6 financial statements

The Consolidated Financial Statements and Independent Auditor's Report for the Year Ended 31 December 2024

The Consolidated Financial Statements and Independent Auditor's Report for the Year Ended 31 December 2024

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,774,945,824	1,754,801,597
Right-of-use assets	15	45,911,025	57,707,476
Biological assets	16	695,858,509	727,632,518
Intangible assets	17	26,657,322	29,597,933
Investment in joint venture	18.1	2,550,000	116,222,014
Equity investments at FVOCI	18.2	273,026,552	8,949,000
TOTAL NON-CURRENT ASSETS		**2,818,949,232**	**2,694,910,538**
CURRENT ASSETS			
Biological assets	19	85,273,609	56,574,175
Inventories	20	662,169,811	559,749,415
Trade receivables, prepayments, and other receivables	21	472,173,058	406,537,138
Term deposits	22	300,000,000	500,000,000
Cash and cash equivalents	23	1,365,364,080	834,686,320
TOTAL CURRENT ASSETS		**2,884,980,558**	**2,357,547,048**
TOTAL ASSETS		**5,703,929,790**	**5,052,457,586**
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	24	3,016,400,000	3,016,400,000
Share premium		78,719	78,719
Statutory reserve	25	193,787,812	193,787,812
Other reserves	26	(29,760,699)	38,985,456
Retained earnings		1,116,424,086	343,592,118
TOTAL SHAREHOLDERS' EQUITY		**4,296,929,918**	**3,592,844,105**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Financial Position as at 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
NON-CURRENT LIABILITIES			
Murabaha loans and borrowings	27	1,667,414	97,739,216
Lease liabilities	15	25,636,302	34,777,841
Deferred income		3,475,813	4,017,287
Employee' defined benefits obligation	28	131,422,371	147,947,099
TOTAL NON-CURRENT LIABILITIES		**162,201,900**	**284,481,443**
CURRENT LIABILITIES			
Trade payables, accrued expenses and other payables	29	822,821,340	717,312,003
Murabaha loans and borrowings – short term	27	205,285,107	227,618,113
Murabaha loans and borrowings - current portion	27	833,707	51,035,972
Lease liabilities – current portion	15	13,776,418	17,894,034
Undistributed rights issue compensation	30	82,980,982	83,238,203
Dividend payables	31	31,946,723	32,340,192
Provision for Zakat	32	87,153,695	45,693,521
TOTAL CURRENT LIABILITIES		**1,244,797,972**	**1,175,132,038**
TOTAL LIABILITIES		**1,406,999,872**	**1,459,613,481**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,703,929,790**	**5,052,457,586**

The accompanying notes 1 to 40 are an integral part of these consolidated financial statements

These consolidated financial statements appearing on pages (6) to (42) were approved by the Board of Directors and were signed on its behalf by

Hassan Aqrouq	**Solaiman Al-Twaijri**	**Abdulaziz Saleh Alrebdi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Profit or Loss for the year ended 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
Revenue	7	3,220,400,393	3,196,966,537
Cost of revenue	8	(2,028,078,279)	(2,013,222,848)
GROSS PROFIT		**1,192,322,114**	**1,183,743,689**
Selling and marketing expenses	9	(531,774,710)	(559,555,571)
General and administrative expenses	10	(234,790,471)	(213,094,619)
Impairment losses for trade receivables, prepayments and other receivables	21	2,866,041	(48,870,839)
Write off/ impairment losses on property, plant and equipment	14	(7,230,569)	(24,026,362)
Other (expenses) income, net	11	(31,987,545)	2,440,013
OPERATING PROFIT		**389,404,860**	**340,636,311**
Treasury income		91,415,685	3,912,778
Financing cost	12	(34,241,422)	(76,020,175)
Gain from the reclassification of a joint venture to an investment at FVOCI	18.2	356,513,453	-
Share of results of joint venture	18.1	24,039,392	21,735,857
PROFIT BEFORE ZAKAT		**827,131,968**	**290,264,771**
Zakat for current year	32	(52,500,000)	(14,200,000)
Zakat reversal related to previous years	32	-	26,000,000
PROFIT FOR THE YEAR		**774,631,968**	**302,064,771**
EARNINGS PER SHARE, BASED ON THE PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY			
Basic and diluted	13	2.57	1.77*

* Restated for right issues.

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These consolidated financial statements appearing on pages (6) to (42) were approved by the Board of Directors and were signed on its behalf by

Hassan Aqrouq	Solaiman Al-Twaijri	Abdulaziz Saleh Alrebdi
Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
PROFIT FOR THE YEAR		**774,631,968**	**302,064,771**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Actuarial gain on re-measurement of employees' defined benefit obligation	28	16,560,981	10,238,306
Movement in equity investment at fair value through other comprehensive income (FVOCI)		(87,429,338)	603,000
TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		**(70,868,357)**	**10,841,306**
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Foreign operations – foreign currency translation differences		2,122,202	(901,603)
TOTAL ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS		**2,122,202**	**(901,603)**
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		**(68,746,155)**	**9,939,703**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**705,885,813**	**312,004,474**

The accompanying notes 1 to 40 are an integral part of these consolidated financial statements

These consolidated financial statements appearing on pages (6) to (42) were approved by the Board of Directors and were signed on its behalf by

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Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2024

	Share capital SAR	Share premium SAR	Statutory reserve SAR	Other reserves SAR	Retained earnings SAR	Total shareholders' equity SAR
Balance as at 1 January 2024	3,016,400,000	78,719	193,787,812	38,985,456	343,592,118	3,592,844,105
Profit for the year	-	-	-	-	774,631,968	774,631,968
Other comprehensive loss for the year	-	-	-	(68,746,155)	-	(68,746,155)
Total comprehensive income				**(68,746,155)**	**774,631,968**	**705,885,813**
Expenses relating to issue of new shares (note 24)	-	-	-	-	(1,800,000)	(1,800,000)
Balance as at 31 December 2024	**3,016,400,000**	**78,719**	**193,787,812**	**(29,760,699)**	**1,116,424,086**	**4,296,929,918**
Balance as at 1 January 2023	**1,016,400,000**	**78,719**	**193,787,812**	**29,045,753**	**55,833,425**	**1,295,145,709**
Profit for the year	-	-	-	-	302,064,771	302,064,771
Other comprehensive income for the year	-	-	-	9,939,703	-	9,939,703
Total comprehensive income	**-**	**-**	**-**	**9,939,703**	**302,064,771**	**312,004,474**
Expenses relating to issue of new shares (note 24)	2,000,000,000	-	-	-	(14,306,078)	1,985,693,922
Balance as at 31 December 2023	**3,016,400,000**	**78,719**	**193,787,812**	**38,985,456**	**343,592,118**	**3,592,844,105**

The accompanying notes 1 to 40 are an integral part of these consolidated financial statements

These consolidated financial statements appearing on pages (6) to (42) were approved by the Board of Directors and were signed on its behalf by

Hassan Aqrouq	**Solaiman Al-Twaijri**	**Abdulaziz Saleh Alrebdi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Cash flows for the year ended 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Zakat		**827,131,968**	**290,264,771**
Adjustments for:			
Depreciation of property plant and equipment, net	14	154,094,300	148,245,121
Depreciation of right-of-use assets	15	14,361,535	14,339,308
Change in biological assets	16	67,298,643	63,225,609
Amortization of intangible assets	17	10,776,726	8,654,485
Deferred income		(541,474)	(541,719)
Employee benefits obligation	28	24,927,575	30,402,117
Write off/ Impairment losses on trade receivables and other receivables	21	(2,866,041)	37,320,981
Inventory provision, net	20	37,341,265	31,546,653
Treasury income on term deposit		(16,171,667)	-
Financing cost	12	34,241,422	76,020,175
Share of results from joint venture	18	(24,039,392)	(21,735,857)
Gain from the reclassification of joint venture to investment at FVOCI		(356,513,453)	-
Loss on sale of property plant and equipment and biological assets, net	11	52,369,481	48,505,220
Write off/ Impairment losses on property, plant and equipment	14	7,230,569	24,026,362
		829,641,457	750,273,226
Changes in:			
Inventories		(139,160,848)	(75,246,356)
Biological assets		(28,699,434)	1,708,026
Trade receivables, prepayments, and other receivables		(62,820,713)	(16,450,059)
Trade payable, accrued expenses and other payables		106,428,464	39,042,447
		705,388,926	699,327,284
Zakat paid	32	(11,039,826)	(19,667,614)
Employee benefits paid	28	(24,329,052)	(24,987,537)
Net cash from operating activities		**670,020,048**	**654,672,133**
CASH FLOWS FROM INVESTING ACTIVITIES			

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Consolidated Statement of Cash flows for the year ended 31 December 2024

	Note	31 December 2024 SAR	31 December 2023 SAR
Acquisition of property, plant and equipment and biological assets	14&16	(276,499,200)	(292,077,751)
Acquisition of intangible assets	17	(7,836,114)	(2,017,770)
Proceeds from sales of property, plant and equipment and biological assets		7,134,795	77,853,556
Proceeds from sale of investment		145,267,969	-
Investment in joint venture		(2,550,000)	(40,294,921)
Interest proceeds from investment in term deposits		16,171,667	-
Proceeds from investment in term deposits	22	900,000,000	-
Investment in time deposits	22	(700,000,000)	(500,000,000)
Net cash from (used in) investing activities		**81,689,117**	**(756,536,886)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares	24	-	2,000,000,000
Expenses relating to issue of new shares		(1,800,000)	(14,306,078)
Proceeds from Murabaha loans and borrowings		1,875,000,000	478,616,451
Repayment of Murabaha loans and borrowings		(2,037,726,903)	(1,622,295,356)
Financing cost paid		(38,365,629)	(79,515,912)
Payment of lease liabilities	15	(17,580,202)	(20,797,587)
Dividend paid	31	(393,469)	(240,131)
Undistributed rights issue compensation paid	30	(257,221)	83,238,203
Net cash (used in) from financing activities		**(221,123,424)**	**824,699,590**
Net change in cash and cash equivalent		530,585,741	722,834,837
Cash and cash and cash equivalent at beginning of the year	23	834,686,320	112,761,952
Effect of exchange rates fluctuations on cash held		92,019	(910,469)
CASH AND CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**23**	**1,365,364,080**	**834,686,320**

The accompanying notes 1 to 40 are an integral part of these consolidated financial statements

These consolidated financial statements appearing on pages (6) to (42) were approved by the Board of Directors and were signed on its behalf by

Hassan Aqrouq	**Solaiman Al-Twaijri**	**Abdulaziz Saleh Alrebdi**
Chief Financial Officer	**Chief Executive Officer**	**Chairman**

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1. THE COMPANY, ITS SUBSIDIARIES AND ITS OPERATIONS

The National Agricultural Development Company (NADEC) (the "Company") is a Saudi Joint Stock Company formed under the Royal Decree No. M/41 dated 17 Shawwal 1401H (corresponding to 17 August 1981). NADEC was formerly known as Haradh Agriculture and Livestock Company which was registered in Riyadh under Commercial Registration No. 1010018795 dated 26 Dhul-Hijjah 1398H (corresponding to 26 November 1978).

The Company and its subsidiaries (together, the "Group") are engaged in agricultural and livestock production, reclamation of agricultural land, food processing and marketing and distribution of its products.

The Group's financial year begins on January 1 and ends at the end of December of the same year.

The Company's Head office is located at the following address:

Building No. 7049

Sub No. 2467

Prince Abdulrahman Bin Abdulaziz Road, Al Murabba District,

Riyadh 11461 – Kingdom of Saudi Arabia.

Details of subsidiary companies are as follows:

Name of the subsidiary	Country of incorporation	Business activity	Effective ownership interest 2024	Effective ownership interest 2023	Share capital SAR	Number of shares issued
The National Seeds Agricultural Production Company (NSPC)*	Saudi Arabia	Agricultural Seeds and production	100%	51%	5,000,000	500,000
NADEC Management Company**	Saudi Arabia	Management services and consultation	100%	-	5,000,000	500,000

* The National Seeds Agricultural Production Company (NSPC) was officially established in 2023, with NADEC initially proposing to hold a 51% ownership stake in the NSPC's capital. Later during 2024, NADEC decided for 100% shareholding. However, as of balance sheet date, the NSPC didn't commence any operational activities.

**During 2024, the Group established NADEC Management Company as a fully owned subsidiary, to provide management services and consultation.

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These annual Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Collectively referred as (International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia).

2.2 Basis of Measurement

These annual Consolidated Financial Statements have been prepared in accordance with historical cost except for the following significant items included in the Consolidated Statement of Financial Position:

- Equity Investments at FVOCI are valued at fair value in accordance with the requirements of IFRS 13 First & second level of valuation method where ever applicable.
- Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably. In case the fair value of biological assets cannot be measured reliably, it is measured at historical cost less accumulated depreciation and accumulated impairment losses.

2.3 Functional and Presentation Currency

These annual Consolidated Financial Statements have been presented in Saudi Riyal ("SAR") unless otherwise stated, which is also the functional currency of the Group.

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

3. BASIS OF CONSOLIDATION

These Consolidated Financial Statements comprising the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1). The Company and its subsidiaries are collectively referred to as the "Group". Subsidiaries are entities controlled by the Group. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired and fair value of pre-existing equity interest in the subsidiary.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below:

Term Deposits

Term Deposits include placements with banks and other short-term highly liquid investments, with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating which are considered to have low credit risk.

Investment income in time deposits is accrued on a timely basis by reference to the principal outstanding and at the applicable effective interest rate.

Cash and cash equivalents

Cash and cash equivalents consist of Cash on hand, Cash with banks and other short-term liquid investments/ deposits with original maturities of three months or less and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Trade and Other Receivables

Trade receivables are classified as financial assets at amortised cost. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average method. Inventory cost includes costs of purchase (including taxes, transport, and handling etc.) net of trade discounts received, costs of conversion (including fixed and variable manufacturing overheads) and any other costs incurred in bringing the inventories to their present location and condition. Provision is made, when necessary, for obsolete, slow moving and defective inventory.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs. The cost of items of inventory used is assigned by weighted average cost formula.

Property, Plant and Equipment

Property, Plant and Equipment are recognized as assets if, and only if:

A. It is probable that future economic benefits associated with the item will flow to the entity; and

B. The cost of the item can be measured reliably.

Property, Plant and Equipment are initially recognized at cost and subsequently stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Subsequent and additional costs to existing asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, 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. Finance costs on borrowings, to finance the construction of the qualifying assets, are capitalized during the period that is required to substantially complete and prepare the qualifying asset for its intended use. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognized in the profit or loss when incurred.

The items of property, plant and equipment are subject to impairment test whenever there is a substantial evidence for impairment. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets (except for land and capital work in progress) as follows:

Concrete Buildings	50 years	Vehicles and Trucks	4 – 8 years
Pre-fabricated Building	5 – 10 years	Capital spare parts	10 years
Wells and Civil works	7 – 50 years	Tools	5 – 10 years
Machinery and Equipment	7 – 25 years	Office Furniture	5 – 10 years
Tanks and Silos	7 – 30 years	Bearer Plants	20 years
Agricultural Equipment	8 – 25 years	Leasehold Improvements	Based on the duration of the lease agreement

Property, Plant and Equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss during the period when the asset is derecognized.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, where appropriate.

Capital Work in Progress is recorded according to acquisition cost plus all direct costs that are incurred on them to bring them to location and condition necessary to enable the Group to have these assets ready for intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

Biological Assets

Biological Assets are the herd of productive and non-productive cows as well as the Biological Assets acquired for sale, including crops in the growth stage that have not yet reached the harvest point. Each of these items is presented separately in the Consolidated Statement of Financial Position.

Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably. In case the fair value of biological assets cannot be measured reliably, it is measured at historical cost less accumulated depreciation and accumulated impairment losses.

Intangible Assets

Internally generated Intangible Assets, excluding capitalized development costs, are not capitalized and the related expenditure is recognized in the Consolidated Statement of Profit or Loss when it is incurred.

Intangible Assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets 5 years.

The National Agricultural Development Company (NADEC)

(A Saudi Joint Stock Company)

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Consolidated Statement of Profit or loss in the expense category consistent with the function of the intangible assets. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit or loss when the asset is derecognized.

Capital Work in Progress is recognized at acquisition cost, along with all direct costs incurred to prepare the assets for their intended use, including bringing them to the appropriate location and condition. Once these assets are ready for use, they are transferred to the relevant asset categories and begin to be amortized as intangible assets.

Investment joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Consolidated statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated statement of changes in equity.

Trade and Other Payables

Trade and Other payables are recognized based on the net payable amount or the expected payment for goods and services received whether invoiced by supplier or not.

The National Agricultural Development Company (NADEC)

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Provisions

Provision is recognized if, and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), payment is probable ('more likely than not'), and when the amount can be estimated reliably. An obligating event is an event that creates a legal or constructive obligation and, therefore, results in an entity having no realistic alternative but to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a Contingent Liability, unless the probability of outflow of economic benefits is unreliable. Contingent liabilities, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group, are not recognized in the Consolidated financial statements but are disclosed as Contingent Liabilities unless the possibility of an outflow of economic resources is considered unreliable.

Leases

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

As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

- fixed payments, including in-substance fixed payments;

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Segment Reporting

An operating segment is a group of assets and processes that deliver products or services that are subject to risks and rewards that differ from those of other operating segments. Operating segments are segmented according to their geographical scope and each sector's performance is reviewed by the chief decision makers. These sectors may operate within a specific economic environment that is subject to risks and rewards different from those of sectors operating in other economic environments.

Government Grants

Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that, the entity will comply with the conditions attaching to them; and the grants will be received. When the grant relates to an expense item, it is recognized in Consolidated Statement of Profit or Loss on a systematic basis over the periods that the costs which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognized on Consolidated Statement of Financial Position as Deferred Income and is amortized in equal amounts over the expected useful life of the related asset.

The Group has elected to present the grant in the Consolidated Statement of Financial Position as deferred income, which is recognized in Consolidated Statement of Profit or Loss on a systematic and rational basis over the useful life of the asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to Consolidated Statement of Profit or Loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of Non-Financial Assets

Non-financial assets (other than biological assets measured at fair value, inventories) are reviewed by the Group at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of 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 or reversal of impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. It is determined for an individual asset, 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 (CGU) to which the asset belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

Foreign Currency Transaction

Foreign currency transactions are translated to Saudi Riyal ('SAR') at the exchange rates prevailing at the dates of the respective transactions. At Consolidated Statement of Financial Position date, balances of monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyal ('SAR') at the prevailing exchange rates on that date. Gains and losses resulting from changes in exchange rates are recognized in the Consolidated Statement of Profit or Loss.

Revenue Recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts and volume rebates. The Group recognizes revenue when a customer obtains control of the goods at a point in time on acknowledgement of goods.

Products are sold principally on a sale or return basis. Allowances for expected sales returns are calculated based on the forecasted return of expired products. Expected sales returns are netted off against revenue with the corresponding impact in Trade and Other Payables for cash sales and Trade Receivables for credit sales.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognized for expected volume discounts payable to customers in relation to sales made during the year.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share Capital

Shares are classified as equity and are recorded at their face value. Incremental costs, if any, directly attributable to the issue of new shares, are recognized in Equity as a deduction from the proceeds.

Dividends

Dividends are recognized in the Consolidated Financial Statements in the period in which it is approved by General Assembly Meeting.

Expenses

Selling and marketing expenses are those expenses arising from the Group's efforts underlying the marketing, selling and distribution functions. All other expenses, excluding Cost of Sales, Finance Cost and Zakat are classified as General and Administrative Expenses. Allocations between Cost of Sales, Selling and Distribution and General and Administration Expenses, when required, are made on a consistent basis.

Zakat

The Group is subject to Zakat according to the regulations of the Zakat, Tax and Customs Authority "ZATCA". Zakat provision is estimated and charged to the Consolidated Statement of Profit of Loss. Any differences in the estimates are recognized when the final assessment is approved by "ZATCA", such differences are recognized in the Consolidated Statement of Profit or Loss in the year in which the final assessment is approved by "ZATCA".

Employee Benefits

A- Saudi Employees

Pension and other social benefits for the Group's employees are covered by the applicable social insurance scheme of the countries in which they are employed and are considered as a defined contribution scheme. The employees and employer contribute monthly to the scheme on a fixed-percentage-of-salaries basis.

B- Foreign Employees

Foreign employees on limited-term contracts are entitled to end of service payments under the respective labour laws of the countries in which they are employed, based on length of service and final remuneration. Provision for this unfunded commitment has been made by calculating the full liability, had all employees left at the reporting date.

- **Defined Contribution Plan**

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the contributions paid in advance are recognized as an asset to the extent that the cash is recovered, or future payments reduced.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- **Defined Benefit Plan**

The net liability of the Group in respect of benefit plans is identified separately for each plan and is calculated by estimating the value of the future benefits realized by the employees in current and prior periods and determining that amount and the fair value discount on any of the plan's assets.

The defined benefit obligations are calculated annually by a qualified actuarial expert using the Projected Unit Credit method. Where the calculation results in potential assets of the Group, the recognized asset is limited to the present value of the economic benefits available in the form of any future recoveries from the benefit plan or reductions in future contributions to the plan. The calculation of the present value of economic benefits considers current financing requirements. The amounts of the net identifiable benefit obligations that include actuarial gains and losses, return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized directly in Statement of Other Comprehensive Income. The Group determines the net interest expense (or income) on the Net Liabilities (Net Assets) determined for the period by applying the discount rate used to measure the obligation and benefits identified at the beginning of the annual period of the obligation (or the asset), considering any changes in net liabilities.

Net interest expense and other expense related to benefit plans are recognized in the Consolidated Statement of Profit or Loss. When the benefits of the plan change or when the plan is amortized, the change in the benefits relating to the past service or the gain or loss resulting from the reduction in profit or loss is recognized immediately. The Group recognizes the gain or loss arising from settlement of the defined benefits plan when the settlement occurs.

- **Other Long-Term Employee Benefits**

The net obligation of the Group in respect of other long-term employee benefits is the amount of future benefits to which the employees are entitled in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in the Consolidated Statement of Profit or Loss in the period in which they arise.

Financial instruments

I. Non-Derivative Financial Instruments

A- Non-Derivative Financial Assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

I. Non-Derivative Financial Instruments

For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group initially recognizes financial assets on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset 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 interest in the transferred financial asset that is created or retained by the Group is recognized as a separate asset or liability.

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 realise the asset and settle the liability simultaneously. The Group has the following non-derivative financial assets;

Financial Assets at Amortized Cost

Financial assets held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortized cost. Gains or losses on debt investments are subsequently measured at amortized cost and are recognized in the Consolidated Statement of Profit or Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. The Group classifies its Trade and Other receivables and Cash and Bank Balances under this category.

Financial Assets at FVOCI

Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the Consolidated Statement of Profit or Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Consolidated Statement of Profit or Loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. The Group has classified its Equity investment in other Companies as FVOCI.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

I. Non-Derivative Financial Instruments

B- Non-Derivative 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.

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 realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such 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, lease liabilities and trade and other payables.

2. Derivative Financial Instruments

All derivatives do not qualify as hedging instruments and are therefore held and accounted for as trading derivatives. These derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the Consolidated Statement of Profit or Loss.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 27 – Lack of exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

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

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

2. Derivative Financial Instruments

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

IFRS 18, 'Presentation and Disclosure in Financial Statements

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

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

New and amended standards and interpretations

The Group has applied the following amendments, where applicable, for the first time for their annual reporting period beginning from 1 January 2024. These amendments do not have any material impact on the Consolidated Financial Statements during the year.

Amendments to IFRS 16 – Leases on sale and leaseback:

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

Amendments IAS 1 – Non-current liabilities with covenants and Classification of Liabilities as Current or Non current Amendments:

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

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

2. Derivative Financial Instruments

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements:

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of these consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of Revenues, Expenses, Assets and Liabilities, and the accompanying Disclosures, and the disclosure of Contingent Liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below. The Group based its assumptions and estimates on parameters available when the consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

5.1. Impairment of Non-Financial Assets

A non-financial asset is impaired when the carrying amount of the asset or cash-generating unit exceeds the asset's recoverable amount (which represents the fair value of the asset less costs to sell or its value in use, whichever is greater). The fair value of the asset is estimated through sales that are on a purely commercial basis for similar assets. Market prices are observable minus the incremental costs of selling the asset. The value in use is calculated based on the present value of the expected cash flows of the asset over the next five years. These expected cash flows do not include restructuring activities for which the Group is not yet committed or significant future investments that enhance the asset performance of the cash-generating unit under consideration. The recoverable amount is most sensitive to the discount rate used to calculate the cash flows as well as the expected future cash flows and the growth rate used to estimate the value in use.

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5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONTINUED)

5.2. Fair Value Measurement of Financial Instruments including derivative financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF (discounted cash flows) model that includes the use of the present value of expected cash flows from such assets or using other methods as provided for in IFRS 13. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as Liquidity risk, Credit risk and Volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

5.3. Impairment of Non-Derivative Financial Assets

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on Financial Assets measured at amortized cost i.e. Trade Receivables of the Group. The Group assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets carried at amortized cost. For trade 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.

5.4. Provision for Slow Moving Inventory Items

The management makes a provision for slow moving and obsolete inventory items. Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the consolidated Statement of Financial Position date to the extent that such events confirm conditions existing at the end of year. (Note 20)

5.5. Useful Lives of Property, Plant and Equipment

The management determines the estimated useful lives of Property, Plant and Equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges are adjusted in current and future periods, if any.

5. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONTINUED)

5.6. Judgements

Mature livestock includes dairy cows that have produced their first calf and began milk production. Costs incurred in relation to mature livestock are recognized in consolidated statements of profit or loss immediately as an expense. Fair value estimates for these biological assets are computed using the discounted cash (DCF) technique (i.e. income approach under level 3) and require significant judgement in several areas associated with raw milk selling prices, herd size, birth, mortality, margins on various parts of the production cycle, discount rates, lactation cycles, yield per animal per day, demand for raw milk, long-term average growth rates etc. While some of the above assumptions are backed by company's own historical and / or scientific data, certain assumptions such as margins and yield per animal per day cannot be derived from active market or observable data in KSA and also exhibit high sensitivity to the fair value estimates, leading these particular assumptions to be potentially unreliable. Estimates for fair value are revised for new information / scientifically-backed evidence.

Equity Investments are measured at fair value and any changes in fair value are recognized through OCI. The cumulative change in the fair value of those investments is reported under Other Reserves under Equity in Consolidated Statement of Financial Position. (Note 16,17 and 18).

6. OPERATING SEGMENTS

IFRS 8 requires operating segments to be identified based on internal reports that are regularly reviewed by the Group's chief operating decision makers and used to allocate resources to segments and assess their performance. The operating segments described below has been prepared in accordance with IFRS 8. The Group operates in three main business segments: Manufacturing of Dairy and Beverages, Production of Agricultural Products and Protein. Most of the Group's revenues, profits and assets relate to its operations in Saudi Arabia and arise from these reportable business segments. The chief operating decision makers monitors the operational results of these operating segments separately for making decisions about resource allocation and performance evaluation. The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the consolidated Financial Statements.

The Protein segment operations commenced late in the fourth quarter of the year 2023 and has been classified as part of the Dairy and Beverage segment. It is important to note that this segment is relatively small in scale and has made a limited contribution to the overall performance of the company during 2023.

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6. OPERATING SEGMENTS (CONTINUED)

The following is a summary of the operating segments as at and for the year ended 31 December 2024:

	Dairy and Beverages SAR	Agriculture SAR	Protein SAR	Elimination of Inter- Segment Sales SAR	Total SAR
Revenue					
External Revenue	2,971,080,065	69,032,993	180,287,335	-	3,220,400,393
Inter-Segment Revenue	53,342,092	67,291,229	-	(120,633,321)	-
Total Revenue	**3,024,422,157**	**136,324,222**	**180,287,335**	**(120,633,321)**	**3,220,400,393**
Expenses					
Depreciation and Amortization	(213,654,113)	(32,853,708)	(23,383)	-	(246,531,204)
Impairment losses for trade receivables, and other receivables	(5,116,041)	2,250,000	-	-	2,866,041
Write off/ impairment losses on property, plant and equipment	(496,108)	(6,734,461)	-	-	(7,230,569)
Operating Profit (Loss)	**439,420,769**	**(23,510,557)**	**(26,505,352)**	**-**	**389,404,860**
Treasury income	91,415,685	-	-	-	91,415,685
Financing cost	(29,740,705)	(4,074,261)	(426,456)	-	(34,241,422)
Gain from the reclassification of joint venture to investment at FVOCI	-	356,513,453	-	-	356,513,453
Share of Results of Joint Venture	-	24,039,392	-	-	24,039,392

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6. OPERATING SEGMENTS (CONTINUED)

	Dairy and Beverages SAR	Agriculture SAR	Protein SAR	Elimination of Inter- Segment Sales SAR	Total SAR
Profit (loss) before Zakat	**501,095,749**	**352,968,027**	**(26,931,808)**	**-**	**827,131,968**
Zakat for current year	(52,500,000)	-	-	-	(52,500,000)
Profit (loss) for the year	**448,595,749**	**352,968,027**	**(26,931,808)**	**-**	**774,631,968**
Total Assets					
As at 31 December 2024	**4,742,670,747**	**892,719,617**	**68,539,426**	**-**	**5,703,929,790**
As at 31 December 2023	4,591,362,752	461,094,834	-	-	5,052,457,586

The following is a summary of the operating segments as at and for the year ended 31 December 2023:

	Dairy and Beverages SAR	Agriculture SAR	Elimination of Inter- Segment Sales SAR	Total SAR
Revenue				
External Revenue	3,080,102,397	116,864,140	-	3,196,966,537
Inter-Segment Revenue	-	50,957,401	(50,957,401)	-
Total Revenue	**3,080,102,397**	**167,821,541**	**(50,957,401)**	**3,196,966,537**
Expenses				
Depreciation and Amortization	(208,059,807)	(26,404,692)	-	(234,464,499)

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6. OPERATING SEGMENTS (CONTINUED)

	Dairy and Beverages SAR	Agriculture SAR	Elimination of Inter- Segment Sales SAR	Total SAR
Impairment losses for trade receivables, and other receivables	(48,870,839)	-	-	(48,870,839)
Write off/ impairment losses on property, plant and equipment	(24,026,362)	-	-	(24,026,362)
Operating Profit	**328,385,950**	**16,163,139**	**-**	**344,549,089**
Treasury income	**3,912,778**	-	**-**	**3,912,778**
Financing Cost	(72,449,237)	(3,570,938)	-	(76,020,175)
Share of Results of Joint Venture	-	21,735,857	-	21,735,857
Profit before Zakat	**255,936,713**	**34,328,058**	**-**	**290,264,771**
Zakat for current year	(14,200,000)	-	-	(14,200,000)
Zakat reversal related to previous years	26,000,000	-	-	26,000,000
Profit for the year	267,736,713	34,328,058	-	302,064,771
Total Assets				
As at 31 December 2023	4,591,362,752	461,094,834	-	5,052,457,586
As at 31 December 2022	3,311,908,292	509,598,586	-	3,821,506,878

The following is the summary of revenue allocated to geographical segments:

	31 December 2024 SAR	31 December 2023 SAR
Saudi Arabia	**2,915,985,644**	2,829,356,972
Other Countries	**304,414,749**	367,609,565
	3,220,400,393	3,196,966,537

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7. REVENUE

	31 December 2024 SAR	31 December 2023 SAR
Dairy and beverages revenue	**2,969,508,266**	2,995,241,048
Protein revenue	**180,287,335**	14,395,137
Agricultural products revenue	**69,032,993**	116,864,140
Heifers and bulls revenue	**1,571,799**	70,466,212
	3,220,400,393	3,196,966,537

The main sources of the Group's revenues from contracts with customers include dairy and beverages sales as well as agricultural products, Protein sales of heifers and others. The control of the products is transferred to the customer at actual time of delivery and upon acknowledgment.

8. COST OF REVENUE

	31 December 2024 SAR	31 December 2023 SAR
Material consumed*	**1,492,535,691**	1,563,180,889
Government subsidies **	**(17,326,398)**	(18,917,583)
	1,475,209,293	1,544,263,306
Employee benefits	**156,389,135**	151,497,410
Maintenance and repairs expenses	**147,843,734**	87,216,491
Depreciation of property plant and equipment (note 14)	**134,815,062**	126,555,860
Change in biological assets (note 16)	**67,298,643**	63,225,609
Fees and government expenses	**14,577,093**	12,942,355
Insurance expenses on property, plant and equipment	**6,115,233**	5,780,421

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8. COST OF REVENUE (CONTINUED)

	31 December 2024 SAR	31 December 2023 SAR
Rent and lease expenses	**4,198,941**	3,581,873
Utility expenses	**2,886,524**	3,032,734
Depreciation – right-of-use assets (note 15)	**860,142**	868,538
Amortization of intangible assets (note 17)	**452,673**	462,335
Other expenses	**17,431,806**	13,795,916
	2,028,078,279	2,013,222,848

* During 2024, inventories write off amounting to SR 25.9 million (2023: SR 6.4 million).

** Government subsidies receivables for the acquisition of certain animal feed items which are supported by the Government of Saudi Arabia have been recognized against the cost of materials based on consumption.

9. SELLING AND MARKETING EXPENSES

	31 December 2024 SAR	31 December 2023 SAR
Employee benefits	**220,351,262**	226,656,284
Marketing and distribution expenses	**189,629,548**	182,625,275
Fees and government expenses	**35,057,886**	34,959,957
Depreciation of property plant and equipment (note 14)	**17,488,951**	19,782,234
Utility expenses	**16,023,953**	16,481,502
Maintenance and repairs expense	**15,885,686**	42,615,091
Depreciation – right-of-use assets (note 15)	**13,498,046**	13,470,744
Rent and lease expenses	**10,189,167**	6,531,424
Insurance expenses	**4,496,584**	4,185,532
Amortization of intangible assets (note 17)	**241,248**	274,478
Other expenses	**8,912,379**	11,973,050
	531,774,710	559,555,571

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10. GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2024 SAR	31 December 2023 SAR
Employee benefits	**145,936,896**	124,090,031
Information technology expenses	**40,887,216**	35,197,745
Professional and consultancy expenses	**20,072,778**	29,547,062
Amortization of intangible assets (note 17)	**9,420,649**	7,917,672
Fees and government expenses	**5,042,599**	3,279,098
Depreciation of property plant and equipment (note 14)	**1,840,666**	1,365,308
Utility expenses	**1,789,959**	2,595,581
Insurance expenses on property, plant and equipment	**602,566**	288,146
Other expenses	**9,197,142**	8,813,976
	234,790,471	213,094,619

11. OTHER (EXPENSES) INCOME, NET

	31 December 2024 SAR	31 December 2023 SAR
Sales of ancillary products/ service income	**23,908,468**	30,163,918
Scrap sales and other miscellaneous income	**1,351,873**	4,923,187
Dividend income from equity investments at FVOCI	**300,000**	300,000
Government grant subsidy *	**-**	19,459,478
Net foreign exchange loss	**(5,178,405)**	(3,901,350)
Loss on sale of property, plant and equipment and biological assets, net	**(52,369,481)**	(48,505,220)
	(31,987,545)	2,440,013

*During the previous year, the Group received a subsidy grant of SAR 19.5 million from General Food Security Authority (GFSA). This grant is received for the animal feeds (Soya and corn) consumed in previous years and there are no conditions attached to it.

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12. FINANCING COST

	31 December 2024 SAR	31 December 2023 SAR
Interest expense on Murabaha loans	**23,194,837**	66,352,128
Interest expense on lease liabilities (note 15)	**1,755,963**	1,919,800
Other finance charges	**9,290,622**	7,748,247
	34,241,422	76,020,175

13. EARNINGS PER SHARE

	31 December 2024	31 December 2023
Profit for the year attributable to the shareholders of the company (SAR)	**774,631,968**	302,064,771
Number of Shares	**301,640,000**	171,049,994*
Earnings per share (SAR/Share)	**2.57**	1.77*

* Restated for right issues.

Earnings per share has been calculated by dividing profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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14. PROPERTY, PLANT AND EQUIPMENT

Description	Land SAR	Concrete Buildings Land SAR	Prefabricated Buildings SAR	Wells and Civil works SAR	Machinery and Equipment SAR	Tanks and Silos SAR	Agricultural Equipment SAR	Vehicles and Trucks SAR	Tools SAR	Office Furniture SAR	Bearer Plants SAR	Leasehold Improvements SAR	Capital Parts SAR	Capital Work in Progress SAR	Total SAR
Cost															
As at 1 January 2023	**294,800,790**	**734,937,002**	**291,336,780**	**425,293,916**	**1,984,793,108**	**75,170,169**	**174,560,538**	**231,597,771**	**317,338,563**	**166,913,895**	**173,978,321**	**4,991,407**	**1,670,352**	**110,185,308**	**4,987,567,920**
Addition	-	-	1,687,220	3,657,785	42,406,152	834,028	11,794,803	461,026	25,358,645	17,564,308	-	-	-	3,102,445	106,866,412
Transfers	-	10,716,548	2,583,805	-	34,638,355	-	-	-	16,608,001	-	15,325,208	-	-	(79,871,917)	-
Foreign currency translation differences	-	(870,778)	(230,448)	(130,127)	(16,263,745)	(1,940,244)	(9,206,849)	(23,526,412)	(5,887,508)	(10,125,709)	-	-	-	-	(68,181,820)
Disposals	-	(3,283,418)	(1,479,799)	(16,235,826)	(14,185,794)	(684,339)	(7,231,774)	(2,664,596)	(248,046)	(290,221)	(3,338,235)	-	-	-	(49,642,048)
As at 31 December 2023	**294,800,790**	**741,499,354**	**293,897,558**	**412,585,748**	**2,031,388,076**	**73,379,614**	**169,916,718**	**205,867,789**	**353,169,655**	**174,062,273**	**185,965,294**	**4,991,407**	**1,670,352**	**33,415,836**	**4,976,610,464**
Additions	-	1,083,849	10,198,815	4,121,046	71,036,840	176,950	12,366,745	111,950	6,259,294	2,063,967	-	1,710,000	-	73,709,383	182,838,839
Transfers	-	-	329,965	-	1,954,539	-	-	-	-	1,232,500	-	-	-	(3,517,004)	-
Disposals/ write off**	-	(10,014,584)	(4,443,013)	(83,198,725)	(64,864,502)	(2,376,214)	(22,474,288)	(15,945,771)	(3,648,320)	(16,396,664)	(10,122,716)	-	-	(1,364,888)	(234,849,685)
Foreign currency translation differences	-	5,591,994	2,519,918	27,651,465	24,155,076	1,165,489	12,316,536	4,466,706	390,674	483,958	5,685,396	-	-		84,427,212
As at 31 December 2024	**294,800,790**	**738,160,613**	**302,503,243**	**361,159,534**	**2,063,670,029**	**72,345,839**	**172,125,711**	**194,500,674**	**356,171,303**	**161,446,034**	**181,527,974**	**6,701,407**	**1,670,352**	**102,243,327**	**5,009,026,830**
Accumulated depreciation and impairment															
As at 1 January 2023	**2,522,830**	**272,195,696**	**232,899,622**	**330,716,989**	**1,364,662,298**	**70,611,949**	**161,478,281**	**224,061,975**	**295,313,751**	**147,070,382**	**57,039,796**	**4,783,706**	**823,611**	**650,000**	**3,164,830,886**

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Description	Land SAR	Concrete Buildings Land SAR	Prefabricated Buildings SAR	Wells and Civil works SAR	Machinery and Equipment SAR	Tanks and Silos SAR	Agricultural Equipment SAR	Vehicles and Trucks SAR	Tools SAR	Office Furniture SAR	Bearer Plants SAR	Leasehold Improvements SAR	Capital Parts SAR	Capital Work in Progress SAR	Total SAR
Depreciation during the year	-	13,251,754	11,067,828	7,245,220	76,338,860	1,424,527	4,793,371	3,223,004	14,356,536	10,020,676	7,356,021	145,512	212,212	-	149,435,521
Disposals	-	(536,805)	(230,448)	(130,127)	(16,154,527)	(1,940,244)	(9,060,172)	(22,781,869)	(5,886,205)	(10,122,742)	-	-	-	-	(66,843,139)
Write off *	-	3,690,486	6,495,290	77,192	10,700,000	-	-	232,739	-	4,293	-	-	-	2,826,362	24,026,362
Foreign currency translation differences	-	(3,283,373)	(1,479,798)	(16,235,827)	(14,186,016)	(684,340)	(7,231,773)	(2,664,562)	(246,787)	(290,051)	(3,338,236)	-	-	-	(49,640,763)
As at 31 December 2023	**2,522,830**	**285,317,758**	**248,752,494**	**321,673,447**	**1,421,360,615**	**69,411,892**	**149,979,707**	**202,071,287**	**303,537,295**	**146,682,558**	**61,057,581**	**4,929,218**	**1,035,823**	**3,476,362**	**3,221,808,867**
Depreciation during the year	-	13,342,780	11,928,631	7,507,064	82,846,769	702,375	5,643,665	1,594,003	13,235,920	8,905,731	8,094,923	80,227	212,212	-	154,094,300
Disposals/ write off	-	(9,807,177)	(4,443,013)	(77,289,431)	(64,021,442)	(2,376,214)	(22,474,288)	(15,945,052)	(3,647,981)	(16,134,391)	(10,111,579)	-	-	-	(226,250,568)
Foreign currency translation differences	-	5,592,080	2,519,898	27,651,465	24,155,095	1,165,484	12,316,536	4,466,652	391,964	483,837	5,685,396	-	-	-	84,428,406
As at 31 December 2024	**2,522,830**	**294,445,441**	**258,758,010**	**279,542,545**	**1,464,341,037**	**68,903,537**	**145,465,620**	**192,186,890**	**313,517,198**	**139,937,735**	**64,726,321**	**5,009,445**	**1,248,035**	**3,476,362**	**3,234,081,006**
Net Book Value															
As at 31 December 2024	**292,277,960**	**443,715,172**	**43,745,233**	**81,616,989**	**599,328,992**	**3,442,302**	**26,660,091**	**2,313,784**	**42,654,105**	**21,508,299**	**116,801,653**	**1,691,962**	**422,317**	**98,766,965**	**1,774,945,824**
As at 31 December 2023	292,277,960	456,181,596	45,145,064	90,912,301	610,027,461	3,967,722	19,937,011	3,796,502	49,632,360	27,379,715	124,907,713	62,189	634,529	29,939,474	1,754,801,597

* During 2023, the Group recognized a write off amounting to SAR 24 million for Juice line, dairy farm assets and residential villa.

**During 2024, the Group has written off property, plant, and equipment with a net book value of SR 7.2 million, primarily related to the Sudan and Qatar branches and non-functional wells with net book values of SR 207 thousand and SR 5.9 million, respectively.

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2-14 Land

The following matters related to Lands held by the Group at the reporting date:

Land Used by Saudi Arabian Oil (Saudi Aramco):

As per the Royal Order No. (151) dated Ramadan 5, 1401H, NADEC was granted the Haradh project, which was invested by NADEC for Agricultural and Livestock Production, including agricultural land, facilities, fixed and movable assets, and energy sources, and it is considered among its properties starting from the date of issuance of Royal Decree No. (M/ 41) on Shawwal 17, 1401H approving its establishment.

The title deed was issued by Notary Public at Haradh with No. (87) on Jumada Al-Awwal 15, 1403H, with a length of seventy-five kilometers from north to south and five kilometers from east to west, with an area of 375 square kilometers.

NADEC entered into a legal dispute with Saudi Arabian Oil (Saudi Aramco) in respect of some portion of the land and the Supreme Court issued its final judgment on Muharram 13, 1442H (corresponding to September 1, 2020) to cancel the title deed No. (87) issued to NADEC on Jumada Al-Awwal 15, 1403H, and this decision did not oblige the Group to leave or vacate the revived areas which its operational business is located, no essential operations of the Group are located on the disputed land, and NADEC has raised its objections to the decision of the supreme court to the concerned authorities and clarified its position towards the decision.

Based on NADEC's assessment of its legal status and based on discussions with the concerned authorities, the management largely believes that the ownership of the revived lands that are subject to the use and control of the Group is valid, and it is expected that a new title will be issued to the Group for the revived lands which are under the Group control and use. It is also expected that this will lead to a reduction in the land area, which is currently used by Saudi Arabian Oil (Saudi Aramco) and a small piece of land in the southern region that is not suitable for agricultural production and is not currently used by the Group. Accordingly, the Group recorded a provision of SR 2.5 million during year 2022.

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15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

A- Right-of-Use Assets

	Land & Buildings SAR	Vehicles and Trucks SAR	Machineries SAR	Total SAR
Carrying value as at 1 January 2023	13,852,535	34,228,167	7,787,701	55,868,403
Additions during 2023	7,141,259	10,094,314	-	17,235,573
Lease cancellations	(1,057,192)	-	-	(1,057,192)
Depreciation for 2023	(3,292,802)	(10,198,052)	(848,454)	(14,339,308)
Carrying value as at 31 December 2023	16,643,800	34,124,429	6,939,247	57,707,476
Additions during 2024	**3,365,866**	**-**	**-**	**3,365,866**
Depreciation for 2024	**(3,546,300)**	**(9,966,807)**	**(848,428)**	**(14,361,535)**
Lease cancellations	**(800,782)**	**-**	**-**	**(800,782)**
Carrying value as at 31 December 2024	**15,662,584**	**24,157,622**	**6,090,819**	**45,911,025**

B- Lease liabilities

	Total SAR
Carrying value as at 1 January 2023	55,371,282
Additions of new leases in 2023	17,235,573
Interest expense for 2023 (note 12)	1,919,800
Lease cancellations	(1,057,218)
Payment of lease liability during 2023	(20,797,562)
Carrying value as at 31 December 2023	52,671,875
Additions of new leases in 2024	**3,365,866**
Interest expense for 2024 (note 12)	**1,755,963**
Lease cancellations	**(800,782)**
Payment of lease liability during 2024	**(17,580,202)**
Carrying value as at 31 December 2024	**39,412,720**
Lease liability – Current portion	**13,776,418**
Lease liability – Non-current portion	**25,636,302**

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16. BIOLOGICAL ASSETS (NON-CURRENT)

The Group's Biological Assets consist of the dairy herd, which are classified as milk producing cows (Cows) or non-milk producing cows (Heifers). The non-productive cows include milk cows, which are raised up to the production stage.

Their value increases as they age, based on milk production or production of offspring. The cattle breeding is exposed to disease risk. Therefore, the Group separates all the other farms and activities from cattle farms to prevent the transmission of diseases to the herd, and the herd is subject to very strict medical standards and precautionary measures are in place to prevent such diseases from transmission or infection.

The Group's Biological Assets as at 31 December 2024 and their changes during the year, and the comparative amounts are as follows:

	Cows SAR	Heifers SAR	Total SAR
As at 1 January 2024	**503,195,893**	**320,332,761**	**823,528,654**
Change during the year	**(115,922,356)**	**(11,747,789)**	**(127,670,145)**
As at 31 December 2024	**387,273,537**	**308,584,972**	**695,858,509**
Cost as at 1 January 2023	431,276,765	377,664,241	808,941,006
Change during the year	(23,977,008)	(57,331,480)	(81,308,488)
As at 31 December 2023	407,299,757	320,332,761	727,632,518

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17. INTANGIBLE ASSETS

Cost	Software and licenses SAR	Capital work in progress SAR	Total SAR
Cost as at 1 January 2023	72,521,803	84,572	70,504,034
Additions during the year - 2023	508,027	7,256,013	7,764,040
Transfers during the year - 2023	1,594,314	(1,594,314)	-
Cost as at 31 December 2023	72,521,803	5,746,271	78,268,074
Additions during the year - 2024	**3,409,517**	**1,427,187**	**4,836,704**
Reclassification during the year - 2024	**2,999,411**	**-**	**2,999,411**
Transfers during the year - 2024	**5,746,271**	**(5,746,271)**	**-**
Cost as at 31 December 2024	**84,677,002**	**1,427,187**	**86,104,189**
Accumulated Amortization			
Accumulated Amortization at January 1, 2023	40,015,656	-	40,015,656
Amortization for the year - 2023	8,654,485	-	8,654,485
Accumulated Amortization as at 31 December 2023	48,670,141	-	48,670,141
Amortization for the year - 2024	**10,184,876**	**-**	**10,184,876**
Reclassification during the year - 2024	**591,850**	**-**	**591,850**
Accumulated Amortization as at 31 December 2024	**59,446,867**	**-**	**59,446,867**
Net Book Value:			
As at 31 December 2024	**25,230,135**	**1,427,187**	**26,657,322**
As at 31 December 2023	23,851,662	5,746,271	29,597,933

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18. INVESTMENTS

18.1 INVESTMENT IN JOINT VENTURE

	31 December 2023 SAR	Additions *** SAR	Share of Results SAR	Disposal ** SAR	Reclassification to FVOCI SAR	31 December 2024 SAR
Arabian Mills for Food Products Company	116,222,014	-	24,039,392	(42,078,422)	(98,182,984)	-
AlRai National Livestock Company	-	2,550,000	-	-	-	2,550,000
Total	**116,222,014**	**2,550,000**	**24,039,392**	**(42,078,422)**	**(98,182,984)**	**2,550,000**

	31 December 2022 SAR	Additions * SAR	Share of Results SAR	Disposal SAR	Reclassification to FVOCI SAR	31 December 2023 SAR
Arabian Mills for Food Products Company	54,191,236	40,294,921	21,735,857	-	-	116,222,014
Total	**54,191,236**	**40,294,921**	**21,735,857**	**-**	**-**	**116,222,014**

*During 2023, the Group has increased its ownership in the Arabian Mills for Food Products Company and signed an agreement to purchase 2,500,000 shares, representing 4.87% amounting to SR 36,990,691 wherein the Group paid SR 40,294,921, resulting in goodwill of SR 3,304,230.

**During 2024, Capital Market Authority "CMA" approved Arabian Mills for Food Products Company ("Arabian Mills") application of offering and listing of its 30% of the shares on the main financial market of Saudi Arabia. As part of offering process NADEC has agreed to sell 30% of shares held by NADEC in Arabian Mills. Accordingly, 30% of investment held in Arabian Mills has been disposed. Due to this the Group has lost joint control over Arabian bills and accordingly equity method of accounting to be discontinued from the date loss of control and recognized gain of SAR 356,513,453 (SAR 103,189,547 on sale of 30% shares and SAR 253,323,906) as day one fair value gain on remaining number shares on discontinuation of equity method of accounting.

*** During 2024, The Group signed a partnership agreement with the United Feed Company (a limited liability company) (One of Al Muhaidib Group's companies) to establish a AlRai National Livestock Company (a limited liability company) for an intensive animal livestock project specializing in (sheep and goats) and meat production, where NADEC's ownership stake will be equivalent to 51% of the company's capital and paid capital of SR 2,550,000.

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18. INVESTMENTS (CONTINUED)

18.2 EQUITY INVESTMENTS AT FVOCI

	Ownership (%)	Historical Cost SAR	31 December 2024 SAR	31 December 2023 SAR	Change in Fair Value 2024 SAR	Change in Fair Value 2023 SAR
Arabian Mills for Food Products Company*	%10.41	98,182,984	262,027,552	-	(89,479,338)	-
National Company for Seed Production (Seeds)	%13.99	4,128,000	5,215,000	5,683,000	(468,000)	556,000
United Dairy Farms Company	%8.26	600,000	5,784,000	3,266,000	2,518,000	47,000
Net Equity Investments at FVOCI			**273,026,552**	**8,949,000**	**(87,429,338)**	**603,000**

*Arabian Mills for Food Products Company Investment's movement after reclassification:

	31 December 2024 SAR
Fair value at day of listing 8th October	**351,506,890**
Change in fair value	(89,479,338)
Balance as at 31 December	**262,027,552**

Equity Investments at Fair Value through Other Comprehensive Income (FVOCI) are measured in accordance with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement.

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19. BIOLOGICAL ASSETS (CURRENT)

19.1 Crops

	31 December 2024 SAR	31 December 2023 SAR
Balance as at 1 January	**27,644,670**	**28,050,004**
Harvested during the year	(27,644,670)	(28,050,004)
Additions during the year	29,793,740	27,644,670
Balance as at 31 December	**29,793,740**	**27,644,670**

Current biological assets are representing crops including wheat, onion, potato and olive.

19.2 Biological assets – Bulls

	31 December 2024 SAR	31 December 2023 SAR
Biological Assets - Bulls	**55,479,869**	28,929,505
	55,479,869	28,929,505

As of 31 December 2023, The Company's biological assets available for sale represents the bulls being sold within a period of one year from its birth and classified as available for sale, since the Company requires only heifers for producing milk in its normal course of business.

As of 31 December 2024, the Company's biological assets-bulls represents the bulls that being consumed in the new business segment; Protein, which will be slaughtered and sold as Fresh Meat – as part of its normal course of business.

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20. INVENTORIES

	31 December 2024 SAR	31 December 2023 SAR
Raw materials	**271,186,766**	311,176,096
Finished goods*	**165,367,291**	114,822,082
Agricultural products inventory**	**150,789,310**	50,328,779
Spare parts	**96,741,447**	97,066,515
Packaging materials	**55,952,224**	49,496,967
Fuel and oil	**8,467,731**	7,083,604
Animal products (Manure)	**7,627,610**	7,627,610
	756,132,379	637,601,653
Provision for slow moving inventory	**(93,962,568)**	(77,852,238)
	662,169,811	559,749,415

Movement in provision for slow moving inventory

	31 December 2024 SAR	31 December 2023 SAR
Balance as at 1 January	**77,852,238**	68,746,967
Provision made during the year	**37,341,265**	31,546,653
Provision utilized for write offs	**(20,365,263)**	(21,124,650)
Foreign Currency Translation difference	**(865,672)**	(1,316,732(
Balance as at 31 December	**93,962,568**	**77,852,238**

*The cost of finished goods includes direct costs and indirect costs, indirect costs are allocated based on the quantities produce.

**Agricultural products inventory is mainly including wheat and potato.

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21. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024 SAR	31 December 2023 SAR
Trade receivables, net	**411,332,299**	353,611,375
Government subsidies due*	**96,433,442**	105,380,470
Advances to suppliers	**58,757,058**	53,503,971
Prepaid expenses	**35,190,015**	33,243,705
Staff receivables	**8,927,045**	11,654,653
Receivable from a related party (note 36)	**6,172,209**	-
Other receivables	**15,036,072**	11,684,768
	631,848,140	569,078,942
Impairment allowance for government subsidies due	**(85,719,292)**	(94,719,292)
Impairment allowance for trade receivables	**(56,127,466)**	(49,994,188)
Impairment allowance for prepayments	**(17,828,324)**	(17,828,324)
	472,173,058	406,537,138

* Government subsidies due represents amounts claimed from the Government and are considered recoverable from Government as these meet the criteria provided by Government Agencies and the Group it is reasonably certain that the subsidies will be received.

Movement in impairment allowance for government subsidies due

	31 December 2024 SAR	31 December 2023 SAR
Balance as at 1 January	**94,719,292**	54,219,292
Charge for the year	**-**	40,500,000
Reversed during the year	**(9,000,000)**	-
Balance as at 31 December	**85,719,292**	**94,719,292**

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21. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Movement in impairment allowance for trade receivables

	31 December 2024 SAR	31 December 2023 SAR
Balance as at 1 January	**49,994,188**	53,180,647
Charge during the year	**6,133,959**	8,370,839
Written off during the year	**-**	(11,549,858)
Balance as at 31 December	**(681)**	(7,440)
الرصيد في 31 ديسمبر	**56,127,466**	**49,994,188**

Ageing of Trade Receivables

	31 December 2024 SAR	31 December 2023 SAR
Up to 3 months	**348,243,159**	308,002,732
3-6 months	**8,343,561**	8,721,643
More than 6 months	**54,745,579**	36,887,000
	411,332,299	353,611,375

22. TERM DEPOSITS

	31 December 2024 SAR	31 December 2023 SAR
Term Deposits *	**300,000,000**	500,000,000
	300,000,000	500,000,000

* The average rate on time deposit (Murabaha) for the period was 6.30% per annum with a maturity of more than three months and less than one year.

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23. CASH AND CASH EQUIVALENTS

	31 December 2024 SAR	31 December 2023 SAR
Cash at banks – Time Deposits *	**1,050,000,000**	500,000,000
Cash at banks - Current accounts	**306,487,567**	326,818,148
Cash in hand	**8,876,513**	7,868,172
	1,365,364,080	834,686,320

*Time deposit represents short-term deposits with local banks with average original maturities of less than three months. The average rate on outstanding bank deposits as 31 December 2024 was between 5.50% and 6.35% per annum for a period of three months or less. Bank deposits are placed in Islamic Murabha accounts.

24. SHARE CAPITAL

The Company has 301,640,000 shares as at 31 December 2024 (31 December 2023: 301,640,000) issued and fully paid with a value of SAR 10 per share.

On 4 April 2023 (corresponding to 13 Ramadan 1444H), the Company announced the Board's recommendation to the shareholders to increase the share capital by SAR 2 billion through a rights issue. On 5 October 2023 (corresponding to 20 Rabi Al-Awwal 1445H), the Capital Market Authority ("CMA") has approved the Company's application for capital increase. The purpose of the capital increase is to fund the Company's 2023–2027 strategy, which aims to grow business operations, develop new markets, and expand the product range. The right issue is approved of the shareholders of the company in an extraordinary general assembly meeting dated 5 November 2023 (corresponding to 21 Rabi' Al-Thani 1444H).

25. STATUTORY RESERVE

In accordance with the new Company's regulation and amended Company's article of association, during the year, no transfer made to statutory reserve from retained earning of the company.

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26. OTHER RESERVES

	SAR
Balance as at 1 January 2023	**29,045,753**
Changes	
Change in Fair value of Equity Investment at FVOCI	603,000
Actuarial Valuation adjustments to Other Reserves	10,238,306
Foreign currency translation differences	(901,603)
Total adjustments to Other Components of Equity	9,939,703
Balance as at 31 December 2023	**38,985,456**
Changes	
Change in Fair value of Equity Investment at FVOCI	(87,429,338)
Actuarial Valuation adjustments to Other Reserves	16,560,981
Foreign currency translation differences	2,122,202
Total adjustments to Other Components of Equity	(68,746,155)
Balance as at 31 December 2024	**(29,760,699)**

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27. MURABAHA LOANS AND BORROWINGS

	Currency	Interest Rate	Due Date	31 December 2024 Nominal Value SAR'000	31 December 2024 Book Value SAR'000	31 December 2023 Nominal Value SAR'000	31 December 2023 Book Value SAR'000
Islamic Banking Facilities (Murabaha) (27.1)	SAR	SIBOR + bank margin	2024-2025	**205,000**	**205,285**	366,737	372,903
Agricultural Development Fund Loan (27.2)	SAR	Fixed	2024-2027	**2,501**	**2,501**	3,490	3,490
Total Loans				**207,501**	**207,786**	**370,227**	**376,393**

The weighted average interest rate on bank loans during the year 2024 was 6.20% (2023: 6.46%) on per annum basis, however, the rates varied between medium and short-term loans. Loans from local banks were granted against promissory note given by the Group.

Loans are presented in the Consolidated Statement of Financial Position as follows:

	31 December 2024 SAR'000	31 December 2023 SAR'000
Non-current liabilities		
Agricultural Development Fund	**1,667**	2,501
Islamic Banking Facilities (Murabaha)	**-**	95,238
	1,667	97,739
Current liabilities		
Agricultural Development Fund	**834**	989
Islamic Banking Facilities (Murabaha)	**205,285**	277,665
	206,119	278,654

27.1 Islamic Banking Facilities (Murabaha) from Local Banks

The borrowing under Islamic banking facilities (Murabaha) have been granted against a promissory note issued by the Group. The maturity dates of these facilities are ranging between 2024 to 2025 as agreed with the respective banks and are mostly of a resolving nature. The amount of unused facilities as at 31 December 2024 amounted to SAR 2,091 million (31 December 2023: SAR 828 million).

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27. MURABAHA LOANS AND BORROWINGS (CONTINUED)

27.2 Agricultural Development Fund Loan

The Group was granted a loan from the Agricultural Development Fund under number 803405009 dated 24 Jumada II 1433H (corresponding to 5 May 2012) with a total value of SAR 8.35 million. This loan is secured by a mortgage of specific land owned by the Group along with building on it and any new additions and expansions. Annual installments started from 4 Muharram 1440H (corresponding to 14 September 2018) and ending on 4 Muharram 1449H (corresponding to 8 September 2027), the loan amount was used to finance the irrigation netting pivots of olive seedlings. The Group paid SAR 5.84 million out of the total loan as at 31 December 2024 (31 December 2023: SAR 5 million).

The Group was granted another loan on 1 Dhul Al-Qa'da 1433H (corresponding to 17 September 2012 with a total value of SAR 1.6 million under Loan number 803805048. This loan is secured by mortgage on cars, machines and equipment owned by the Group. This loan is payable on annual installments basis starting from 1 Dhul al-Qa'da 1436H (corresponding to 15 August 2015) and ending on 1 Dhul Al-Qa'da 1445H (corresponding to 8 May 2024). This loan was fully utilized in Olive project. The Group paid SAR 1.60 million out of the total loan as at 31 December 2024 (31 December 2023: SAR 1.40 million).

During the current year, the Group was granted an additional short term loan from the Agricultural Development Fund with a total value of SAR 100 million and this loan was fully repaid during the current year.

The balance of these loans from Agricultural Development Fund on 31 December 2024 amounted to SAR 2.5 million (31 December 2023: SAR 3.5 million).

28. EMPLOYEE BENEFITS OBLIGATION

The entity operates a defined benefit plan (as defined in IAS 19) to provide a lump-sum compensation when the employee leaves the service, in line with the current labor law in the Kingdom of Saudi Arabia. The plan and its obligations are therefore more sensitive to changes in future salary increases, future withdrawal rates and the discount rate used to assess commitments, and the Group is not required to finance the plan, the plan's liabilities have been assessed using the projected credit unit method in accordance with IAS 19. Since the amount and timing of future maturities are not known currently, assumptions have been made to value the obligations relating to the past service. These assumptions have been derived using methodologies consistent with the requirements of IAS 19. Any changes in assumptions in financial, economic and demographic conditions over time, where future experience does not match established assumptions, that change is included in Other Comprehensive Income in the future financial year.

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28. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

The movement in the present value of the liability for the benefits of the end of service plan of the enterprise is as follows:

	31 December 2024 SAR	31 December 2023 SAR
Opening balance	**147,947,099**	**152,770,825**
Interest Cost	**6,449,927**	6,031,913
Current Service Cost	**18,477,649**	15,312,753
Past service cost	**-**	9,057,451
Benefits Paid	**(24,329,052)**	(24,987,537)
FCTR Adjustment	**(562,270)**	-
Actuarial gain in Other Comprehensive Income	**(16,560,981)**	(10,238,306)
Closing Balance	**131,422,371**	**147,947,099**

The value of the amounts that have been adjusted for the year ended 31 December 2024 and 31 December 2023 are as follows, according to the Actuarial study conducted

	31 December 2024 SAR	31 December 2023 SAR
Current Service cost	**18,477,649**	15,312,753
Interest cost	**6,449,927**	6,031,913
Past service cost	**-**	9,057,451
Expense charged to consolidated Statement of Profit or Loss for the year	**24,927,575**	**30,402,117**

Other comprehensive income related to the Employee Benefits Plan for the years 2024 and 2023 consists of the following items:

	31 December 2024 SAR	31 December 2023 SAR
Actuarial gain resulting from changes in financial assumptions	**(16,566,255)**	(5,479,953)
Actuarial gain resulting from experience adjustment	**5,274**	(4,758,353)
Actuarial gain in Other Comprehensive Income	**(16,560,981)**	**(10,238,306)**

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28. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

The significant assumptions used to determine the defined benefit obligations of the employees' end of service plan are as follows:

	31 December 2024	31 December 2023
Discount rate	**%5.25**	4.75%
Expected salary increase rate	**%4.00**	5.00%
Withdrawal from work	**Age: Ratio**	Age: Ratio
(Average Ratio)	**18-25:18.75%**	18-25:18.75%
	26-30:15.00%	26-30:15.00%
	31-50:7.50%	31-50:7.50%
	+51:3.75%	+51:3.75%

Sensitivity in Employee Retirement Benefits Liability:		31 December 2024	31 December 2023
Discount Rate	1% Increase	**122,105,302**	136,954,320
	Base	**131,422,371**	147,947,099
	1% Decrease	**142,093,982**	160,631,923
Salary Inflation	1% Increase	**142,121,205**	160,471,227
	Base	**131,422,371**	147,947,099
	1% Decrease	**121,915,201**	136,880,482

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee retirement benefits to significant actuarial assumptions, the same method (present value of the employee retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee retirement benefits recognised in the Consolidated Statement of Financial Position.

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28. EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

Demographic Assumptions	31 December 2024	31 December 2023
Number of employees	**4,852**	4,994
Weighted Average Duration of Liabilities (Years)	**7.5**	8.0

The following are the expected payments or contributions to the defined benefit plan in future years

	31 December 2024	31 December 2023
Within the next 12 months (next annual reporting period)	**17,530,411**	22,304,578
Between 2 and 5 years	**42,514,881**	41,555,794
Beyond 6 years	**149,975,205**	166,356,390

29. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2024 SAR	31 December 2023 SAR
Accrued expenses	**376,803,959**	255,342,487
Trade creditors	**343,996,547**	353,678,781
Employee benefits	**66,374,408**	67,289,776
Advances from customers	**16,112,633**	16,492,125
Payable to related parties (note 36)	**273,721**	1,578,865
Other payables	**19,260,072**	22,929,969
	822,821,340	717,312,003

30. UNDISTRIBUTED RIGHTS ISSUE COMPENSATION

This represents the undistributed rights issue compensation to eligible investors who have not exercised their right to subscribe to new shares. The Group were unable to transfer these amount of compensation to the beneficiaries as a result of the lack of sufficient information about the beneficiaries' account numbers.

	SAR
Balance as at 31 December 2023	83,238,203
Paid during the year 2024	(257,221)
Balance as at 31 December 2024	**82,980,982**

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31. DIVIDEND PAYABLES

Below table represents the movement in the Dividend Payables.

	SAR
Balance as at 1 January 2023	**32,580,323**
Paid during the year 2023	(240,131)
Balance as at 31 December 2023	**32,340,192**
Paid during the year 2024	(393,469)
Balance as at 31 December 2024	**31,946,723**

32. PROVISION FOR ZAKAT

	31 December 2024 SAR	31 December 2023 SAR
Opening balance	**45,693,521**	77,161,135
Zakat provision for current year	**52,500,000**	14,200,000
Zakat reversal for previous years	**-**	(26,000,000)
Total charged to Consolidated Statement of Profit or Loss	**52,500,000**	**(11,800,000)**
Zakat paid during the Year	**(11,039,826)**	(19,667,614)
Closing Balance	**87,153,695**	**45,693,521**

The Company filed its Zakat return for all years up to 2023 and obtained Zakat certificates for the years up to 2023 from the Zakat, Tax and Customs Authority ("ZATCA" or "the Authority").

The Authority issued Zakat assessments for the years 2019-2020, the Company objected to some of its items with the Authority and presently these objections are pending for discussion. The Company has filed its Zakat return for years 2021 and 2022 and still under process with the Authority. During 2023, the Company received final assessments for the years from 2014 to 2018 and based on these final assessments the Company has reversed provision of SAR 26 million.

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33. CASH FLOWS INFORMATION

33.1 Non-cash Investing and Finance Activities

Acquisition of Right-of-Use-Assets (Refer note 15).

33.2 Net Debt Reconciliation

	Liabilities from financing activities	Asset		
	Loans and Borrowings	Cash and Cash Equivalents	Term Deposit	Net total
Opening balance as at 1 January 2024	**376,393,301**	**834,686,320**	**500,000,000**	**(958,293,019)**
Net cash flows	**(162,726,903)**	**530,585,741**	**-**	**693,312,644)**
Redemption	**-**	**-**	**(216,171,667)**	**216,171,667**
Finance Cost/Income	**23,194,837**	**-**	**-**	**23,194,837**
Finance Cost/Income Paid/ Received	**(29,075,007)**	**-**	**16,171,667**	**(45,246,674)**
Currency Translation Adjustment	**-**	**92,019**	**-**	**(92,019)**
Closing balance as at 31 December 2024	**207,786,228**	**1,365,364,080**	**300,000,000**	**(1,457,577,852)**
Opening balance as at 1 January 2023	1,525,487,745	112,761,952	-	1,412,725,793
Net cash flows	(1,143,678,905)	722,834,837	-	420,844,068
Redemption	-	-	500,000,000	500,000,000
Finance Cost/Income	66,352,128	-	-	(66,352,128)
Finance Cost/Income Paid/ Received	(67,928,063)	-	-	(69,847,865)
Currency Translation Adjustment	-	(910,469)	-	(910,469)
Closing balance as at 31 December 2023	**376,393,301**	**834,686,320**	**500,000,000**	**(1,089,077,473)**

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34. COMMITMENT AND CONTINGENCIES

Capital commitments

Capital commitments amounted to SAR 140.6 million against contracts for the supply of property, plant and equipment as at 31 December 2024 (31 December 2023: SAR 55.6 million)

Letters of credit

The contingent liabilities against letters of credit are SAR 120.5 million as at 31 December 2024 (31 December 2023: SAR 196.4 million).

Letters of guarantee

The contingent liabilities against letters of guarantee are SAR 46.5 million as at 31 December 2024 (31 December 2023: SAR 47.2 million).

35. FAIR VALUE

Financial Assets and Liabilities are measured at amortized cost except for Equity Investments at Fair value through Other Comprehensive Income (FVOCI) which are measured at fair value. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under market conditions. In the absence of an active market, the asset or liability is measured in the most advantageous market for the asset or liability and relies on the perceptions of market participants to maximize the benefits of using the asset. The Group relied on valuation methods for Equity Investments at FVOCI based on the performance of similar financial assets in an active market considering the performance of the asset itself to maximize benefits from the asset.

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35. FAIR VALUE (CONTINUED)

The book value and the fair value of all the disclosed financial assets and financial liabilities does not vary significantly.

	31 December 2024						
	Carrying Amount			Fair Value			
	Amortized cost SAR'000	Fair Value SAR'000	Total SAR'000	Level 1 SAR'000	Level 2 SAR'000	Level 3 SAR'000	Total SAR'000
Financial Assets							
Equity Investment at FVOCI	**-**	**270,555**	**270,555**	**262,028**	**8,527**	**-**	**270,555**
Trade and Other Receivables	**432,419**	**-**	**432,419**	**-**	**-**	**-**	**-**
Term deposit	**300,000**	**-**	**300,000**	**-**	**-**	**-**	**-**
Cash and cash equivalent	**1,365,365**	**-**	**1,365,365**	**-**	**-**	**-**	**-**
	2,097,784	**270,555**	**2,368,339**	**262,028**	**8,527**	**-**	**270,555**
Financial Liabilities							
Trade and Other Payables	**781,824**	**-**	**781,824**	**-**	**-**	**-**	**-**
Loans	**207,786**	**-**	**207,786**	**-**	**-**	**-**	**-**
Lease Liabilities	**39,413**	**-**	**39,413**	**-**	**-**	**-**	**-**
	1,029,023	**-**	**1,029,023**	**-**	**-**	**-**	**-**

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35. FAIR VALUE (CONTINUED)

	31 December 2023						
	Carrying Amount			Fair Value			
	Amortized cost SAR'000	Fair Value SAR'000	Total SAR'000	Level 1 SAR'000	Level 2 SAR'000	Level 3 SAR'000	Total SAR'000
Financial Assets							
Equity Investment at FVOCI	-	8,949	8,949	-	8,949	-	8,949
Trade and Other Receivables	374,259	-	374,259	-	-	-	-
Term deposit	500,000	-	500,000	-	-	-	-
Cash and cash equivalent	834,686	-	834,686	-	-	-	-
	1,308,945	8,949	1,317,894	-	8,949	-	8,949
Financial Liabilities							
Trade and Other Payables	675,400	-	675,400	-	-	-	-
Loans	376,259	-	376,259	-	-	-	-
Lease Liabilities	52,672	-	52,672	-	-	-	-
	1,104,331	-	1,104,331	-	-	-	-

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36. Financial Risk Management

The Group is exposed to the following risks through its use of financial instruments:

A- Credit Risk.

B- Liquidity Risk.

C- Market Risk

This note provides information on the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risks, and the Group's capital management. Further quantitative disclosures are included in these consolidated financial statements. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative impact on the financial performance of the Group. Financial instruments included in the Consolidated Statement of Financial Position include cash and cash equivalents, short-term investments, receivables, short- and long-term loans, due to related parties and accrued expenses, as well as other current liabilities.

36.1 Credit Risk

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or a business contract resulting in a financial loss. The Group is exposed to credit risk from its operating activities (mainly trade receivables) and from financing activities.

The financial assets subject to credit risk are set out in table below:

	31 December 2024 SAR'000	31 December 2023 SAR'000
Term deposit	**300,000**	500,000
Cash and bank balances	**1,050,000**	834,686
Trade and other receivables	**430,763**	374,259
	1,780,763	1,708,945

Trade Receivables

Customer credit risk is managed by each business segment in accordance with the Group's business policy, procedures and control related to business risk management. The credit quality of the customer is assessed on the basis of an evaluation card for each customer based on the date of the customer's dealings with the Group and the extent of his obligation to pay by setting a grace period and credit limit for each customer. The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of trade receivables. The main components of this provision are the expected loss element of specific customers as well as the aggregate loss element that is estimated for a group of similar customers in respect of losses that may be incurred, and which have not yet been determined. The consolidated loss provision is determined based on historical data of collection statistics for similar customers. Management believes that there is no additional allowance for credit risk required in excess of the normal decrease in receivables.

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36. Financial Risk Management (CONTINUED)

Trade Receivables consist of 95% of the balances in Saudi Arabia and 5% of the outstanding balances in the GCC as at 31 December 2024 (31 December 2023: 87% and 13% respectively).

Bank balances are kept with banks of BBB rating or higher rating banks.

36.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities settled through the delivery of cash or other financial assets. The Group's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due in normal and difficult circumstances without incurring unacceptable losses or risking the Group's reputation. Liquidity risk may result from the inability to sell the financial asset quickly near its fair value. A significant portion of the Group's funds are in Cash and Bank balances and are readily available to cover expected operating expenses, including servicing of financial obligations. In order to improve the liquidity of the Group, the Group will develop a plan to develop working capital performance and restructure its capital components.

Payable as of 31 December 2024

	On Demand SAR	Less than 3 months SAR	3 Months to 1 year SAR	1 year to 5 years SAR	Greater than 5 years SAR	Total SAR
Murabaha & Government Loans	**-**	**205,285,107**	**833,707**	**1,413,049**	**-**	**207,531,863**
Trade Payables	**-**	**313,990,368**	**-**	**-**	**-**	**313,990,368**
Lease Liability repayment	**-**	**3,873,303**	**8,976,358**	**25,189,690**	**2,633,234**	**40,672,585**
Total	**-**	**523,148,778**	**9,810,065**	**26,857,104**	**2,633,234**	**562,194,816**

Payable as of 31 December 2023

	On Demand SAR	Less than 3 months SAR	3 Months to 1 year SAR	1 year to 5 years SAR	Greater than 5 years SAR	Total SAR
Murabaha & Government Loans	-	239,522,875	51,035,972	85,834,454	-	376,393,301
Trade Payables	-	353,855,815	-	-	-	353,855,815
Lease Liability repayment	-	4,466,420	9,352,760	36,219,461	2,633,234	52,671,875
Total	-	597,845,110	60,388,732	122,053,915	2,633,234	782,920,991

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36. Financial Risk Management (CONTINUED)

Capital Management

Equity includes the equity of the Group's shareholders. The main objective of the Group's Capital Management is to ensure that it maintains a strong credit rating and decent capital ratios to support the Group's business and increase the value of the Group. The Group manages and adjusts the capital structure in light of changes in economic conditions and the requirements of financial commitments. To maintain or adjust the capital structure, the Group may amend dividend payments to shareholders, return capital to shareholders or issue new shares. The Group monitors leverage ratio which is total debt / Shareholders' Equity. The Group's policy is to maintain a leverage ratio below 2.5.

	31 December 2024 SAR	31 December 2023 SAR
Islamic and Government Murabaha Loans	**207,786,228**	376,393,301
Trade payables, accrued expenses and other payables	**822,821,340**	717,312,003
Employee Benefit Obligations	**131,422,371**	147,947,099
Provision for Zakat	**87,153,695**	45,693,521
Dividend Payable	**31,946,723**	32,340,192
Lease Liabilities	**39,412,720**	52,671,875
Total Debt	**1,320,543,077**	1,372,357,991
Shareholders' Equity	**3,952,108,915**	3,630,515,777
Leverage Ratio	**0.33**	0.38

To achieve this objective, the Group's capital management aims, among other things, to ensure that the financial commitments associated with interest bearing loans and advances that meet the requirements of the capital structure are met. In the event of a breach of compliance with these financial commitments, banks may be allowed to claim loans and bank facilities granted to the Group. There have been no violations of the financial commitments contracted with banks that lend to those loans, and in the event of such irregularities, the Group gets exemptions from banks for periods to be determined by those banks.

No changes were made in the objectives, policies and processes for capital management during the year ended 31 December 2024 and the year ended 31 December 2023.

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36. Financial Risk Management (CONTINUED)

36.3 Market Risk

Market risk is the risk of changes in market prices such as foreign exchange rates, profit rates and equity prices. These risks affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable limits, while improving returns.

The Group's exposure to market risk arises from:

- Currency risk
- Interest rate risk

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates

Currency Movement vs. Saudi Riyal (SAR)							
Foreign Currency	% Change	Fx Rate (Foreign Currency/ SAR)		Upward	Downward	Upward	Downward
		2024	2023	2024	2024	2023	2023
Price for $1	1.00%	**3.75**	3.75	**(535,397)**	**535,397**	(867,624)	867,624
Price for € 1	1.00%	**3.89**	4.09	**(27,056)**	**27,056**	(41,635)	41,635
				(562,453)	**562,453**	(909,259)	909,259

The Group mainly trades in Saudi Riyal and US Dollars. The exchange rate fluctuations are closely monitored by management. Based on its experience, management does not believe it is necessary to hedge against the impact of foreign currency risk as most transactions are in Saudi Riyal and US Dollars. The Saudi Riyal is pegged to the US Dollar and there are no other significant foreign currency instruments other than the US Dollar and thus foreign currency risk is mitigated.

36. Financial Risk Management (CONTINUED)

Interest Rate Risk

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's exposure to market risk of changes in interest rates mainly relates to the Group's borrowed loans to finance working capital requirements and capital expenditures. These loans are repriced periodically, and the Group is exposed to interest rate risk related to cash flows. The Group's practice is to manage bank interest costs by improving available cash flow and reducing borrowing. When borrowing is necessary, the loan term is matched with the expected repayments. There is a regular review of bank interest rates to ensure that these risks are mitigated.

The following table shows the impact on finance cost of the Group based on interest rate movement:

	Change %	Interest Rate Upward Movement SAR	Interest Rate Downward Movement SAR
31 December 2024	**%1**	**2,077,862**	**(2,077,862)**
31 December 2023	%1	3,763,933	(3,763,933)

37. KEY RELATED PARTIES, TRANSACTIONS AND BALANCES

Related parties in the Group include details of key transactions as follows:

Company	Relationship with NADEC	Nature of Transaction	Receivables/(Payables) Balance 31 December 2023	Sales/(purchases) SAR Movement during 2024	Payments/(collections) SAR Movement during 2024	Receivables/(Payables) Balance 31 December 2024
AlRai National Livestock Company	Joint Venture	Expenses paid on behalf	-	-	**6,172,209**	**6,172,209**
Arabian Mills for Food Products Company (formerly: The Second Milling Company)	Investment FVOCI*	Purchases of Raw Material	**(1,578,865)**	**(24,191,050)**	**25,496,193**	**(273,722)**

37. KEY RELATED PARTIES, TRANSACTIONS AND BALANCES (CONTINUED)

Company	Relationship with NADEC	Nature of Transaction	Receivables/(Payables) Balance 31 December 2022 SAR	Sales/(purchases) Movement during 2023 SAR	Payments/(collections) Movement during 2023 SAR	Receivables/(Payables) Balance 31 December 2023 SAR
Arabian Mills for Food Products Company (formerly: The Second Milling Company)	Joint Venture	Compensation for Cancelation of contract	1,635,760	10,000,00	(10,000,000)	(1,578,865)
		Purchases of Raw Material		(27,511,137)	24,296,512	

* Starting from 8th October 2024, Arabian Mills no longer joint venture.

Transactions with Key Management Personnel:	31 December 2024 SAR	31 December 2023 SAR
Short term benefits	27,897,078	19,373,223
Long-term benefits	1,931,419	3,413,371
Total Benefits of Senior Management Personnel	**29,828,497**	**22,786,594**

Remuneration to members of the Board of Directors and other committees of the Board

On 2nd Rajab 1446H (corresponding to 2 January 2025), amount of Saudi Riyal Three Million and Nine Hundred and Eighty Four Thousand were paid as remuneration to the members of the Board of Directors and other committees.

The Nomination and Remuneration Committee recommended the additional remuneration of Saudi Riyal Three Million and Two Hundred Thousand to the members of the Board of Directors and other committee of Board. This amount is subject to the approval of shareholders during the Annual General Assembly meeting.

38. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the year-end and up to the approval of these Consolidated Financial Statements that require disclosure or adjustment in these Consolidated Financial Statements.

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39. RECLASSIFICATION IN COMPARATIVES

During the year ended 31 December 2024, the Group reclassified some balances as shown below which management considers a more accurate presentation to reflect their related nature:

Balances of financial position statement have been reclassified:

	31 December 2023 (before reclassification) SAR	Reclassified balances SAR	31 December 2023 (after reclassification) SAR
Assets			
Property, plant and equipment	1,760,547,868	(5,746,271)	1,754,801,597
Intangible assets	23,851,662	5,746,271	29,597,933
Biological assets - available for sale	28,929,505	(28,929,505)	-
Biological assets – current	27,644,670	28,929,505	56,574,175
Trade receivables, prepayments, and other receivables	463,839,474	(57,302,336)	406,537,138
Liabilities			
Trade and other payables	774,614,339	57,302,336	717,312,003

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39. RECLASSIFICATION IN COMPARATIVES (CONTINUED)

Amounts of statement of profit and loss been reclassified:

	31 December 2023 (before reclassification) SAR	Reclassified amounts SAR	31 December 2023 (after reclassification) SAR
Other income (expenses), net	6,352,791	(3,912,778)	2,440,013
Treasury income	-	3,912,778	3,912,778

40. APPROVAL BY THE BOARD OF DIRECTORS

These Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 December 2024 were approved by the Board of Directors on 23 February 2025 corresponding to 26 Shaba'an 1446H.