pledge over Holding Company's interest in Al Ahsa medical services company (related party). The facilities agreement contains certain financial and non-financial covenants. During the year ended 2023, the Company capitalized interest amounting to nil (2022: SR 24.58 million), related to these loans, in capital work in progress.

19. LONG TERM LOANS (Continued)

During the year 2023, the company has modified its whole financing arrangements and signed the new facility for long term loan under Murabaha amounting to SR 400 million. This newly structured loan facility will be utilized by the Company to fund its prospective projects. The facility is secured by corporate guarantees of the Holding Company (i.e. Ayyan), joint and personal guarantees of several related parties and pledge of shares and land title deeds being held by parent Company (i.e. Ayyan). Certain borrowings of the Company require the maintenance of debt covenants which will be applicable from the year ended December 31, 2025. This restructuring resulted in non-substantial modification as per IFRSs. The modification impact of restructuring, amounting to SR 12.97 million has been charged to profit or loss for the year ended December 31, 2023. The unwinding of this modification impact will result in lesser finance cost and will result in positive impact on profit or loss in future years.

These loans have been transferred to the disposal group classified as held for sale (note 16).

The movement in the long-term loan from commercial banks is as follows:

	2024	2023
	SR	SR
Opening balance	409,547,703	406,331,695
Loan obtained	**-**	49,999,700
Loan settled	**(3,000,000)**	(56,477,950)
Loans restructured during the year	**-**	(399,853,842)
Revised value of modified loan including impact of modification due to restructuring of new loan, net of advance service charges	**-**	409,548,100
	406,547,703	409,547,703
Accrued interest	**5,444,111**	5,643,700
Advance service charges	**(1,000,000)**	(1,000,000)
Transfer to disposal group classified as held for sale (note 16.1)	**(410,991,814)**	-
Net long term loan payable	-	414,191,403

19.2 This loan belongs to the Al Ahsa Medical Services Company (AMSC). During the year 2022, AMSC obtained a short-term loan from commercial bank amounting to SR 20 million and also during the year 2022, AMSC signed a loan agreement with another commercial bank amounting to SR 30 million to finance its operations. These borrowings facility agreements are subject to certain financial and non-financial covenants. AMSC is complying with all the covenants. During the year ended December 31, 2024, AMSC revised its loan agreement with a commercial bank and updated its facility limit to SR 50 million.

As of September 30, 2024, the date of transfer to disposal group, the outstanding loan value amounted to SR 28,505,991 (note 16.1).

19.3 During 2018, the Company signed an interest free rate loan facility with the Ministry of Finance with an amount of SR 194.26 million, to finance the construction, furnishing and fitting of the Hospital Project from which the Company dispersed an amount of SR 56 million. This loan is repayable in 20 annual installments with first installment due after five years from the date of the contract, which is discounted on average market prevailing interest rates for similar nature loans at the date of the loan agreement, to have a present value of SR 31.69 million. During the year 2019, the Company dispersed an additional amount of SR 15.9 million from the same facility, with same terms as for the first loan, having net present value of SR 9.2 million. The difference between loan received and its present value amounting to SR 31.1 million was recorded as governmental grant as a reduction to property and equipment. During the year 2021, the Company dispersed an additional amount of SR 3.73 million from the same facility, with same terms of loan as for first and second loan, having net present value of SR 2.32 million. The difference between loan received and its present value amounting to SR 1.41 million was recorded as governmental grant as a reduction from property and equipment. The loan is secured by a pledge on the land of the project, the construction and maintenance of the building for the Ministry of Finance. During the year 2022, the Company dispersed an additional amount of SR 69.67 million from the same facility from Ministry of Finance, with same terms of loan as for first and second loan, having net present value of SR 46.77 million. The difference between loan received and its present value amounting to SR 22.9 million was recorded as governmental grant as a reduction from property and equipment.

19. LONG TERM LOANS (Continued)

In addition, during the year 2023, the Company dispersed an additional amount of SR 34.40 million from the same facility from, with same terms of loan as for the earlier loans, having net present value of SR 23.29 million. The difference between loan received and its present value amounting to SR 11.11 million was recorded as governmental grant as a reduction from property and equipment.

The loan is secured by a pledge on the land of the Al-Salam Medical Services Company, the constructions and maintenance of the building for the Ministry of Finance.

19.4 These loans have been transferred to the disposal group classified as held for sale (note 16).

The movement in the loan from Ministry of Finance is as follows:

	2024	2023
	SR	SR
Opening balance	117,706,108	99,624,458
Loan obtained	**-**	23,287,031
Finance cost charge for the year	**3,704,696**	4,987,480
Effect of re measurement for loan fair value	**141,348**	(1,197,871)
Repayments	**(8,994,991)**	(8,994,990)
Transfer to disposal group classified as held for sale (note 16.1)	**(112,557,161)**	-
Closing balance	-	117,706,108

Long-term loans balances are presented in the consolidated financial statements as follows:

	2024	2023
	SR	SR
Current portion	**-**	31,419,205
Non-current portion	**-**	536,238,166
	-	567,657,371

20. SHORT TERM LOANS

	Note	**2024**	2023
		SR	SR
Short term loan – AMSC	20.1	**121,472,298**	81,868,431
Short term loan – AFIC	20.2	**4,109,481**	2,016,847
Short term loan – ASMSC	20.3	**91,717,325**	91,486,094
		217,299,104	175,371,372
Transfer to disposal group classified as held for sale	16.1	**(213,189,623)**	-
Net Balance at December 31		**4,109,481**	175,371,372

20.1 This loan belongs to the subsidiary (Al Ahsa Medical Services Company)

During the year 2023, the company obtained SR 110 Million and paid SR 80 million. During the year, the Company obtained a short-term loan from commercial banks amounting to SR 310.67 million and SR 273 million had been repaid during the year. This loan has been transferred to disposal group held for sale.

These borrowings facility agreements are subject to certain financial and non-financial covenants. The Company is complying with all the covenants.

20.2 This loan belongs to the subsidiary (Al Ahsa Food Industries Company) the company has obtained facility from a local bank amounting to SR 5 million, the balance of the loan amounted to SR 4.1 million as of December 31, 2024 (2023: SR 2.02 million) to finance working capital, During the year, the company obtained SR 6 million and repaid SR 4 million.

The facility comprises of forward sale financing. As per the agreements the facility is guarantee by corporate guarantee from Ayyan Investment Company and from the guarantee program to finance small and medium enterprises. The outstanding balance is repayable in 6 months. The facility carries financing charges at market rates. As per facility agreement the company has to maintain certain non-financial covenants.

20. SHORT TERM LOANS (Continued)

20.3 During the year 2023, the company (ASMSC) obtained loan amounting SR 65 million from local bank is a short-term facility. During the year, the company obtained and repaid short-term loan amounting to SR 205.5 million.

20.4 The loans related to the subsidiaries (ASMSC and AMSC) have been transferred to the disposal group classified as held for sale (note 16).

21. EMPLOYEES' DEFINED BENEFITS OBLIGATIONS

Changes in the present value of the defined benefit obligation are as follows:

	2024	2023
	SR	SR
Balance at January 1	42,930,189	38,958,097
Continued operations - expense for the year	**380,825**	2,046,071
Discontinued operations till September 30, 2024 / for the year	**9,753,904**	10,210,161
Total expense	**10,134,729**	12,256,232
Actuarial gain on the obligation	**(53,696)**	(838,987)
Paid during the year	**(4,731,799)**	(7,445,153)
Transfer to disposal group classified as held for sale (note 16.1)	**(45,780,602)**	-
Balance at December 31	**2,498,821**	42,930,189

Expenses recognized during the year in consolidated statement of profit or loss and other comprehensive income are as follows:

	2024	2023
	SR	SR
Current service cost	**10,044,819**	10,253,124
Interest cost	**89,910**	2,003,108
	10,134,729	12,256,232

The principal assumptions used in determining obligations for the Group's plans are shown below:

	2024	2023
Discount rate	**5.25% - 5.30%**	4.60% - 4.65%
Long term salary increase rate	**5.25% - 5.30%**	4.60% - 4.65%
Rates of employee turnover	**Light - Heavy**	Moderate - Heavy

Sensitivity Analysis

	2024	2023
	SR	SR
Discount rate +0.5%	**3,107,656**	43,402,694
Discount rate -0.5%	**3,325,553**	46,048,692
Long term salary increases +0.5%	**3,302,405**	45,932,384
Long term salary decreases -0.5%	**3,128,478**	43,500,785

Maturity Profile

	2024	2023
	SR	SR
Year 1	**217,516**	5,358,436
Year 2	**916,286**	10,130,054
Year 3	**290,978**	9,167,154
Year 4	**229,764**	7,008,132
Year 5	**213,268**	8,191,364
Year 6 – 10	**3,066,180**	48,120,684

22. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER LIABILITIES

	2024	2023
	SR	SR
Due to a related parties (note 24)	**-**	163,062,060
Accrued employees benefits	**745,595**	32,726,607
Trade payables	**1,956,947**	84,503,518
VAT accrual	**-**	2,037,250
Advance revenue	**-**	678,939
Others	**2,805,729**	11,313,359
	5,508,271	294,321,733

23. ZAKAT

	December 31, 2024	December 31, 2023
	SR	SR
Balance at January 1	5,556,044	5,882,484
Continued operations - expense for the year	**484,221**	1,000,000
Discontinued operations till September 30, 2024 / for the year	**3,291,888**	3,000,000
Total expense	**3,776,109**	4,000,000
Paid during the year	**(4,653,500)**	(4,326,440)
Transfer to disposal group classified as held for sale (note 16.1)	**(2,472,315)**	-
Balance at December 31	**2,206,338**	5,556,044

Status of zakat assessments

The Group files its consolidated zakat return for Ayyan Investment Company and Al Ahsa Food Industries Company and Al-Salam Medical Services Company. The Group has filed its zakat return up to the year 2023 and obtained related receipts and certificates valid till April 30, 2025. The Group has received the final zakat assessments up to the year 2023 from Zakat, Tax and Customs Authority (ZATCA), except for Al Salam Medical Services Company, which has been acquired in 2020, has its final zakat assessments till 2018 has been received.

Al-Ahsa Medical Services Company (AMSC)

The Company submitted its zakat returns for the years until December 31, 2023 and obtained a valid zakat certificate until April 30, 2025. The Company received the zakat assessments up to the year 2017 from the Zakat, Tax and Customs Authority. Assessment for the years 2018 through 2023 is still under study by the Zakat, Tax and Customs Authority.

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The significant transactions with related parties represents mainly transactions with associate and the board of directors and their related entities. All transactions are carried out based on agreed provisions and are approved by the board of directors.

Name of related party	**Relationship**
Al Othman Holding Group Companies	Affiliate – Shareholder
Properties Security for Security Company	Affiliate
Systems of Strategic Business Solutions	Affiliate
Takween Developed Industrial Company	Affiliate
Al Othman Agricultural Company	Affiliate

For related party transactions related to the discontinued operations (disposal group held for sale) refer to note 16.5.

Transactions with related parties comprise of the following:

Nature of transactions	**December 31, 2024**	December 31, 2023
Revenue	**162,500**	-

24. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Compensation of key management personnel of the Company:
Senior management is represented by senior members of the Board of Directors and senior executives in the Company who have the powers and responsibilities of planning, directing and controlling the Company's activities. The following are the benefits and rewards of senior management employees of the Holding Company

Description	Nature of the transaction	2024 SR	2023 SR
Members of the Board of Directors and other committees	Allowances for attending meetings and bonuses	**2,012,273**	1,904,162
Senior management staff	Salaries, allowances and incentives	**1,807,722**	2,065,661

Balance due from related parties as at December 31 is as follows;

	2024 SR	2023 SR
Al Othman Agricultural Company	**-**	119,826
Takween Developed Industrial Company	**-**	31,682
	-	151,508

Balance due to related parties as at December 31 is as follows;

	2024 SR	2023 SR
Al Othman Holding Group of Companies	**-**	161,697,847
Systems of Strategic Business Solutions	**-**	1,364,213
	-	163,062,060

25. LOSS PER SHARE

Loss per share of loss for the period is calculated by dividing the net loss for the period attributable to shareholders by the weighted average number of shares outstanding during the period. Loss per share is as follows:

	Note	2024 SR	2023 (Adjusted – note 16) SR
Profit / loss attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share:			
From continuing operations		**(5,346,927)**	(2,465,446)
From discontinued operations		**(159,062,016)**	(213,785,499)
		(164,408,943)	(216,250,945)
Weighted average number of ordinary shares outstanding during the period (note 25.1)	25.1	**92,719,427**	86,981,967
Basic and diluted earnings per share			
Basic and diluted earnings per share attributable to the ordinary equity holder of the Group			
- From continuing operations		**(0.06)**	(0.03)
- From discontinued operations		**(1.72)**	(2.46)
Total basic and diluted earnings per share attributable to the ordinary equity holders of the Group		**(1.78)**	(2.49)

25.1 During the year ended December 31, 2024, the Group completed its right issue of SR 200 million consisting of 20 million new shares with a par value of SR 10 per share. Accordingly, the authorized, issued and paid up capital of the Group was increased to SR 1,006,363,280 (December 31, 2023: SR 806,363,280) consisting of 100,636,328 shares (December 31, 2023: 80,636,328 shares). Resulting from the increase in share capital due to right issuance, weighted average number of shares have increased from 80,636,328 to 92,719,427. Weighted average number of ordinary shares of comparative figures have been adjusted to reflect this increase as required by IAS 33. The comparative figures have been adjusted to reflect the transferred subsidiaries to disposal group classified as held for sale.

26. SEGMENTAL REPORTING

The main activities of the Group are categorized into three main business sectors, the medical services sector represented by Al Ahsa Medical Services Company and Al-Salam Medical Services Company; the manufacturing sector represented by Al Ahsa Food Industries Company specializing in the production and packaging of dates; and Investment sector represented by Ayyan Investment Company. During the year ending December 31, 2024, the whole medical services sector has been transferred to disposal group. The financial information is summarized in accordance with the main activities as follows:

	Manufacturing Sector	Investment Sector	Medical Services Sector	Disposal group (note 16.4)	Eliminations	Total
December 31, 2024	**SR**	**SR**	**SR**	**SR**	**SR**	**SR**
Total Assets	**21,182,775**	**370,622,814**	**-**	**1,569,687,047**	**(228,746,240)**	**1,732,746,396**
Total Liabilities	**8,739,407**	**6,986,362**	**-**	**1,332,747,647**	**(228,746,240)**	**1,119,727,176**
December 31, 2023						
Total Assets	18,692,399	159,737,825	-	1,624,381,627	(139,907,376)	1,662,904,475
Total Liabilities	6,019,783	6,472,516	-	1,281,698,341	(139,907,376)	1,154,283,264

The following table summarizes the financial information disaggregated by business segments for the year ending December 31, 2024 and December 31, 2023:

	Manufacturing Sector	Investment Sector	Discontinued operations (note 16.2)	Total
December 31, 2024	**SR**	**SR**	**SR**	**SR**
Revenue (external)	**15,438,429**	**-**	**-**	**15,438,429**
Depreciation and amortization	**(768,409)**	**(219,048)**	**-**	**(987,457)**
Finance costs	**(332,231)**	**-**	**-**	**(332,231)**
Net loss	**(206,294)**	**(5,140,633)**	**(159,115,417)**	**(164,462,344)**
December 31, 2023				
Revenue (external)	20,085,153	-	-	20,085,153
Depreciation and amortization	(561,762)	(170,443)	**-**	(732,205)
Finance costs	(165,969)	-	-	(165,969)
Net profit / (loss)	1,413,328	(3,878,774)	(213,600,148)	(216,065,594)

27. REVENUE

External revenues by timing of revenue recognition	2024	2023 (Adjusted – note 16)
	SR	SR
Revenue recorded at point in time	**15,438,429**	20,085,153

The Group generates revenue from the sale of packaged dates and revenue is recognized at point in time.

28. COST OF REVENUE

	Note	2024	2023 (Adjusted – note 16)
		SR	SR
Consumables		**11,022,600**	16,167,748
Employees cost		**908,493**	-
Depreciation expense	6	**527,732**	251,035
Maintenance and utilities		**117,187**	-
Others		**412,613**	3,433
		12,988,625	16,422,216

29. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	**2024**	2023 (Adjusted – note 16)
		SR	SR
Employees cost		**5,736,320**	5,381,527
Board expenses and fees	24	**2,012,273**	1,904,162
Legal and professional expenses	29.1	**5,336,746**	2,660,535
Depreciation expense	6	**361,459**	318,791
Depreciation expense on right of use asset	11	**60,478**	60,478
Others		**986,516**	715,178
		14,493,792	11,040,671

29.1 Legal and professional expenses includes fees for auditing the annual consolidated financial statements and reviewing the condensed interim financial statements for the group (excluding disposal group fees) amounted to SR 0.45 million (2023: Nil).

30. SELLING AND MARKETING EXPENSES

	Note	**2024**	2023 (Adjusted – note 16)
		SR	SR
Employees cost		**522,664**	492,094
Freight expenses		**419,737**	561,520
Depreciation expense	6	**37,788**	101,901
Marketing and Advertising expenses		**1,897**	907
Others		**102,850**	97,798
		1,084,936	1,254,220

31. FINANCE COST

	2024	2023 (Adjusted – note 16)
	SR	SR
Finance cost – term loans	**274,429**	106,544
Finance cost on lease liability	**57,802**	59,425
	332,231	165,969

32. DIVIDEND INCOME

	2024	2023
	SR	SR
Industrialization and Energy Services Co. TAQA	**2,050,009**	2,050,009
Taleem Investment Co. Ltd	**-**	941,006
	2,050,009	2,991,015

33. OTHER INCOME

	2024	2023 (Adjusted – note 16)
	SR	SR
Murabaha deposits income	**891,420**	3,054,596
Gain from disposal of property, plant and equipment	**-**	51,301
Others	**263**	346,007
	891,683	3,451,904

34. NON-CONTROLLING INTERESTS

During the year, the Group acquired additional shares in one of its subsidiary (Al Ahsa Medical Services Company). The Group acquired an additional 155,400 shares that comprises 1.03% of the share capital, which led to an increase in the effective ownership percentage in the subsidiary from 96.3% to 97.4%.

	2024	2023
	SR	SR
Ahsa Medical Services Company	**6,148,544**	8,620,391
Shareholding	**2.59%**	3.63%

	2024	2023
	SR	SR
Summarized statement of financial position:		
Current assets	**339,336,297**	298,232,113
Non-current assets	**131,418,151**	138,173,771
Current liabilities	**198,105,712**	153,801,895
Non-current liabilities	**57,870,669**	60,054,224
Total equity	**214,778,067**	222,549,765
Proportionate share in equity	**5,561,320**	8,068,171
Consolidation adjustments	**587,224**	552,220
	6,148,544	8,620,391
Summarized statement of profit or loss and other comprehensive income:		
Revenue	**276,773,752**	264,644,447
Profit before Zakat	**(1,053,574)**	10,108,596
Net profit for the year	**(5,842,772)**	7,108,596
Total comprehensive income for the year	**(7,771,698)**	9,242,866
Summarized cash flow:		
Cash used in operating activities	**(15,008,599)**	(32,145,884)
Cash used in investing activities	**(5,353,086)**	(3,024,259)
Cash generated from financing activities	**27,506,702**	21,419,337

35. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group’s principal financial liabilities comprise trade and other payables and loans. The Group's principal financial assets comprise cash and cash equivalents, investments in equity instruments designated at fair value through other comprehensive income and trade and other receivables.

Classification of financial instruments

	2024	2023
	SR	SR
Financial assets at fair value		
Equity instruments designated by fair value through other comprehensive income	**145,885,775**	82,496,266
	145,885,775	82,496,266
Financial assets at amortized cost		
Trade receivables and other assets	**2,284,289**	166,891,732
Cash and cash equivalents	**27,254,883**	61,770,101
	29,539,172	228,661,833
Total financial assets	**170,968,946**	311,158,099
Financial liabilities at amortized cost		
Trade payables, accrued expenses and other liabilities	**5,508,271**	291,253,438
Lease liabilities	**1,402,858**	68,446,555
Loans	**4,109,481**	743,028,743
	11,020,610	1,102,728,736

35. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

Risk management of financial instruments
The Group's activities are exposed to various financial risks such as fair value measurement, credit risk, liquidity risk, foreign currency risk and capital management risk. Management reviews and approves policies to manage each of these risks, which are summarized as follows:

Fair value measurement of financial instruments
Fair value is the amount at which an asset is sold or a liability settled between willing parties in the arm's length transactions there is a presumption that the Group is a going concern entity where there is no intention or requirement to materially reduce the volume of its operations or to conduct a transaction on adverse terms. A financial instrument is considered to be listed in the active market if the quoted prices are readily and regularly available from an intermediary, industry group, pricing services or regulatory body, and these prices represent market transactions that have occurred on an active and regular basis on a commercial basis.

When measuring fair value, the Group uses observable market information whenever possible to the inputs used in valuation methods as follows:
Level 1: quoted prices (unadjusted) in active markets for similar assets or liabilities that can be obtained on the measurement date.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities directly (e.g. prices) or indirectly (derived from prices).
Level 3: inputs for assets or liabilities not based on observable market information (non-observable inputs).

The following schedule presents an analysis of financial instruments carried at fair value according to the fair value hierarchy:

	December 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	SR	**SR**	**SR**	**SR**
Equity instruments designated by fair value through other comprehensive income	**-**	**35,786,591**	**110,099,184**	**145,885,775**
	-	**35,786,591**	**110,099,184**	**145,885,775**

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	SR	SR	SR	SR
Equity instruments designated by fair value through other comprehensive income	-	-	82,496,266	82,496,266
	-	-	82,496,266	82,496,266

The valuation methods used and the key inputs to revalue investments in equity instruments through other comprehensive income are described below:

Valuation method		
Market method	-	The value of equity to the profits multiplier before commission, income tax, depreciation and amortization
	-	Average net asset value and price to book value multiplier
Net assets method	-	Cash and cash equivalents available for distribution and net assets
Expected returns method	-	The value of the equity to the revenue multiplier

Transfer out of level 3
At December 31, 2024, the Group holds investment in equity shares in Arab Paper Manufacturing Co. (Warq) with the fair value of SR 35.79 million (2023: SR 17.1 million) which was categorized as level 3 as at December 31, 2023. This was because the valuation approach used in previous year was based on a high weighting to the discounted cash flow (DCF) model which was significantly depending on unobservable input data.

As at December 31, 2024, the Group decided to apply valuation techniques different than the valuation models used in year 2023, due to the availability of the direct prices at the year-end as the Group has disposed partial shareholding as at December 15, 2024. Accordingly, the Fair Value measurement was transferred from level 3 to level 2 of the fair value hierarchy as at December 31, 2024.

35. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk is the risk that one party may fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk which represents trade receivables and other assets and cash balances. Cash and cash equivalents are placed with banks and institutions with sound credit ratings. Trade and other receivables are mainly due from customers in the local market and related parties and are shown at their estimated recoverable amount as follows:

	2024	2023
	SR	SR
Trade receivables and other assets	**2,284,289**	166,891,732
Cash and cash equivalents	**27,254,883**	61,770,101
	29,539,172	228,661,833

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

- Cash balances held with banks with a high credit rating.
- Trade receivables and other assets, net of provision for doubtful receivables.

The Group manages credit risk relating to amounts due from customers through the ongoing monitoring in accordance with the specific policies and procedures. The Group minimizes its credit risk relating to customers by setting credit limits for each customer and monitoring existing receivables on an ongoing basis.

Liquidity risk

Liquidity risk is the difficulty that an entity encounters in raising funds to meet the obligations in connection with the financial instruments. Liquidity risk can result from the inability to sell financial assets quickly and at its approximate fair value. The contractual maturities of financial liabilities at the end of the financial year are as follows, the amounts are presented in total and are not discounted and include estimated interest payments.

			December 31, 2024		
			Total undiscounted amounts		
	Carrying value	**Contractual cash flow**	**Payable on request or within 1 year**	**From 2 to 5 years**	**More than 5 years**
	SR	**SR**	**SR**	**SR**	**SR**
Financial liabilities at amortized cost					
Trade payables, accrued expenses and other liabilities	**5,508,271**	**-**	**-**	**-**	**-**
Lease liabilities	**1,402,858**	**2,100,000**	**100,000**	**400,000**	**1,600,000**
Loans	**4,109,481**	**4,173,573**	**4,173,573**	**-**	**-**
	11,020,610	**6,273,573**	**4,273,573**	**400,000**	**1,600,000**

			December 31, 2023		
			Total undiscounted amounts		
	Carrying value	Contractual cash flow	Payable on request or within 1 year	From 2 to 5 years	More than 5 years
	SR	SR	SR	SR	SR
Financial liabilities at amortized cost					
Trade payables, accrued expenses and other liabilities	291,253,438	291,253,438	291,253,438	-	-
Lease liabilities	68,446,555	74,787,295	15,342,568	57,744,727	1,700,000
Loans	743,028,743	1,024,156,887	250,525,775	262,075,916	511,555,196
	1,102,728,736	1,390,197,620	557,121,781	319,820,643	513,255,196

The Group monitor its liquidity risk on an ongoing basis to ensure that funds and bank facilities are available to meet the future liabilities.

35. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

Market risk
Market risk is the risk that a financial instrument will fluctuate due to changes in prevailing market prices such as foreign exchange rates, interest rates and stocks prices affecting the Group's income or the value of its financial instruments. Market risk management aims to manage and control market risk exposure within acceptable limits while maximizing returns.

Foreign currency risk management
Foreign currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future business transactions and recognized assets and liabilities are denominated in currencies different from the Group's currency. The Group's exposure to foreign exchange risk is primarily limited to transactions in US Dollars and UAE Dirhams. Management believes that its exposure to foreign exchange risk is limited as the Group's currency and UAE Dirhams are pegged to the US Dollar.

Interest rate
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has interest bearing loans at December 31, 2024 and 2023. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group’s loans and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Total capital comprises shareholders’ equity as shown in the statement of financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

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

	December 31, 2024	December 31, 2023
	SR	SR
Total debt	**4,109,481**	743,028,743
Less: cash and bank balances	**(27,254,883)**	(61,770,101)
Net debt	**(23,145,402)**	681,258,642
Total equity	**613,019,220**	508,621,211
Total capital employed	**589,873,818**	1,189,879,853
Gearing ratio	**(3.92%)**	57.25%

36. CONTINGENCIES AND COMMITMENTS

The Group’s budgeted cost related to the construction of 490 bed hospital of the Hospital for Al-Salam Medical Services Company amounting to SR 29.91 million including a contractual capital commitment amounting to SR 3.98 million (2023: SR 6.42 million).

37. SUPPLEMENTAL CASHFLOW INFORMATION

37.1 Significant non-cash transactions are as follows:

	2024	2023
	SR	SR
Net value of net assets related to disposal group held for sale	**289,939,400**	-
Change in fair value reserve	**80,620,146**	20,245,556
Right of use assets and lease liabilities recognized	**5,007,256**	-
Transfer to intangible assets from property, plant and equipment	**4,001,502**	9,445,538
Re- measurement for employees' benefits obligations	**1,790,075**	838,987
Lease modification impact	**985,312**	-
Transfer to inventory from property, plant and equipment	**921,579**	-
Right of use assets derecognized	**302,081**	-
Lease liabilities derecognized	**185,268**	-
Effect of re measurement for loan fair value with PPE	**172,684**	1,197,871
Advance service charges related to Trade payables and other liabilities	**-**	1,000,000

37. SUPPLEMENTAL CASHFLOW INFORMATION (Continued)

37.2 Reconciliation of liabilities arising from financing activities:

For year ended December 31, 2024

		Cash transactions			Non-cash transactions			
	December 31, 2023	Loan received	Loan Paid	Interest paid	Amortization of finance charges	Modification / Fair value adjustment	Disposal Group (note 16.4)	December 31, 2024
	SR	SR	SR	SR	SR	SR	SR	SR
Commercial loan, long-term	449,947,246	**-**	**(15,717,623)**	**(38,585,964)**	**38,962,871**	**(11,600,651)**	**(423,005,879)**	**-**
Ministry of finance loan, long-term	117,710,125	**-**	**(8,994,990)**	**-**	**4,939,592**	**172,684**	**(113,827,411)**	**-**
Commercial loans, short-term	175,371,372	**522,166,362**	**(482,500,173)**	**(16,332,709)**	**17,234,523**	**-**	**(211,829,894)**	**4,109,481**
Lease liabilities	68,446,555	**5,007,256**	**(14,435,223)**	**(2,382,369)**	**2,382,369**	**800,044**	**(58,415,774)**	**1,402,858**
Total	811,475,298	**527,173,618**	**(521,648,009)**	**(57,301,042)**	**63,519,355**	**(10,627,923)**	**(807,078,958)**	**5,512,339**

For year ended December 31, 2023

		Cash transactions			Non-cash transactions			
	December 31, 2022	Loan received	Loan Paid	Interest paid	Amortization of finance charges	Modification	Management fee	December 31, 2023
	SR	SR	SR	SR	SR	SR	SR	SR
Commercial loan, long-term	452,467,098	49,999,700	(65,636,855)	(36,274,267)	37,416,738	12,974,832	(1,000,000)	449,947,246
Ministry of finance loan, long-term	98,483,486	23,287,031	(8,994,990)	-	4,934,598	-	-	117,710,125
Commercial loans, short-term	118,147,146	314,998,800	(259,999,067)	(9,716,779)	11,941,272	-	-	175,371,372
Lease liabilities	81,861,075	207,462	(13,621,982)	(2,569,077)	2,569,077	-	-	68,446,555
Total	750,958,805	388,492,993	(348,252,894)	(48,560,123)	56,861,685	12,974,832	(1,000,000)	811,475,298

38. COMPARATIVE FIGURES

38.1 Following comparative figures have been reclassified to conform to the presentation in the current year.

Description	Note	**From**	**To**	**Amount SR**
Reclassification of allowance for impairment of doubtful receivables	38.1.1	Revenue	Allowance for doubtful receivables	556,742
Reclassification of property and equipment	38.1.2	Property, plant and equipment	Trade receivables, prepayments and other assets	10,367,636
Reclassification of property and equipment	38.1.3	Property, plant and equipment	Trade payables, accrued expenses and other liabilities	2,057,158
Reclassification of property and equipment	38.1.4	Property, plant and equipment	Right of use assets	9,130,695

38.1.1 As per the requirements of IFRS, the Group has reclassified allowance for expected credit losses from general and administrative expenses to consolidated statement of profit or loss and other comprehensive income as a separate line item. This change was made to enhance comparability and did not impact the equity, net profit, or cash flows of the Group for the previous year. (note 16.2)

38.1.2 The reclassification adjustments relate to advances paid to suppliers for construction contracts in the year 2022, amounting to SR 10.37 million, which were initially classified under Capital Work in Progress (CWIP). During the year ended December 31, 2023, the Group transferred this amount to buildings. The invoices received against these advances were subsequently capitalized under property, plant and equipment during 2024. This resulted in a duplicate charge in property, plant and equipment and advances to suppliers. These have been netted off from the opening balances.

38.1.3 Medical equipment amounting to SR 2.06 million was capitalized twice, resulting in a duplicate charge to creditors. These have been netted off from the opening balances.

38.1.4 A transfer of SR 9.13 million to right of use assets, originally related to the year 2022. This has been reclassified to the opening balance of right of use assets as at January 1, 2023. Consequently, depreciation expense of SR 2.14 million, pertaining to previous years, has been recognized in the consolidated statement of profit or loss in the current year.

38.1.5 The above mentioned reclassifications were having no impact on neither the net loss for the year ended December 31, 2023 nor the other comprehensive income / loss for the year December 31, 2023 and total comprehensive loss for the year ended December 31, 2023.

38.1.6 In addition, none of above mentioned reclassifications were having impact on the net cash from operating, investing and financing activities in the cash flows of the year ended December 31, 2023.

38.2 Reclassification adjustments for the transfer of disposal group classified as held for sale.

- With reference to note 16, all profit and loss and other comprehensive income for the year 2023 have been adjusted to reflect the treatments and presentations of discontinued operations as required by IFRS 5.

39. SUBSEQUENT EVENTS

As stated in note 9, subsequent to the year end, the associate of the Group, Twareat Medical Care Company has registered itself with the Saudi exchange market (NOMU parallel market).

On February 6, 2025, the group has announced obtaining the approval of the Capital Market Authority on Dallah's capital increase application for the purpose of acquiring 97.41% of the shares in Al Ahsa Medical Services Company and 100% of the shares in Al-Salam Medical Services Company, and the extension of the term of the Agreement for an additional two months.

In the opinion of management, there have been no other significant subsequent events since the year-end that would have a material impact on the financial position of the Group as reflected in these consolidated financial statements.

40. GENERAL

The figures in these consolidated financial statements are rounded to the nearest Saudi Riyals.

41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on Ramadan 9, 1446H corresponding to March 9, 2025.