

**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED  
LIABILITY COMPANY)  
RIYADH – THE KINGDOM OF SAUDI ARABIA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2024**

**FIRSTCRY TRADING COMPANY**  
**(SINGLE MEMBER LIMITED LIABILITY COMPANY)**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the owner of  
**Firstcry Trading Company**  
(Single Member Limited Liability Company)

**Riyadh – Kingdom of Saudi Arabia**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Firstcry Trading Company – Single Member Limited Liability Company** ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the professional codes of conduct and ethics as adopted and enacted in Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note (2) in the accompanying financial statements, which indicates that the Company's accumulated losses exceeded half of its capital by SR 48,585,886 as of 31 December 2024. These events or circumstances indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. According to the requirements of Article (182) of the Companies Law, the Company's managers invited the owner company to a meeting, and it decided to continue the Company's operations and provide it with the necessary financial support to enable it to continue. Our opinion is not modified with respect to this matter.

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

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

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

Those charged with governance (i.e. the owner) is responsible for overseeing the Company's financial reporting process.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

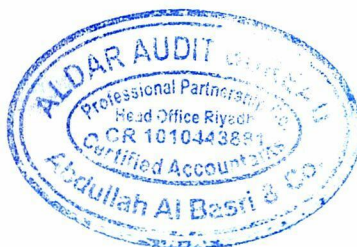
As part of an audit in accordance with International Standards on Auditing (ISAs), as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

### **Report on Other Legal and Regulatory Requirements**

Paragraph No. (5) of Article No. (20) of the Companies Law requires that the auditor to include in his report any violations of the provisions of the Companies Law or the provisions of the Company's Articles of Association that he may have discovered. During the course of our current audit of the financial statements, we did not note any violations of the provisions of the Companies Law or of the provisions of the Company's Articles of Association by the Company.



Riyadh, 25 Shawwal 1446 (H)  
Corresponding to 23 April 2025 (G)

**Aldar Audit Bureau**  
**Abdullah Al Basri & Co.**  
P.O. Box 2195  
Riyadh 11451  
Kingdom of Saudi Arabia

**Abdullah M. Al Basri**  
**Certified Public Accountant**  
**(License No.171)**

**FIRSTCRY TRADING COMPANY**  
**(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

(All amounts are in SAR, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	30,838,730	11,547,869
Trade receivables and other debit balances	6	8,472,429	3,631,705
Due from related parties	12	149,936	-
Inventory	7	40,215,671	25,345,689
<b>TOTAL CURRENT ASSETS</b>		<b>79,676,766</b>	<b>40,525,263</b>
<b>NON-CURRENT ASSETS</b>			
Property and equipment	8	1,312,176	1,549,880
Intangible assets	9	47,581	63,480
Right of use assets	10	2,685,248	6,394,069
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,045,005</b>	<b>8,007,429</b>
<b>TOTAL ASSETS</b>		<b>83,721,771</b>	<b>48,532,692</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of lease liabilities	10	-	3,629,692
Trade payables and other credit balances	11	23,097,130	14,483,442
Due to related parties	12	9,858,488	13,823,978
<b>TOTAL CURRENT LIABILITIES</b>		<b>32,955,618</b>	<b>31,937,112</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligations	13	1,271,264	592,927
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,271,264</b>	<b>592,927</b>
<b>TOTAL LIABILITIES</b>		<b>34,226,882</b>	<b>32,530,039</b>
<b>EQUITY</b>			
Share capital	14	190,000,000	100,000,000
Accumulated losses		(143,585,886)	(85,775,426)
Employee stock option program reserve	15	3,073,026	1,702,213
Actuarial valuation reserve for employee benefits		7,749	75,866
<b>NET EQUITY</b>		<b>49,494,889</b>	<b>16,002,653</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>83,721,771</b>	<b>48,532,692</b>

<The accompanying notes form an integral part of these financial statements>

**FIRSTCRY TRADING COMPANY**  
**(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts are in SAR, unless otherwise stated)

	Notes	2024	2023
Revenues	17	<b>116,497,009</b>	75,610,860
Cost of revenues	18	<b>(121,311,870)</b>	(84,021,846)
<b>Gross loss</b>		<b>(4,814,861)</b>	(8,410,986)
Selling and marketing expenses	19	<b>(52,425,708)</b>	(48,727,119)
General and administrative expenses	20	<b>(4,752,497)</b>	(4,280,978)
<b>Operating loss</b>		<b>(61,993,066)</b>	(61,419,083)
Financing Costs	21	<b>(230,214)</b>	(103,789)
Interest Income		<b>1,296,278</b>	766,717
Other income	22	<b>3,116,542</b>	1,612,820
<b>Loss for the year before income tax</b>		<b>(57,810,460)</b>	(59,143,335)
Income tax for the year	16	-	-
<b>Loss for the year</b>		<b>(57,810,460)</b>	(59,143,335)
<b><u>Other comprehensive loss</u></b>			
<b>Items will not be reclassified to profit or loss</b>			
Actuarial (losses) gains on re-measurement of employee benefit obligations	13	<b>(68,117)</b>	92,596
<b>Total other comprehensive (loss) income for the year</b>		<b>(68,117)</b>	92,596
<b>Total comprehensive loss for the year</b>		<b>(57,878,577)</b>	(59,050,739)

<The accompanying notes form an integral part of these financial statements>

**FIRSTCRY TRADING COMPANY**  
**(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts are in SAR, unless otherwise stated)

	Notes	Share capital	Accumulated losses	Employee stock option program	Actuarial valuation reserve for employee benefits	Net equity
Balance as of 1 January 2023		100,000,000	(26,632,091)	-	(16,730)	73,351,179
Loss for the year		-	(59,143,335)	-	-	(59,143,335)
Other comprehensive income for the year		-	-	-	92,596	92,596
Total comprehensive loss for the year		-	(59,143,335)	-	92,596	(59,050,739)
Employee stock options movement during the year	15	-	-	1,702,213	-	1,702,213
<b>Balance as of 31 December 2023</b>		<b>100,000,000</b>	<b>(85,775,426)</b>	<b>1,702,213</b>	<b>75,866</b>	<b>16,002,653</b>
Balance as of 1 January 2024		100,000,000	(85,775,426)	1,702,213	75,866	16,002,653
Capital increase	14	90,000,000	-	-	-	90,000,000
Loss for the year		-	(57,810,460)	-	-	(57,810,460)
Other comprehensive loss for the year		-	-	-	(68,117)	(68,117)
Total comprehensive loss for the year		-	(57,810,460)	-	(68,117)	(57,878,577)
Employee stock options movement for the year	15	-	-	1,370,813	-	1,370,813
<b>Balance as of 31 December 2024</b>		<b>190,000,000</b>	<b>(143,585,886)</b>	<b>3,073,026</b>	<b>7,749</b>	<b>49,494,889</b>

<The accompanying notes form an integral part of these financial statements>

**FIRSTCRY TRADING COMPANY**  
**(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts are in SAR, unless otherwise stated)

	Note	2024	2023
<b><u>Operating activities</u></b>			
Loss for the year before income tax		(57,810,460)	(59,143,335)
<b>Adjustments for:</b>			
Provision for slow moving Inventory incurred	7	385,144	-
Depreciation of property and equipment	8	565,081	550,955
Amortization of intangible assets	9	15,899	15,489
Depreciation of right-of-use assets	10	3,708,821	2,994,311
Unpaid interest on lease liabilities	10	188,709	87,639
Unpaid interest on Employee benefit obligations	13	41,505	16,150
Employee benefit obligations incurred	13	571,332	393,659
Employee stock option program	15	1,370,813	1,702,213
		(50,963,156)	(53,382,919)
<b>Changes in operating assets and liabilities:</b>			
Inventory		(15,255,126)	(7,692,752)
Trade receivables and other debit balances		(4,840,724)	(439,944)
Trade payables and other credit balances		8,613,688	5,993,306
Related parties		(4,115,426)	9,222,773
Employee benefit obligations paid	13	(2,617)	(17,918)
<b>Net cash used in operating activities</b>		<b>(66,563,361)</b>	<b>(46,317,454)</b>
<b><u>Investing activities</u></b>			
Additions to property and equipment	8	(327,377)	(795,575)
Additions to intangible assets	9	-	(15,000)
<b>Net cash used in investing activities</b>		<b>(327,377)</b>	<b>(810,575)</b>
<b><u>Financing activities</u></b>			
Capital increase	14	90,000,000	-
Payment of lease liabilities	10	(3,818,401)	(5,640,722)
<b>Net cash generated from (used in) financing activities</b>		<b>86,181,599</b>	<b>(5,640,722)</b>
<b>Net change in cash and cash equivalents</b>		<b>19,290,861</b>	<b>(52,768,751)</b>
Cash and cash equivalents as of 1 January	5	11,547,869	64,316,620
<b>Cash and cash equivalents as of 31 December</b>	5	<b>30,838,730</b>	<b>11,547,869</b>

<The accompanying notes form an integral part of these financial statements>



**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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(All amounts are in SAR, unless otherwise stated)

**1 STATUS AND NATURE OF BUSINESS**

Firstcry Trading Company - Single Member Limited Liability Company (the "Company"), operates under commercial registration number 1010627308 issued on 22 Jumada Al-Thani 1441 (H), corresponding to 16 February 2020 (G) in Riyadh. The Company obtained a license from the Ministry of Investment in the Kingdom of Saudi Arabia, the license number is 10407410190760 dated 5 Muharram 1441 (H), corresponding to 5 September 2019 (G). The Company is a wholly owned subsidiary of Firstcry Management DWC LLC (the "Parent"), a company registered in United Arab Emirates and controlled in turn by Brainbees Solutions Ltd, which is the ultimate parent company of the group and is registered in India.

**Company purposes**

The Company's main activities include wholesale and retail sales of food and beverages, textiles and fabrics of all kinds, blankets and ready-made linens, sheets, clothing, children's clothing, baby care supplies and tools, clothing accessories, shoes, home furniture, household electronic and electrical appliances, chandeliers and all types of lighting fixtures, bags, household utensils and tableware accessories, pharmaceuticals, natural medicinal herbs, cosmetics, beauty soap, makeup tools, books, magazines, newspapers, and educational aids, including the import of written, drawn or illustrated intellectual production, office stationery, cassette tapes, video tapes, bicycles' spare parts and accessories, leather goods and travel accessories, musical instruments, children's toys, electronic games including import, cameras and their accessories, electric vehicles and wheelchairs, golf carts, wallpaper and floor coverings, metal accessories, locks, hinges and other items, pest control products, soap and cleaners, gifts and accessories, specialty and healthy foods, video games and their programs and accessories, ready-made curtains and mosquito nets, household tools and various handicrafts, cutting tools, ceramics, glassware and pottery, security and safety systems, prepaid cards of all types, boats, bicycles and more, sports clothing, uniforms, medical devices, equipment and supplies, watches of all kinds, antiques and gifts, daggers and silverware, retail sales and installation of ready-made swimming pools, cleaning materials, sale of plastic tools and materials, trade in fireworks, instant or door-to-door retail sales (street vendors), the retail sale of other goods in kiosks and markets, the activities of consumer commercial complexes, and the activities of public stores that include a variety of goods.

**2 BASIS OF PREPARATION**

**Statement of compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by SOCPA. Details of the material accounting policy information are set out in Note No. (4).

**Going concern basis**

As shown in the financial statements, the Company incurred a comprehensive loss in the current year amounting to SR 57,878,577. Furthermore, the Company's accumulated losses as of 31 December 2024 amounted to SR 143,585,886 and it exceeded half of its capital by SR 48,585,886. The Company's ability to continue its business depends on earning more revenues from its operations, reducing expenses, and obtaining sufficient financial support from the owner.

According to Article (182) of the Companies Law, if the losses of a company amount to half of its capital, the company's manager shall, within 60 days from the date of his knowledge thereof, call for a meeting of the general assembly of partners to consider the continuation of the company by taking measures necessary to resolve such losses, or the dissolution of the company. The Company's managers invited the owner company to a meeting, and it decided to continue the Company's operations and provide it with the necessary financial support to enable it to continue.

Based on the above, the financial statements are prepared on a going concern basis, which assumes that the Company will continue to exist in the foreseeable future.

**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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(All amounts are in SAR, unless otherwise stated)

**2 BASIS OF PREPARATION (Continued)**

**Basis of measurement**

These financial statements have been prepared under the historical cost principle using the accrual basis of accounting, except as disclosed in the relevant accounting policies below.

**Presentation and functional currency**

The financial statements are presented in Saudi Riyals (SR) which is the functional currency of the Company. All amounts have been rounded to the nearest Saudi Riyal, unless otherwise indicated.

**Accounting records**

The Company maintains regular accounts on the computer in English.

**Accounting Estimates and Assumptions**

The preparation of the financial statements requires management to use some significant judgments, estimates and assumptions that affect the amounts of assets and liabilities presented and the value recognized for revenues and expenses during the financial reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions regarding the future. The resulting accounting estimates may differ from actual results. Significant judgments, estimates and assumptions are reviewed on a regular basis, and any differences are recognized in the financial statements for the current and future years.

Areas involving a higher degree of judgment or estimation, or material areas where assumptions and estimates have significant effects on the financial statements are as follows:

**A- Impairment of financial assets**

A provision for the impairment of financial assets is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the agreement. Significant financial difficulties facing the customer, the possibility of the customer entering bankruptcy or financial restructuring, default or late payment are all indications that there is objective evidence of impairment in the value of trade receivables. For significant individual amounts, an assessment is made on an individual basis. Amounts that are not individually significant, but which are past due, are assessed collectively and a provision is recognized considering the length of time in accordance with previous recovery rates.

**B- Impairment of non-financial assets**

The Company's management periodically reviews the carrying value of non-financial assets to determine if there is any indication that those assets are suffering from any impairment loss. If any indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the decrease is recognized in the statement of profit or loss.

**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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(All amounts are in SAR, unless otherwise stated)

**2 BASIS OF PREPARATION (Continued)**

**Accounting Estimates and Assumptions (Continued)**

**C- Provision for inventory**

Management creates a provision for slow-moving or obsolete inventories and estimates the net realizable value for inventories based on the most reliable evidence at the time the estimates are made and the provision is created.

**D- The useful life, residual value and method of depreciation for property and equipment**

The Company estimates the estimated useful life of property and equipment. This estimate is determined after taking into account the expected usage of the asset and normal wear and tear. Management annually reviews the useful lives, residual values, and depreciation methods for property and equipment. Current and future depreciation is adjusted when management believes that the useful life, residual value, or depreciation method differs from those used in previous periods.

**E- The useful life, residual value and method of amortization for intangible assets**

Management estimates the assets' useful lives, amortization methods, and potential impairment. Management must assess whether intangible assets have finite or indefinite useful lives and select an appropriate amortization method that reflects the pattern of economic benefits.

**F- Employees' benefits obligations**

Management's estimation of employees' benefits obligations is based on several key assumptions such as standard rates of inflation and mortality, the discount rate, and anticipation of future salary increases. Changes in these assumptions could significantly affect the amount of employee benefit obligations and the amount of annual benefit expense.

**G- Income tax**

The calculation of a Company's income tax expense necessarily involves some degree of estimates and judgments regarding specific items, the treatment of which cannot be definitively determined until a tax assessment is completed and resolved with the Zakat, Tax and Customs Authority or in accordance with a formal legal procedure, as appropriate.

**H- Lease contracts**

Management makes estimates and applies judgment in lease accounting, particularly in determining the lease term, assessing the likelihood of exercising renewal or termination options, and estimating the discount rate. Further estimates involve separating lease and non-lease components, evaluating residual value guarantees, identifying lease modifications, and assessing potential impairments of right-of-use assets.

**I- Employee stock option program**

Management uses estimates and assumptions to determine the fair value of stock options at the grant date, applying established valuation models such as Black-Scholes. Key inputs include share price volatility, risk-free interest rate, dividend yield, and expected option life. Assumptions regarding vesting and forfeiture rates are also considered.

**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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(All amounts are in SAR, unless otherwise stated)

**3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS**

Some standards, amendments and interpretations were applied for the first time in 2024, but they did not have any significant impact on the Company's financial statements including:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The following are the new and amended standards and interpretations, which are not yet effective at the date of the financial statements. The Company will apply these new and amended standards and interpretations, if applicable, when they become effective:

- Lack of Exchangeability (Amendments to IAS 21).
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7).
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

The Company has applied the following financial policies consistently to all periods presented in these financial statements unless otherwise stated.

**4-1 Financial Instruments**

**Recognition and derecognition**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of these instruments.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the financial assets are transferred and substantially all risk and reward is transferred.

A financial liability is derecognized when it is extinguished, that is, when the obligation is discharged (settled), canceled or when it expires.

**Classification and initial measurement of financial assets**

Except for trade receivables which do not contain a significant financing component and are measured at the transaction price under IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, as applicable.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive income

**FIRSTCRY TRADING COMPANY  
(SINGLE MEMBER LIMITED LIABILITY COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024 (Continued)**

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(All amounts are in SAR, unless otherwise stated)

**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-1 Financial Instruments (Continued)**

**Classification and initial measurement of financial assets (Continued)**

Classification is determined by both:

- The Company's business model for managing the financial assets.
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets recognized in profit or loss are presented under finance costs, finance income or other financial items, except for impairment of trade receivables, which are presented under other expenses.

**Subsequent measurement of financial assets**

**- Financial assets at amortized cost**

A financial asset is measured at amortized cost if the asset meets the following conditions (and is not classified as a financial asset at fair value through profit or loss):

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

After initial recognition, they are measured at amortized cost using the effective interest method. The discount is eliminated when the effect of the discount is immaterial.

**- Financial assets at fair value through profit or loss**

Financial assets that are held in a different business model than “held to collect” or “held to collect and sell” are classified as at fair value through profit or loss. Furthermore, regardless of the business model adopted, financial assets whose contractual cash flows are not solely payments of principal and interest are classified as at fair value through profit or loss. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, to which hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

The fair value of financial assets in this category is determined by reference to active market transactions or by using valuation techniques when no active market exists.

**- Financial assets at fair value through other comprehensive income**

The Company classifies financial assets in fair value through other comprehensive income if the assets meet the following conditions:

- Is held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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(All amounts are in SAR, unless otherwise stated)

**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-1 Financial Instruments (continued)**

**Impairment of financial assets**

The requirements for the impairment of financial assets in IFRS 9 use more forward-looking information to recognize expected credit losses - the 'expected credit loss model'.

The Company considers a broader set of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1")
- Financial instruments that have significantly deteriorated in credit quality since initial recognition and whose credit risk is not low ("Stage 2").
- Financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognized for the first category while "lifetime expected credit losses" are recorded for the second category.

The measurement of expected credit losses is determined by estimating the weighted average credit losses over the expected life of the financial instrument.

**Trade and other receivables**

The Company uses a simplified approach to accounting for trade and other receivables and records loss allowances as lifetime expected credit losses. These are the expected contractual cash flow deficits, taking into account the possibility of default at any stage in the life of the financial instrument. When calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate expected credit losses using a provision matrix.

The Company assesses the impairment of trade receivables on a joint basis as they have common credit risk characteristics, which are grouped based on the length of time to maturity.

**Classification and measurement of financial liabilities**

Financial liabilities are initially measured at fair value, adjusted, as appropriate, for transaction costs unless the Company designates it as a financial liability at fair value through profit or loss. After that, financial liabilities are measured at amortized cost using the effective interest method, except for derivatives and financial liabilities designated at fair value through profit or loss, which are subsequently measured at fair value. Gains or losses are recognized in the statement of profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related costs and changes in the fair value of an instrument that are reported in profit or loss are included in finance costs or finance income, as applicable.



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**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-2 Inventory**

The cost of inventories is determined on a first-in-first-out basis, and the value of inventories is stated at cost or net realizable value, whichever is lower. Inventory is valued at cost by invoice value plus any other charges incurred for shipping the inventory to its current location. The carrying value of the inventories is reviewed regularly and when required, the inventories are written down to their net recoverable value or a provision for obsolescence is made in case there is any change in the usage pattern or physical form of the related inventories which leads to an impairment in their value.

**4-3 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes all direct expenses necessary to bring the assets to the site to enable them to operate in the manner intended by the management of the Company.

Depreciation is calculated by subtracting the residual value of the asset from the original cost over the estimated useful life using the straight-line method. The useful life, residual value and depreciation method are reviewed at the end of the annual reporting period, taking into account the effect of any changes in the estimates calculated on a future basis.

Leasehold improvements are depreciated on a straight-line basis over the useful life of the improvements or the term of the lease, whichever is shorter.

Repair and maintenance expenses are considered a revenue expense in the profit or loss statement when incurred, while improvement expenditures that extend the useful life of the asset are capitalized.

The cost of replacing part of an item of property and equipment is capitalized to the carrying amount if it is probable that future economic benefits of the item will flow to the Company and its cost can be measured reliably. The daily costs of servicing property and equipment are recognized in the statement of profit or loss.

An item of property and equipment is written off/removed upon disposal or when no future economic benefits are expected to arise from the continuing use of the asset. The gain or loss that may arise from the sale or disposal of an item of property and equipment is measured as the difference between the net proceeds from disposal and the carrying amount of the asset and recognized in the statement of profit or loss.

Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<b><u>Depreciation rate</u></b>
Furniture and fixtures	20% - 33%
Machinery, equipment and tools	20% - 33%
Computers	20%
Leasehold improvements	50% - 58%

**4-4 Intangible assets**

Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their estimated useful lives, ranging from 3 to 5 years. Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the company and the amount can be measured reliably. The residual values, useful lives, and indicators of impairment of intangible assets are reviewed at the end of each financial year and adjusted prospectively, if necessary.

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**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-5 Right-of-use assets**

The Company recognizes right-of-use assets on the lease commencement date (ie, the date the asset is usable). The right-of-use asset is recognized at cost, less accumulated depreciation and impairment losses, and the value is adjusted when lease liabilities are revalued.

The cost of the right-of-use asset includes the value of the lease liabilities recognized, plus initial direct costs incurred, and lease payments made on or before the lease commencement date, less any lease incentives received. In the event that the Company is not certain of obtaining the ownership of the leased asset at the end of the contract period, the value of the right to use the recognized asset is depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever is less. Right-of-use assets are subject to impairment testing.

**4-6 Cash and cash equivalents**

Cash and cash equivalents consist of items that can be readily converted into cash and which are subject to an insignificant risk of changing in value. Cash and cash equivalents in the statement of financial position consist of cash at banks, time deposits, and cash on hand.

**4-7 Accounts payable and accruals**

Liabilities are recognized for amounts due in the future for goods or services received, whether billed by the supplier or not.

**4-8 Provisions**

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs of settling the obligation are probable and can be measured reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

**4-9 Contingent liabilities**

Contingent liabilities are disclosed when the Company has potential obligation as a result of a past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely within the control of the Company, or the Company has present legal or constructive obligations arising from events past, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or that the amount of the obligation cannot be measured reliably.

**4-10 Employee benefit obligations**

The Company provides end of service benefits to its employees in accordance with the labor law in the Kingdom of Saudi Arabia. The entitlement to these benefits is based upon the employee's final salary and length of service, subject to the completion of a minimum service period by the employee. The expected costs of these benefits are recorded over the period of service, and an annual provision is created based on the assessment of an independent actuary in accordance with the requirements of International Accounting Standard No. (19) "Employee Benefits" based on the actuarial methodology of the Projected Unit Credit Method.

All service costs are recognized as an expense. All actuarial gains and losses related to the defined benefit obligations are recognized in other comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-11 Share-based payments (Employee stock option program)**

The ultimate parent company of the group, Brainbees Solutions Ltd, has granted certain employees the option to own shares in exchange for the services they provide (equity-settled share-based payments). Based on the terms of the employee stock option program, a portion of the granted options shall vest at the end of each specified period. Option vesting is conditional on the eligible employee remaining in the Company's employment during the vesting period. Vested options can be exercised within a specified period from the grant date.

All services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date.

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to the equity reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting periods, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of stock options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

**4-12 Income tax**

**Income tax**

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax brackets and tax laws used in calculating the amount are those enacted or effective at the date of preparing the financial statements. The current income tax is recognized in the statement of profit or loss.

**Deferred income tax**

Deferred tax is calculated for temporary differences between the tax bases and the carrying amounts in the financial statements of assets and liabilities on the date of the financial statements.

A deferred tax liability is recognized for all taxable temporary differences. Deferred tax assets are calculated for all deductible temporary differences, unused exemptions carried forward, and unused tax losses carried forward to the extent that it is probable that taxable profits will be available that can be used against those assets.

The carrying amount of deferred tax assets/liabilities is reviewed on the date of preparing the financial statements and reduced to the extent that it is not likely that sufficient taxable profits will be available to allow the use of all or part of the deferred tax assets/liabilities. Deferred tax assets/liabilities that are not recognized at the date of preparing the financial statements are re-evaluated and recognized to the extent that it is likely that future taxable profits will result in recovering the deferred tax assets and paying the deferred tax liabilities.

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**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-12 Income tax (Continued)**

Deferred tax assets and liabilities are measured using the tax brackets that are expected to apply during the year in which the assets are realized or the liabilities are settled, based on the tax brackets and tax regulations issued or effective at the date of preparing the financial statements.

Deferred tax assets and liabilities are offset when there is a legally binding right to settle current tax assets with current tax liabilities, and that deferred taxes relate to the same taxable entity and the same tax authority.

The Company's management has decided not to recognize any deferred tax assets as it is unable, based on reasonable assumptions, to estimate the probability and extent to which future taxable profit will be available to utilize any deferred tax assets in accordance with the requirements of IAS 12 - Income Taxes.

**4-13 Value-added tax**

The value-added tax collected from customers is recorded as an obligation on the Company in favor of the Zakat, Tax and Customs Authority after offsetting the value-added tax paid by the Company on its purchases of goods and services. The liability is deducted if the Company makes tax payments.

**4-14 Statutory reserve**

According to the Company's Articles of Association, the Company must set aside 10% of the annual net profit to create a statutory reserve. The owner of the capital may stop this set aside for the reserve when it reaches 30% of the capital.

**4-15 Transactions in foreign currencies**

Transactions in foreign currencies are translated into Saudi Riyals at the exchange rates prevailing at the time of the relevant transactions. Assets and liabilities denominated in foreign currency at the statement of financial position date are translated into Saudi Riyals using the exchange rates prevailing on that date. Realized and unrealized translation differences of foreign currencies are recognized in the statement of profit or loss.

**4-16 Lease liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities at the present value of the lease payments to be made during the term of the lease. Lease payments include fixed payments (which includes payments that in substance are fixed lease payments) less lease incentives payable, variable lease payments that depend on agreed indexes or rates in accordance with the terms of the contract, and amounts expected to be collected under residual value guarantees. Lease payments also include the value due when the Company is reasonably certain to exercise the purchase option, and the value of penalties for terminating the lease if the Company intends to exercise this option in accordance with the terms of the lease contract.

Variable lease payments that do not depend on indexes or rates agreed upon in accordance with the terms of the contract are recognized as an expense in the period in which the event or condition that leads to the payment of those amounts occurs.

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(All amounts are in SAR, unless otherwise stated)

**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-16 Lease liabilities (Continued)**

When calculating the present value of lease payments, the Company uses, for the purposes of discounting future lease payments, the borrowing rate at lease commencement if the interest rate implicit in the lease is not determinable. Subsequently, the lease liability is increased by the amount of accrued interest and reduced by the amount of actual lease payments. In addition, the carrying amount of lease liabilities is re-measured if there is any modification or change to the lease term, or when there is any change to the payments that are considered fixed lease payments, or when the assessment related to the purchase of the asset changes.

**4-17 Short-term leases and leases of low-value assets**

The Company applies the exemption related to the recognition of short-term leases to certain short-term leases (i.e. leases that have a term of 12 months or less from the commencement date and do not include an option to purchase the asset). The Company also applies the lease of low-value asset exemption to certain leases of assets that are considered to be of low-value. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the term of the lease.

**4-18 Revenue recognition**

The revenue recognition policy defines one comprehensive model for accounting for revenue arising from contracts with customers, and the Company recognizes revenue from contracts with customers based on five steps as specified in IFRS 15:

Step 1. Identify the contract with the customer:

A contract is an agreement between two or more parties that establishes rights and obligations and sets standards that must be met for each contract.

Step 2. Identify the separate performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer goods or provide services to the customer.

Step 3. Determine the transaction price:

The transaction price is the amount of consideration the Company expects to receive in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations:

In a contract that contains multiple performance obligations, the Company will allocate the transaction price to each performance obligation in an amount that represents the consideration the Company expects to receive in exchange for fulfilling that performance obligation.

Step 5. Recognize revenue when (or as) the performance obligation is satisfied.

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**4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**

**4-18 Revenue recognition (Continued)**

A Company satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

- a. The Company's performance of the obligation does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c. The customer simultaneously receives or consumes the benefits as the performance takes place.

For performance obligations where none of the above conditions are met, revenue is recognized when the performance obligation is satisfied.

Revenue from sales is recognized upon delivery of the goods by which the significant risks and rewards of the ownership of the goods are transferred to the buyer and the Company does not have effective control or continuing management involvement to the extent usually associated with ownership of the goods. Sales are recorded after deducting returns, trade discount and quantity discount.

Other revenues are recognized upon receipt or when the service is rendered and the right to receive compensation is established.

**4-19 Expenses**

The expenses incurred by the Company consist of cost of revenue, selling and marketing expenses, and general and administrative expenses. The cost of revenue refers to the costs directly associated with the sale and delivery of goods or services. General and administrative expenses represent indirect costs related to the overall management and operation of the business, not directly tied to sales or service delivery. Selling and marketing expenses refer to costs related to promoting, selling, and distributing products to customers. When necessary, expenses are allocated between cost of revenue and general and administrative expenses on a pro rata basis.

**5 CASH AND CASH EQUIVALENTS**

a) This item consists of the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash at banks	<b>20,838,176</b>	11,542,957
Time deposit (Note b)	<b>10,000,000</b>	-
Cash on hand	<b>554</b>	4,912
	<b>30,838,730</b>	11,547,869

- b) The Company holds a time deposit with a maturity date of one month after the date of the financial statements, amounting to SAR 10 million, bearing an interest rate of 5.3% per annum. This deposit is not subject to any restrictions.



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**6 TRADE RECEIVABLES AND OTHER DEBIT BALANCES**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Advances to suppliers	5,653,437	1,422,319
Trade receivables	1,503,433	1,307,776
Prepaid expenses	817,804	727,725
Refundable VAT	290,704	-
Refundable deposits	117,385	117,385
Employee receivables	89,666	56,500
	<b>8,472,429</b>	<b>3,631,705</b>

**7 INVENTORY**

a) This item consists of the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Goods on hand	37,110,020	24,046,879
Goods in transit	3,490,795	1,298,810
	<b>40,600,815</b>	<b>25,345,689</b>
<b>Deduct:</b> Provision for slow moving items (Note b)	<b>(385,144)</b>	<b>-</b>
	<b>40,215,671</b>	<b>25,345,689</b>

b) The movement of the provision for slow moving items during the year is as follows:

	<b>2024</b>	<b>2023</b>
As of 1 January	-	-
Additions during the year	385,144	-
<b>As of 31 December</b>	<b>385,144</b>	<b>-</b>

**8 PROPERTY AND EQUIPMENT**

a) This item consists of the following:

	<b>Furniture and fixtures</b>	<b>Machinery, equipment and tools</b>	<b>Computers</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b><u>Cost</u></b>					
Balance as of 1 January 2024	673,892	1,100,391	414,770	209,353	2,398,406
Additions during the year	23,343	298,203	-	5,831	327,377
<b>Balance as of 31 December 2024</b>	<b>697,235</b>	<b>1,398,594</b>	<b>414,770</b>	<b>215,184</b>	<b>2,725,783</b>
<b><u>Accumulated depreciation</u></b>					
Balance as of 1 January 2024	309,625	227,595	111,673	199,633	848,526
Depreciation for the year	192,579	279,128	83,181	10,193	565,081
<b>Balance as of 31 December 2024</b>	<b>502,204</b>	<b>506,723</b>	<b>194,854</b>	<b>209,826</b>	<b>1,413,607</b>
<b><u>Carrying amount</u></b>					
<b>As of 31 December 2024</b>	<b>195,031</b>	<b>891,871</b>	<b>219,916</b>	<b>5,358</b>	<b>1,312,176</b>

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**8 PROPERTY AND EQUIPMENT (Continued)**

	<b>Furniture and fixtures</b>	<b>Machinery, equipment and tools</b>	<b>Computers</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b><u>Cost</u></b>					
Balance as of 1 January 2023	613,159	477,759	302,560	209,353	1,602,831
Additions during the year	60,733	622,632	112,210	-	795,575
<b>Balance as of 31 December 2023</b>	<b>673,892</b>	<b>1,100,391</b>	<b>414,770</b>	<b>209,353</b>	<b>2,398,406</b>
<b><u>Accumulated depreciation</u></b>					
Balance as of 1 January 2023	113,933	60,143	38,217	85,278	297,571
Depreciation for the year	195,692	167,452	73,456	114,355	550,955
<b>Balance as of 31 December 2023</b>	<b>309,625</b>	<b>227,595</b>	<b>111,673</b>	<b>199,633</b>	<b>848,526</b>
<b><u>Carrying amount</u></b>					
<b>As of 31 December 2023</b>	<b>364,267</b>	<b>872,796</b>	<b>303,097</b>	<b>9,720</b>	<b>1,549,880</b>

b) The depreciation expense for the year was allocated as follows:

	<b>Note</b>	<b>2024</b>	<b>2023</b>
Cost of revenues	18	<b>433,795</b>	417,776
General and administrative expenses	20	<b>131,286</b>	133,179
		<b>565,081</b>	<b>550,955</b>

**9 INTANGIBLE ASSETS**

This item consists of the following:

	<b>Computer software</b>	
	<b>2024</b>	<b>2023</b>
<b><u>Cost</u></b>		
Balance as of 1 January	<b>81,350</b>	66,350
Additions during the year	-	15,000
<b>Balance as of 31 December</b>	<b>81,350</b>	<b>81,350</b>
<b><u>Accumulated amortization</u></b>		
Balance as of 1 January	<b>17,870</b>	2,381
Amortization for the year	<b>15,899</b>	15,489
<b>Balance as of 31 December</b>	<b>33,769</b>	<b>17,870</b>
<b><u>Carrying amount</u></b>		
<b>As of 31 December</b>	<b>47,581</b>	<b>63,480</b>

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**10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

A. The following are the carrying amounts of the right-of-use assets and the movement that occurred during the year:

	<b>Warehouses</b>	<b>Office</b>	<b>Total</b>
<b><u>Cost</u></b>			
Balance as of 1 January 2024	11,373,156	470,860	11,844,016
Additions during the year	-	-	-
<b>Balance as of 31 December 2024</b>	<b>11,373,156</b>	<b>470,860</b>	<b>11,844,016</b>
<b><u>Accumulated depreciation</u></b>			
Balance as of 1 January 2024	5,037,945	412,002	5,449,947
Depreciation for the year	3,649,963	58,858	3,708,821
<b>Balance as of 31 December 2024</b>	<b>8,687,908</b>	<b>470,860</b>	<b>9,158,768</b>
<b><u>Carrying amount</u></b>			
<b>As of 31 December 2024</b>	<b>2,685,248</b>	<b>-</b>	<b>2,685,248</b>

	<b>Warehouses</b>	<b>Office</b>	<b>Total</b>
<b><u>Cost</u></b>			
Balance as of 1 January 2023	4,699,932	470,860	5,170,792
Additions during the year	6,673,224	-	6,673,224
<b>Balance as of 31 December 2023</b>	<b>11,373,156</b>	<b>470,860</b>	<b>11,844,016</b>
<b><u>Accumulated depreciation</u></b>			
Balance as of 1 January 2023	2,279,064	176,572	2,455,636
Additions during the year	2,758,881	235,430	2,994,311
<b>Balance as of 31 December 2023</b>	<b>5,037,945</b>	<b>412,002</b>	<b>5,449,947</b>
<b><u>Carrying amount</u></b>			
<b>As of 31 December 2023</b>	<b>6,335,211</b>	<b>58,858</b>	<b>6,394,069</b>

B. The following are the carrying amounts of the lease liabilities and the movement that occurred during the year:

	<b>2024</b>	<b>2023</b>
Balance as of 1 January	<b>3,629,692</b>	2,509,551
Additions during the year	-	6,673,224
Interest incurred during the year	<b>188,709</b>	87,639
Payments during the year	<b>(3,818,401)</b>	(5,640,722)
<b>Balance as of 31 December</b>	<b>-</b>	<b>3,629,692</b>
	<b>2024</b>	<b>2023</b>
Lease liabilities - current portion	-	3,629,692
Lease liabilities - noncurrent portion	-	-
	<b>-</b>	<b>3,629,692</b>

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**10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)**

C. The following are the amounts included in the profit or loss:

	<b>2024</b>	<b>2023</b>
Depreciation expense of the right-of-use assets	<b>3,708,821</b>	2,994,311
Interest expense on lease liabilities	<b>188,709</b>	87,639
<b>Total amount included in profit or loss</b>	<b>3,897,530</b>	3,081,950

**11 TRADE PAYABLES AND OTHER CREDIT BALANCES**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Trade payables	<b>12,562,651</b>	7,435,688
Other payables	<b>6,146,702</b>	4,281,768
Accrued expenses	<b>2,300,561</b>	1,292,174
Advances from customers	<b>1,915,396</b>	1,257,448
Accrued VAT	-	96,964
Other credit balances	<b>171,820</b>	119,400
	<b>23,097,130</b>	14,483,442

**12 RELATED PARTIES**

Related parties include the owner and senior management personnel of the Company, and the entities these parties own, manage, control or exercise significant influence over, as well as the entities that control or exercise significant influence over these parties. The following are the related party balances as of 31 December:

**A) Due from related parties**

<b>Related party</b>	<b>Relationship</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Firstcry General Trading LLC	Sister company	<b>133,137</b>	-
Swara Baby Products Pvt. Ltd.	Sister company	<b>16,799</b>	-
		<b>149,936</b>	-

**B) Due to related parties**

<b>Related party</b>	<b>Relationship</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Brainbees Solutions Ltd	Ultimate parent	<b>9,005,387</b>	11,177,353
Firstcry Management DWC LLC	Parent company	<b>473,205</b>	-
Firstcry Retail DWC LLC	Sister company	<b>316,525</b>	-
Shenzhen Starbees Services Ltd	Sister company	<b>63,371</b>	-
Firstcry General Trading LLC	Sister company	-	2,646,625
		<b>9,858,488</b>	13,823,978

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(All amounts are in SAR, unless otherwise stated)

**12 RELATED PARTIES (Continued)**

**C) Transactions with related parties**

The significant transactions that took place with related parties during the financial year, are as follows:

Related party	2024		2023	
	Nature of transaction	Amount	Nature of transaction	Amount
Brainbees Solutions Ltd	Purchases	4,426,063	Purchases	6,822,423
	Management charges	3,335,119	Management charges	3,339,344
	Royalty fees	3,221,951	Royalty fees	1,796,792
	Cross charges	44,168	-	-
Firstcry General Trading LLC	Purchases	484,342	Purchases	1,994,047
	Collections on behalf	740,756	Collections on behalf	2,678,643
	Expenses paid on behalf	-	Expenses paid on behalf	12,184
	Platform fees income	60,496	-	-
	Sourcing fees	4,714	-	-
Firstcry Retail DWC LLC	Purchases	5,243,773	Purchases	478,063
	Expenses paid on behalf	-	Expenses paid on behalf	12,557
	Sourcing fees	48,194	-	-
	Business Support Services	246,904	-	-
Firstcry Management DWC LLC	Management Fees	473,205	-	-
Swara Baby Products Pvt. Ltd	Purchases	305,387	-	-
Shenzhen Starbees Services Ltd	Sourcing Fees	164,969	-	-

**D) Compensation of key management personnel**

The compensation of key management personnel is those amounts paid to persons who have the authority and responsibility to direct and control the activities of the Company directly or indirectly, including any manager whether executive or otherwise. The compensation is as follows:

	2024	2023
Salaries and allowances	2,318,718	2,080,900
Bonuses	227,524	206,808
Employee stock ownership plan	638,546	792,919
	<b>3,184,788</b>	<b>3,080,627</b>

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**13 EMPLOYEE BENEFIT OBLIGATIONS**

- A) The Company administers the end-of-service benefits plan in accordance with the Labor Law in the Kingdom of Saudi Arabia. A provision is created for the benefit plan based on actuarial recommendations, whereby an evaluation of the present value of employee benefit obligations is calculated by an independent actuarial expert. The movement of the employee benefit obligations during the year is as follows:

	<u>2024</u>	<u>2023</u>
Balance as of January 1st	592,927	293,632
Current service cost during the year	571,332	393,659
Interest cost during the year	41,505	16,150
Payments during the year	(2,617)	(17,918)
Actuarial loss (gain) during the year	68,117	(92,596)
	<u>1,271,264</u>	<u>592,927</u>

- B) The table below summarizes the significant assumptions used in determining employee benefit obligations:

	<u>2024</u>	<u>2023</u>
Discount rate	7%	5.5%
Employees' turnover rate	12%	24%
Salary increases rate	6.02%	4.5%
Retirement age	60 years old	60 years old

**C) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, while holding the other assumptions constant, could have affected employee benefit obligations balance to become as shown below:

	<u>2024</u>	<u>2023</u>
<b>Discount percentage</b>		
1% increase	1,065,708	513,745
1% decrease	1,446,708	695,840
<b>Long-term salary increases</b>		
1% increase	1,497,677	714,024
1% decrease	1,087,200	513,358



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**14 SHARE CAPITAL**

A) The Company's capital is SR 190,000,000 (31 December 2023: 100,000,000), divided into 1,900 (31 December 2023: 1,000) cash shares of equal value, the value of each share is SR 100,000, and it is wholly owned by Firstcry Management DWC LLC.

Owner	Number of cash shares	Share value	Total share value
Firstcry Management DWC LLC	1,900	100,000	190,000,000

B) According to the Company's Articles of Association amended on 3/8/1445 (H) corresponding to 13/2/2024 (G), the Company increased its capital from SR 100,000,000 to SR 160,000,000 and increased the number of the shares from 1,000 cash shares to 1,600 cash shares. The legal procedures for this have been completed.

C) According to the amended Articles of Association dated 22/3/1446 (H) corresponding to 25/9/2024 (G), the Company increased its capital from SR 160,000,000 to SR 190,000,000 and increased the number of the shares from 1,600 cash shares to 1,900 cash shares. The relevant legal procedures have been completed.

**15 EMPLOYEE STOCK OPTION PROGRAM**

The ultimate parent company of the group, Brainbees Solutions Ltd, has granted certain employees the option to own shares in exchange for the services they provide (equity-settled share-based payments). Based on the terms of the employee stock option program, 25% of the granted options shall vest at the end of each year for four years from the grant date. Option vesting is conditional on the eligible employee remaining in the Company's employment during the vesting period. Vested options can be exercised within ten years from the grant date.

The fair value of the option on the grant date was determined using the (Modified Black-Scholes) pricing model by an expert appointed by the management of the group's ultimate parent company, Brainbees Solutions Ltd, taking into account the terms and conditions upon which the stock options were granted. Inputs to the used model include:

	Options granted on 14/11/2024	Options granted on 1/4/2023
Share price on the grant date (per share)	SR 23.06	SR 22.27
Option exercise price on the grant date (per option)	SR 10.82	SR 0.09
Annual volatility rate	45.52%	52.19%
Risk-free interest rate	6.76%	7.16%
Expected life of share options	3 years	3 years
Expected option forfeiture rate	0%	0%
Expected dividend yield rate	0%	0%
Fair value of the option on the grant date (per option)	SR 14.80	SR 22.19

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility is determined by referring to the average expected volatility of comparable companies, which was adjusted accordingly to suit the circumstances of the group's ultimate parent company, Brainbees Solutions Ltd.

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**15 EMPLOYEE STOCK OPTION PROGRAM (continued)**

The table below shows the number of stock options and the movement therein during the year:

	<b>2024</b>	2023
Stock options outstanding at the beginning of the year	<b>198,844</b>	-
Stock options granted during the year	<b>16,250</b>	211,540
Stock options forfeited during the year	-	(12,696)
Stock options exercised during the year	-	-
Stock options expired during the year	-	-
Stock options outstanding at the end of the year	<b>215,094</b>	198,844
Stock options exercisable at the end of the year	<b>49,711</b>	-

The cost of the employee stock option program reserve (equity-settled share-based payments) is recognized as an expense in profit or loss with a corresponding credit to the equity reserve. The table below shows the movement of the employee stock option program reserve:

	<b>2024</b>	2023
Balance at the beginning of the year	<b>1,702,213</b>	-
Additions during the year	<b>1,370,813</b>	1,702,213
Balance at the end of the year	<b>3,073,026</b>	1,702,213

**16 INCOME TAX**

A) The following is a summary of the income tax calculation:

	<b>2024</b>	2023
Loss for the year before tax	(57,810,460)	(59,143,335)
<b>Add:</b>		
Provisions charge for the year	2,492,177	2,094,104
Depreciation difference	163,217	206,330
Fine/penalties	-	500
Entertainment expenses related to employees	51,995	23,570
Unrealized exchange (gain) /loss	(7,694)	(41,012)
Withholding tax expense	374,502	375,472
<b>Taxable net adjusted loss</b>	<b>(54,736,263)</b>	<b>(56,484,371)</b>
<b>Income Tax payable</b>	<b>-</b>	<b>-</b>

B) The financial statements and tax returns were submitted until 31 December 2023, and the Company received a certificate, but did not have a tax assessment from the Zakat, Tax and Customs Authority.

**17 REVENUES**

	<b>2024</b>	2023
Sales	<b>115,695,458</b>	75,405,837
Delivery fees	<b>409,440</b>	205,023
Cash on delivery fees	<b>392,111</b>	-
	<b>116,497,009</b>	75,610,860

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**18 COST OF REVENUES**

A) This item consists of the following:

	2024	2023
Inventory opening balance	25,345,689	17,652,937
Purchases	105,866,734	68,261,471
<b>Deduct:</b> Inventory closing balance	<b>(40,215,671)</b>	<b>(25,345,689)</b>
<b>Cost of goods sold</b>	<b>90,996,752</b>	<b>60,568,719</b>
Cost of operations (Note B)	30,315,118	23,453,127
	<b>121,311,870</b>	<b>84,021,846</b>

**B) Cost of operations**

This item consists of the following:

	2024	2023
Employees' salaries and allowances	9,036,203	7,565,573
External manpower wages	5,258,599	3,884,959
Depreciation of right-of-use assets	3,708,821	2,758,880
Royalty fees (Note C)	3,221,951	1,796,792
Information technology services	2,690,953	2,578,059
Cost of employee stock option program (Note 15)	860,871	1,104,605
Management Fees – business support	720,110	-
Security	646,430	631,225
Rent	615,166	441,867
Current service cost of employee benefit obligations	493,060	328,648
Depreciation of property and equipment	433,795	417,776
Provision for slow moving inventory	385,144	-
Governmental fees	378,955	429,526
Employees' bonuses	319,625	342,910
Iqama and labor cards	294,732	277,098
Medical insurance	283,175	287,913
Social security	255,344	205,833
Sourcing Fees	217,877	-
Property insurance	216,537	105,624
Telephone, post, electricity and water	211,975	206,622
Miscellaneous expenses	65,795	89,217
	<b>30,315,118</b>	<b>23,453,127</b>

C) Brainbees Solutions Ltd (the ultimate parent company of the group) and Firstcry Trading Company signed a royalty agreement granting the right to Firstcry Trading Company to use and customize the electronic platforms (website and phone application) and use the brand name to carry out its business operations in the Kingdom of Saudi Arabia. Based on this agreement, Firstcry Trading Company will bear a royalty fee of 2.7% of the net sales to third parties and third-party promotion and marketing income starting from April 1, 2023.

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**19 SELLING AND MARKETING EXPENSES**

	<b>2024</b>	<b>2023</b>
Advertising and promotion	<b>36,989,884</b>	37,829,087
Shipping and courier	<b>12,684,646</b>	9,080,374
Charges for collection from customers	<b>2,751,178</b>	1,817,658
	<b>52,425,708</b>	48,727,119

**20 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>2024</b>	<b>2023</b>
Employees' salaries and allowances	1,434,484	1,441,062
Professional and legal fees	538,440	402,336
Cost of employee stock option program (Note 15)	509,942	597,608
Foreign currency exchange adjustments	377,129	76,132
Withholding tax	374,502	375,472
Banking expenses	324,293	111,494
Rent	227,687	51,429
Depreciation of property and equipment	131,286	133,179
Amortization of intangible assets	15,899	15,489
Travel expenses	92,513	139,974
Current service cost of employee benefit obligations	78,273	65,011
Governmental fees	68,273	108,303
Employees' bonuses	50,740	94,400
Iqama and labor cards	46,788	52,780
Medical insurance	45,345	56,891
Telephone, post, electricity and water	43,827	40,488
Hospitality and cleanliness	43,043	65,097
Social security	40,536	37,218
Employees' recruitment expenses	36,491	96,696
Depreciation of right-of-use assets	-	235,431
Miscellaneous expenses	273,006	84,488
	<b>4,752,497</b>	<b>4,280,978</b>

**21 FINANCING COSTS**

	<b>2024</b>	<b>2023</b>
Financing costs related to lease liabilities	<b>188,709</b>	87,639
Financing costs related to employees' benefits obligations	<b>41,505</b>	16,150
	<b>230,214</b>	103,789

**22 OTHER INCOME**

	<b>2024</b>	<b>2023</b>
Marketing and promotion on the Company's platforms Income	<b>2,679,238</b>	1,069,187
Governmental grants	<b>302,207</b>	523,258
Scrap sales	<b>69,836</b>	18,250
Others	<b>65,261</b>	2,125
	<b>3,116,542</b>	1,612,820

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**23 COMMITMENTS AND CONTINGENT LIABILITIES**

There were no contractual commitments as at the date of the report, and there are no contingent liabilities as of 31 December 2024.

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Fair value measurement of the financial instruments**

Financial instruments include financial assets and financial liabilities. Fair value is the price that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date. As such, differences can arise between carrying values and fair value estimates. The definition of fair value is based on market-based measurement and assumptions used by market participants.

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of the fair value hierarchy. This grouping is determined based on the lowest level of significant input used in the fair value measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs of the asset or liability for the asset or liability that are not based on observable market data (unobservable inputs).

No financial assets or liabilities have been valued at fair value as of 31 December 2024 and 31 December 2023. Management believes that the carrying amounts of the financial assets and liabilities reasonably approximate their fair values.

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, trade receivables and some other current assets as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash and cash equivalents	<b>30,838,730</b>	11,547,869
Trade receivables	<b>1,503,433</b>	1,307,776
Refundable deposits	<b>117,385</b>	117,385
Employee receivables	<b>89,666</b>	56,500
Due from related parties	<b>149,936</b>	-
	<b>32,699,150</b>	13,029,530

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(All amounts are in SAR, unless otherwise stated)

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Credit risk (Continued)**

Cash and cash equivalents are deposited with local and international banks with high credit ratings. The Company applies the simplified approach of IFRS 9 to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure expected credit losses, trade receivables are grouped on the basis of common credit risk characteristics and the days they are past due. Historical loss rates are adjusted to reflect current information affecting customers' ability to settle receivables. The Company manages the credit risk related to the amounts due from customers through monitoring method in accordance with the specified policies and procedures. The Company limits credit risks related to customers by setting credit limits for each customer and monitoring outstanding receivables on an ongoing basis. The carrying amount of financial assets represents the maximum exposure to credit risk. Management does not believe that the credit risk is significant.

**Liquidity risk**

It is the risk represented by the Company's exposure to difficulties in obtaining the financing necessary to fulfill obligations related to financial instruments. Liquidity risk may arise from the inability to sell a financial asset quickly at an amount approximate its fair value.

The following are the contractual maturities of the financial liabilities at the end of the financial year:

	<b>On-demand or less than one year</b>	<b>More than one year</b>	<b>Total</b>
<b><u>As of 31 December 2024</u></b>			
Due to related parties	9,858,488	-	9,858,488
Trade payables	12,562,651	-	12,562,651
Other payables	6,146,702	-	6,146,702
Accrued expenses	2,300,561	-	2,300,561
	<u>30,868,402</u>	<u>-</u>	<u>30,868,402</u>
	On-demand or less than one year	More than one year	Total
<b><u>As of 31 December 2023</u></b>			
Lease liabilities	3,629,692	-	3,629,692
Due to related parties	13,823,978	-	13,823,978
Trade payables	7,435,688	-	7,435,688
Other payables	4,281,768	-	4,281,768
Accrued expenses	1,292,174	-	1,292,174
	<u>30,463,300</u>	<u>-</u>	<u>30,463,300</u>

Liquidity risk is managed by monitoring it on a regular basis to ensure that the necessary funds are available to meet the Company's future obligations.

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(All amounts are in SAR, unless otherwise stated)

**24 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

**Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currencies other than the Company's currency. The Company's exposure to foreign currency risk is mainly limited to transactions in US Dollars, Euros and UAE Dirhams. Management constantly monitors fluctuations in currency exchange rates and records its effects, if any, in the financial statements, and it believes that the Company is not significantly exposed to the risk of exchange rate fluctuations because the official functional currency of the Company is the Saudi Riyal and most transactions are currently made using the Saudi Riyal or the US dollar, which has a fixed exchange rate against the Saudi riyal.

**25 CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Company's management manages the capital structure with the aim of preserving the owner's rights, ensuring the continuity of the Company and fulfilling its obligations towards others, by investing the Company's assets in a way that provides an acceptable return to the owner and by achieving the optimal balance between equity and liabilities.

**26 SUBSEQUENT EVENTS**

There have been no significant subsequent events since the year ended on 31 December 2024, that may have a material impact requiring adjustment or disclosure in these financial statements.

**27 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements for the year ended on 31 December 2024 were approved by the owner of the Company on 23 Shawwal 1446 (H), corresponding to 21 April 2025 (G).