

Investing For Growth.



Achieving Record Returns.

Annual Report
2024

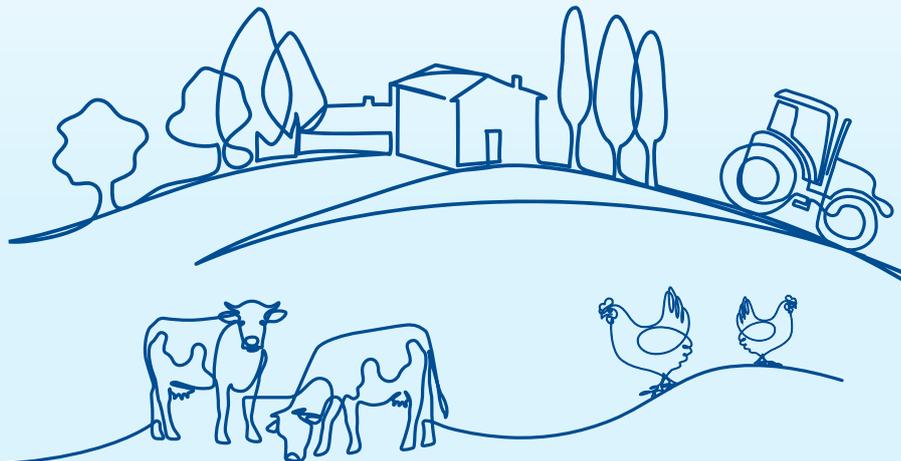


Table of Contents

Theme of the Year	4
About Almarai	6

01

Overview

At a Glance	10
Awards and Recognition	14
Our Journey	16
Year in Review	18
Stakeholder Engagement	20
Investment Case	24
Shareholder Information	26

02

Strategic Review

Board of Directors	30
Chairman's Statement	32
CEO's Message	36
Market Review	40
CFO's Review	42
Business Model	48
Almarai Strategy	50
Key Performance Indicators	52
Vision 2030	54
Technology and Innovation	56
Case Study	58
Operating Review	60
Risk Management	70
Sustainability	76

03

Governance

Board of Directors	86
Executive Management	88
Almarai Organizational Chart	90
Tadawul Announcements	91
Almarai and its Subsidiaries	92
Share Price and Shareholder Information	94
Main Transactions, Investments and Other Events	97
Important Events in 2025	98
Preparation of the Financial Statements	99
Dividend Policy	100
Statutory Payments, Penalties and Sanctions	103
Corporate Governance Code	104
Rights of Shareholders and the General Assembly	105
Board of Directors Formation and Functions	106
Regular Meetings of the Board for 2024	109
Ownership of Board Members	110
Ownership of Senior Executives	111
Details of Paid Compensation and Remuneration	112
Company Committees	116
Investment Committee	118
Remuneration and Nomination Committee	120
Audit Committee	122
Results of Annual Internal Audit Procedures	124
Risk Committee	126
Related Party Transactions	127
Disclosure and Transparency Policy	129
Board of Directors Certification	130
Financial Performance for 2024	131

04

Financial Statements

Independent Auditor's Report to the Shareholders of Almarai Company	136
Consolidated Statement of Financial Position	140
Consolidated Statement of Profit or Loss	141
Consolidated Statement of Comprehensive Income	142
Consolidated Statement of Changes in Equity	143
Consolidated Statement of Cash Flows	144
Notes to the Consolidated Financial Statements	145



Market Overview

P 40



Almarai Strategy

P 50



Operating Review

P 60

Read our 2024 Annual Report



<https://annualreport.almarai.com>



Theme of the Year

Investing for Growth. Achieving Record Returns.

In 2024, Almarai turned ambition into achievement, delivering a transformative year of growth and record-breaking returns. By investing boldly and strategically, we solidified our position as the Middle East's largest food and beverage company and the largest vertically integrated dairy producer in the world, achieving $\text{AED } 21.0$ billion in revenue and $\text{AED } 2.3$ billion profit, the highest ever profit in Almarai's history.

Our $\text{AED } 18$ billion investment plan, launched in March 2024, embodies our commitment to investing for growth. This transformative strategy is already yielding remarkable outcomes, from a surge in Poultry production to the highly successful debut of Almarai ice cream. Through key acquisitions, such as Etmam Logistics, we are expanding our footprint and enhancing our portfolio



to meet rising consumer demand while maintaining the exceptional quality Almarai is known for - Quality you can trust.

With every milestone, we continue to deliver on our promise of achieving record returns - for our shareholders, stakeholders and customers. Almarai's relentless focus on innovation, sustainability

and operational excellence drives us forward, ensuring we remain a leader in the global food industry while investing in a future of limitless potential.



Download Almarai Investor Relations App



About Almarai

Founded in 1977, Almarai is the world’s largest vertically integrated dairy company and the region’s largest food and beverage manufacturing and distribution company.

Headquartered in the Kingdom of Saudi Arabia, Almarai is the largest manufacturer and distributor of Fast-Moving Consumer Goods (FMCG) in the Middle East & North Africa (MENA) region and the market leader in the categories and countries where it operates. After more than 45 years of sustainable growth, Almarai continues to provide nutritious and healthy products to consumers of all ages, with success derived from the bedrock principle of “Quality you can trust”. In addition to its high-quality dairy products, Almarai has diversified its product portfolio to include

juices and beverages, bakery, poultry, infant formula, dates and seafood products under the consumer brand names: Almarai, L’usine, 7DAYS, Alyoum, Teeba, Beyti, Ice Leaf, Bashayer, Nuralac, Farm’s Select, Almarai Pro, Almarai YOGO, Almarai Treats, Almarai Marvello, Almira, Seama, Bakemart, Premier Chef and Kol Youm. As of 31 December 2024, Almarai’s paid up share capital amounted to 10 billion, consisting of one billion fully paid and issued shares of 10.00 each.

Vision



To grow our leading position as the trusted choice for food and beverages in the region, delighting consumers with quality nutrition every day.

Mission



To provide quality and nutritious food and beverages that enrich consumers’ lives every day.

Values



Adaptable

Sharing

Passionate

Innovative

Respect

Excellence



المراعي
Almarai





01

Investing for Growth. Delivering an Exceptional Performance.

In 2024, Almarai demonstrated its commitment to growth by achieving its strongest financial and operational results to date, solidifying its position as a global leader in the food and beverage industry.



Overview

- 10 At a Glance
- 14 Awards and Recognition
- 16 Our Journey
- 18 Year in Review
- 20 Stakeholder Engagement
- 24 Investment Case
- 26 Shareholder Information



At a Glance

Revenue Segmentation

Sales by Product

(AED million)



Fresh Dairy	7,532	Long life dairy	1,969
Poultry	3,794	Fruit juice	1,712
Foods	2,795	Other sales	516
Bakery	2,662		

Sales by Geography

(AED million)



KSA	13,904	Jordan	774
UAE	1,930	Bahrain	412
Egypt	1,489	Qatar	68
Kuwait	1,064	Others	530
Oman	808		

Highlights

Total Sales

(AED million)



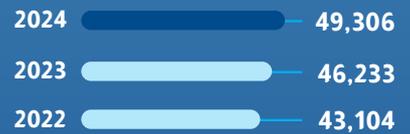
Net Profit*

(AED million)



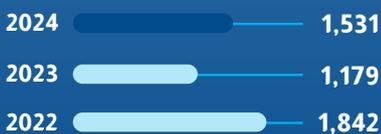
Total Headcount

(AED million)



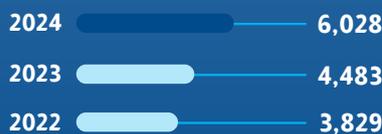
Free Cash Flow

(AED million)



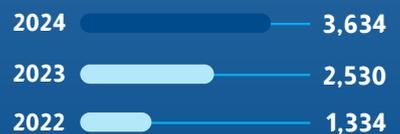
Operating Cash Flow

(AED million)



CAPEX

(AED million)



*Profit attributable to the shareholders of the Company

Sustainability Highlights



Caring for people

Employee lost-time injury rate
(per 1 mln man-hours)



Protecting the planet

Plastics removed from packaging (tons)

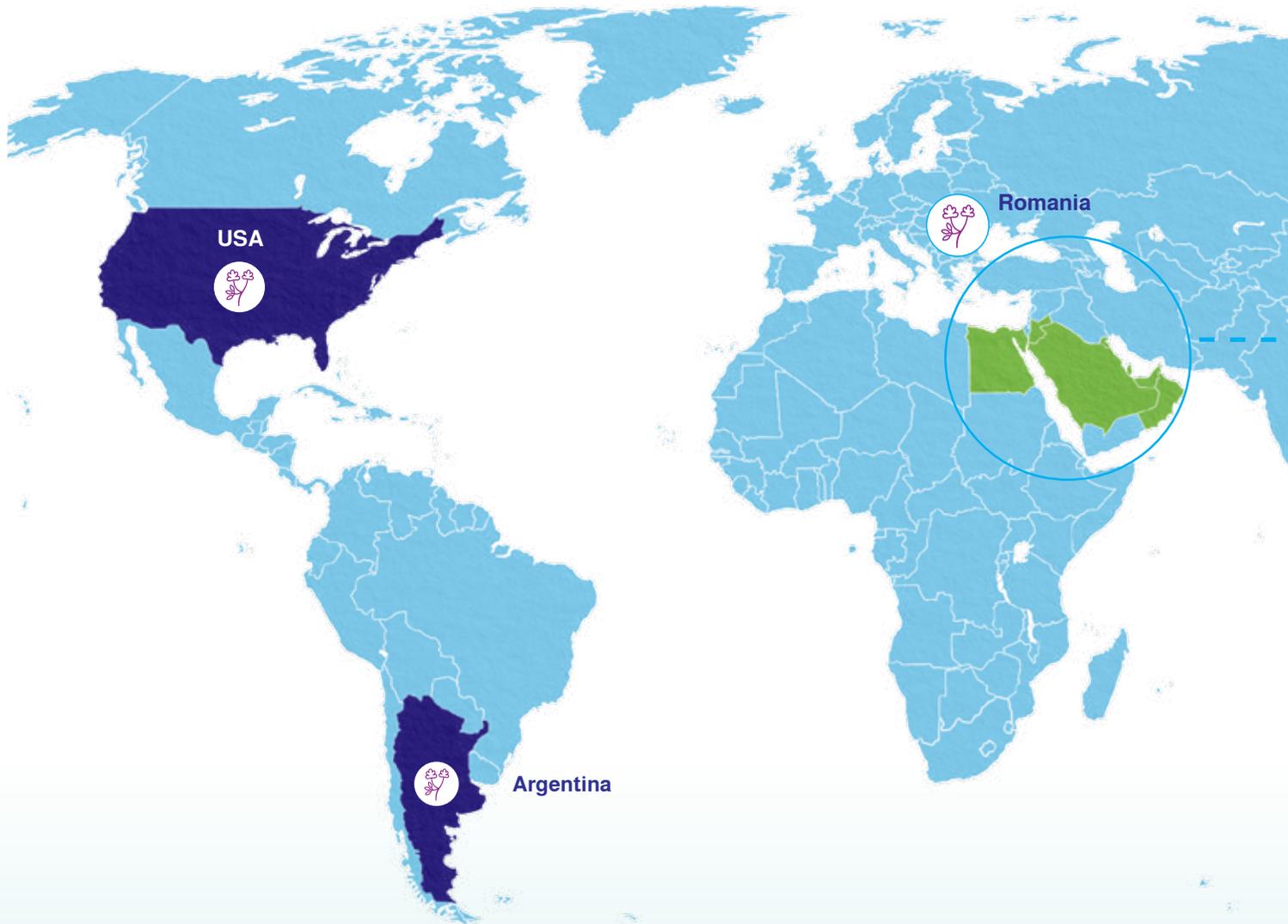


Producing responsible products

Percentage of purchased volume from
suppliers compliant with Company's
sourcing policy (%)



Where We Are



What We Do

Dairy



Dairy is the founding cornerstone of Almarai's product range and includes Fresh Dairy, Long Life Dairy and Foods. For over 45 years we have endeavored to earn the trust of our consumers and are the regional market leader in a wide range of subcategories.

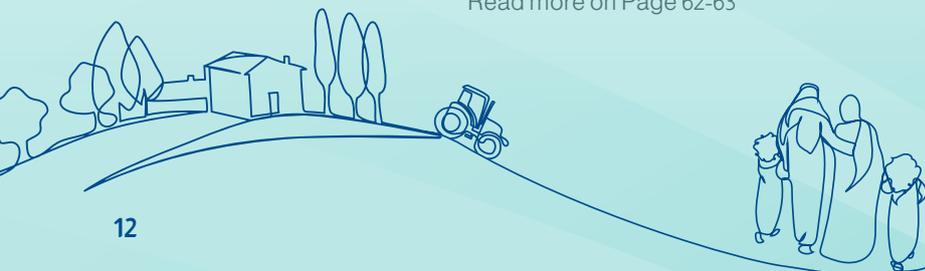
Read more on Page 62-63

Juice



Almarai leads the GCC in the production of fresh juice, providing consumers with a wide range of juices Long Life juices, nectars and drinks, as well as products for children.

Read more on Page 64-65





Bakery



Using the highest quality ingredients and world-class facilities, we deliver a wide range of bakery products to consumers across the GCC, marketed under the L'usine and 7DAYS brands.

Read more on Page 66-67

Poultry



Our Poultry brand, Alyoum, continues to enjoy the number one spot as brand of first choice for Saudi Arabia's consumers with over 52% on brand consideration. It is a brand that symbolizes quality and innovation, representing our core values in the marketplace. The product range includes a comprehensive selection of whole, portions and value-added SKUs.

Read more on Page 68-69

Awards and Recognition



- 4th Most Valuable Dairy Brand Globally
- 5th Strongest Brand - Alyoum
- 6th Strongest Brand - L'usine
- 6th Most Valuable Brand - KSA



Corporate Happiness Awards in Workplace Recreation Excellence Category 2024 - KSA



- Milk every day is a smart way campaign**
- Silver - Family and Children Category
 - Bronze - Beverage's Category



3rd Place The Most Influential Brand Global and KSA



Gold - Use of Data The Non-Sponsored Sponsorship of Ramadan - Contextual



Bronze - Use of Data The Non-Sponsored Sponsorship of Ramadan - Contextual



- Top Breakthrough Innovation for 2024 - KSA
- Alyoum Flavors of the World - KSA
- Almarai Ice Leaf - KSA
- Almarai Ice Cream - Wave maker in KSA



- Stevie Awards for Innovation in the MENA Region**
- Gold - Innovation Award in Human Resources Management and Planning
 - Bronze - Innovation Award in Public Service Communications



- Saudi Customer Experience Awards**
- Gold - Employees are the heart of everything
- Customer-Centric Culture Category**
- Silver - L'usine Pizza on the Go



- Internal Communication Brilliance Award Global 2024**
- Gold - Employee Engagement
 - Silver - Internal Communication Campaign



Highly Commended Best Funding Solution



Corporate Bond Deal Awards



Industry Award Advertiser of the Year

KSA

- Brand Experience
 - Gold - Mama Sara and Sara
 - Silver - The Non-Sponsored Sponsorship of Ramadan - Contextual
- Data Insights / Contextual Marketing
 - Gold - The Non-Sponsored Sponsorship of Ramadan - Contextual
- Short or Long Form Video
 - Gold - Mama Sara and Sara
- Personalization
 - Silver - The Non-Sponsored Sponsorship of Ramadan - Contextual
- Audio / Voice / Sonic Branding
 - Silver - L'usine Brownie Leaves You Speechless
- Programmatic
 - Silver - Game on: L'usine
- Real Time - Marketing
 - Silver - The Non-Sponsored Sponsorship of Ramadan - Contextual
- Customer (CX) / User Experience (UX) and Design
 - Silver - Game on: L'usine
- Gaming, Gamification and E-Sports
 - Bronze – L'usine Brownie Leaves You Speechless
- Contextual and Geo-Targeting
 - Bronze – Game on: L'usine



Industry Award Advertiser of the Year

MENA

- Audio / Voice / Sonic Branding
 - Silver - L'usine Brownie Leaves You Speechless
- Real-Time Marketing
 - Silver - The Non-Sponsored Sponsorship of Ramadan - Contextual
- Short or Long Form Video
 - Bronze - Mama Sara and Sara



- 3rd Place - Best Annual Report Digital - Middle East
- 2nd Place - Best IR Professional (Saudi Arabia)



**Gold - CSR 2024
Awarded by Ministry of
Human Resources and Social
Development (HRSD)**



Industry Award Advertiser of the Year

Global

- Short or Long Form Video
 - Silver - Mama Sara and Sara Campaign
- Data Insights / Contextual Marketing
 - Bronze - Contextual Campaign
- Personalization
 - Bronze - Contextual Campaign
- Real Time Marketing
 - Bronze - Contextual Campaign



UAE

- 1st Place L'usine Food Brand
- 2nd Place Almarai Dairy Brand
- 3rd Place FMCG Brand
- 6th Place Almarai Beverage Brand

KSA

- 1st Place FMCG Brand
- 1st Place L'usine Food Brand
- 1st Place Almarai Dairy Brand
- 2nd Place Almarai Beverage Brand

Our Journey

Almarai’s journey reflects its unwavering commitment to growth, diversification and innovation. From its beginnings as a dairy producer to becoming the Middle East’s largest food and beverage company,

• 1977

Almarai was founded
Almarai was founded in Saudi Arabia by HH Prince Sultan Bin Mohammed Bin Saud Al Kabeer.

• 2000

Entry into Juice category
Almarai made its debut in the Juice category, marking a significant expansion of its product portfolio.



• 2005

Public company
Almarai transitioned from private ownership to being publicly listed on the Saudi Stock Exchange (Tadawul).

• 2019

Joint venture with Fondomonte Romania
Almarai established a joint venture with Fondomonte Romania.

Acquisition of Premier Foods
Almarai acquired Premier Foods from Alamara Foods for USD 28 million, adding value to its food service channel.

Majority control of Pure Breed
Almarai acquired an additional 37.6% stake in Pure Breed, raising its ownership to 93.5%.

• 2017

Established Almarai Pro
Almarai established Almarai Pro to serve the growing foodservice industry, catering to the HORECA sector.

• 2021

Acquisition of Bakemart in UAE and Bahrain
Almarai fully acquired Bakemart in the UAE and Bahrain with an additional share value of USD 25.4 million.

Acquisition of Binghatti factory in UAE
Almarai completed the USD 58.5 million acquisition of Binghatti Beverages Manufacturing assets in the UAE, enhancing its beverage offerings in the region.

Bulk Berth facility at Rabigh Port
Almarai secured bulk berth facility at King Abdullah Port, Rabigh, enhancing raw material imports and streamlining its supply chain.

Entry into branded local Beef category
Almarai entered the branded local beef market, utilizing its cattle supply and infrastructure. The move aimed to provide high-quality local meat to consumers.



Almarai has expanded through strategic acquisitions and partnerships, cementing its role as a leader in economic growth, food security and sustainability.

• 2007

Almarai expands portfolio with strategic acquisitions in F&B

Almarai acquired Western Bakeries Company (WB), supporting its famous brand "L'usine". Almarai also developed its bakery business through the creation of Modern Food Industries (MFI), to build manufacturing facilities for new bakery products.

• 2009

Acquisition of HADCO (Poultry)

Almarai diversified its operations into the Poultry segment by acquiring HADCO, in Saudi Arabia's largest-ever public company acquisition, and the launch of its brand "Alyoum".

Joint venture with PepsiCo for international markets

Almarai established a joint venture with PepsiCo, setting up IDJ (International Dairy and Juice) to target non-GCC dairy and juice markets.



• 2011

Established Fondomonte Arable Farm (North America)

Almarai acquired Fondomonte SA which owns and operates farms in Argentina, to secure feed for its dairy herd and poultry businesses.



• 2010

Launch of Infant Nutrition

Almarai launched International Pediatric Nutrition Company (IPNC), a 50:50 joint venture with Mead Johnson to produce high quality infant formula locally under the brand, "Almarai Enfagrow".

• 2022

Raising stake in MFI to 100% ownership

Almarai, through its subsidiary Western Bakeries, acquired a 25% stake in Modern Food Industries for USD 67 million, making it the full owner.

Entry into branded Seafood category

Almarai entered the seafood market, expanding its product offerings to diversify its portfolio and support the national food security agenda.

Poultry expansion

Almarai expanded its poultry production in Hail and Sakaka, with the aim to contribute to the development of local content and doubling its market share.

• 2023

Acquisition of additional shares for 100% ownership of IDJ

Almarai acquired PepsiCo's 48% stake in International Dairy and Juice Ltd.

Issued Trust Certificates denominated in USD

Almarai completed a USD 750 million sukuk offering with a 5.2% annual return.

Acquisition of Etmam Logistics

Almarai completed the 182 million acquisition of Etmam Logistics with the aim of accelerating catering services and expanding its product range.

• 2024

Partnership with Google Cloud

Almarai launched a strategic partnership with Google Cloud to power its digital transformation journey.

Year in Review

We made significant strides and strategic progress across our business in 2024, investing in innovation, growth and operational excellence. By driving key initiatives and forming impactful partnerships, we strengthened our

Mar

Leading the Digital Transformation Journey

We reaffirmed our leadership in digital transformation by investing in advanced technologies and forming strategic partnerships to enhance operational efficiency and deliver superior experiences for customers and employees.

Unveiling a Bold Five-Year Investment Plan

We announced a 18 billion investment strategy for 2024-2028, designed to expand our capabilities, strengthen food security and maintain our position as the largest vertically integrated dairy company globally.

May

Empowering Saudi Talent through Nationalization

At our Nationalization Ceremony, we signed agreements to train and prepare Saudi youth for careers in the food and beverage sector, demonstrating our commitment to supporting local talent and fostering economic participation.

Enhancing Logistics Capabilities

We completed the 182 million acquisition of Etmam Logistics, boosting our ability to serve customers with an expanded range of frozen products and enhancing our supply chain operations.

Jun

Supporting Culinary Entrepreneurs

Through our partnership with the Social Development Bank, we launched the "Almarai Chefs Program," empowering small business owners in Riyadh to succeed in the culinary industry.



leadership in the food and beverage industry and delivered exceptional value to stakeholders, aligning with our long term vision for sustainable success.

Aug

Recognized for Community Impact

The Ministry of Health honored us for supporting blood donation campaigns, reflecting our dedication to social responsibility and community wellbeing.

Named Fourth Most Valuable Dairy Brand Worldwide

We were ranked as the fourth most valuable dairy brand globally by Brand Finance, with a 16% increase in brand value to USD 3.9 billion, cementing our leadership in the industry.



Oct

Investing in Egypt's Food Sector

With an investment exceeding EGP 1 billion, we inaugurated two new cheese production lines at Beyti's factory, reinforcing our regional leadership and diversifying our product offerings.



Nov

Winning Best Corporate Sukuk Award

We received the Best Corporate Sukuk award at the Asset Triple A Islamic Finance Awards for our USD 750 million sukuk issuance, showcasing our financial excellence.

Partnering with Google Cloud

We partnered with Google Cloud to advance our digital transformation journey, leveraging cutting-edge technology to enhance efficiency, sustainability, and customer experiences.

Dec

Achieving Excellence in Corporate Governance

We ranked among the top companies in corporate governance on Tadawul, highlighting our unwavering commitment to transparency, accountability and robust governance practices.

Celebrating Investor Relations Success

Our Annual Report was recognized as the third-best digital annual report at the MEIRA Conference, and our team received accolades for excellence in investor relations, reflecting our dedication to outstanding communication with stakeholders.



Stakeholder Engagement

We endeavor to maintain an active dialogue with stakeholders on a continual basis, whether consumers, investors, employees, regulators or civil organizations. In so doing, we use a range of communication channels that are most appropriate to their specific interests.

Historically, the most popular of our engagement programs has been the access we provide to the public at manufacturing facilities in Saudi Arabia. During the pandemic we made the decision to lock down all onsite facilities to ensure sustained production capabilities, restricting access for the public to visit our pioneering facilities. However, as our communities emerged to normality, we resumed our facilities visit program in the latter part of 2022.



Stakeholder Group



Shareholders and Investors



Consumers



Employees

How we engage

- Board meetings
- Public reports
- Disclosures
- Shareholders' Rights Policy
- Investor Relations
- Almarai Code of Conduct
- Reporting Violation Policy
- Global Anti-bribery and Corruption Policy and Procedures
- Investor day
- Annual General Meeting (AGM)
- Regular investors meetings

- Social media channels
- Visitor tours
- Website
- Call center
- Email

- HR Policy
- Training and development program
- Training needs analysis
- Employee grievance mechanism
- Employee relations WhatsApp number
- Employee whistleblowing via Almarai website
- Employee satisfaction surveys (ad-hoc)
- Internal communication campaigns and programs

How often we engage

- Daily shareholder inquiries
- Weekly and monthly analyst meetings
- Quarterly disclosures
- Annually IR day and Annual Report
- Upon inquiry

- Daily posting
- Weekly tours
- Annual website updates and publishing
- Upon inquiry

- Monthly Grievance Report and campaign communication
- Daily responses to WhatsApp tickets
- Monthly report on whistleblowing cases
- Employee engagement survey shared yearly with employees
- International and National Day's communications and events
- Celebrating employees' personal achievements (e.g. promotions, childbirth, etc.)
- Launched WE Ambassadors program
- Launched employee wellbeing programs, under the pillar WE Care, such as a mental health campaign, WE Support programs, a marathon and fitness time agreement

In addition to the above engagements, we recently published sustainability policies and position statements covering our aspirations on animal welfare, climate change, community investment, energy, environmental impacts of packaging, ethical sourcing, environmental policy, human rights, responsible marketing and water stewardship. This effort brings transparency for our stakeholders to everything we do. To enhance transparency and reliability for our stakeholder, Intertek Saudi Arabia Ltd, a third-party independent auditing firm, audited and assured our sustainability data and report as per ISAE 3000 standards.



Government and Regulatory Bodies

- Internal audit
- Stakeholder meetings and open dialogue
- Statutory reporting
- Working closely with regulators to develop improved standards of governance and reporting

- Annually, quarterly and ad-hoc, as required



Civil Society Organizations and Community

- CSR activities
- Student learning opportunities
- Food donations

- Weekly school activities
- Annual Almarai Awards
- Monthly sponsorships



Suppliers

- Identify and source suppliers against business requirements
- Business transactions
- Monitor and review performance through contract management
- Supplier relationship management programs
- Business review meetings and audits

- Daily business transactions
- Daily business communications
- Weekly reviews and meetings
- Monthly/annual visits and audits



Stakeholder Group



Shareholders and Investors



Consumers



Employees

Key areas discussed

- Financial results
- Production and growth
- Dividends
- Contribution to economic development
- Share price
- Data disclosure and credibility
- Material developments
- Market share
- Publicly disclosed data about Environmental, Social and Governance (ESG) performance, including strategies, targets and goals, methods for evaluation, policies and procedures

- Product and ingredients quality, freshness and safety
- Product nutritional value and health implications
- Product price
- Brand reputation
- Environmentally sound production practices
- Animal welfare
- Fair and ethical marketing
- International recognition and certificates
- Direct communication channels

- Fair payment and benefits
- Equal opportunity
- Engagement and motivation
- Transparent hierarchies
- Job security
- Training and career development
- Safe work environment
- Grievance mechanisms

Actions implemented

- Fully implemented and adopted best investor relations practice

- Fully implemented and adopted common practice

- Fully implemented and adopted common practice

How we create value

Keeping shareholders updated on all material developments, with high transparency through:

- Tadawul
- Investor Relations website
- Investor Relations Application

- Producing high quality products
- Ensuring availability of products
- Developing innovative new products based on consumer feedback and needs
- Keeping consumers informed and empowered by communicating key information and updates
- Resolving issues and providing a positive customer experience

- Ensuring that employees can raise their inquiries, requests and complaints easily and anonymously
- Enhancing employee engagement, productivity and overall satisfaction
- Creating a positive work environment, increasing employee retention and improving organizational performance
- Creating awareness and engagement with employees





Government and Regulatory Bodies

- Compliance with national legislation and regulation
- Food security
- Contribution to economic development
- Environmentally sound production practices
- GHG emissions and impact on climate change
- International recognition and certificates

- Full compliance with existing framework and working to develop regional and global standards

- Contributing to food security in Saudi Arabia and key international markets
- Championing key F&B innovations for Saudi Arabia
- Setting a standard for our industry and markets for compliance, transparency and reporting
- Timely update of changes and new information from regulatory regarding best practices related to food and health safety



Civil Society Organizations and Community

- Corporate Social Responsibility (CSR) and engagement
- Funds and financial support
- GHG emissions and impact on climate change
- Data disclosure and credibility
- Animal welfare
- Environmentally sound production practices
- Contribution to social and economic development

- Fully implemented and adopted common practice and included in annual planning process

- Raising public awareness and care for the supported community segments and their causes
- Supporting activities and segments with products and services that engage and empower them



Suppliers

- Price
- Delivery and performance
- Innovation and sustainability
- Ethical and financial compliance
- Procurement process compliance
- Quality and food safety compliance
- Complaints, grievances and feedback

- Implemented action plans
- Ongoing performance monitoring, routinely and as part of procurement engagement with suppliers

- Business continuity
- Improving business relationships
- Improving suppliers' business visibility and stability through sharing our business plans and forecasts
- Promoting ethical business practices
- Compliance to laws and regulations
- Compliance to contractual obligations



Investment Case

Almarai operates in a dynamic and resilient market, where our strong market leadership allows us to set industry standards and drive sustained growth. Our proven track record for delivering value to shareholders reflects our commitment to consistent returns and long term investor confidence. With a focus on stable top and bottom-line growth, we continue to strengthen our core businesses while expanding our reach across key markets, while also pursuing growth through strategic acquisitions to reinforce our leadership in the food and beverage industry.

Market leadership

- Almarai occupies the top spot in almost all market segments in which it operates
- Today, Almarai is still ranked first in the food manufacturing industry and second in overall top companies for ESG performance as rated by ESG Invest on Tadawul

Stable top and bottom-line growth

- Revenue growth for 2024 was 7%, led by Dairy and Poultry categories
- Net income increased by 13% in 2024 to reach ٢,313 million, compared to ٢,049 million in the previous year
- Planned expansion of Poultry category resulted in a higher CAPEX spend of ٣.6 billion, against last year's spend of ٢.5 billion

Track record for delivering value to shareholders

- Dividend payment amounting to ٢ 1.0 per share, totaling ٢ 1 billion to be paid to shareholders for the 2024 year
- Share price has increased more than 3x since listing, reflecting the confidence of our shareholders in Almarai

Additional growth from bolt-on acquisitions

- Drive growth in core markets, notably Poultry while continuing to expand market share in GCC and Foodservice
- Multiple successful acquisitions in the last five years driving both top and bottom-line growth



Shareholder Information

Almarai Share Information

Listing date	2005	
Exchange	Saudi Stock (Tadawul)	
Symbol	2280	
ISIN code	SA000A0ETHT1	
Number of shares issued	1,000,000,000	
Market cap as of 31 December 2024	ﷲ million	57,200
	USD million	15,250

Share Price 31 December 2024	Share Price One Year Ago	Share Price Three Years Ago	52-Week High	52-Week Low	Change from 2023-2024
57.20	55.80	48.75	63.20	52.10	2.5%

Share Price Performance during the Year of 2024



Share Price and Shareholder Information

Almarai shareholdings

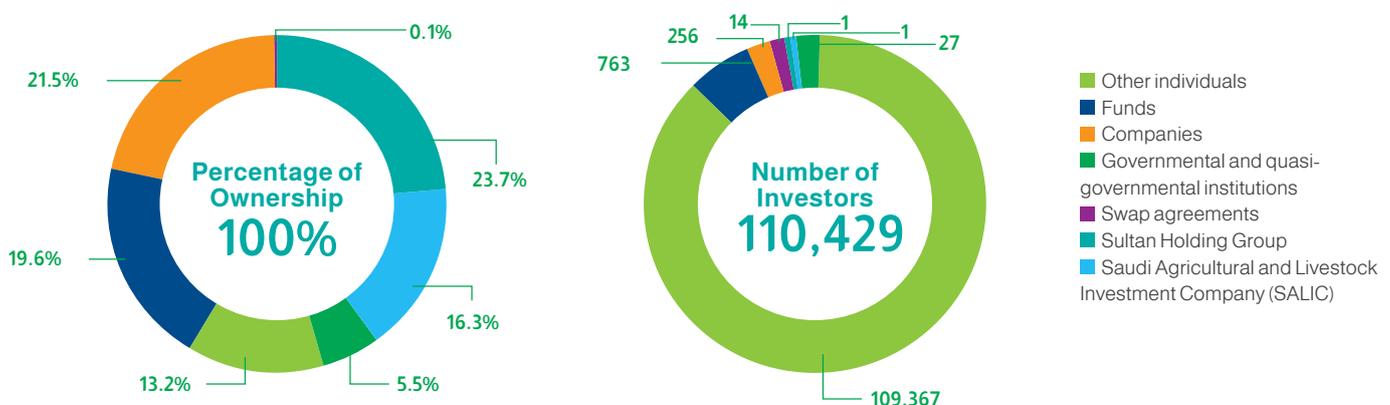
As of 31 December 2024, Almarai had 110,429 shareholders. Institutional investors represent 86.8% of the total share ownership, while individual investors represent 13.2%. There are 73 shareholders owning one million or more shares in Almarai, representing 80.9% of the issued shares. The following tables provide an overview of Almarai's investors.

Almarai Investors according to Nature of Investors	31 December 2024		
	Percentage of Ownership	Number of Investors	Number of Shares
Institutional investors	86.8%	1062	867,799,529
Individual investors	13.2%	109,367	132,200,471
Total	100.0%	110,429	1,000,000,000

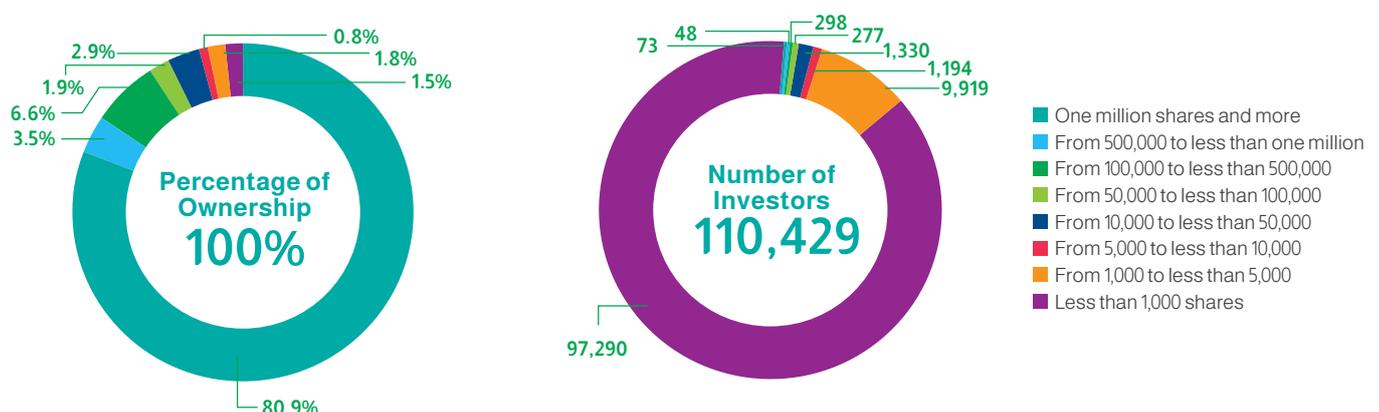
31 December 2024

Almarai Investors according to Nationality	Percentage of Ownership	Number of Investors	Number of Shares
Saudi	86.8%	105,336	868,080,639
Other nationalities	13.2%	5,093	131,919,361
Total	100.0%	110,429	1,000,000,000

Almarai Investors according to Investor Type



Almarai Investors according to Size of Ownership



Ownership Notification

According to Article 68 of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (CMA), during 2024, Almarai received no new notifications of new ownership percentages of more than 5% of the shares issued to the Company. The following table outlines ownership of 5% or more of the issued shares.

Ownership of 5% and more of the Issued Shares	Beginning of the Year		End of the Year	
	Number of Shares	Percentage of Ownership	Number of Shares	Percentage of Ownership
Sultan Holding Group	236,956,536	23.7%	236,956,536	23.7%
Saudi Agricultural and Livestock Investment Company (SALIC)	163,233,480	16.3%	163,233,480	16.3%
Total	400,190,016	40.0%	400,190,016	40.0%



02

Investing for Growth. Advancing our Strategy.

Almarai continued to drive strategic progress with bold investments, key acquisitions and innovations that are shaping the Company's future and ensuring sustainable expansion.



Strategic Review

30	Board of Directors
32	Chairman's Statement
36	CEO's Message
40	Market Review
42	CFO's Review
48	Business Model
50	Almarai Strategy
52	Key Performance Indicators
54	Vision 2030
56	Technology and Innovation
58	Case Study
60	Operating Review
70	Risk Management
76	Sustainability



Board of Directors

**Mr. Mohammed
Bin Mansour
Almoussa**

Director

**Mr. Salman Bin
Abdelmuhsin
Alsudeary**

Director

**HH Prince Saud Bin
Sultan Bin Mohammed
Bin Saud Al Kabeer**

Director

**Mr. Sulaiman
Bin Abdulkadir
Almuhaidib**

Vice Chairman



**HH Prince Naif Bin
Sultan Bin Mohammed
Bin Saud Al Kabeer**

Chairman

**Mr. Ammar Bin
Abdulwahid
Alkhudairy**

Director

**Mr. Waleed Bin
Khalid Fatani**

Director

**Mr. Hosam Bin
Ali Alqurashi**

Director

**Mr. Bader Bin
Abdullah Al Issa**

Director



Chairman's Statement

A pivotal event was the Board of Directors' approval of the proposal to invest **ﷲ 18 billion** over five years to accelerate our strategy to deliver a step-change in growth.

Investing for growth. Achieving record returns.

Almarai is accelerating its strategic growth initiatives to evolve from a regional leader into a globally recognized food enterprise. Our vision is to redefine excellence and innovation in food production on a global scale. We are committing substantial resources to grow our core businesses, expanding into adjacent segments and exploring attractive opportunities in new geographical markets.

Our unprecedented investment program will also ensure we continue building capabilities and excellence across the organization. We are driven by our determination to deliver long term, sustainable and meaningful value creation to all our stakeholders and our obligation to play a growing role in the Kingdom of Saudi Arabia's food security strategy.

I am honored to present the Annual Report for the financial year ending 31 December 2024, it was a successful and momentous year. We delivered outstanding growth, particularly at

the profit level, which was the highest ever in Almarai's history, thanks to our growth strategy and concerted initiatives to improve efficiency and reduce costs.

A pivotal event was the Board of Directors' approval of the proposal to invest **ﷲ 18 billion** over five years to accelerate our strategy to deliver a step-change in growth and to fully capitalize on the market opportunities in the wider GCC and MENA region.

As the largest food and beverage company in the Middle East and

the largest vertically integrated dairy company globally, Almarai's scale provides a unique platform for continued expansion and leadership in the global food industry. Our ambitious and unprecedented investment program, which took substantial first steps in 2024, will expand our core businesses – particularly Poultry – to explore new food categories where we can deploy our fully developed operational expertise and identify attractive targets for acquisition. The year 2024 saw two such acquisitions, which will substantially add to our expanding business.

Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer

Chairman



Organic and acquisition-driven expansion

During the year 2024, our core businesses delivered profit and volume growth, benefiting from investment in physical infrastructure, product innovation and efficiency-enabling technology. We made successful forays into adjacent categories and expanded our presence in the GCC countries where we already operate. Helped by stabilized commodity prices and our focus on bringing down costs, Almarai delivered an exceptional result, with strong top and bottom-line growth.

Our Poultry business unit's exceptional performance is a cornerstone of our growth. Production is set to double to 450 million birds annually in the next few years – an ambitious target that will strengthen our leadership in the poultry market. We see substantial potential in Poultry and, accordingly, have earmarked the single largest portion of the ₪ 18 billion investment budget to further its expansion and development.

During the year, Almarai completed Etmam Logistics acquisition, which has already enhanced our Foodservice credentials by expanding our capacity to distribute frozen foods.

16%

increase in
brand value to

USD

3.9 billion.

Supporting community, building diversity, empowering our people

In 2024, Almarai not only strengthened its position as a leading force in the Food and Beverage industry but also expanded its commitment to building a more inclusive and skilled society within the Kingdom of Saudi Arabia. Our initiatives touched many lives, contributing to communities, nurturing future leaders and supporting our people to deliver the growth we forecast.

Our investment in community development reflects the importance of grassroots initiatives. During the year, we partnered with Dulani, a division of the Social Development Bank, to nurture young talent by training the Kingdom's future chefs. The successful trainees received the foundational skills they need to thrive in the competitive food industry while enhancing their expertise and being connected to promising career opportunities.

Our Company's success is inextricably linked to outstanding talent at every level of the organization. In 2024, we focused on developing our employees to create a culture of excellence, enabling them to perform to their fullest potential.

We are particularly proud that our Gold membership in the Mowaamah program fosters an inclusive working environment that offers opportunities for people with disabilities to thrive and contribute meaningfully to Almarai. By prioritizing diversity and inclusiveness, we are creating an atmosphere that is accessible, welcoming and empowering for everyone.

Our focus on developing national talent aligns with the broader objectives of Vision 2030. In 2024, we hired 1,568 new Saudi employees, including 242 trainees who joined our Food Industries Polytechnic (FIP) Institute. Almarai maintained its

Nitaqat status across all categories, reflecting our strong support for the Kingdom's localization agenda.

In 2024, we expanded our employee development initiatives through targeted programs such as the HiPo and Graduate Development programs, fostering a culture of excellence and ensuring our teams are equipped with the skills needed to perform to their fullest potential.

Responsible succession planning

As the Company grows in size and influence, mitigating any management risks with a considered approach to succession is essential. In 2024, we adopted a data-driven approach to evaluate potential and performance. Our work in this area resulted in talent reviews of 657 Senior Managers and Executives, positioning Almarai for sustained growth in the years to come.

Our investment in talent development is reflected in the continued evolution of the Almarai Academy. By focusing on leadership, innovation and employee empowerment, we ensured that our workforce remained agile, capable and ready to meet the challenges of a rapidly changing industry.

Our talent development and organizational development functions were integrated in 2024 to build a cohesive value chain that aligns individual growth with our organization's success.

Advancing sustainability

In 2024, Almarai progressed its sustainability in four key areas - people, education, community and the environment. We prioritized local employment, youth empowerment and inclusivity, in line with the national vision, and committed to SAR 250 million in CSR spending over five years.

Environmental initiatives were expanded with biogas energy generation and irrigation improvements, while also achieving climate change targets such as water efficiency and waste reduction. Consequently, we improved our Dow Jones Sustainability Indices (DJSI) score and laid the foundation for ambitious 2026-2030 sustainability goals around reducing greenhouse gas emissions and advancing operational resilience.

Awards and recognition

We were honored with several awards during the year that acknowledged our leadership across various spheres. For the second consecutive year, Brand Finance, the industry leader in brand valuation, recognized Almarai as the fourth most valuable dairy company in the world. This milestone is marked by a 16% increase in brand value to USD 3.9 billion. According to BrandFinance's 2024 annual Global Brand Report, Almarai was named the fastest-growing brand among the top five global dairy companies.

Further cementing our reputation for financial leadership, Almarai was awarded in 2024 the prestigious Best Corporate Sukuk for our successful issuance of a USD 750 million international sukuk. This accolade was presented to us by the Assets Triple-A Islamic Finance Awards.

Our corporate social responsibility activities secured the Gold Award for Excellence in CSR and Community Impact at the inaugural CSR Awards 2024. This recognition acknowledged our efforts to positively impact the communities we serve. Our comprehensive social responsibility strategy, which prioritizes environmental sustainability, community wellbeing and the creation of economic opportunities, has touched the lives of over 50,000 individuals.

The year ahead

In the coming year, our growth and investment activities will accelerate. Recent acquisitions will be integrated into Almarai's group of companies, and new opportunities will be pursued. We will ramp up our expansion of our Poultry business in line with our strategy to become the region's leader in production.

Importantly, we will invest in ensuring our people are well-equipped with the skills they need to help Almarai deliver its ambitious agenda, while continuing to provide a workplace that is supportive and inclusive. We will strengthen our HR infrastructure, enhance our HR policies and ensure a robust corporate culture that promotes performance-driven success.

We intend to expand our job architecture framework, creating pathways for growth that will support our employees as they progress their careers with Almarai. Additionally, we will continue to link performance outcomes to various reward programs, ensuring that our people are recognized and rewarded for their contributions.

Acknowledgements

We want to give all thanks to Allah for his blessings. Our Board expresses immense gratitude to King Salman Bin Abdulaziz Al Saud, the Crown Prince Mohammed Bin Salman Al Saud and the Government for their continued support of our business and inspiring leadership as we take our Company to new heights.

The Board of Directors' support during this important chapter of Almarai's story has been invaluable, and I thank each of you for your loyalty. We are grateful for our shareholders' unwavering confidence in Almarai, for our consumers, who have made Almarai their number one choice for quality food and beverages, and, of course, the Almarai team, which was yet again integral to our continued success.

Our journey is one of collective effort and shared success. Our people, financial strength, growth agenda and the consistent delivery of quality, nutritious foods that meet the needs of more than 150 million consumers across the MENA region every day, will guide Almarai in the next phase of its journey to even greater success.



CEO's Message



Almarai delivered its **highest ever revenue** and net profit, driven by excellent volume growth and cost control.

Delivering strategic and sustainable growth

Our 2024 financial year was another landmark period for Almarai, marked by exceptional financial performance and the launch of our unprecedented investment program. Our business grew stronger, generating record returns, achieving new highs in market shares across our portfolio and expanding into new categories and territories. These accomplishments demonstrate the continued effectiveness of our strategy and the dedication of our outstanding talent at every level of the organization.

In 2024, Almarai reaffirmed its position as the Middle East's largest food and beverage company and largest vertically integrated dairy producer globally. Additionally, we were recognized as the 11th most valuable publicly listed food company worldwide. Our products now reach over 150 million consumers across the Gulf, Jordan and Egypt, with annual production exceeding 2.5 billion kilograms.

With a strong foundation and substantial cash resources, Almarai

is poised for ambitious growth. In March, we announced a ₪ 18 billion investment plan for 2024-2028, fully funded by our operating cash flows, to propel Almarai into the ranks of the world's leading food producers. Backed by a proven track record,



Dedicated attention to growing our business resulted in revenue of
₪ 21.0 billion,
a 7% increase over
₪ 19.6 billion in 2023.

this investment will drive expansion, foster continuous innovation and create value, reinforcing our vision of becoming one of the world's premier food enterprises over the next four years.

Strong performance in the first year of the investment program

In the first year of our game-changing investment program we made excellent progress towards our goal of making Almarai products the

Abdullah Albader

Chief Executive Officer



preferred consumer choice across all our markets. The investments and expansions during the year were guided by our deep understanding of consumer trends, categories, geographies and financial capabilities.

As our business grows in size and strength, we are increasingly playing an integral role in the Kingdom of Saudi Arabia's food security strategy. Our uninterrupted supply of quality, nutritious products consistently meets the expectations of our stakeholders, including the Government, our customers, consumers and partners. Through steadfast commitment to sustainable delivery without compromise, we have earned the confidence of investors and the trust of our many other stakeholders.

Growth across categories driving record results

This year was exceptional in financial performance, with record-breaking top and bottom-line results. Dedicated

attention to growing our business resulted in revenue of $\text{SAR } 21.0$ billion, a 7% increase over $\text{SAR } 19.6$ billion in 2023. Net income attributable to Almarai shareholders rose by 13% to $\text{SAR } 2.3$ billion, while operating profit of $\text{SAR } 3.0$ billion was 11% higher than in 2023.

Outstanding Ramadan sales were among the more notable contributions to this year's strong revenue growth. Additionally, our business units delivered robust growth due to expanding core products, innovation around new products, launching into adjacent categories, and through acquisition by expanding our regional presence in the GCC, Egypt and Jordan.

Our growth was supported by vigorous planning and data analytics, as well as a deep understanding of market dynamics and regulatory environments. By closely collaborating with regional governments and key

stakeholders, we ensured that our strategy aligned with national agendas and grew in tandem with these key drivers.

Three-pillar strategy driving performance

The flagship Dairy division's record-breaking revenues and market share growth was driven by the strong Ramadan sales, new product launches and its enhanced market positioning. Our penetration rose from 6.5 million households to 6.8 million in Saudi Arabia, helping revenue increase 8% to $\text{SAR } 12.3$ billion. Fresh Dairy and UHT products were among the best performers, with the latter rebounding impressively after last year's supply disruptions. We were particularly pleased with the success of our Protein Milk, fresh Gishta and Labneh products. These results helped Dairy's market share in the Kingdom to grow to 50.2% from 48.7% in 2023.

Dairy innovated around existing portfolios and expanded into adjacent categories, with the standout success being the launch of ice cream in mid-2024. Our new ice cream products received a positive response from consumers, demonstrating Almarai's ability to manage co-manufacturing sites outside the Kingdom to ensure consistent quality.

Our Juice and Beverage business, which celebrated a quarter century of operations this year, performed well. Volume share rose to 45.3%, supported by innovative new products, creative marketing, better shelf visibility, geographical market expansion and enhanced operational efficiencies. Fresh Juice products had a particularly strong year, generating a 10.0% increase in revenue and an 9.0% growth in volumes. We launched our Juice range in Qatar, which played an important role in strengthening our regional presence.

The Bakery division maintained its leadership in Saudi Arabia and the GCC, manufacturing and delivering 9.4 million baked items each day to cater to our customers' needs. The Bakery unit generated ₪ 2.7 billion in sales, representing an 3% increase over 2023. Growth was driven by a favorable product and country mix, and continued success in our bread categories. Across the Bakery division, we strengthened our brands with new products in the existing categories and moved into new categories and segments.

Our Poultry business, where we see the most potential for growth, turned in a record-breaking performance, driven by new processing capacity, optimized distribution channels and strategic pricing improvements. More than 264 million birds were processed following the opening of the Al-Jawharah farming site in Hail and the commissioning of the Al-Basateen plant in Al-Jouf. With this new capacity onstream, we are well on our way to doubling poultry production in the next few years. Foodservice continued to

be a strong component of our poultry development and acceleration, with high single digit growth on a strong 2023.

The single biggest portion of our capital expenditure program over the next five years will be on our Poultry unit. With a commitment of ₪ 7 billion towards expansion in the years up to 2028, the division aims to become the largest poultry producer in the region.

In the Foods segment, we launched premium cheese and whipped cream powder and strengthened our leadership in core categories such as butter, cooking cream and feta, while expanding our presence in Kuwait and Oman. Other activities included the successful expansion into non-core categories, including honey and olive oil, where we secured strong market positions.

Across all our business units, profits were stronger. Dairy and Juice reported quality earnings growth on an improved sales mix across the board and tighter cost controls. Net profit in the Bakery category improved thanks to increased revenue growth and production efficiencies. Poultry's net profit was positive due to continued production optimization and improved economies of scale.

In addition to expanding our core categories, we continued exploring new geographical opportunities. Our focus in 2024 remained on the MENA region due to its potential for growth. However, we also evaluated markets where Almarai's existing capabilities can be leveraged to create further value.

Investment driving alliance and acquisition

Finalizing the successful acquisition of frozen logistics company Etmam Logistics for ₪ 182 million was another key milestone for the year. Additional distribution capabilities acquired via Etmam Logistics will enable Almarai to serve customers with an expanded range of frozen products, including

poultry, packaged foods and new categories across Saudi Arabia and the Gulf. This addition will enhance Almarai's Foodservice credentials by allowing broader product offering opportunities, accelerating Poultry business growth, and expanding ice cream, Bakery and other frozen categories in the future.

We also embarked on several major capital expenditure projects, including



Acquisition of frozen logistics company Etmam Logistics for ₪182 million

building new factories for Poultry expansion, beef and fish products, constructing our new Premier Foods building, and we established important partnerships with world-class experts to embed quality and food safety in all our new facilities.

Performance driven by customer experience, innovation and digitalization

During the year, we made pleasing advances in customer experience and digitalization to strengthen our market position and enhance our value proposition. Almarai has embedded digital transformation to revolutionize operations and customer engagement. We harnessed cutting-edge technologies to enhance efficiency, streamline supply chains, improve asset utilization and deliver personalized experiences.

By integrating different technologies, we predicted market trends and optimized inventory management, ensuring our products were available when and where our customers wanted them.

Our commitment to sustainability was amplified by our use of digital solutions, with cloud adoption enabling us to reduce waste and

minimize our environmental footprint. In addition, our digital platforms empowered employees with data and insights, fostering a culture of innovation and agility using the latest data visualization platforms.

We also commenced several initiatives in 2024 to provide real-time data for different business verticals from a "Single Source of Truth" which will improve operational efficiency, customer experience and decision accuracy.

Our technology journey was supported by major projects to modernize our infrastructure internally and externally, delivering the capabilities to adopt the latest technologies and support Almarai's ambitions.

Enriching customer engagement and experience

Applying the latest technologies, we extended and enriched customer interactions by launching campaign-specific web pages for Fresh Milk and Poultry products to create more engaging customer journeys. Our enhanced social media presence connected consumers to our products during key events, while improvements in customer care operations, including cloud-based call center solutions, ensured better service quality. The use of QR codes further bridged the gap between physical and digital interactions, offering seamless access to online resources.

Almarai has embraced digital transformation to drive operational excellence and customer engagement.

In 2024, we implemented SAP Analytics Cloud technology, which enhanced our decision-making capabilities by integrating analysis, planning, forecasting and visualization in a single tool, powered by artificial intelligence (AI) and machine learning. AI was also deployed across marketing, the supply chain, HR and manufacturing, to reduce waste and improve efficiency.

Always innovating, Almarai launched 30 new products across the Bakery, Dairy, Juice, Food and Foodservice categories. These products showcased our ongoing commitment to addressing evolving consumer needs and pushing the boundaries of our offerings.

Enhancing competencies and performance

Our ability to deliver outstanding products, drive efficient operations and achieve strong financial results is a direct reflection of our talented people. In 2024 we invested in nurturing and engaging our dedicated employees, reinforcing our culture and empowering each individual to reach their full potential.

Among the key actions and initiatives this year was building capabilities across our entire organization at all levels. This furthered our ongoing investment in assembling a high-caliber team and maintaining strong governance that ensures compliance.

Looking ahead to 2025

As we look forward, we are confident that our 18 billion investment will propel us to new heights, reinforcing our leadership in the region and setting the foundation for future growth.

Always innovating, Almarai launched 30 new products across the Bakery, Dairy, Juice, Food and Foodservice categories.

We will pursue growth and investment opportunities across our business units, with a particular emphasis on expanding our Poultry operations, in recognition of the enormous growth potential offered. Almarai will continue to ensure that we will deliver on our promises of quality and value.

Acknowledgments

On behalf of the entire Company, I offer sincere thanks to Allah for the successes and blessings of the year.

Our humble gratitude goes to our customers and consumers for their continued loyalty. Their support drives us each day to find new ways to enhance our products.

We are grateful to our employees, whose efforts made such a vital contribution to this year's impressive result. Similarly, the contribution made by the Board of Directors and my Executive team in leading the Company was invaluable in 2024.

I would also like to thank Saudi Arabia's local authorities once again for their continued partnership in delivering our mission to support our nation's food security goals.

Market Review

The Global Economy

The global economy continued to face challenges in 2024, with global annual GDP growth expected to slow to 2.6%, amid rising geopolitical tensions and regional conflicts. Emerging Markets and Developing Economies (EMDEs) experienced reduced growth rates, while growth momentum in the Eurozone slightly improved due to easing inflation and stronger exports. The US economy demonstrated continued resilience while China faced headwinds stemming from a struggling real estate sector and slowing productivity growth.

Due to persistent price pressures in both manufacturing and service industries, global inflation remained elevated at 5.4%. Moreover, inflation risks remained heightened due to trade tensions, geopolitical instability and policy uncertainty.

The MENA Region

For the Middle East & North Africa (MENA) countries not directly involved in the Gaza conflict, economic development in 2024 was broadly positive. Overall, MENA's real GDP is expected to grow by 2.8% in 2024, largely driven by Gulf Cooperation Council (GCC) countries. Supported by the region's efforts to diversify trade and expand markets, the non-oil industry continued to demonstrate robust growth at 3.7%.

Regional inflation in 2024 remained stable at 2.1%, supported by subsidies, fuel price caps and currency pegs. However, inflationary pressures persisted in the housing sector across multiple countries. The fiscal situation has been strained by higher government spending and declining oil revenues, with significant variations observed across the region.

The Saudi Economy

The Kingdom continued to achieve significant progress in its economic diversification efforts, while shifting some focus and resources towards new projects, including recent wins to host Expo 2030 and the FIFA World Cup 2034.

The oil industry continued to drive the economy with initial estimates for real GDP growth at 0.8%. In early 2024, Saudi Arabia's oil strategy proved successful, when seven OPEC+ countries participated in voluntary production cuts, with a deal to extend these measures through 2025, while gradually increasing Saudi output. This approach contributed to stabilized oil prices, with Brent crude averaging USD 83 per barrel for the year.

Posting a 3.8% annual increase, the non-oil economy maintained a strong performance in H1 2024. Women's participation in the labor force reached 36.2% in Q3 2024, shaping economic dynamics and highlighting the Kingdom's progress toward a more inclusive labor market. Moreover, during the same period, unemployment stood at 7.8%, down 1.0% from the previous year, further boosting productivity, economic stability and workforce strength.

S&P Global Ratings raised Saudi Arabia's outlook from stable to positive, reaffirming its "A/A-1" credit ratings. The "A+" transfer and convertibility assessment highlights the impact of reforms and investments in boosting non-oil growth and ensuring fiscal sustainability. Ongoing progress on Vision 2030 promises to strengthen Saudi Arabia's non-oil economy further in the medium term.

As part of Saudi Vision 2030, the government continues to implement structural reforms and economic policies aimed at achieving fiscal sustainability. These efforts focus on enhancing public finances, supporting the non-oil sector and diversifying income streams. In addition, through clean energy initiatives, advancements in green technology and building strategic partnerships, Saudi Arabia is poised for sustained economic growth in the years ahead.

The F&B Market

The F&B industry continued its expansion in 2024, driven by rapid urbanization, rising disposable incomes and significant growth in tourism under the Kingdom's Vision 2030. The government's ongoing efforts to diversify the economy have attracted multinational franchises, while the rising demand for dining out has further supported the sector's growth.

To meet the nation's demand for dairy products as well as other food and beverage items, the influx of multinational F&B businesses into Saudi Arabia continued, as global heavyweights recognized the Kingdom's growing appetite for diverse experiences. Moreover, foreign brands are actively adapting their concepts to align with Saudi culture. This adaptation seamlessly integrates modern and traditional elements to create venues that align with local preferences.

Sustainability has become a key focus area for Saudi Arabia's F&B companies, particularly in their architectural designs. By incorporating eco-friendly materials, partnering with local suppliers and using innovative construction methods, companies aim to minimize environmental impact and improve operating efficiency.

Moreover, the rise of artificial intelligence (AI) has had a promising impact on the industry. Saudi Arabia, the UAE and Kuwait have already begun incorporating AI-driven menu customization, augmented reality dining experiences and efficient supply chain management.

2025 Outlook

As the Kingdom advances towards Vision 2030 goals, 2025 is expected to be yet another transformative year for the economy. Strong non-oil economic activity, supported by strategic investments in infrastructure, tourism and technology, will remain key drivers of the Kingdom's growth.

The Kingdom's F&B market is expected to experience steady growth in the coming years, supported by rising consumer demand, technological innovation and favorable economic policies. With Vision 2030 aimed at improving tourism and leisure alternatives, F&B operators have sufficient opportunities to expand their businesses. Furthermore, a growing focus on healthier and sustainable food options could emerge as a new driver of growth, as consumer preferences continue to evolve.

S&P Global Ratings raised Saudi Arabia's outlook from **stable to positive**, reaffirming its "A/A-1" credit ratings



CFO's Review



During the year 2024, we delivered high **single-digit revenue** growth from volume growth across all categories.

Record returns from our growth and investment strategies

Almarai's implementation of strategy into action delivered impressive financial results in 2024, with outstanding growth reported across the board – in all countries, categories and channels where we operate.

As the region's largest food producer and an emerging global food enterprise, Almarai is firmly on a path to continued value creation for our investors and other stakeholders, while also expanding its contribution to the Kingdom of Saudi Arabia's food security goals with our broad and diversified portfolio of quality and nutritious products.

Demonstrating our strength, we generated strong and sustainable growth during the year, driving profitable outcomes across all our categories, markets and channels. In achieving our highest revenue to date, supported by significant investments and operational excellence, our

Company reinforced its solid platform for the future, strengthening our position within our home market of Saudi Arabia while entrenching our regional presence to support further geographical expansion moving forward.

Strong financial performance

Almarai's focus on restoring profitability levels resulted in the bottom-line accelerating faster than the top-line number. Our core categories delivered better profit growth, bolstered by a favorable mix and slightly reduced commodity costs. While our efficiency program continued to drive retention of

margins, offsetting some cost drivers, there was still an impact from cost volatility, particularly with respect to rising diesel expenses.

During the year 2024, we delivered high single-digit revenue growth from volume growth across all categories. Revenue increased 7% to ₪ 20,980 million from ₪ 19,576 million in 2023, driven by strong results from our flagship Dairy division and superb growth in our Poultry business.

We were particularly pleased with the strong EBIT increase of 11% to ₪ 2,995 million, spurred by profitable growth in all countries, categories, channels and products. Importantly,

Danko Maras

CFO



our EBIT margin of 14% was in line with our strategic objective of being on par with global FMCG companies and indicative of Almarai's evolution towards becoming one of the world's leading food groups.

Net profit rose 13% to ₪ 2,313 million due to the improved profitability in our core product categories. Earnings per share based on consolidated profit attributable to shareholders of ₪ 2,313 million (2023: ₪ 2,049 million) were ₪ 2.34 (2023: ₪ 2.08), with diluted earnings per share of ₪ 2.31 compared to ₪ 2.05 in 2023.

The Board of Directors' recommendation to distribute a dividend for the 2023 financial year was approved in 2024. A cash dividend of ₪ 1.00 per share, amounting to a total of

₪ 1 billion which represented 10% of the capital share (based on 1 billion shares), was paid to our shareholders.

Our strong balance sheet reflected the increase in capital expenditure in line with our five-year investment strategy to accelerate our Poultry and Long Life Dairy businesses and significantly expand capacity in other areas.

We maintained an underleveraged position, with net debt to EBITDA at 2.1x, comparing favorably to our optimal position of 2.5x - 2.7x. Operational cash flows were very strong, exceeding ₪ 6 billion in 2024, and providing substantial funding for our expansion and acquisition ambitions.

Net profit rose 13% to

₪ 2,313
million

due to the improved profitability in our core product categories.

The Almarai brand retained its leadership position in brand value and market share, placing first in value and volume across key categories. We received independent recognition of our brand value, being named the fourth most valuable dairy company worldwide by Brand Finance for a second consecutive year. This ranking followed a 16% annual increase in the value of the Almarai brand, which reached USD 3.9 billion according to Brand Finance's 2024 annual Global Brand Report, which also placed Almarai as the fastest growing among the top five brands.

Sukuk redemption

Early in 2024, we fully redeemed the USD 500 million RegS Sukuk – Series I, issued in 2019, in line with its intended schedule of five-year maturity. This sukuk was redeemed from proceeds raised via an earlier USD 750 million sukuk in July 2023 under the same program to better avail market conditions at that time.

Successful deployment of the proceeds of the earlier sukuk enabled Almarai to better manage its net funding cost. Further, it provided additional repayment assurance for the USD 500 million sukuk repayment in the first quarter of 2024. We are grateful to the investors who participated in this series for placing their trust in the Company, Board and management.

Game-changing investment

In mid-March, Almarai's Board of Directors approved a five-year investment of ₪ 18 billion that will be entirely funded by internal cash flows. Starting in 2025, Almarai will deploy the cash to enhance continuous growth, maximize sales and improve

financial performance across multiple segments. In the year 2024, we used part of this budget to build our supply chain capabilities, brand strength, innovation and development, sustainability, operational efficiency, technology and human capital capabilities.

Nearly ₪ 7 billion will be invested in Poultry expansion to meet growing demand and to capitalize on the enormous potential this segment offers. About ₪ 5 billion will be invested into strengthening existing core product categories, namely Dairy, Juice and Bakery. We have earmarked ₪ 1 billion for promising new food segments in line with our strategy of expanding in adjacent categories to diversify our product portfolio. About ₪ 4 billion will be used to bolster our supply chain and sales capabilities to support local and regional expansion plans. The remaining ₪ 1 billion will be invested to accelerate technology development.

We finalized our investment of ₪ 182 million in the purchase of Etmam Logistics. Etmam will strengthen our ability to serve our customers with an expanded range of frozen products across the Kingdom and will enhance Almarai's Foodservice credentials by allowing broader product offering opportunities, accelerated Poultry business growth, and the expansion of ice cream, Bakery and other frozen categories in the future.

Strong growth across our categories

Throughout 2024, Almarai continued to invest in key growth areas, especially in Poultry, Long Life Dairy, and adjacent product categories. Poultry remained a significant success story, with strong demand driving both

volume and price premiums due to our unwavering commitment to quality.

Our Dairy portfolio saw robust performance, with Fresh Dairy products achieving strong growth and Long Life Dairy rebounding from previous supply disruptions to enter a new growth phase. We aim to become the consumer's preferred choice in Long Life Dairy through new formulations and improved distribution.

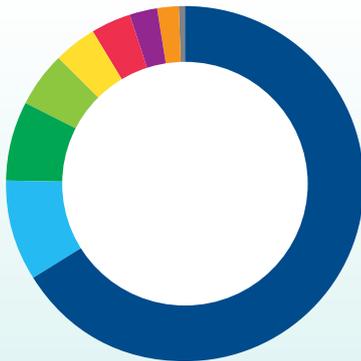
The Juice business unit delivered robust top and bottom-line growth, supported by innovation leading to new products. Additionally, attention was paid to extracting greater efficiencies from revenue management and improvements in operations. Fresh Juice products had a particularly strong year, generating a 10% increase in revenue and a 9% growth in volumes.

In Bakery, our performance was driven by a favorable country and product mix and supported by continued growth in our bread categories. We expanded capacity and introduced more high-quality artisan products, further enhancing our already high market share. This segment's profitability was boosted by improved operational and internal cost efficiencies.

Adjacent categories such as seafood showed promise, underscoring our strategic portfolio diversification. Ice cream was a success story in 2024, with demand outstripping supply. In the short term, we plan to double ice cream capacity by accelerating our investment plan.

Solid expansion across our markets and channels

All the countries where we operate generated increases in revenue this year, with strong growth in Kuwait, Oman, the UAE and Jordan. Further, Almarai resumed partial supply of its products to Qatar in 2024, allowing it to reach all countries in the GCC. The exception was Egypt which, while still delivering double digit growth in its local currency, fell behind due to its devaluation. In the regional markets, the best category performers were Long Life Dairy and Fresh Dairy, as well as Poultry. We expect this will continue, buoyed by stable macroeconomic momentum and Almarai’s improved business performance.



Sales by Geography

(SAR million)

KSA	13,904
UAE	1,930
Egypt	1,489
Kuwait	1,064
Oman	808
Jordan	774
Others	530
Bahrain	412
Qatar	68

Across our distribution channels, we recorded strong growth, led by traditional trade and followed closely by modern trade. The growth in traditional trade reflected our strategic focus on this channel in 2024, particularly for Dairy, to enhance consumer purchasing convenience by making our products available everywhere.

Awards and recognitions

In 2024, Almarai received several noteworthy awards, including “Best Annual Report 2023” by MEIRA. Our USD 750 million Series II issuance in 2023 received various awards: the Capital Raising Award - International Sukuk RegS USD 750 million from ACT Middle East Treasury Awards; Corporate Bond Deal of the Year from Capital Markets & ESG Finance Saudi Arabia Awards; Highly Commended Best Funding Solution from Adam Smith Awards; and Best Corporate Sukuk from The Asset Asian Awards.

Our brand value also gained recognition, with Almarai ranking fourth most valuable dairy brand globally by Brand Finance, while Ipsos ranked Almarai third on its list of the most influential global and local brands in the Kingdom of Saudi Arabia.

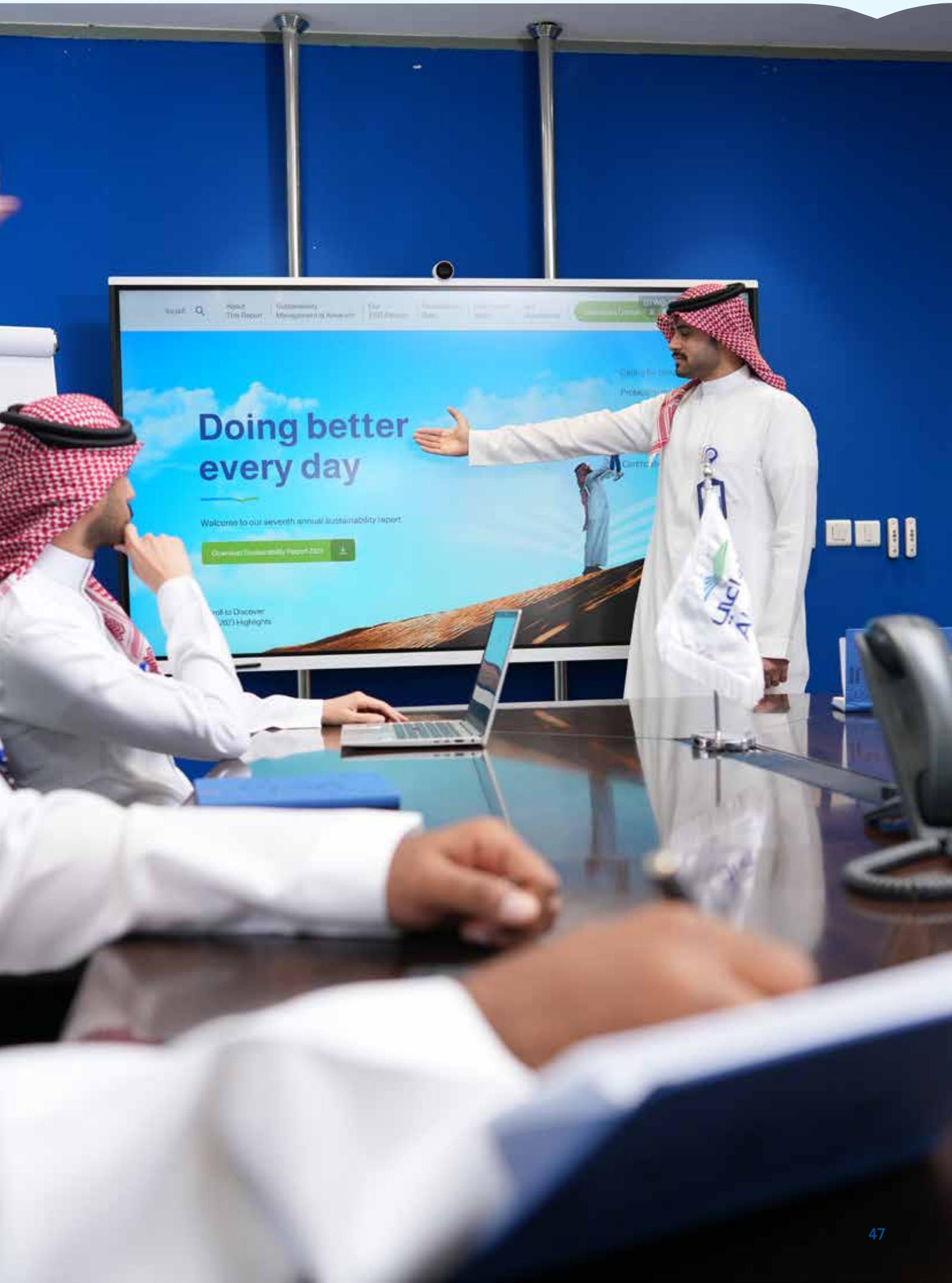
Outlook for 2025

Looking ahead, our activities will be driven by our three-pillar strategy of growing our core business, diversifying into new categories, and expanding into other markets. We expect continued positive momentum, with investments planned for Long Life Dairy, Poultry expansion and adjacent product categories. Our goal is to expand organically and by acquisition, capturing substantial and sustainable opportunities.

Almarai is well-prepared to meet future challenges by leveraging our operational strength, financial discipline and trusted brand to deliver value to consumers, stakeholders and investors alike.

	For the year ended 31 December					
₪ million	2024	2023	2022	2021	2020	2019
Operational Performance						
Revenue	20,980	19,576	18,722	15,850	15,357	14,351
Gross profit	6,664	6,051	5,624	5,059	5,536	5,367
Operating profit	2,995	2,694	2,276	2,015	2,522	2,473
Profit attributable to shareholders	2,313	2,049	1,760	1,564	1,984	1,812
Balance Sheet						
Net working capital	4,106	4,521	3,785	3,043	3,623	3,048
Property, plant and equipment	22,750	20,808	20,115	20,873	21,113	21,951
Right of use assets	504	474	499	465	470	461
Biological assets – Non-current	1,838	1,742	1,565	1,469	1,392	1,381
Intangible assets and goodwill	1,131	1,124	1,146	187	1,218	1,129
Investments in associates and joint ventures	3	5	6	89	90	88
Net debt	9,655	9,437	9,054	9,201	10,749	11,955
Total equity	18,791	17,809	16,983	16,618	16,234	15,259
Total assets	35,568	36,194	32,074	31,754	32,344	33,148
Total liabilities	16,777	18,385	15,091	15,136	16,111	17,889
Cash Flow						
Cash flow generated from operating activities	6,028	4,483	3,829	4,915	4,203	4,732
Additions to property plant and equipment and intangible assets	(3,822)	(2,530)	(1,334)	(1,364)	(824)	(1,517)
Free cash flows*	1,531	1,179	1,842	3,101	2,830	2,602
Key Indicators						
EBIT to sales	14.3%	13.8%	12.2%	12.7%	16.4%	17.2%
Return on net operating assets	10.3%	9.8%	8.5%	7.4%	9.1%	8.9%
Net debt to equity ratio	51.4%	53.0%	53.3%	55.4%	66.2%	78.3%
Net Debt to EBITDA	2.1x	2.1x	2.3x	2.6x	2.7x	3.0x
EPS – Basic	2.34	2.08	1.79	1.59	2.02	1.83
DPS	1.0	1.0	1.0	1.0	1.0	0.85

*Net of investments and time deposits



Doing better every day

Welcome to our seventh annual sustainability report.

[Download Sustainability Report 2023](#)

Click to Discover 2023 Highlights

Business Model

Our business model is structured to deliver on the promise of “Quality you can trust”. It is tailored to our commitment to ongoing improvement and exists as a guiding force for operations across the Company. The business model enables management and staff to work in accordance with a clearly defined operating framework. It facilitates the practical application of a working culture that has efficient and effective process management at its heart.

Inputs

Best-loved brands

- More than 20 leading brands

Raw materials

- 1,800+ suppliers
- Supplying 66,638 items
- AED 9 billion spent on materials in 2024

Strong workforce

- Workforce of 49,306 inspired by innovation
- World-class training and development program
- 63 nationalities

Leading innovation to drive efficiencies

- Innovation systems and processes
- Innovation product development to delight consumers

Advanced manufacturing

- Four ultra-modern Dairy and Juice processing facilities
- State-of-the-art Infant Nutrition facility
- Three Bakeries
- Fully integrated Poultry processing plant

Strong financial support

- Robust financial management, low leverage
- Access to funding from global capital markets
- Strong working capital and capital expenditure control

Outputs

01

Shareholder value

- For more than 45 years, consistent delivery of strong returns to shareholders
- Almarai is committed to creating shareholder value by paying dividends and realizing compelling returns for long term investors

02

Innovative people

- Almarai is recognized among the GCC's best employers
- All staff are encouraged to participate in training and develop their careers

03

Society

- Social responsibility and sustainability programs designed to support Vision 2030
- Connecting all levels of society and the environment from helping children in need to reducing our environmental footprint

04

Consumers

- Delighting consumers across the Middle East with healthy and nutritious food and beverages, at affordable prices from a brand they know and trust



How We Do It

Best-in-class manufacturing

- Cutting-edge technology to mass produce nutritious products while reducing costs (Manufacturing 4.0)
- Continuous facilities expansion and renovation
- Meeting growing demand

Crop cultivation and selection

- Animals consume highest quality feed
- Almarai imports 100% of its yearly green fodder requirements through its overseas arable operations

Innovation in our DNA

- Commitment to innovation is a core value
- Innovation underwrites the Almarai quality culture
- Digitalization of production and automation of business processes

Exceptional transport and logistics

- Transport and Logistics division larger than any logistics company in the Middle East
- More than 10,000 vehicles deliver 2 billion kg's of product on time and in perfect condition

Extraordinary care for our livestock

- Dairy herd and Poultry flock have 24-hour veterinary care
- Temperature controlled housing
- Highly nutritious feed
- Ensure maximum yield and first-class end products

Consumer insights and powerful branding

- Earned the trust of consumers to become one of the Middle East's most trusted brands
- Ongoing feedback process for maintaining quality and consumer satisfaction

Enabling Excellence



Business unit structure

- Management focus on end-to-end sales, profitability and return on Net Operating Assets (RONOA) for each business unit



Almarai innovation management

- Stage-gate innovation management process captures product ideas, managing them to final launch
- 50+ projects in the pipeline to meet new consumer trends and maximize operational efficiency



Commitment to quality

- "Quality you can trust" is in our DNA
- The Almarai Quality 4.0 program covers processes, people and technology, unifying the quality architecture across the Group
- Core values (ASPIRE) are directly connected to our world-class quality management system
- All business units served by Sales and Supply Chain (Procurement, Distribution and Logistics) and other corporate functions
- Exports team to grow opportunities for sales beyond the GCC



Almarai Strategy

Our robust growth strategy remains in place, underpinned by a clear ambition and reinforced by our \$18 billion investment plan for 2024–2028. This strategic investment will enable Almarai to realize the full potential of its core categories, core markets, adjacent categories and new geographies.

Aspiration

Vision

To grow our leading position as the trusted choice for food and beverages in the region, delighting consumers with quality nutrition every day.

Mission

To provide quality and nutritious food and beverages that enrich consumers' lives every day.

Values (ASPIRE)

Adaptable | Sharing | Passionate | Innovative | Respect | Excellence

The Key Drivers of the Strategy are:

01

Strong focus

on operating efficiencies and asset optimization and cost control

02

Increased investment

in capability building, innovation and marketing

03

Expansion into new growth areas

organically and via acquisition

Goals

Outpace market growth

RONA > WACC +2%

Top quartile employee satisfaction

Preferred consumer brand

Almarai's Sustainability goals



Where to Play

Realize full potential of core categories and markets

- Deliver strong growth in Poultry
- Expand Foodservice footprint
- Grow market share in Foods and Long Life milk
- Expand frozen categories: Poultry, Frozen Bakery, and others
- Develop UAE footprint
- Continue to strengthen Egypt and Jordan operations

Evaluate and action high-potential new growth opportunities

- **Adjacent categories:** Beef, Seafood, Ice cream and other
- **New geographies:** Markets where Almarai can leverage its capabilities to create value

How to Win



Operational efficiency

- Cost reduction
- Asset utilization
- Distribution model optimization
- Channel profitability management



Talent and operational model

- Simplification and agility
- Delaying
- Organizational design
- Offshoring / outsourcing
- Performance-based culture
- Saudization
- Succession planning



Digitalization

- Core system modification
- Process standardization and automation
- Digital and advanced analytics capability building



Strategic M&A process

- Expansion of core businesses
- New categories
- New geographies
- Vertical integration



Innovation

- Products to meet evolving needs
- Retail excellence through advanced monitoring and analytics technology

Key Performance Indicators

We have set Key Performance Indicators (KPIs) to monitor progress and to deliver on the objectives of our strategy. The KPIs address both our vision and our quality-driven, consumer-focused working culture.

Vision

To grow our leading position as the trusted choice for food and beverages in the region, delighting consumers with quality nutrition every day.

KPIs 2024

01

Growth drivers

- Defend number one position in key product categories
- Drive market share in under-indexed categories
- Expand Foodservice
- Grow exports
- Accelerate Poultry momentum

02

Operations / Efficiency

- Optimize forecast accuracy
- Reduce wastage
- Optimize new facilities
- Improved end-to-end planning
- Pursue efficiency projects
- Complete central warehousing project
- Reduce out-of-stock

03

Capabilities / Enablers

- Saudization, to maintain platinum in Nitaqat rating
- Leadership development across management grades
- Robust succession planning
- Upgrade systems to manage regulatory and operational changes

Culture

Quality driven, consumer-focused

Corporate Scorecard

Net sales growth

7.2%

Market share growth
(in selected products)

0.50% to 0.75%

On track for the year 2025

RONOA

10.3%

Nitaqat status

All categories in Platinum and High Green

Vision 2030

Touching the lives of millions of consumers each day, Almarai is a leading company in the Kingdom and one of the world’s largest food and beverages companies. We take our corporate responsibility seriously – we remain deeply committed to contributing to the objectives of Saudi Arabia’s National Transformation Program (NTP) and Vision 2030 to support the Kingdom’s transformation and sustainable success.

We are investing over ﷲ 18 billion over the next five years to drive positive change in our business, community and country, through a wide range of expansions and initiatives that are aligned with the goals of Vision 2030, including:

Food Security of the Kingdom

Almarai is fully dedicated to leveraging its scale and capabilities to support Saudi Arabia’s food security agenda. As part of this commitment, we are investing ﷲ 7 billion to expand our Poultry operations, including increasing processing capacity, developing state-of-the-art poultry farms and building new facilities to boost local production.

Beyond Poultry, we are allocating over ﷲ 5 billion to our core categories to strengthen our market-leading position. This includes maintaining and expanding the manufacturing footprint of our core categories of Dairy, Juice and Bakery and enhancing local production through recent acquisitions, while broadening our product portfolio.

Our expansion into seafood, frozen bakery and red meat production further reflects our dedication to diversifying offerings and contributing to national food security. Through investments in local production and sustainable practices, Almarai plays a vital role in reinforcing the Kingdom’s food security initiatives.

Local Employment

Talent is central to Almarai’s investment strategy and long term success. As one of the Middle East’s largest employers, Almarai is dedicated to supporting local employment in alignment with Vision 2030. With over 10,000 Saudi nationals employed across various business areas, we focus on attracting, developing, empowering and retaining local talent at all levels of the organization.

We actively partner with local universities to recruit fresh Saudi graduates and collaborate with world-class educational institutions to enhance the knowledge and skills of our Saudi employees. These initiatives not only position them for meaningful, long term careers with Almarai but also contribute to the sustainable growth of the Company. By integrating Saudi nationals into diverse sectors of the economy and expanding career opportunities, we reinforce our commitment to supporting the goals of Saudi Vision 2030 and increasing workforce participation by nationals.

Economic Growth and Diversification

Almarai is a key contributor to Saudi Arabia’s economic growth and diversification. In 2024, we invested ﷲ 4 billion to expand our scale and capabilities, including building new manufacturing facilities, plants and operations across the Kingdom. These

investments not only boost local production but also reduce reliance on imports, strengthening the Kingdom’s self-reliance in vital sectors such as Dairy, Bakery, Poultry and Juice production.

Our commitment to innovation and quality has cemented Almarai’s position as a food industry leader in Saudi Arabia and the Middle East. By exporting our products to neighboring countries, we are diversifying revenue streams and supporting the Kingdom’s efforts to reduce dependence on oil revenues. These initiatives directly align with the goals of Vision 2030, contributing to immediate economic diversification while laying the foundation for a sustainable and resilient economy for the future.

Health and Wellbeing of Saudi People

Almarai’s unwavering commitment to producing “Quality you can trust” plays a crucial role in promoting the health and wellbeing of the Saudi population. By delivering high quality, nutritious products, Almarai supports healthier lifestyles while aligning with the broader objectives of Vision 2030, which prioritize economic diversification and the elevation of public health standards. Through this dedication, Almarai contributes to building a healthier, more prosperous future for the Kingdom.

Protecting the Natural Environment

With a strong focus on minimizing waste, optimizing packaging and increasing recycling efforts, Almarai is dedicated to protecting the environment and preserving natural resources. We actively collaborate with

suppliers, farmers and consumers to promote more sustainable practices across the value chain. Sustainability and environmental protection are integral to our operations, aligning with the goals of Vision 2030 and the Saudi Green Initiative. These national strategies underscore the importance

of sustainable development and environmental conservation, and Almarai is proud to contribute to building a greener, more sustainable future for Saudi Arabia.

NPT Alignment



Caring for people

Material issues	Relevant NTP strategic objectives
Nutrition and wellbeing	2.13
Health and safety	2.11, 2.13, 2.34
Employee talent and diversity	4.2.2, 4.4.2, 4.4.3
Community investment	2.13, 6.2.1



Protecting the planet

Material issues	Relevant NTP strategic objectives
Packaging Innovation	2.4.1
Climate Change	2.4.1
Water Management	5.4.2
Waste Management	2.4.1
Sustainable agriculture	N/A



Producing responsible products

Material issues	Relevant NTP strategic objectives
Quality and food safety	5.4.1
Animal welfare	5.4.1
Ethical Sourcing	3.1.6, 3.3.5



Technology and Innovation

At Almarai, digital transformation is at the core of our strategy to create value for our stakeholders, optimize operations and drive sustainable growth. Through significant investments in advanced technologies and infrastructure, we are not only modernizing our processes but also setting a new standard for operational excellence in the FMCG sector. Our commitment to leveraging technology ensures that “We Grow on the GO”, we remain agile, customer-centric and environmentally responsible in a rapidly evolving marketplace.

Our digital transformation strategy focuses on five digital strategic priorities, such as enhancing operational efficiency and generating new digital revenue streams, as shown in the first visual. By aligning our operating model with key digital

enablers like AI, IoT and cloud platforms, we optimize asset utilization, minimize risks and deliver exceptional customer experiences. This transformation is supported by a robust internal structure that fosters a culture of innovation, empowering our teams

with the tools and insights needed to make data-driven decisions. Our operations are now more streamlined, allowing us to respond swiftly to market demands while reducing operational costs.

Strategic digital priorities



Our five-year digital transformation roadmap lays out our phased approach to integrating innovative technologies across various functions. From AI-powered analytics and cloud management systems to data governance frameworks, each milestone builds towards a resilient infrastructure capable of supporting our long term growth. In 2024, we implemented critical tools

like Advanced Business Analytics, SASE/SD-WAN and cloud-managed WiFi 6 for improved connectivity. These early initiatives pave the way for more advanced solutions, such as generative AI and decision intelligence, which we will deploy over the next few years to further enhance operational agility and data-driven decision-making.

A central component of our strategy is creating a “Single Source of Truth” for data, by implementing an advanced Data Lakes solution, enabling real-time access across all business verticals. This data consolidation improves operational efficiency, enhances customer experiences and supports precise, timely decision-making. With real-time analytics available at their fingertips, our teams are better

equipped to anticipate market trends, optimize inventory management and ensure our products reach consumers precisely when needed.

Almarai's HR digital transformation strategy focused on maximizing efficiency and optimizing systems and processes during the year. By implementing SAP Analytics Cloud (SAC), we enabled data-driven decision-making with integrated analysis, planning, forecasting and data visualization, enhanced by AI and machine learning. Additionally, SAP SuccessFactors Onboarding was introduced to streamline onboarding and offboarding, improving engagement and retention across the employee lifecycle. System enhancements also included upgrading the Recruiting module to automate manual tasks and transitioning from SAP Jam to SAP Workzone, empowering users to create personalized digital workspaces.

AI and machine learning also play a significant role in Almarai's innovation landscape. We are exploring and prioritizing AI-driven solutions across various functions, including marketing, supply chain, HR and finance. However, we also have some AI solutions already implemented, such as AI-powered predictive analytics enable personalized marketing campaigns and product recommendations, boosting customer satisfaction and engagement. In our Poultry division, AI-driven quality control systems uphold the highest standards in manufacturing, minimizing waste and improving product quality. These AI applications showcase our commitment to integrating cutting-edge technology into all aspects of our business.

As we progress, cloud adoption remains a critical enabler of our transformation. By migrating key workloads to the cloud, we gain

scalability, security and the flexibility to innovate faster. Our digital platforms not only enhance the customer journey but also support sustainable practices, enabling us to reduce waste and minimize our environmental footprint in line with our sustainability goals. This commitment to cloud solutions reinforces Almarai's alignment with Saudi Vision 2030, emphasizing our role in the Kingdom's digital and economic advancement.

Through these initiatives, Almarai is redefining what it means to be a modern FMCG company. By strategically investing in technology, we ensure that our business remains resilient, agile and responsive to changing market needs. Our focus on innovation and sustainability positions us as an industry leader and exemplifies our dedication to creating lasting value for our customers, employees and stakeholders.

Pioneering Digital Transformation in the Dairy Industry with Google Cloud

In a landmark collaboration, Almarai, the world's largest vertically integrated dairy company and the fourth most valuable dairy brand by Brand Finance in 2024, has partnered with Google Cloud to accelerate its digital transformation. This strategic partnership enables Almarai to strengthen its operational efficiency, enhance customer experience and propel growth in an evolving market landscape. As consumer expectations rise across the Middle East, Almarai's commitment to leveraging cutting-edge digital technologies positions it as a leader in the Food and Beverage industry.

Almarai's transformation centers around migrating critical systems to Google Cloud, including SAP RISE

workloads and its primary sales application. This move not only enhances Almarai's operational agility but also enables it to innovate at pace. With Google Cloud's scalable infrastructure, Almarai gains the ability to expand seamlessly "Grow on the GO", optimize resource allocation and ensure its systems perform reliably under peak demands.

Almarai's digital transformation with Google Cloud aims to unlock new growth, enhance customer experience and achieve peak operational performance.

A core aspect of this transformation is data sovereignty, with Almarai hosting its data within Saudi Arabia to align with local regulations and the Kingdom's Vision 2030 goals. This strategic focus on data control and compliance underscores Almarai's commitment to national priorities and its role in advancing Saudi Arabia's digital agenda. Through this collaboration, Almarai and Google Cloud are setting a new standard for operational efficiency and customer satisfaction in the region's Food and Beverage industry.

Case Study: Etmam Logistics

Transforming Warehousing and Logistics

Since its acquisition by Almarai, Etmam Logistics has set a new benchmark in operational excellence, delivering significant advancements across warehousing, transport, and facilities. In alignment with Almarai’s strategic vision, this transformation of Almarai’s warehousing and logistics is enhancing value for shareholders, stakeholders, and employees, positioning Etmam as a vital partner in Almarai’s growth journey.

Revolutionizing Warehouse Operations

Etmam’s warehouses have undergone a remarkable transformation to support Almarai’s expanding business needs. By transitioning to 24/7 operations, daily throughput increased by 12%, while optimized workforce utilization reduced labor per shift, achieving unprecedented efficiency. Strategic storage solutions now cater to Almarai’s overflow requirements, ensuring seamless handling of chilled and frozen goods.

Renovation efforts, such as the overhaul of the Dammam warehouse, reinforced ice cream distribution capabilities across the Eastern Region, enhancing storage capacity and sustainability. Certified operator training and a robust health and safety program further underscore Etmam’s commitment to operational excellence and employee wellbeing.

Throughput (Before acquisition vs After acquisition)



Advancing Transport Operations

Etmam’s transport operations have delivered substantial cost savings and service improvements, directly benefiting Almarai’s bottom-line. Maintenance costs were significantly reduced by utilizing Almarai’s central workshop, while optimized driver schedules and fleet upgrades improved safety and compliance.

Eliminating outsourced drivers and reallocating resources led to a 25% reduction in driver headcount and enhanced service efficiency. A 34% reduction in accidents highlights Etmam’s focus on safety, ensuring reliable transport resources for Almarai during critical periods.

Upgrading Facilities for Growth and Satisfaction

Etmam’s facilities have undergone strategic upgrades to enhance employee satisfaction and operational performance. Renovated staff accommodations now offer safe, comfortable living conditions, boosting morale and reducing turnover.

Comprehensive infrastructure restorations have increased asset

reliability, while quality enhancements across all sites, including a GMP audit improvement to 97% at the Jeddah warehouse, reflect Etmam’s dedication to excellence and strengthening Etmam’s ability to support Almarai’s strategic objectives and foster a culture of innovation and growth.

A Catalyst for Value Creation

Etmam Logistics’ achievements since its acquisition by Almarai demonstrate the power of synergy and strategic investment. By enhancing efficiency, safety and quality across its operations, Etmam delivers measurable benefits to Almarai’s shareholders, employees and partners, solidifying its role as a key driver of Almarai’s continued success.





Operating Review

Almarai has grown into the world's largest vertically integrated dairy company and the premier food group operating across the GCC, Egypt and Jordan. We serve our core market of 33 million people in the Kingdom of Saudi Arabia, and an additional 150 million consumers across the wider region.

Supported by our successes in building a thriving enterprise and fueled by a 18 billion investment over five years, our growth momentum is primed to accelerate. We will remain a significant contributor to the Kingdom's food security goals while growing our leading position across the region as the trusted choice of food and beverages, delighting our consumers with quality nutrition every day.

Production

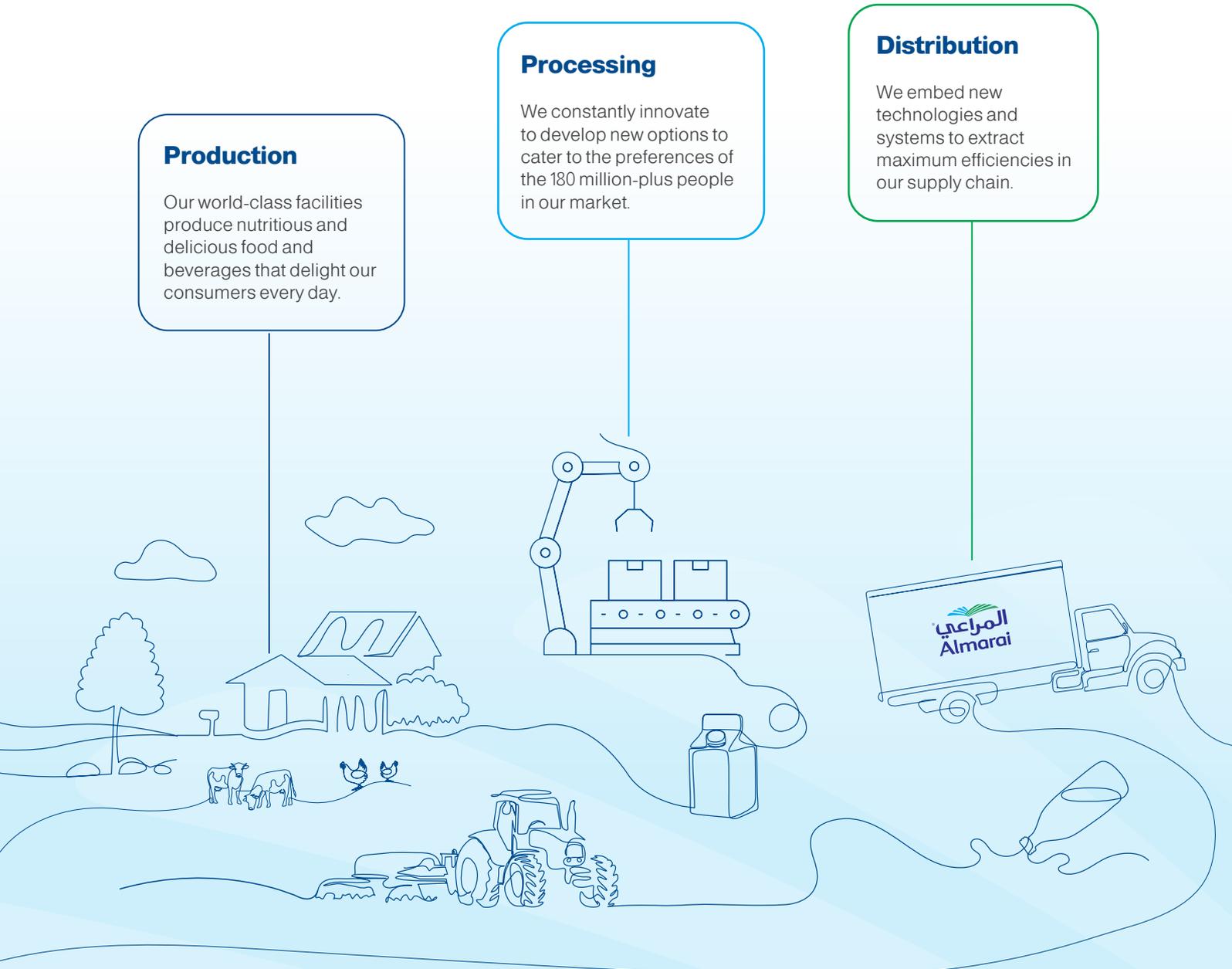
Our world-class facilities produce nutritious and delicious food and beverages that delight our consumers every day.

Processing

We constantly innovate to develop new options to cater to the preferences of the 180 million-plus people in our market.

Distribution

We embed new technologies and systems to extract maximum efficiencies in our supply chain.



Our strategy has already proven successful, evident in our strong market share across categories and geographies, and our exceptional financial performance, which goes from strength to strength each year. Our exemplary track record emanates from producing and delivering superb Dairy, Juice, Bakery and Poultry products that have earned the loyalty of millions of consumers in fiercely competitive markets.

We strive to repay this trust by becoming a better, more efficient and more innovative enterprise across our entire value chain, from our world-class production facilities to the vast distribution network that delivers our outstanding brands to more than 100,000 customers each day.

Retail

We manage to develop product categories to optimize sales and profitability.

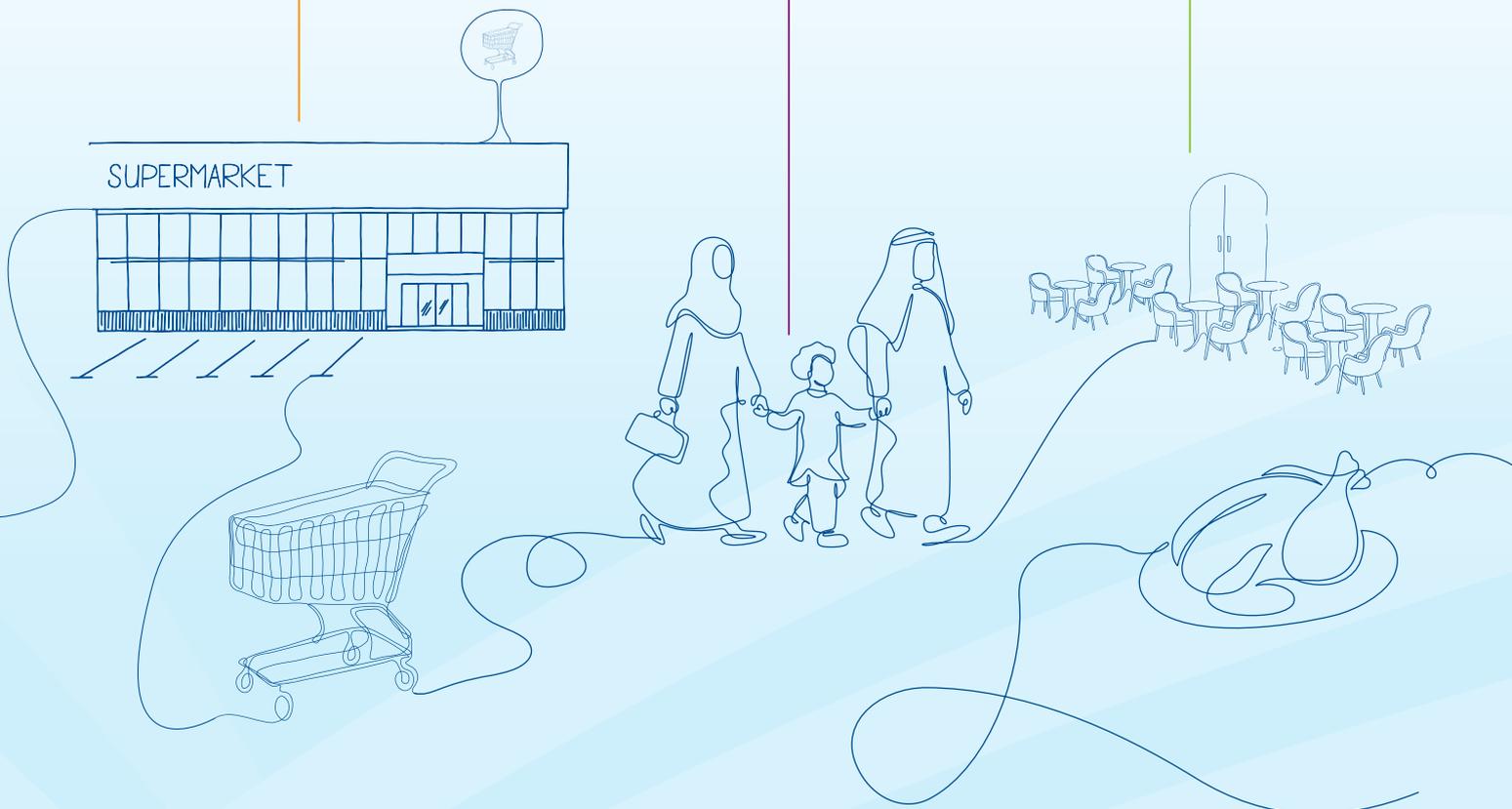
Foodservice

We work with our valued partners to enhance product offering and ensure adherence to high quality standard.

Consumers in and out of home channels

(hotel, restaurant and catering)

We offer high quality nutritious and delicious products.



Operating Review

Dairy

Almarai’s flagship Dairy division delivered exceptional performance in 2024, with record breaking revenues and market shares across the GCC, Egypt and Jordan. This outstanding result benefited from a substantial contribution from Ramadan sales, strategic product launches and enhanced market positioning. Additionally, Dairy, which is the single largest contributor to the Group’s performance, reaped the rewards of the investments that have been made to drive growth and secure market leadership.

A year of records

Dairy, the largest business unit at Almarai, generated a remarkable ﷲ 10 billion in total GCC revenue in 2024, representing a 6% increase from the previous year. This impressive outcome was complemented by the increase in our share of Almarai’s core market, the Kingdom of Saudi Arabia, which grew to 49.6% in full year 2024 vs 48.7% in full year 2023.

A key feature of the year was our Ramadan sales initiative, which delivered our best sales performance ever during the holy month and made a hefty contribution to annual growth.

Innovation remained one of our important growth pillars, and in 2024 we remained focused on enhancing our existing portfolios in our core categories while also pursuing opportunities in adjacent categories organically and inorganically.

The successful launch of ice cream in mid-2024, led category innovation with new consumer-tested products such as Mini Bites and Double Sandwich. The response from the market was extremely positive, with sales volumes delivering significantly ahead of our expectations. It also showcased Almarai’s ability to qualify, onboard and manage co-manufacturing sites on another continent, to deliver our consistently excellent quality to satisfy our consumer’s needs.

Our Fresh Dairy product range will be expanded across trade channels, while our health-conscious consumers will benefit from new product innovations.

Although the Kingdom will always be our primary market, we continued to explore growth potential for our core categories across the MENA region and other markets where Almarai’s capabilities can be leveraged to create further value.



Value Share of Saudi Market

Category	Market share	Position
Fresh Milk	63.7%	1
Fresh Laban	65.8%	1
Zabadi	61.5%	1
Culinary	46.6%	1

Total Dairy Revenue

(ﷲ million)

2024	12,296
2023	11,348
2022	10,844

New Products in 2024

Zabadi Gold
Laban Gold
Protein Milk Coffee
Protein Drinking Yogurt
Strawberry
Cheddar Block
Whipping Cream Dairy
Whipped Topping Premix

Soft Cream Cheese
Ice Cream Cone
Ice Cream Stick
Ice Cream Minis
Ice Cream Sandwich
Ice Cream Tub

Reinforcing market leadership with outstanding products

The key performer in the Dairy business unit was Fresh Dairy and Food categories, which delivered an exceptional result that contributed to significant growth in market share.

We also secured an outstanding performance in our UHT line following the implementation of an improved formula and market execution. UHT posted an excellent turnaround, reaching its target sales significantly ahead of expectations. By the year end, Almarai's UHT had secured a 20.6% share in Saudi Arabia, and made substantial gains in other GCC markets, including 21.9% and 20.0% in the UAE and Kuwait respectively. Underpinning this success in an increasingly competitive environment was our focus on expanding our consumer base with effective marketing and distribution strategies.

Many of our other products were star performers in their categories this year, reinforcing the efficacy of our overarching business strategy. Protein milk achieved its highest ever market share of 35.3% in Saudi Arabia, reflecting the surging demand for protein-rich dairy options. Our fresh Gishta (cream) added a further two percentage points to its market lead, culminating in 73.8% market share.

The market share, revenue and profit growth in our value-added Dairy products was robust, ending the year

26% higher than 2023. This segment achieved double-digit growth for the second consecutive year.

Sharpening our strategic focus

Intrinsic to our group business strategy is continued investment in growing the core Dairy and Food business while also expanding into new and adjacent categories, untapped markets and new geographies. The stated objective is to become the preferred consumer choice and eventually the market leader in this segment. To date, our investment has included improving distribution, particularly in the wholesale channel. In 2024, we also increased our marketing spend to raise consumer awareness and to support new products.

₹ 12,296 million
Total Revenue in 2024

Driving the customer experience

During the year 2024, we took various steps to raise service levels further, and to expand the distribution of dairy across trade channels. While maintaining our existing footprint, we focused on strengthening brand equity, improving market coverage and increasing product availability across traditional trade channels.

Among the strategic changes made was to increase the distribution of larger-sized, multiple-serve SKUs and to highlight our chilled space visibility in traditional trade. The outcome was broader reach and enhanced consumer convenience, which in turn contributed to Almarai's leadership with a 39.1% market share in 2024.

Recognized leadership

The Dairy business unit's impressive showing in 2024, benchmarked on the exceptional performance in 2023, attracted significant attention from industry watchers. We were honored to be recognized by the Kantar Brand Footprint survey in 2024 as one of the "Most Chosen Brands". Additionally, our creative Ramadan advertising and marketing campaigns earned us multiple kudos, including:

- MMA Smarties Award (KSA and UAE)
- Festival of Media Award
- WARC Award

Setting ambitious targets for 2025

The coming year's strategic direction reflects Almarai's commitment to consumer-focused innovation and geographic market expansion, building on successes achieved in 2024 as we continue growing our market presence across the Gulf region.

We will continue investing in total dairy products, while also building on our brand equity and boosting top-of-mind awareness to encourage consumers to include them in their daily diets and menus.

Operating Review

Juice

In our 25th anniversary year for the Juice and Beverage business, Almarai delivered a solid performance, with a strong top and bottom-line growth driven by our ethos of providing “Better for You” propositions to our discerning consumers.

The business unit continued to innovate, launching new products supported by creative marketing campaigns, while also focusing on improving shelf visibility, geographical market expansion and extracting greater efficiencies from revenue management and improvements in operations. The combination of all these factors was critical to the strong margin growth achieved this year.

Our core business lines, Fresh and Long Life Juices, performed well in 2024, generating a 10% increase in revenue. These results translated into an increased market share in Saudi Arabia in Fresh Juice, reaching 50% volume share, a rise of 2 percentage points over 2023.

Celebrating 25 years

In recognition of our quarter of a century track record of producing quality juices, we launched a creative

marketing campaign to mark this important milestone. Part of our celebrations included launching two new flavors, which further bolstered our brand equity and consumer engagement.

Growth through innovation and expansion

In a separate move, we unveiled a new packaging identity for Farm's Select, our premium brand, significantly boosting its visibility in the market. The resulting growth helped Farm's Select become the premium juice leader in its major GCC markets in 2024.

Our geographical expansion activities included launching our Juices range in Qatar, which played an important role in strengthening our presence across the region. Closer to home, we launched a new 180ml juice pack size, which was well received by consumers looking for better value for money.



Value Share of Saudi Market

Category	Market share	Position
Juice Value Share (Fruit juice in bottles)	41.7%	1
Household Penetration	86.2%	-
Household Purchase Frequency	9x / year	-

Total Juice Revenue

(S million)

2024	1,712
2023	1,555
2022	1,660

Volume growth was secured in our Beverages division following the introduction of a canned format for our iced tea brand, Ice Leaf, providing our consumers with more choices for purchase and consumption.

Top-of-mind marketing

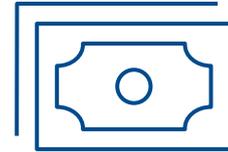
During the year, we paid greater attention to driving shelf visibility across our different trade channels. The objective was to ensure our brands' presence by placing the right portfolio at each point of sale, thus meeting consumer needs.

Award for Ice Leaf

Almarai's Ice Leaf brand of iced tea was named the "BASES Top breakthrough innovation winner" in 2024 by Nielsen.

Doing better for you in 2025

In the coming year, our focus will remain on providing our consumers with "Better for you" juices and beverages that address their different needs and evolving tastes. We will focus on expanding the presence of our core fresh juices across all trade channels, as well as maintaining our emphasis on our Farm's Select and our Ice Leaf brands.



₪ 1,712 million
Total Revenue in 2024

New Products in 2024

Juice Alphonso Mango Mix
Juice Strawberry Pomegranate
Juice Mango Mix
Juice Mixfruit Orange
Iced Leaf Green Tea Moroccan Mint
Iced Leaf Green Tea
Iced Leaf Tea Lemon Elderflower
Iced Leaf Tea Peach Hibiscus



Operating Review

Bakery

Almarai Bakery consolidated its position as the leading bakery entity in the Kingdom of Saudi Arabia and the GCC, earning the trust and loyalty of millions of consumers.

Our unwavering commitment to providing high-quality, nutritious baked goods to everyone, everywhere, has been the driving force behind our success. We have consistently delivered on this promise, offering a diverse range of products that cater to the needs and preferences of our customers.

Almarai Bakery: A year of baked success

Almarai Bakery’s unwavering commitment to quality and customer satisfaction has paid off, resulting in remarkable growth and market leadership. We expanded our reach to serve a growing consumer base, maintained consistent production of 9.4 million bakery items daily, and secured a dominant 55% value share in Saudi Arabia. As we look ahead, we remain dedicated to innovation, operational excellence and delivering exceptional value to our customers, ensuring Almarai Bakery remains a trusted household name.

Sustainable growth in 2024

This approach has enabled us to accelerate growth, surpassing the 2.7 billion revenue mark and reaching the significant milestone of exceeding 554 million in EBIT for the first time. Key drivers

behind this achievement included market share expansion, effective marketing and promotions, operational efficiencies, our commitment to minimizing our environmental impact and Almarai’s uncompromising quality assurance.

We have continued to introduce new and exciting products that cater to evolving consumer preferences. Our commitment to innovation has not only helped us stay ahead of the competition but has also strengthened our connection with consumers.

Consolidate and expanding our reach

The bakery market in Saudi Arabia is growing due to changing dietary habits, urbanization and demand for convenience foods. Almarai Bakery consolidated its market presence, enhancing volume and value share, while across all other

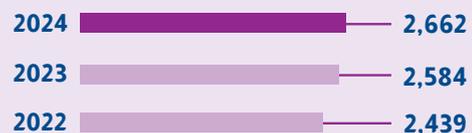


Value Share of Saudi Market

Category	Market share	Position
Sliced bread	66.3%	1
Burger Buns	56.6%	1
Puffs	74.5%	1
Croissants	82.4%	1
Sandwich	79.9%	1
Cakes	26.2%	1

Total Bakery Revenue

(S million)



New Products in 2024

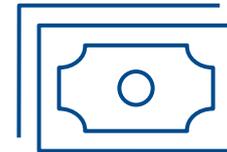
L'usine Premium Puff "Cherry"

L'usine Pizza on The Go
"Margarita"

L'usine Bread Sour Dough Style

L'usine Tortilla Wraps

7DAYS Chocolate Enrobed Milk
Premium Cake Bar



₪ 2,662
million
Total Revenue
in 2024

Gulf countries, Bakery increased its presence and footprint.

In the UAE, robust growth was driven by a preference for premium and artisanal products, an expanding retail landscape, and the rise of cafes. Almarai Bakery successfully expanded its market share, positioning itself for further growth by catering to diverse consumer preferences with innovative baked products.

Customers at the heart

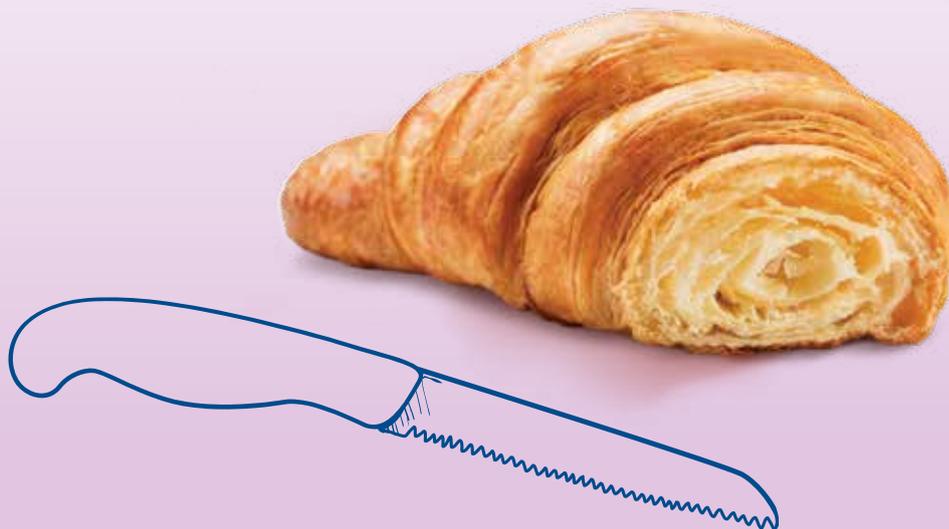
In 2024, Almarai Bakery received multiple regional communications awards for its innovative consumer campaigns, including "L'usine Brownie Leaves You Speechless" and "GAME ON:

L'usine." These accolades highlight our excellence in audio branding, personalization and customer experience design. Additionally, L'usine brand was recognized as one of the top food brands in the UAE.

Baking a brighter future

In 2025, Almarai Bakery will align with consumer trends in Saudi Arabia and the UAE by reaching consumers where they are, ensuring the right product assortment and staying relevant through innovation. We aim to grow the packaged bakery market, drive growth with innovative products, expand our retail footprint and strengthen our regional leadership.

Additionally, we will explore new opportunities as bakery products and technologies, sales channels and markets, optimizing costs and making shopper-centric decisions to generate exceptional value for our stakeholders.



Operating Review

Poultry

Our Poultry business thrived in 2024, achieving new records as expanded capacity came online and channel optimization delivered significant gains. Through product innovation and expert marketing activations, we enhanced our sales and distribution capabilities across the GCC, strengthening our presence and raising consumer awareness of the excellence of our products.

We remain the market leader and the largest poultry company in the region, with Saudi Arabia as the hub of our processing operations and the other GCC countries as key growth markets. To support future growth, we have committed \$ 7 billion to doubling our capacity and driving expansion across the region by 2028.

Our strong results in 2024, which benefited from the first year of the five-year investment aimed at building capacity, positioned our Poultry unit to accelerate growth in the coming period. This will make a substantial contribution to the Kingdom’s objective of food security and create significant value for our shareholders.

Reaching new heights

In 2024, our Poultry business unit generated strong growth in

both revenue and volumes. We achieved a record \$ 3.8 billion in sales, up 8% compared to 2023’s performance, helped by strong distribution and channel optimization. Sales of fresh poultry were strong in our Retail segment, rising 12% compared to 2023. Our higher sales helped increase our retail market share in the Kingdom to 35%, an increase on last year’s number of 34%.

Our facilities processed our highest number of birds ever, reaching approximately 263 million in 2024. Our daily processing figures also set a new record, growing from 850,000 birds per day to 950,000.

Higher volumes and tonnage were made possible by the successful commencement of operations of Al-Jawharah and



Value Share of Saudi Market

Category	Market share	Position
Whole Chicken	33.3%	1
Chicken Portions	33.9%	1
Chicken Value Added	30.1%	1

Total Poultry Revenue

(\$ million)

2024	3,794
2023	3,518
2022	3,013

New Products in 2024

Marinated Drumsticks BBQ
Marinated Buffalo Wings
A range of Skinless Chicken Cuts

₹ 3,794 million
Total Revenue in 2024

Al-Basateen farming sites in Hail and Al-Jouf regions, both of which made a substantial contribution to capacity. Construction to expand our output continued in 2024 as part of our annual expansion strategy to double Poultry production by 2027.

Distribution remains a key strength for Almarai, both in Saudi Arabia and across the markets where the Company operates. In our home market, our distribution increased by 3%, expanding our coverage of the traditional trade channel.

Alyoum remained the leading fresh poultry brand in Saudi Arabia, maintaining the highest levels of brand awareness, top-of-mind recall and consumer affinity among competitors. These indicators translated into a solid market-leading position with a share of 29% by volume.

Market share by value also grew, as Alyoum built on its reputation for providing high quality poultry meat across its product offerings. Growing brand loyalty propelled market share by value to 32% from 31% in 2023.

New offerings and continued growth

In line with the Group's commitment to innovation and expansion, the Poultry business

unit added new products to fresh categories and segments. The Ready to Cook range added pre-marinated BBQ drumsticks and buffalo wings, driving momentum within the marinated category and building its share of the value-added fresh Poultry segment.

These new offerings stood alongside Alyoum's other popular products to help it maintain its pace of growth, and for the second consecutive year, it was named the fastest-growing poultry brand in Saudi Arabia.

Building engagement with our consumers

In the retail channel, the Poultry business unit increased the reach of its entire fresh poultry range, supported by greater visibility and new navigation tools in supermarkets as well as category branding initiatives. This included our ongoing Sara and Mama Sara communication campaign which shares useful recipes with consumers, helping to build engagement with the Alyoum brand. In the Foodservice segment, Almarai continued to offer a wide range of quality products and customized solutions.

Bringing home the gold

Our Sara and Mama Sara campaign was highly successful

in its second year, winning multiple "MMA Smarties" media awards, including two golds and one bronze in the long and short form video categories. In 2024, Alyoum also received the "Bases Top Breakthrough Innovation Award" for its new products Whole Chicken Marinated Mandi and Biryani flavors.

Targeting robust growth in 2025

The coming year will see a strong effort to build on this year's record performance by reaching even higher targets in terms of bird processing, sales volumes and revenue. This will be achieved largely due to our new operations in the Al-Jawharah and Al-Basateen sites.

We will continue implementing our strategy to strengthen our market leadership across channels and countries, while also concentrating on delighting our valued consumers with innovative products. Consumer engagement will also form an important element of our activities around our Alyoum brand, which will include consistent and creative communication as well as in-store activations.

Risk Management

Risk Management and Internal Control Framework

Almarai has defined its risk management process according to the COSO Framework principles, which define industry best practice. Almarai's Board of Directors and Senior Management use these principles in the course of setting the strategy and making decisions. Management then plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that the Company's objectives, stated below and articulated as per the COSO Framework, can be achieved while ensuring that associated risks are kept within an acceptable risk level.

The Company's internal controls and risks are grouped within the COSO Framework categories:

- Strategy - high-level goals, aligned with and supporting the Company's mission
- Operations - effective and efficient use of resources
- Reporting - reliability of financial reporting
- Compliance - compliance with applicable laws and regulations

Internal Control Participants

Senior Management and oversight

Senior Management is responsible for Almarai's Internal Control System, while the Audit Committee is responsible for oversight of the effectiveness of Almarai's internal controls over financial reporting. To this end, Senior Management relies primarily upon the finance function and various second line of defense functions disseminated throughout Almarai, assurance providers such as the quality audit team, the risk champions and the operational reporting lines (by business locations, regions, business units and/or subsidiaries).

Corporate Finance Department

The Corporate Finance Department is responsible for the finance function within the Company, both directly through centralized functions (Financial Planning and Analysis; Financial Policy and Regulatory Compliance Consolidation; Treasury and Financing; Tax; Corporate Legal) and through functional ties with the financial controllers of the various business locations, regions, business areas and subsidiaries.

The Corporate Finance Department's additional responsibility regarding risk management and internal control consists of a direct oversight over regulatory and compliance-related matters. The Chief Financial Officer (CFO) chairs monthly meetings of the Finance Executive Committee, which comprises Corporate and Divisional Finance; Legal, Business Systems Department, Investor Relations, Treasury and Risk Management and Internal Control.

Risk Management

Almarai's risk identification and risk management system adopts the COSO-based Enterprise Risk Management Framework geared to achieving an entity's objectives. The Risk Management function comprises a dedicated corporate team as well as one assigned risk champion in each business area. The function is overseen by the Executive Management team and the Risk Committee. The process of identifying and managing Almarai's risks is described below under the subheading "Risk identification and assessment".

Internal Control Department

The Internal Control Department comprises a dedicated central team, which is supported by a network of local Finance Managers who report to the Corporate Managers of the business areas, but who are ultimately

answerable to the CFO. The role of these Finance Managers is to ensure, through close and recurrent controls, that the Company policies and procedures are properly applied within their area of the Company. The Internal Control Department's main responsibilities are as follows:

- Ensuring Company-wide implementation of Almarai's Internal Control Framework
- Defining (i) priorities related to internal control and (ii) the methodology to be used for self-assessment, its testing and documentation
- Managing and analyzing (i) the internal control indicators and (ii) the results of the assessments and action plans implemented by the community of Finance Managers
- Supporting and overseeing Finance Managers through coordination, communication and training initiatives
- Identifying gaps in current policies and procedures and recommending changes to the Policies Group

Internal Audit Department

Almarai has a fully developed and independent Internal Audit Department reporting directly to the Audit Committee on all functional matters. The Internal Audit Department develops a risk-based audit plan that the Audit Committee reviews and approves annually. All control gaps identified during the audits are discussed with Senior Management and remediation plans along with expected timelines are agreed. The Internal Audit Department independently follows up to ensure gaps are closed as expected. The Head of Internal Audit reports to the Audit Committee, on a quarterly basis, on all key matters and provides the Committee (and, through the Committee, the Board and the

shareholders) with overall assurance of the effective operation of internal control systems.

Other internal control participants

Apart from the financial governance in place within Almarai, the following departments perform regular internal reviews to ensure operational effectiveness and compliance with industry benchmarks and standards (ISO: 9001:2015, 14001:2015, 22000:2005, 27001:2013, 45001:2018, 31000:2018, 22301:2019 and FSSC 22000):

- Quality, Regulatory, Health, Safety, Security and Sustainability (QRHSS&S)
- Manufacturing
- Farming
- Sales Distribution and Logistics
- Information Security
- Enterprise Risk Management
- Business Continuity

Internal control and risk management process

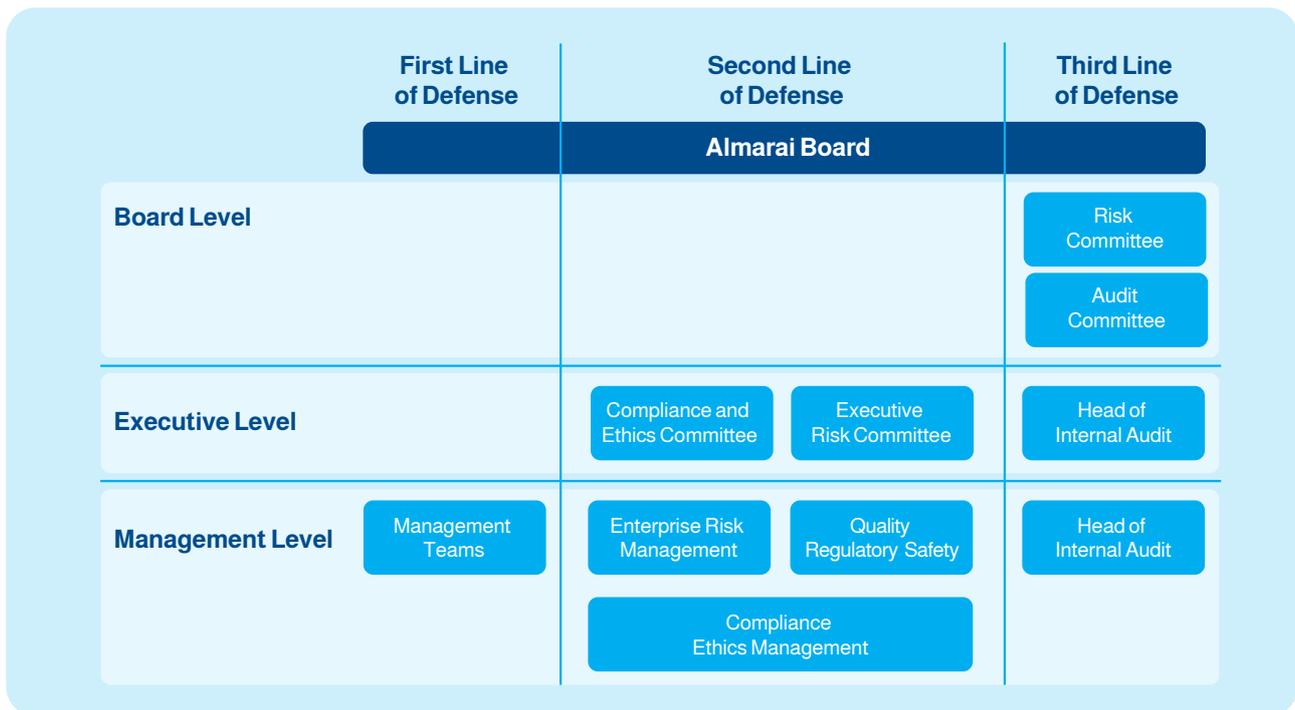
The internal control and risk management processes consist

of the following six closely related components:

- Risk governance and ownership
- Control environment
- Risk identification and assessment
- Control activities
- Dissemination of information
- Continuous monitoring

Risk Governance Model

Aligned with industry recognized and adopted best practice, Almarai operates a three lines of defense model to ensure accountability across the Company for governance, management and reporting of risks and the control environment.



Control Environment

The aim of the control environment is to make staff aware of the usefulness and necessity of internal control. Such awareness is the foundation of all other components of internal control. Almarai’s control environment is based on the following:

- Almarai’s core values, which are widely communicated across the Company
- Almarai’s Corporate Governance Rules, updated and approved by the Board
- Human resources and social policies, particularly regarding employee development and training
- Directions given by the Board of Directors and Almarai’s Executive Management to achieve continuous improvements in all operating procedures

- Standardization of Almarai's operating processes and the regular use of a single integrated information system for the majority of functions
- Deployment of the Almarai operating processes and the single integrated information system across all Almarai subsidiaries and geographies
- Overlay of Almarai's Internal Control Framework and Company-wide authority matrix, which is periodically reviewed to ensure that the framework is up to date
- An intranet providing standardization and governance documents that allow staff within Almarai's financial and non-financial community to stay abreast of Almarai's internal control and quality best practices
- Written guidance on internal control, assessment and

remediation distributed each quarter by the Internal Control Department

Risk identification and assessment

Almarai defines risk as "The possibility of an event occurring that will have an impact on its essential business processes and activities or the compliance, reporting or strategic objectives of the Company". Risks are evaluated via a combination of the consequences of an event and the likelihood of its occurrence.

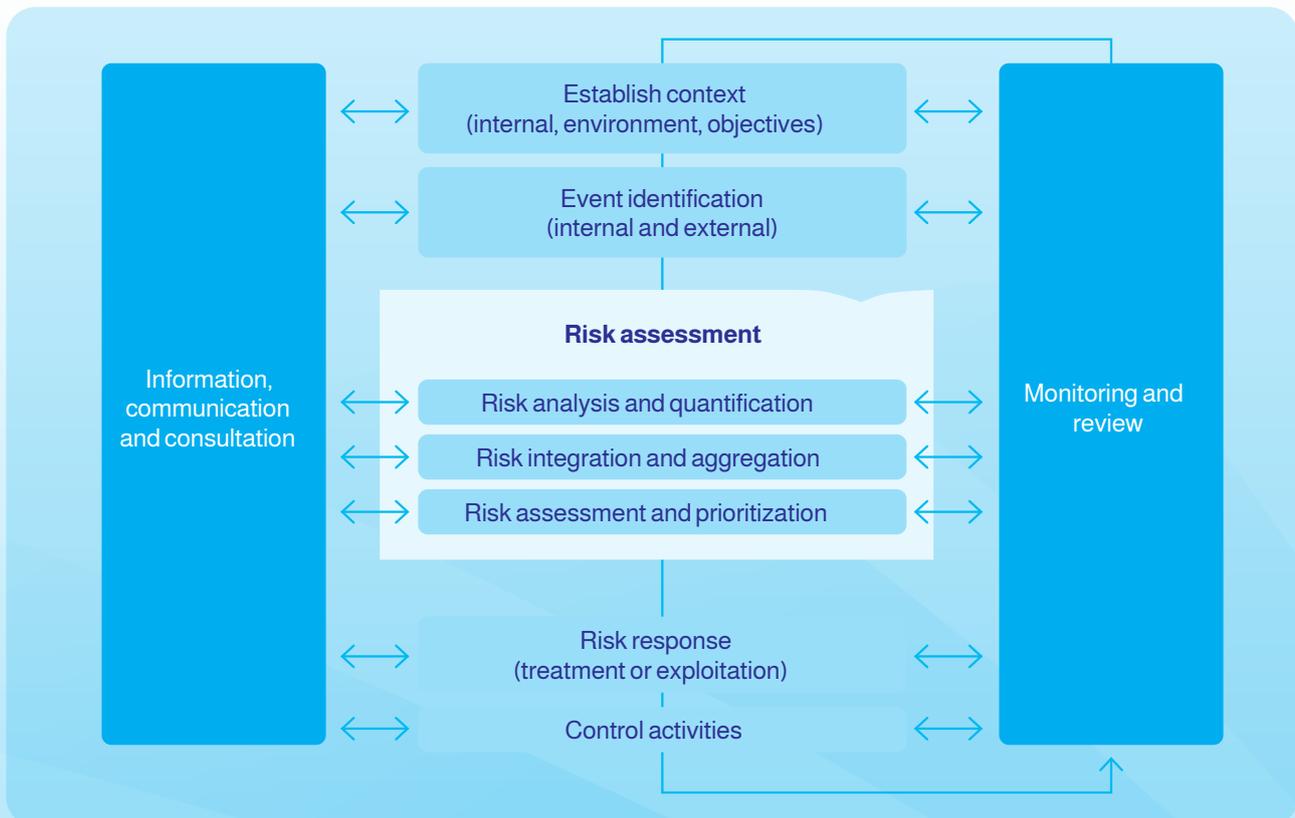
Almarai's approach to risk

Almarai has developed a methodology to manage potential business risks. This is aligned with recognized industry standards and best practices, based on: the COSO Enterprise Risk Model - Integrated Framework, and ISO 31000:2018, Risk Management - Principles and Guidelines.

The methodology is reviewed regularly and, where necessary, adapted to ensure it evolves with the Company's business needs, thereby allowing Almarai to manage risks effectively and efficiently, supporting the achievement of short and long term objectives.

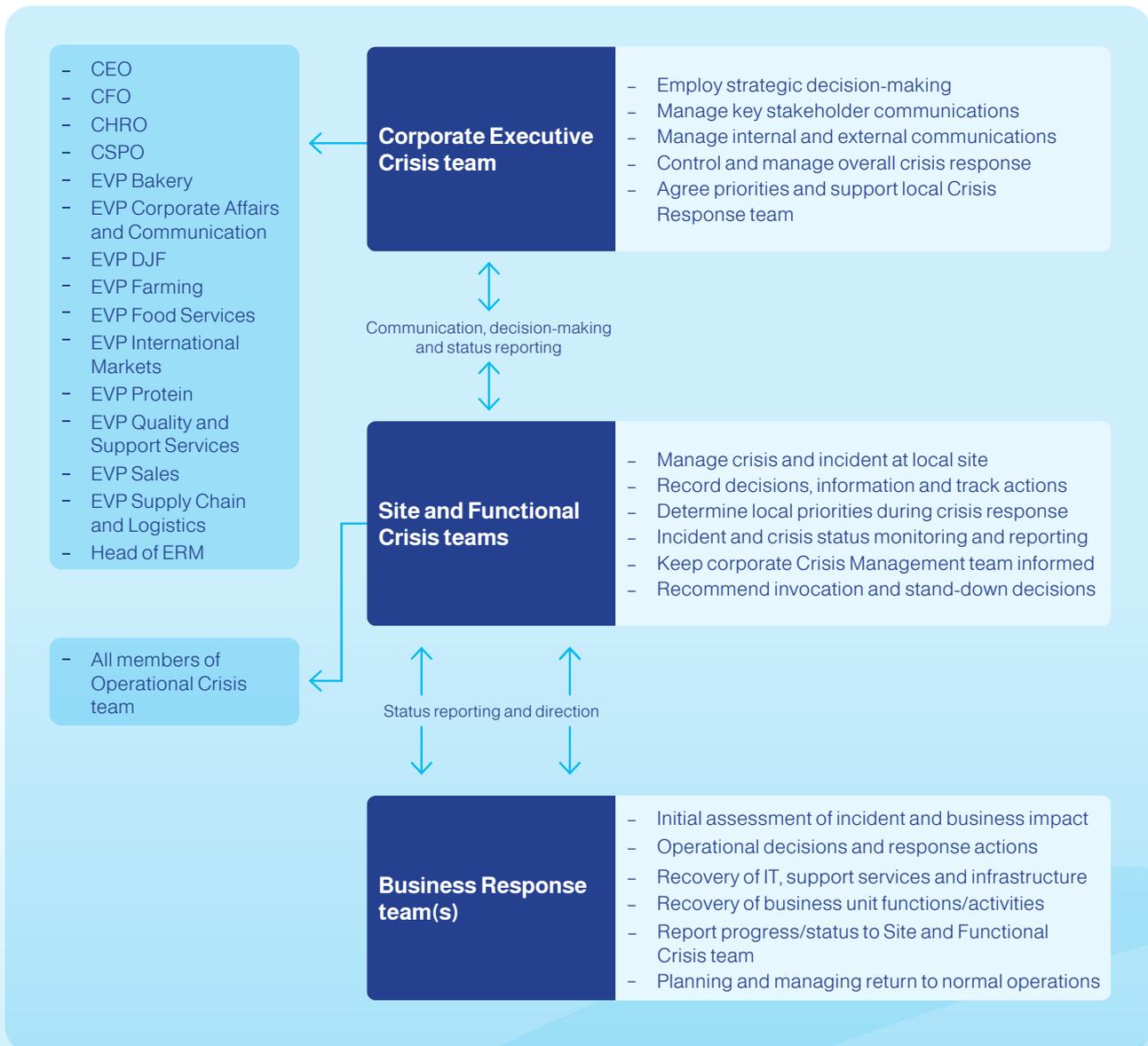
The Almarai Risk Management Framework is aligned to the COSO model components, and the process defined in ISO 31000:2018. This cyclical process is supported by Almarai's Enterprise Risk Management (ERM) function through the provision of education, training and monitoring, review and assessment through guidance to business management teams and the use of an ancillary toolset for recording, analyzing and reporting on risks.

Almarai's Risk Management Process (ISO 31000:2018)



Almarai Crisis Management Structure (CMT)

Almarai has developed a major incident and crisis management protocol that can be activated if an abnormal or unstable event threatens the Company’s strategic objectives, reputation or ongoing viability. The approach to these types of incidents is based on industry standards and best practice. It incorporates a three-tiered response system to ensure rapid decision-making and action:



Risk Monitoring

Almarai's business risk register is reviewed quarterly by the risk champions and respective Executive Vice Presidents of each business area. It is then consolidated and challenged by the ERM Department at Almarai's corporate head office. The ERM Department presents the most critical and significant risks that Almarai faces to the Company's Chief Executive Officer, Chief Financial Officer and all other Executives. A map of Almarai's major risks and risk mitigation plans is reviewed and assessed and this work serves as the basis for the presentations made to Almarai's Audit Committee and Risk Committee.

Other Elements of Risk Identification and Analysis

Procedures such as competitive monitoring, training, risk prevention and protection, along with the initiatives of specialized departments such as the Quality, Regulatory, Health, Safety and Security, Business Continuity and Information Security, all contribute to the identification, analysis and management of risks.

The Quality, Regulatory, Health, Safety and Security Department also helps to identify threats against Almarai's employees and assets. Almarai's Business Continuity function uses information in risk maps to identify potential crises and to prepare appropriate responses in all cases.

Strengthening Risk Management

As a part of strengthening Risk Management, Almarai is implementing Key Risk Indicators (KRIs) for an effective Risk Management and Response plan.

Key Risk Indicators are metrics used to provide an early signal of increasing risk impact in various areas of the

Company. KRIs monitor changes in levels of risk impact and contribute to early warning signs that enable the Company to report risks, prevent crises and respond to them in time. The following are benefits of defining and monitoring KRIs:

- Enhanced proactive approach to risk management
- Provide data for in depth analysis of risk events that have occurred, enabling risk responses and management to be improved
- Enable documentation and analysis of trends
- Increase likelihood of achieving enterprise's strategic objectives

- Assist in continually optimizing risk governance and management environment

Control Activities

Control activities are intended to ensure the application of the standards, procedures and recommendations that contribute to the implementation of financial policies. All business areas use a quarterly self-assessment process and send the results to the Internal Control Department, which analyzes them and sends summaries to relevant stakeholders. Appropriate action plans are put in place by the entities under the supervision of the Internal Control Department with



the aim of facilitating continuous improvement. Internal reviews are subsequently carried out to validate that corrective measures have been taken. In addition, the performances and results of each operating unit in the area of internal control are regularly and systematically monitored by the Management Committee of the relevant entity.

Transmission of Information

Appropriate information is identified, collected, quantified and disseminated in a manner and within a time frame that enables each person to discharge their responsibilities. To this end, Almarai relies upon:

- Its organization and information system, which facilitates the communication of information needed for decision-making
- Training sessions for the network of risk champions, divisional teams and internal controllers, including workshops and information-sharing seminars

Almarai also uses an intranet site and various documentation database systems that enable information to be shared within the Company. This information includes not only financial information but also non-financial information that meets the needs of the various operating and

administrative departments. Since 2011, Almarai has used social media to help transmit information and develop communication and experience sharing.

Continuous Monitoring

The internal control system's performance is ensured by the Internal Control Department, which reviews, updates and reports regularly on the operation and effectiveness of the established control structure. In addition, Corporate and Business Finance Managers, at a corporate level, obtain reasonable assurance through various layers of review and monitoring.



Sustainability

Managing Sustainability at Almarai

Through focused and collaborative efforts in 2024, Almarai has proudly achieved 11 of our ambitious sustainability targets set for 2025. These accomplishments not only demonstrate our unwavering commitment to sustainability but also reinforce our leadership within the Environmental, Social and Governance (ESG) landscape. Among our key milestones this year, we received multiple prestigious awards from ESG organizations and achieved the most improved score in the voluntary Corporate Sustainability Assessment by the Dow Jones Sustainability Indices/S&P Global - a significant leap forward compared to the last four years.

These successes are a testament to the inclusive and collective approach we have fostered across all units of our business. By engaging diverse teams and integrating sustainability into every aspect of our operations, we have strengthened our ability to deliver on our commitments. These achievements reflect the strength of our 2025 strategic sustainability plan, built around its three foundational pillars. Each pillar underscores our dedication to implementing industry-leading practices that not only safeguard the wellbeing of our consumers and employees but also create enduring value for the environment, the communities we serve and our broader network of stakeholders.

2024 has been another year of reflection and refinement for our sustainability strategy. Guided by our established pillars and measurable targets, we remain resolute in our

pursuit of continuous improvement. By reviewing and sharpening our approach, we aim to ensure our strategy remains agile, impactful and aligned with the evolving needs of our business and the world around us.

We invite you to explore the full details of our progress and achievements in this Sustainability Report at sustainability.almarai.com where we share our journey toward building a more sustainable and thriving future for all.

Sustainability framework

Sustainability is not just a priority at Almarai - it is embedded in our identity and strategy. We believe in creating a better world by committing to progress every single day. Through purposeful action, we aim to drive positive change today that contributes to a brighter and more sustainable tomorrow.

As part of our sustainability strategy, “Better Every Day,” we developed 25 ambitious goals and targets in 2019 to be achieved by 2025. These goals reflect our dedication to continuous improvement and meaningful impact.

Our framework is built upon three interconnected pillars, which anchor our efforts and define our approach. These pillars are underpinned by 12 material issues that guide our actions and help us focus on addressing the challenges that matter most to our stakeholders and the communities we serve. Together, they serve as a blueprint for advancing a more sustainable future, where responsibility and opportunity converge.





Caring for people

Our promise to improve the lives of those that are integral to our business success every day.

Nutrition and wellbeing

We are working to make sure that our products and communications support healthy living every day.

Health and safety

We are working to make sure we foster a health and safety culture among our people every day.

Employee talent and diversity

We are working to make sure that our people are developed, valued and included every day.

Community investment

We are working to make sure that we are leveraging our resources to create a positive impact every day.



Protecting the planet

Our promise to minimize our impact on our shared natural resources every day.

Water management

We are working to make sure we are effectively using water resources every day.

Packaging innovation

We are working to make sure we reduce the impact of our packaging on the environment every day.

Climate change

We are working to make sure we implement more sustainable solutions to reduce our emissions every day.

Waste management

We are working to make sure that we are moving towards zero to landfill every day.

Sustainable agriculture

We are working to make sure that our agricultural practices are regenerative every day.



Producing responsible products

Our promise to deliver "Quality you can trust" and enhance supply chain sustainability every day.

Quality and food safety

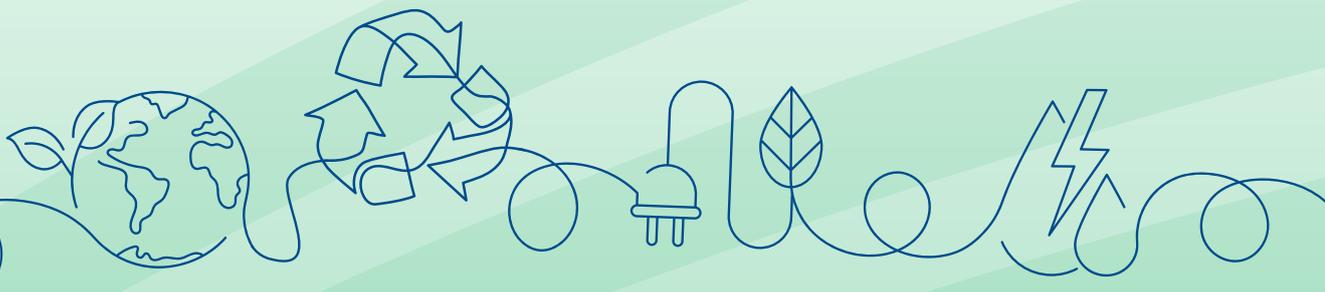
We are working to make sure our products are safe and satisfy consumers' needs every day.

Animal welfare

We are working to make sure that our animals are treated and handled humanely throughout their lifecycle every day.

Ethical sourcing

We are working to make sure we take a collaborative approach to elevate sustainability in our supply chain every day.



Materiality

At Almarai, staying attuned to evolving priorities is fundamental to driving meaningful sustainability outcomes. In 2022, we conducted a comprehensive materiality update to reassess the relevance of previously identified concerns and explore emerging priorities. This process provided deeper insights into the shifting expectations of our stakeholders.

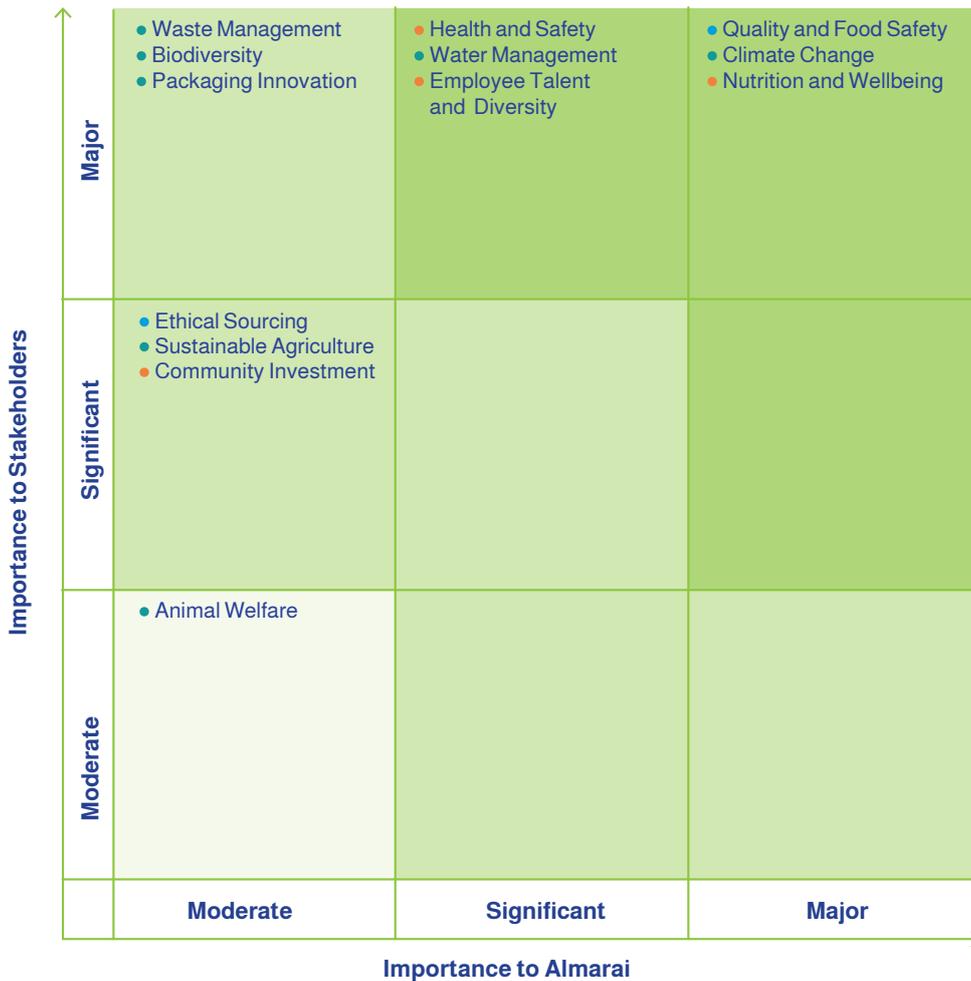
For our internal stakeholders, Nutrition and Wellbeing has remained increasingly significant - underscoring Almarai's vital role in ensuring food

security and fostering healthier lifestyles through our product offerings. This shift reflects a growing awareness of the impact businesses like ours have on public health and community resilience.

External stakeholders, on the other hand, have maintained a strong focus on employee health, safety, talent development and diversity, recognizing these as critical drivers of long term success and community impact. Additionally, they emphasized the importance of Almarai's ongoing investments in community

development, which create shared value and strengthen our role as responsible corporate citizens.

Throughout 2022, we sustained our rigorous monitoring of these material issues, aligning initiatives and tracking progress to ensure we remain on course to achieve our sustainability goals. This iterative approach allows us to proactively respond to stakeholder needs and reinforce our commitment to making a positive impact across the value chain.



Pillar theme key:

- Caring for people
- Protecting the planet
- Producing responsible products

National and international development frameworks' alignment

Sustainability is a shared responsibility, and Almarai is proud to contribute to the global and national frameworks guiding sustainable development. The United Nations Sustainable Development Goals (SDGs) offer a roadmap for tackling the world's most pressing challenges, from eradicating poverty to protecting the environment and ensuring prosperity for all. These goals resonate deeply with Almarai's vision and operations, serving as a benchmark for our contributions to a better future.

Aligned with this global framework, the Saudi National Transformation Program (NTP) provides a strategic blueprint for driving the Kingdom's Vision 2030, focusing on economic diversification, environmental stewardship and social advancement. Almarai's initiatives align closely with these objectives, reflecting our commitment to fostering sustainable progress at a local and global scale.

Throughout this report, we highlight our contributions to the SDGs and NTP through dedicated icons placed alongside relevant sections. For instance, initiatives promoting responsible sourcing, renewable energy and waste reduction align with SDG 12 (Responsible Consumption and Production), while efforts to enhance workplace inclusion and

employee development contribute to SDG 8 (Decent Work and Economic Growth).

By embedding these frameworks into our sustainability strategy, Almarai reinforces its role as a catalyst for positive change, advancing collective goals while delivering value to stakeholders. This alignment underscores our belief that achieving sustainable development requires collaboration, accountability and a shared vision for the future.

Visit the sections' [page](#) on the Almarai Sustainability website for the dedicated icons.

Caring for People: Empowering communities through collaboration

At Almarai, our people are at the heart of our success. We believe that fostering a supportive and inclusive workplace not only empowers individuals but also drives organizational growth. This year, we deepened our focus on local employment, launching new initiatives to ensure our workforce reflects the diversity of our communities. These efforts align with Saudi Vision 2030, emphasizing youth empowerment and skills development as key drivers of national progress.

Among our flagship initiatives is the Almarai Prize Strategy for Scientific

Creativity, revamped in 2024 with a new identity to inspire innovation in food security across the region. Additionally, our strategic agreements with training providers enabled Saudi youth to gain valuable skills, preparing them for meaningful careers in an evolving job market.

Beyond career development, Almarai prioritizes health and wellbeing. Our annual oral and dental health awareness campaign promotes balanced nutrition and healthy habits. We also hosted two blood donation drives in 2024, fostering a culture of giving. These efforts strengthen bonds within our workforce while benefiting broader communities.

Sports and recreation also play a vital role in enhancing wellbeing. Events like the 7th Golf Championship promote healthier lifestyles while reinforcing our corporate social responsibility. In collaboration with the Ministry of Transport, we advanced traffic safety awareness across Saudi Arabia, demonstrating our commitment to addressing societal challenges.

Through these multifaceted efforts, Almarai reaffirms its dedication to empowering people and building stronger communities. By prioritizing inclusivity, health and safety, we create a thriving environment for employees and stakeholders while contributing to a sustainable future.

Our year in numbers:

49,306*
Almarai quality
makers

10,610
Saudi
nationals

7,069
New hires in
2024

895,604
No. of
learning hours

*Total HC that covers KSA, GCC, IDJ and Fondomonte entities of Almarai Company.

Developing talent and organization: Building a competitive workforce

WE@Almarai is a market-leading employee value proposition that sets us apart as an employer of choice in Saudi Arabia. Anchored by our corporate culture, WE@Almarai aligns employees with a shared path to greatness, emphasizing engagement, satisfaction and operational excellence.

WE@Almarai operates on four pillars:

- 
WE Care
 Promoting employee wellbeing and healthy lifestyles.
- 
WE Evolve
 Encouraging personal innovations in art, music and technology.
- 
WE Together
 Fostering teamwork and collaboration.
- 
WE Celebrate
 Marking national and internal milestones.

In 2024, we strengthened these pillars through a series of initiatives aimed at attracting and retaining top talent while ensuring inclusivity. As a certified Gold Member of the Mowaamah Program, we established a welcoming environment for people with disabilities. This year, we hired over 1,500 Saudi nationals, including trainees from the FIP Institute, while maintaining our Platinum Nitaqat status across categories.

Our Talent and Organization Development transformation integrates learning and organizational growth. Highlights include:

- HiPo program:** Developing leadership and managerial skills among high-potential Saudi professionals
- Graduate development program:** Partnering with top training institutes to prepare Saudis for leadership roles
- Individual Development Plan (IDP):** Rolling out customized growth plans for 35% of management and professionals
- Succession management:** Implementing data-driven approaches to leadership pipeline development

Through the Almarai Academy, we achieved 67,521 learning hours in 2024, exceeding HRSD targets, and drove a 31% increase in learning engagement. Our e-learning participation grew by 76%, underscoring our commitment to fostering a culture of continuous improvement.

These efforts are integral to achieving long term success, aligning with our cultural pillar, WE Evolve, and supporting Almarai’s strategic goals and Saudi Vision 2030.

Leveraging technology for HR excellence

In 2024, Almarai advanced its HR digital transformation strategy to enhance efficiency and optimize processes. Key initiatives include:

- Implementing SAP Analytics Cloud (SAC) for data-driven decision-making using AI and machine learning
- Digitizing onboarding and offboarding processes via SAP SuccessFactors, improving employee engagement and retention
- Upgrading recruitment systems and introducing personalized digital workspaces through SAP Workzone

These technological advancements streamline operations and empower employees, reinforcing Almarai's position as an industry leader in innovation and workplace excellence.

Through our unwavering commitment to talent development, inclusivity and technological innovation, Almarai continues to empower individuals, support communities and drive sustainable growth.

Protecting the Planet: Advancing environmental stewardship

Highlights

Business units achieved climate change targets for 2025:

- Water Efficiency (Bakery, Premier Foods and Supply Chain)
- Waste to Landfill (Bakery, Premier Foods and DJF)

Key projects in Beyti:

- Our innovative biogas project transforms organic waste into renewable energy, significantly reducing emissions and advancing our circular economy goals
- The Argo Project has enhanced irrigation efficiency, conserving water in agricultural practices and ensuring resource sustainability
- Strengthening our green financing strategy, we partnered with HSBC to secure funding for sustainability-driven initiatives, reinforcing our focus on environmentally responsible operations

Environmental stewardship is central to Almarai's mission. As a leader in the food and beverage industry, we recognize our responsibility to minimize environmental impact while meeting the growing demand for sustainable products. In 2024, we introduced several initiatives to enhance resource efficiency and reduce greenhouse gas emissions, demonstrating our commitment to a greener future.

One of our key achievements was being ranked among the top 10 in MEIRA's Best ESG and Sustainability Reports in the Middle East. This recognition highlights our alignment with global best practices and Saudi Vision 2030, showcasing our progress in integrating sustainability throughout our value chain.

Our strategic roadmap for 2026–2030 places environmental resilience at its core. Setting ambitious GHG emission reduction targets is in the works. We are building a future-proof business that contributes to mitigating climate change through this initiative.

A significant example of this vision is our USD 7 billion investment in poultry production expansion. This project incorporates environmentally friendly practices, ensuring increased food security without compromising the planet's resources. By 2026, we aim to produce 450 million chickens annually, aligning with national and global goals for sustainable agriculture.

Our participation in the Environmental Compliance Forum 2024 also reflects our leadership in sustainable practices. The forum provided a platform to address challenges in balancing economic growth with environmental preservation. Almarai's active engagement demonstrates our dedication to driving meaningful dialogue and action on sustainability issues.

In addition to operational initiatives, we are empowering our teams to champion sustainability. Training programs and awareness campaigns ensure that environmental responsibility is embedded in our corporate culture. This holistic approach enables us to integrate sustainable practices across all facets of our operations, from farming to manufacturing.

Almarai's environmental strategy is not only about meeting regulatory requirements but also about creating long term value for stakeholders. By prioritizing resource conservation, reducing waste and adopting innovative technologies, we are paving the way for a more sustainable and resilient future.

Producing Responsible Products:

Delivering quality with integrity

Highlights

Improved Supplier Questionnaire

- We have improved our Supplier Questionnaire designed to align with global sustainability frameworks such as GRI and the UN SDGs. This initiative ensures that our supply chain partners adhere to robust Environmental, Social and Governance (ESG) standards, fostering accountability and shared value creation

Forbes' Sustainability Leaders Award

- This award demonstrates our exceptional ambition, innovation, as well as our recent, tangible impact that is both scalable and sustainable

At Almarai, producing high-quality and responsibly sourced products is a cornerstone of our business. Guided by our five-year investment strategy (2024–2028), we are enhancing our product portfolio while upholding the highest standards of governance, transparency and ethical conduct.

Our participation in global events like the ESPEN Conference and the Future Food Forum highlights our leadership in innovation and nutrition. At ESPEN, we showcased groundbreaking work in therapeutic and clinical foods, reinforcing our position as a pioneer

in pediatric nutrition. Meanwhile, the Future Food Forum allowed us to collaborate with industry leaders to address evolving consumer needs and advance food security in the GCC region.

Collaboration is key to our governance strategy. This year, we signed an MoU with 30 Exports to expand the reach of Saudi products in international markets. This partnership not only supports economic diversification but also underscores our role in driving regional and global food supply chains.

Almarai has also achieved notable milestones in legal and compliance frameworks. Our participation in the Kingdom's Legal and Compliance Conference demonstrated our leadership in cross-border compliance, particularly in leveraging modern technologies like AI and blockchain for transparency and efficiency. These advancements ensure our systems are robust, responsive and aligned with global standards.

Though we have been ISO 27001 certified for quite some time now, we have not highlighted it in the previous reports; hence, this space for our Information Security Management System's Certification. This certification underscores our dedication to safeguarding sensitive data and protecting stakeholder interests.

These initiatives reflect Almarai's unwavering commitment to ethical practices, innovation and sustainable

growth. By integrating responsible governance with forward-looking strategies, we continue to deliver products that meet the highest standards of quality while creating lasting value for our stakeholders.

As we move forward, Almarai remains steadfast in its mission to empower people, protect the planet and produce responsibly. With significant investments in innovation, sustainability and community development, we are well-positioned to address the challenges and opportunities of the future.

As Almarai continues to grow, we are guided by our core values "ASPIRE" and commitment to sustainability. Together with our employees, partners and communities, we are building a future that balances economic prosperity with social and environmental wellbeing.

Through these efforts, we reaffirm our pledge to be the Middle East's leading food and beverage company, delivering on our promise of "Quality you can trust." By empowering the present, we are shaping a sustainable future for generations to come.



Scan the code to read the full Sustainability Report 2024



The Almarai logo is mounted on a white, tiled building facade. It features a stylized green and blue graphic above the Arabic text 'المراعي' and the English text 'Almarai' in blue.

المراعي
Almarai

03

Investing for Growth. Strengthening Governance.

Almarai is unwavering in its commitment to robust governance and risk management, ensuring transparency, accountability and long term value creation for all stakeholders.

Governance

86	Board of Directors
88	Executive Management
90	Almarai Organizational Chart
91	Tadawul Announcements
92	Almarai and its Subsidiaries
94	Share Price and Shareholder Information
97	Main Transactions, Investments and Other Events
98	Important Events in 2025
99	Preparation of the Financial Statements
100	Dividend Policy
103	Statutory Payments, Penalties and Sanctions
104	Corporate Governance Code
105	Rights of Shareholders and the General Assembly
106	Board of Directors Formation and Functions
109	Regular Meetings of the Board for 2024
110	Ownership of Board Members
111	Ownership of Senior Executives
112	Details of Paid Compensation and Remuneration
116	Company Committees
118	Investment Committee
120	Remuneration and Nomination Committee
122	Audit Committee
124	Results of Annual Internal Audit Procedures
126	Risk Committee
127	Related Party Transactions
129	Disclosure and Transparency Policy
130	Board of Directors Certification
131	Financial Performance for 2024



Board of Directors

HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer, Chairman

His Highness Prince Naif Bin Sultan has extensive experience and a long career in business administration, spanning more than 25 years. In addition to his presidency of the Almarai Board of Directors, His Highness chairs the Boards of Directors of several well-known companies, including Zain, the Arabian Shield Insurance Company, Sultan Holding Company, Yamama Cement Company, Basket House Confectionery Factory, Basket House Plastic, Diplomat Sweets and 70 Investment Company. His Highness also serves on the Boards of Directors of several companies, including Farabi Gulf Petrochemical Company, Tejoury Company and Tarabot Investment & Development, in addition to chairing several charitable committees that meet the needs of society in various fields. He holds a Bachelor's degree in Business Administration and Marketing from King Saud University (1999).

Mr. Sulaiman Bin Abdulkadir Almuheidib, Vice Chairman

Mr. Sulaiman Almuheidib is the Chairman of Abdulkadir Al-Muhaidib and Sons Co. (Al-Muhaidib Group). He is also the Chairman of Savola Group and RAFAL Real Estate Development Company. In addition, he sits on the Board of Directors of Vision Invest, Tarabot Investment & Development, King Salman Center for Disability Research and Prince Fahad Bin Salman Charity Association for Renal Failure Patients Care.

Mr. Ammar Bin Abdulwahid Alkhudairy, Director

Mr. Ammar Alkhudairy's career spans over 35 years in the financial services industry, in various areas including M&A and Corporate Finance, Asset Management, Private Equity and Venture Capital. He founded Amwal AlKhaleej, the first alternative-asset management firm to be established in Saudi Arabia (2004), and co-founded Amwal Capital, with operations currently in Saudi Arabia and the UAE. Mr. Alkhudairy has also held a number public and private board memberships, including chairmanship of Goldman Sachs Saudi Arabia, Morgan Stanley Saudi Arabia and Allianz Insurance Saudi Arabia. He also served as Chairman of SAMBA Bank, which merged with National Commercial Bank, to form the largest bank in Saudi Arabia, Saudi National Bank (SNB), which he chaired post-merger. In addition to chairing Amwal Capital, he serves as Chairman of Saudi Venture Capital (SVC), is a Board member and Chairman of the Investment Committee of Saudi Industrial Investment Company (SIC), Vice Chairman of SPIMACO and Board member of Almarai. He previously served on a

number of public company and GRE boards, such as Real Estate Development Fund (REDF), The Economic Cities Authority, BSF Bank, among others. He also serves as a member of the High-Level Advisory Council of the United National Alliance of Civilizations (UNAOC) and as a member of the McKinsey External Advisory Group.

Mr. Bader Bin Abdullah Al Issa, Director

Mr. Bader Al Issa is the CEO of Assila Investments, the Chairman of Taiba Investments and the Vice Chairman of Savola Group. He also serves on several Boards including Banque Saudi Fransi, Panda Retail Company, Afia International Company, United Sugar Company and Savola Foods. Mr. Al Issa is a CFA charter holder and holds a BA in Economics from the University of Virginia and an MBA from Rice University in the United States of America.

Mr. Hosam Bin Ali Alqurashi, Director

Mr. Hosam Alqurashi is a seasoned leader with over 20 years of experience in retail, FMCG and marketing, and is recognized for driving innovative strategies, transformative growth and customer-centric solutions. He began his career at Procter & Gamble, managing major brands across the Arabian Peninsula and achieving significant market leadership, which laid the foundation for his expertise in brand management and consumer engagement. As an Executive Advisor at the Royal Commission for Riyadh City, Mr. Alqurashi developed a city marketing strategy that attracted leading global companies to establish their presence in Riyadh. He has also held pivotal leadership roles, including Chief Commercial Officer at Panda Retail Company and Chief Executive Officer at Whites, where he led large-scale supply chain and operational transformations. Mr. Alqurashi's innovative leadership as the CMO of Nahdi Medical Co., the largest pharmacy chain in MENA, earned him the prestigious Retail Professional of the Year 2015 Award from the International Council of Shopping Centers (ICSC). He currently serves as a Board member and Nomination and Remuneration Committee (NRC) member at Almarai. In addition, he is a Board member at Spinneys Arabia and serves as Vice Chairman of the Board and NRC member at the Saudi Coffee Company, a Public Investment Fund (PIF) subsidiary. Mr. Alqurashi is also a Board member of the Madinah Heritage Company, another PIF subsidiary, contributing to key national growth initiatives. With a Bachelor's in Chemical Engineering from King Abdulaziz University and extensive global professional training, Mr. Alqurashi is committed to impactful leadership, fostering organizational growth and creating lasting value for businesses and communities.

Mr. Mohammed Bin Mansour Almousa, Director

Mr. Mohammed Almousa is the Group CEO Advisor for SALIC Co. and was previously the Group CFO. Prior to this, he assumed various executive roles within Al Faisaliah Group Holding Co., the last of which was Group CFO. He currently chairs the Board of SALIC Ukraine Co. and SALIC Australia Co. He is a Board member of Minerva Foods Co. and G3 Global Holdings Co. and sits on the Audit Committees of Abdullah Al-Othaim Markets Co. and Shatirah House Restaurant Co. Mr. Almousa holds a Master's degree in Accountancy from Missouri State University and a Bachelor's degree in Business Administration from King Saud University. He also participated in Executive Leadership programs and Effective Boards programs at IMD, Harvard Business School and INSEAD, and holds several professional certifications (CPA, CME1).

Mr. Salman Bin Abdelmuhsin Alsudeary, Director

Mr. Salman Alsudeary commenced his career in the financial sector in the United States of America, working in both the private equity and investment banking field. Following several years in this sector, Mr. Alsudeary moved back to Saudi Arabia, where he launched his first company, Tejoury, a company specializing in Records and Information Management (RIM). This company has grown to be the largest provider of RIM services in the Kingdom. In addition to launching several other start-ups, he also participates on several boards and committees of both publicly and privately held companies. Mr. Alsudeary holds a Master's degree in Finance.

HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer, Director

His Highness Prince Saud Bin Sultan is a Business Administration graduate of King Fahad University of Petroleum and Minerals. He currently serves as a Board member at Aldar Chemicals Company and the Chairman of Export 30. Prior to joining Almarai's Marketing department, he gained valuable experience working at Banque Saudi Fransi for two years.

Mr. Waleed Bin Khalid Fatani, Director

Mr. Waleed Fatani has been the CEO of Savola Group since January 2021. He was also the CEO of Saudi Fransi Capital (from June 2015 till 31 December 2020). He worked as the Group Treasurer of Abdul Lateef Jamil and Advisor of Capital Markets and Investment from June 2013 to June 2015. He was the General Manager of Deutsche Bank KSA from May 2011 to June 2013. Mr. Fatani started his career with Banque Saudi Fransi in 1994, where he was the Head of Group Treasury and was a member of several executive committees. Mr. Fatani has over 29 years of banking, financial and investments experience, and his career has given him vast experience across various business sectors and the financial services sector. He holds a B.Sc. in Accounting from California State University (1993).

Executive Management

Abdullah Albader, Chief Executive Officer

Abdullah Albader joined Almarai in 2000 and was involved in the strategic functions, until he was appointed as the Company's Chief Executive Officer in March 2021. Throughout his career with Almarai, of more than 20 years, Abdullah held several positions within the Company's different sectors, including manufacturing, distribution, sales, marketing and shared services. The most recent position he held was the Executive Vice President of the Bakery division. Abdullah holds a Master's degree in Business Administration from the University of Leicester in the UK.

Ahmed Bin Mohammed Abu Al-Ghaith, Executive Vice President - Quality and Support Services

Ahmed Bin Mohammed Abu Al-Ghaith is the Executive Vice President for Quality and Support Services (Regulatory, HSS and Sustainability) at Almarai, where he is responsible for the quality and support services and applying business strategies that are compatible with the overall strategy of the Company. Before joining Almarai, Ahmed worked for several companies in the food and beverage sector, including the National Water Company, where he undertook many tasks, including developing governance, risk, and compliance (GRC) operations, regulatory requirements for information security, industrial security and occupational health, crisis and disaster management, innovation, strategy development and implementation and business planning. Ahmed holds a Bachelor's degree in Systems Engineering with a focus on Industrial Engineering and Operations Research from King Fahd University of Petroleum and Minerals (KFUPM).

Andrew Mackie, Executive Vice President – Farming

Andrew Mackie is the Executive Vice President for Farming at Almarai, through which he is responsible for the global farming operations for Dairy and Arable Farming. Andrew joined Almarai in 1977, after which he held several positions in the Farming unit of the business. He was the General Manager of Farming from 1998 after serving as the Regional Manager of Farming. Andrew holds a qualification from the West of Scotland Agricultural College, UK.

Ayman Algeer, Chief Human Resources Officer

Ayman Algeer is a seasoned Human Resources executive with a diverse background in technology and people management. As the current Chief Human Resources Officer (CHRO) at Almarai, he brings a wealth of experience and expertise to his role.

Ayman holds a Bachelor's degree in Computer Science from the University of New Haven, providing him with a strong foundation in technology. Ayman joined Almarai in 2021 as the Head of HR Center of Excellence overseeing strategic human resources initiatives before taking on the role of Almarai Chief Human Resources Officer in 2024. Prior to joining Almarai, Ayman worked for multiple organizations like Saudi Aramco and Aramco Asia in different senior HR roles managing complex operations across various global locations.

Chris Langhorne, Chief Strategy and Planning Officer

Chris Langhorne is the Chief Strategy and Planning Officer for Almarai, where he is responsible for developing the corporate strategy, managing M&A from planning to execution, and aiding in expansion strategies, including geography, adjacencies and other general growth areas. Chris brings a diverse background of over 25 years working in leading global companies, including Nestle, where he recently served as the Global Senior Director of Strategic Planning, leading global strategy and M&A for the pet care category. Before his time at Nestle, he worked in similar strategy, planning and corporate development roles at Altria, Dell Computers, and Johnson & Johnson with increasing responsibility. Out of undergraduate college, Chris supported various clients in an audit and consulting capacity at KPMG and Andersen Consulting. Chris holds an MBA from Darden Graduate School of Business Administration and a Bachelor's degree in Systems Engineering from the University of Virginia.

Danko Maras, Chief Financial Officer

Danko Maras was appointed as Almarai's CFO effective 6 April 2020. He is an experienced financial professional having had senior international positions in the fast-moving consumer goods industry such as Unilever, Leaf and Cloetta, where in addition to being Group CFO, he also has held positions such as CEO and President. He holds a GMP from Harvard Business School and a B.Sc. in Business Administration and Economics from Uppsala University.

Faisal Alfahadi, Executive Vice President – Corporate Affairs and Communication

Faisal Alfahadi is the Executive Vice President of Corporate Affairs and Communication for Almarai, where he leads on all corporate and government affairs throughout the organization and its investment portfolio. During his tenure at Almarai he has held several senior positions, including

General Manager of Human Resources and Support Services and General Manager of the Juice business. Faisal holds a Master's degree in Marketing from the University of Salford, UK.

Fawaz Aljasser, Executive Vice President – Bakery

Fawaz Aljasser is currently the Executive Vice President of the Bakery division at Almarai Company. Before that, Fawaz held a number of positions at Almarai Company, including Chief Human Resources Officer, where he managed the Company's Human Resources and Support Services unit. He was also Director of the Technical Institute for Dairy and Food and General Manager of "Teeba" Company, a joint venture for Almarai in Jordan. Fawaz holds a Bachelor's degree in English Literature from Imam Muhammad Bin Saud University in Saudi Arabia and a Higher Diploma from the University of Leicester, UK.

Michael McDonald, Executive Vice President – Protein

Michael McDonald holds the position of Executive Vice President of Protein effective 1 January 2025, prior to which he held the role of Executive Vice President of Poultry. Michael joined Almarai in 2000. During his time at Almarai he has held several positions within the Almarai Farming and Poultry divisions. He holds a Higher National Diploma from Greenmount Agricultural College, a Postgraduate Certificate in Food Safety and Security from Queens University Belfast as well as an MBA from Liverpool University, UK.

Mohammed Alshuhail, Executive Vice President – Food Service

Mohammed Alshuhail is the Executive Vice President of Food Service and manages Almarai's portfolio within B2B operations (HoReCA). Mohammed joined the Company as Chief Executive Officer of the International Pediatric Nutrition Company (IPNC). Prior to this, he worked at Al Safi Danone and Danone Group in the Middle East and Spain, holding several key positions. These included CEO of Al Safi Dairy Company, where he built a sustainable B2B business model, and Executive Vice President of Human Resources at Alsafi Danone Company as well as Head of Export where he developed the company's portfolio and opened new international markets and managed different brands in the Marketing department. In addition, he was the Innovation Manager at Danone Dairy Company in Spain. Mohammed was awarded an Executive MBA from London Business School (LBS), UK, and holds a B.Sc. in Marketing from King Fahad University of Petroleum and Minerals (KFUPM).

Niall Mackay, Executive Vice President – Supply Chain and Logistics

Niall Mackay is the Executive Vice President of Supply Chain and Logistics for Almarai, a role in which he is responsible for planning, distribution and logistics throughout the Almarai supply chain including all sourcing and purchasing activities. Prior to joining Almarai he held senior operational positions at Pedigree Pet Foods (a part of Mars Inc.), Coca-Cola Enterprises, British Bakeries (part of Rank and Hovis McDougal) and Royal Mail, UK. Niall holds a Master's degree in Chemical Engineering from Imperial College, UK, and an MBA from Henley Management College, UK.

Nikolaos Stavridis, Executive Vice President – Sales

Nikolaos Stavridis is the Executive Vice President of Sales for Almarai and is responsible for the overall sales function. Nikolaos has extensive sales experience in FMCG. Prior to joining Almarai, he held various executive positions, such as Key Account Manager at Pepsico (Greece), Sales Director at Danone (Greece and Cyprus), Commercial Director at Global Finance Group (Greece, Romania, Bulgaria, Spain and Cyprus), COO - Board member at Group Linette (North and East Africa), General Manager at Almarai and Vice President and Board member at Olayan Group (GCC and Africa). Nikolaos holds a Master's degree in Corporate Finance from the University of Indianapolis, USA and a Master's degree in Business Administration and Strategy from the University of Nottingham, UK.

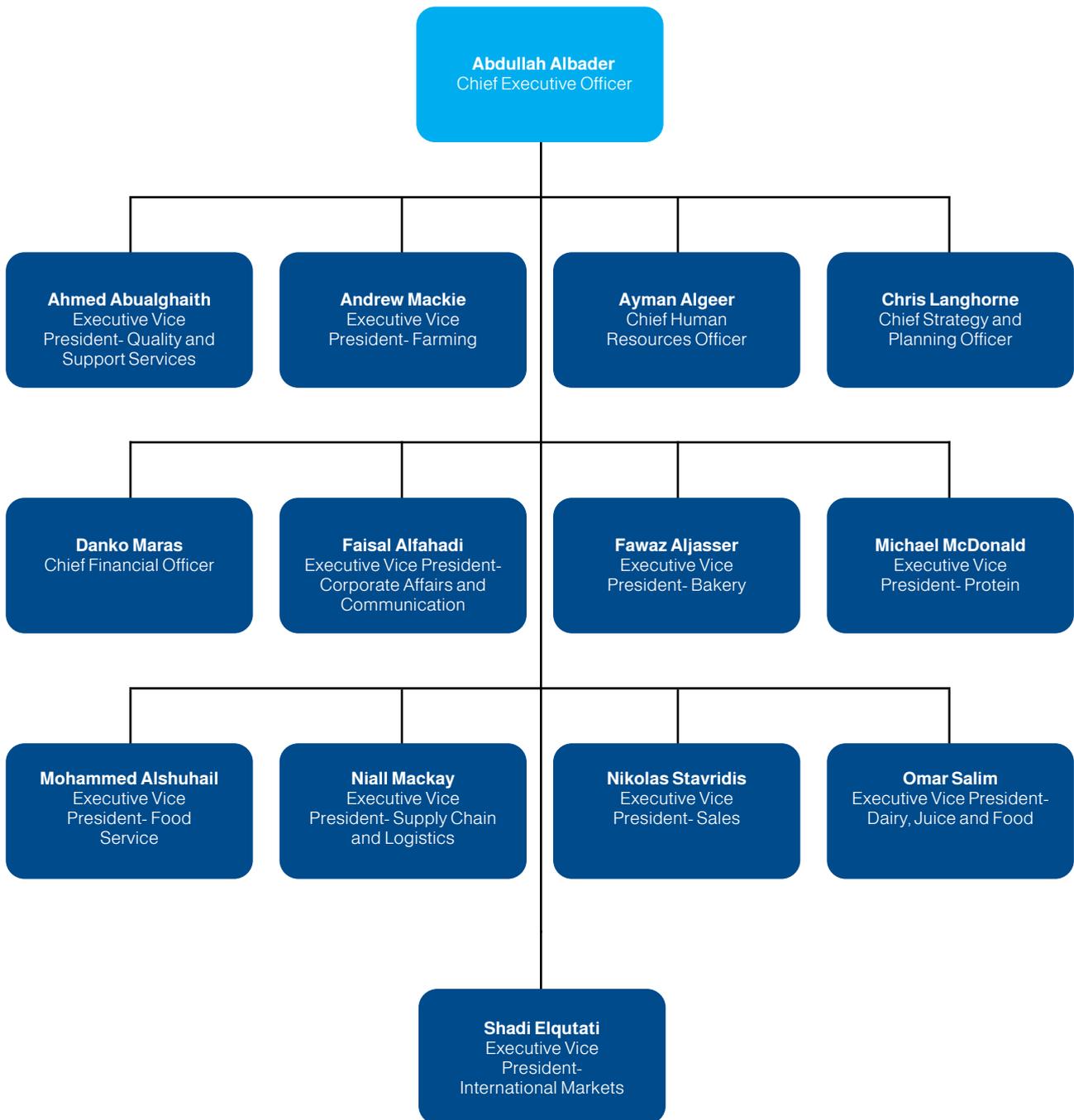
Omar Salim, Executive Vice President – Dairy, Juice and Food

Omar Salim is the Executive Vice President for Dairy, Juice and Food, a role in which he is responsible for all Dairy and Juice business units in the Company. Prior to joining Almarai, he worked for Mars Inc. as Director of Marketing for the Africa, India and Middle East regions and he also worked for Procter & Gamble across many regions in its Research and Development team. When he first joined Almarai he was appointed to the position of General Marketing Manager. Omar holds a Master's degree in Industrial Engineering from the University of Oklahoma, USA.

Shadi Elqutati, Executive Vice President – International Markets

Shadi Elqutati is the Executive Vice President of the International Markets Unit at Almarai. Shadi joined the Company as CEO for Teeba in Jordan in 2018 and prior to this, he worked for Nestle KSA as General Manager for Infants Nutrition. Shadi has 21 years of experience in well-known pharmaceutical companies like Merck, AstraZeneca and Janssen Inc. which includes different fields like sales and marketing in which he held several key positions. Shadi holds an MBA degree from New York Institute of Technology University, USA and a Bachelor's degree in Pharmaceutics from Applied Science University, Jordan.

Almarai Organizational Chart



Tadawul Announcements

Almarai announced a number of events and strategic activities throughout the year. The most important events, activities and strategic decisions were announced on the official website of the Saudi Stock Exchange (Tadawul), Almarai's corporate website and on Almarai's Investor Relations application. In total, 14 announcements were made to shareholders. The following table summarizes the announcements by date, type and subject.

No.	Date	Announcement Type	Title of Announcement
1	21 January 2024	Financial Results	Almarai Company announces its Consolidated Financial Results for the year ended on 31 December 2023 (12 months)
2	6 March 2024	Notice to Shareholders	Almarai Company announces the full redemption of its USD 500 million Reg S Sukuk – Series I
3	12 March 2024	Invitation to EGM	The Board of Directors of Almarai Company invites its shareholders to the Extraordinary General Assembly Meeting (the first meeting) by means of modern technology
4	18 March 2024	Notice to Shareholders	Almarai Board of Directors approves a strategic plan for the next five years, with investment spending exceeding ﷻ 18 billion
5	28 March 2024	Invitation to EGM	Almarai Company announces to its shareholders the starting date of the electronic voting on the agenda items of the Extraordinary General Assembly Meeting (the first meeting)
6	3 April 2024	Notice to Shareholders	Almarai Company announces the results of the Extraordinary General Assembly Meeting (the first meeting)
7	21 April 2024	Financial Results	Almarai Company announces its Interim Condensed Consolidated Financial Results for the period ending on 31 March 2024 (three months)
8	19 May 2024	Notice to Shareholders	Almarai Company announces the completion of the acquisition of Etmam Logistics
9	23 June 2024	Notice to Shareholders	Almarai Company announces the resignation of a member of the Audit Committee
10	7 July 2024	Financial Results	Almarai Company announces its Interim Condensed Consolidated Financial Results for the period ending on 30 June 2024 (six months)
11	9 September 2024	Notice to Shareholders	Almarai Company announces the appointment of a member of the Audit Committee
12	6 October 2024	Financial Results	Almarai Company announces its Interim Condensed Consolidated Financial Results for the period ending on 30 September 2024 (nine months)
13	7 October 2024	Notice to Shareholders	Almarai Company announces the signing of an acquisition agreement for the shares of Hammoudeh Food Industries
14	19 December 2024	Notice to Shareholders	Almarai Company announces the Board of Directors' recommendation to distribute dividends to shareholders for the year 2024

Almarai and its Subsidiaries

Almarai operates its business through a variety of subsidiaries, joint ventures, associates and agency relationships. The Company maintains long term investments and exerts effective control through its full capacity to lead and direct economic performance, financial policies and operational processes. Almarai consolidates its financial operations and results as one business unit, issuing Consolidated Financial Statements after elimination of all significant intergroup balances and

Name of Subsidiary	Country of Incorporation	Business Activity
Almarai Investment Company Limited	Saudi Arabia	Holding Company
Almarai Baby Food Company Limited	Saudi Arabia	Manufacturing Company
Almarai Construction Company Limited	Saudi Arabia	Dormant
Agricultural Input Company Limited (Mudkhalat)	Saudi Arabia	Dormant
Hail Agricultural Development Company	Saudi Arabia	Poultry / Agricultural Company
International Baking Services Company Limited	Saudi Arabia	Trading Company
International Pediatric Nutrition Company Limited	Saudi Arabia	Trading Company
Modern Food Industries Company Limited	Saudi Arabia	Bakery Company
Western Bakeries Company Limited	Saudi Arabia	Bakery Company
Pure Breed Poultry Company Limited	Saudi Arabia	Poultry Company
Premier Food Industries Company L.L.C	Saudi Arabia	Manufacturing and Trading Company
Artas United Limited Company	Saudi Arabia	Transportation and Storage Company
Almarai for Meat LLC	Saudi Arabia	Meat Company
Etmam Logistics Maintenance and Operation Company	Saudi Arabia	Warehouse Facilities
Agro Terra S.A.	Argentina	Dormant
Fondomonte South America S.A.	Argentina	Agricultural Company
Almarai Company Bahrain W.L.L.	Bahrain	Trading Company
Almarai Investment Holding Company W.L.L.	Bahrain	Holding Company
Bakemart W.L.L.	Bahrain	Manufacturing and Trading Company
IDJ Bahrain Holding Company W.L.L.	Bahrain	Holding Company
International Dairy and Juice Limited	Bermuda	Holding Company
International Dairy and Juice (Egypt) Limited	Egypt	Holding Company
International Company for Agricultural Industries Projects (Beyti) (SAE)	Egypt	Manufacturing and Trading Company
Beyti For Importation and Exportation Company L.L.C.	Egypt	Trading Company
BDC Info Private Limited	India	Operations Management
Markley Holdings Limited	Jersey	Dormant
Al Muthedoon for Dairy Production	Jordan	Dormant
Al Atheer Agricultural Company	Jordan	Dormant
Al Namouthiya for Plastic Production	Jordan	Dormant
Al Rawabi for juice and UHT milk Manufacturing	Jordan	Manufacturing Company
Teeba Investment for Developed Food Processing	Jordan	Manufacturing Company
Arabian Planets for Trading and Marketing L.L.C.	Oman	Trading Company
Alyoum for Food Products Company L.L.C.	Oman	Dormant
Fondomonte Inversiones S.L.	Spain	Holding Company
Hail Development Company Limited	Sudan	Dormant
Almarai Emirates Company L.L.C.	UAE	Trading Company
BDC international L.L.C.	UAE	Operations Management
Almarai Company Drinks Manufacturing LLC	UAE	Manufacturing Company
Bakemart L.L.C	UAE	Manufacturing and Trading Company
Bakemart FZ L.L.C	UAE	Manufacturing and Trading Company
Fondomonte Holding North America L.L.C.	USA	Holding Company
Fondomonte Arizona L.L.C.	USA	Agricultural Company
Fondomonte California L.L.C.	USA	Agricultural Company
Hayday Farm Operation L.L.C.	USA	Agricultural Company

transactions. Minority interests represent the portion of profit or loss, and net assets not dominated or controlled by the Group and are presented separately in the consolidated income statement and balance sheet. The following table sets out the subsidiary companies' names, business activity, functional currency, ownership interest, share capital and number of shares issued. There are no shares or debt instruments issued to any of these entities.

	Effective Ownership Interest		Share Capital	Number of Shares Issued
	2024	2023		
	100%	100%	₹ 1,000,000	1,000
	100%	100%	₹ 200,000,000	1,000
	100%	100%	₹ 1,000,000	1,000
	52%	52%	₹ 25,000,000	250
	100%	100%	₹ 300,000,000	10
	100%	100%	₹ 500,000	500
	100%	100%	₹ 41,000,000	410,000
	100%	100%	₹ 70,000,000	70,000
	100%	100%	₹ 200,000,000	1,000
	100%	94%	₹ 46,500,000	465,000
	100%	100%	₹ 500,000	10
	100%	100%	₹ 10,000	100
	100%	100%	₹ 1,000,000	10
	100%	-	₹ 10,000	1,000
	100%	100%	ARS 33,210,000	33,210,000
	100%	100%	ARS 8,550,769,407	8,550,769,407
	100%	100%	BHD 100,000	1,000
	100%	100%	BHD 34,450,000	344,500
	100%	100%	BHD 30,000	600
	100%	100%	BHD 250,000	2,500
	100%	100%	USD 7,583,334	7,583,334
	100%	100%	EGP 3,233,750,000	323,375,000
	100%	100%	EGP 4,049,666,670	404,966,667
	100%	100%	EGP 2,000,000	2,000
	100%	100%	INR 2,750,680	275,068
	100%	100%	GBP 5,769,822	5,769,822
	100%	100%	JOD 500,000	500,000
	100%	100%	JOD 750,000	750,000
	100%	100%	JOD 250,000	250,000
	100%	100%	JOD 500,000	500,000
	100%	100%	JOD 21,935,363	21,935,363
	70%	70%	OMR 150,000	150,000
	100%	100%	OMR 20,000	20,000
	100%	100%	EUR 24,964,708	24,964,708
	100%	100%	SDG 100,000	100
	100%	100%	AED 300,000	300
	100%	100%	AED 200,000	200
	100%	100%	AED 250,000 (Unpaid)	100
	100%	100%	AED 300,000	300
	100%	100%	AED 300,000	300
	100%	100%	USD 500,000	50,000
	100%	100%	USD 500,000	50,000
	100%	100%	-	-
	100%	100%	-	-

Share Price and Shareholder Information

Almarai shareholdings

As of 31 December 2024, Almarai had 110,429 shareholders. Institutional investors represent 86.8% of the total share ownership, while individual investors represent 13.2%. There

are 73 shareholders owning one million or more shares in Almarai, representing 80.9% of the issued shares. The following tables provide an overview of Almarai's investors.

31 December 2024			
Almarai Investors according to Nature of Investors	Percentage of Ownership	Number of Investors	Number of Shares
Institutional investors	86.8%	1,062	867,799,529
Individual investors	13.2%	109,367	132,200,471
Total	100%	110,429	1,000,000,000

31 December 2024			
Almarai Investors according to Nationality	Percentage of Ownership	Number of Investors	Number of Shares
Saudi	86.8%	105,336	868,080,639
Other nationalities	13.2%	5,093	131,919,361
Total	100%	110,429	1,000,000,000

31 December 2024			
Almarai Investors according to Investor Type	Percentage of Ownership	Number of Investors	Number of Shares
Sultan Holding Group	23.7%	1	
Saudi Agricultural and Livestock Investment Company (SALIC)	16.3%	1	
Governmental and quasi-governmental institutions	5.6%	27	
Other individuals	13.2%	109,367	
Funds	19.6%	763	
Companies	21.5%	256	
Swap agreements	0.1%	14	
Total	100%	110,429	

31 December 2024			
Almarai Investors according to Size of Ownership	Percentage of Ownership	Number of Investors	Number of Shares
A million shares and more	80.9%	73	
From 500,000 to less than a million	3.6%	48	
From 100,000 to less than 500,000	6.6%	298	
From 50,000 to less than 100,000	1.9%	277	
From 10,000 to less than 50,000	2.9%	1,330	
From 5,000 to less than 10,000	0.8%	1,194	
From 1,000 to less than 5,000	1.8%	9,919	
Less than 1,000 shares	1.5%	97,290	
Total	100%	110,429	

Ownership notification

According to Article 68 of the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority (CMA), during 2024, Almarai received no new

notifications of new ownership percentages of more than 5% of the shares issued to the Company. The following table outlines ownership of 5% or more of the issued shares.

Ownership of 5% and more of the Issued Shares	Beginning of the Year		End of the Year	
	Number of Shares	Percentage of Ownership	Number of Shares	Percentage of Ownership
Sultan Holding Group	236,956,536	23.7%	236,956,536	23.7%
Saudi Agricultural and Livestock Investment Company (SALIC)	163,233,480	16.3%	163,233,480	16.3%
Total	400,190,016	40%	400,190,016	40%

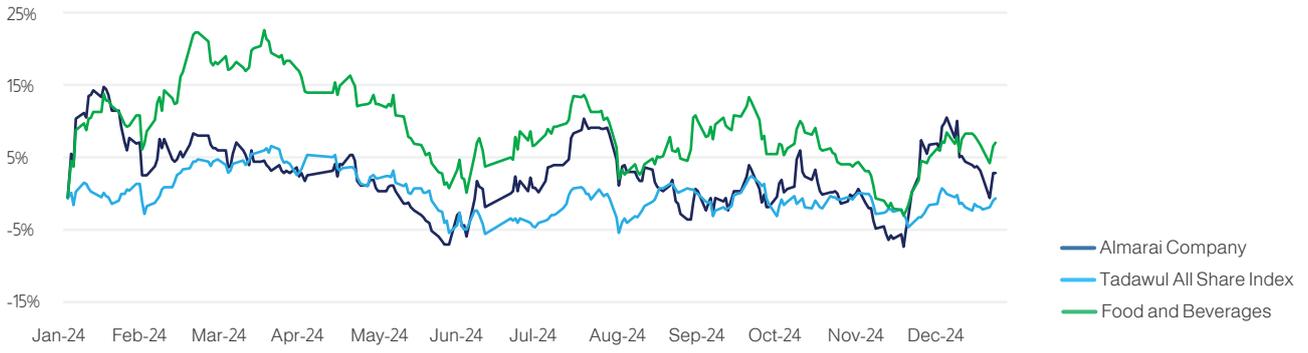
Number of Company Requests for Shareholders Records	Date of Request	Reason for the Request
1	3 January 2024	Periodic Reports
2	5 February 2024	Periodic Reports
3	4 March 2024	Periodic Reports
4	2 April 2024	Periodic Reports
5	4 April 2024	Dividend Entitlement
6	2 May 2024	Periodic Reports
7	3 June 2024	Periodic Reports
8	2 July 2024	Periodic Reports
9	4 August 2024	Periodic Reports
10	2 September 2024	Periodic Reports
11	2 October 2024	Periodic Reports
12	4 November 2024	Periodic Reports
13	4 December 2024	Periodic Reports
14	23 December 2024	Periodic Reports
15	28 December 2024	Periodic Reports
16	31 December 2024	Periodic Reports

Share data performance (ﷲ)

Almarai Share Information	
Listing date	2005
Exchange	Saudi Stock (Tadawul)
Symbol	2280
ISIN	SA000A0ETH1
Number of shares issued	1,000,000,000
Market cap as of 31 December 2024	ﷲ million 57,200
	USD million 15,250

Share Price 31 December 2024	Share Price One Year Ago	Share Price Three Years Ago	52-week High	52-week Low	Change from 2023-2024
57.20	55.80	48.75	63.20	52.10	2.5%

Share price performance during the year of 2024



Main Transactions, Investments and Other Events

Almarai sets forth transformational five-year investment strategy to strengthen its market leadership

On 18 March 2024, Almarai's Board of Directors approved a comprehensive five-year strategic plan, concluding in December 2028. The plan is designed to foster sustainable growth, maximize sales, and improve financial performance across all business segments. It prioritizes critical enablers, including supply chain optimization, brand enhancement, innovation, sustainability, operational efficiency, technological advancement, and human capital development, to ensure its successful execution.

The strategic plan involves an ambitious investment exceeding ₪ 18 billion, earmarked for various initiatives, many of which are already in progress. Approximately ₪ 7 billion will be allocated to expanding poultry operations, ₪ 5 billion to strengthen core product categories (Dairy, Juice and Bakery), ₪ 1 billion to entering new high-potential food segments, and ₪ 4 billion to improving supply chain and sales capabilities to support local and regional growth. Furthermore, ₪ 1 billion will be directed toward accelerating technological innovation, reflecting Almarai's commitment to driving progress. These investments will be financed entirely through the company's operational cash flows over the next five years.

The Board of Directors is confident in achieving these ambitious objectives, supported by well-defined strategies and actionable plans aimed at reinforcing the company's strategic pillars. The Board remains dedicated to mobilizing all necessary resources to ensure the plan's success.

Aligned with Saudi Arabia's Vision 2030, this strategic roadmap and its investment program reflect Almarai's belief in the food industry's crucial role in advancing food security across the Kingdom and the region while creating long term value for shareholders.

Since its founding in 1977, Almarai has consistently delivered on its promise of producing high-quality products that not only meet but exceed consumer expectations, ensuring its continued position as the preferred choice in its target markets.

Acquisitions

Etmam Logistics

Following the announcement made on 5 December 2023, Almarai Company confirmed the successful completion of its acquisition of Etmam Logistics on 19 May 2024, for a total consideration of ₪ 182 million.

This strategic acquisition strengthens Almarai's ability to serve its customers across Saudi Arabia with an expanded portfolio of frozen products. It bolsters the Company's Foodservice capabilities by enabling a wide range of product offerings, accelerating growth in the Poultry segment, and supporting the future expansion of its ice cream, Bakery and other frozen categories.

Hammoudeh Food Industries (Jordan)

On 7 October 2024, Almarai Company announced the signing of an agreement to acquire 100% ownership of Hammoudeh Food Industries through its subsidiary, Teeba Investment for Developed Food Processing Company. The total value of the transaction is ₪ 263 million, subject to potential adjustments. Hammoudeh Food Industries is a prominent dairy and cheese producer with over five decades of established presence in the Jordanian market.

This acquisition strengthens Almarai's foothold in Jordan and aligns with its overarching growth strategy unveiled earlier in 2024, aimed at achieving sustainable growth in core markets and regions. By integrating Hammoudeh Food Industries into its operations, Almarai aims to enhance its regional customer service, expand its product offerings and optimize efficiencies in Jordan to support increased sales and profitability.

The deal will be funded through Almarai's internal cash resources. Completion of the transaction is contingent upon meeting certain contractual requirements and securing necessary regulatory approvals in Jordan.

Important Events in 2025

Dates	Subject of Announcement*
13 April 2025	The Extraordinary General Assembly Meeting will be held to approve amendments to Almarai's Bylaws, The Board of Director's Report and the Financial Statements for 2024, as well as other subjects
16 April – 1 May 2025**	Maturity and distribution of profits to shareholders for the financial year 2024
20 April – 1 May 2025	Announcement of the Interim Consolidated Financial Results for Q1 2025
6 - 20 July 2025	Announcement of the Interim Consolidated Financial Results for Q2 2025
22 July 2025	Ordinary General Assembly Meeting for the nomination of the Board of Directors
5 - 19 October 2025	Announcement of the Interim Consolidated Financial Results for Q3 2025

*Announcement dates for Financial Results are preliminary and subject to change

** Dividends distribution date is preliminary and subject to change

Preparation of the Financial Statements

The Condensed Consolidated Interim Financial Statements are issued with a review report and the Annual Consolidated Financial Statements are issued with an audit report by the Independent Auditors. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). As part of this requirement, the Group has prepared Condensed Consolidated Interim Financial Statements for each quarter of 2024 and Annual Consolidated Financial Statements for the year ended 31 December 2024 in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA. KPMG Professional Services (KPMG) was appointed as Almarai's Independent Auditors after the Audit Committee recommended KPMG

to the Board of Directors to audit the Company's accounts for the fiscal years 2023, 2024, 2025 and Q1 2026. The Board of Directors requested the approval of the nomination of KPMG and its fees during the General Assembly Meeting in April 2024, at which time the appointment was approved. After auditing the Consolidated Financial Statements for the year ended 31 December 2024, KPMG issued its unqualified Independent Auditors' Report expressing their opinion that the Consolidated Financial Statements as a whole present fairly, in all material respects, the consolidated financial position of Almarai Company and its subsidiaries as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the SOCPA.

Dividend Policy

As per Article 48 of Almarai's Bylaws, after deducting all general expenses and other costs, the Company's annual net profits shall be allocated as follows:

- The Ordinary General Assembly may, upon the recommendation of the Board of Directors, allocate a specific percentage of the net profits to create a voluntary reserve to be allocated to the determined objective or objectives allocated for specific purposes.
- The Ordinary General Assembly, upon determining the dividend, may resolve to form other reserves, to the extent that the same is in the interests of the Company or will ensure the distribution of fixed profits so far as possible among the shareholders. The said Assembly may likewise deduct from the net profit amounts to establish social organizations for the Company's workers or to assist any such organizations already in existence.
- Out of the balance of the net profits a payment of not less than 5% of the paid-up capital shall be distributed to shareholders.
- Subject to the provisions laid down in Article 21 of these Bylaws, and Article 76 of the Companies Law, a percentage not more than 5% of the remaining balance, if any, shall be allocated as remuneration to Members of the Board of Directors, provided that the entitlement to such remuneration shall be proportionate to the number of sessions attended by a Member.
- The Company, after complying with the regulations laid down by the competent authorities, may distribute semi-annual and quarterly dividends. As per Article 48 of Almarai's Bylaws, profits distributed to shareholders are paid at the location and time determined by

the Board of Directors in compliance with CMA regulations. Almarai has achieved a 51.8% payout ratio for the five-year period from 2019-2023. Even though Almarai expects, as per its current distribution practice, to distribute annual cash dividends, there are no guarantees for the distribution of dividends on an ongoing basis. There are no guarantees for the value and percentage of dividends each year. Cash dividends are approved or recommended according to factors including profits achieved, cash flows, new capital investments and prospects of outgoing funds, taking into account the importance of maintaining a strong financial policy to meet any emergency events. The Board of Directors strives to maintain consistency of cash flow each year by reducing the impact of any change in free cash flow that may be attributed to the achievement of profits or losses in specific financial years, while maintaining a medium term target distribution rate of dividend ratio. Almarai has distributed to its shareholders approximately ٢١,٠٠٩ million since it was listed on Tadawul, in the form of cash dividends and bonus shares. Cash dividends amounted to approximately ١١,٩٠٩ million, representing 56.7% of total dividends and bonus shares, while bonus shares from a capital increase reached ٩,١٠٠ million. This excludes the capital increase resulting from the acquisition of Western Bakeries and International Bakeries Services at a nominal value of ٩٠ million and the 100% acquisition of Hail Agricultural Development Company (HADCO) at a nominal value of ٦٠ million.

Dividends paid compared to net income attributed to shareholders of the Company

Year	Net Income (¥ million)	Dividend (¥ million)	Percentage	Capital (¥ million)	Amount (¥)
2005	386.1	-	-	75	-
2006	464.7	200.0	43.0%	100	2
2007	667.3	272.5	40.8%	109	2.5
2008	910.3	381.5	41.9%	109	3.5
2009	1,096.7	460.0	41.9%	115	4
2010	1,285.4	517.5	40.3%	230	2.25
2011	1,139.5	517.5	45.4%	230	2.25
2012	1,440.6	500.0	34.7%	400	1.25
2013	1,502.2	600.0	39.9%	600	1
2014	1,674.3	600.0	35.8%	600	1
2015	1,915.7	690.0	36.0%	600	1.15
2016	2,080.5	720.0	34.6%	800	0.9
2017	2,182.2	750.0	34.0%	1,000	0.75
2018	2,008.8	850.0	42.3%	1,000	0.85
2019	1,811.8	850.0	46.9%	1,000	0.85
2020	1,984.4	1,000.0	50.4%	1,000	1
2021	1,563.5	1,000.0	64.0%	1,000	1
2022	1,759.8	1,000.0	56.8%	1,000	1
2023	2,049.1	1,000.0	48.8%	1,000	1
Total	27,922.9	11,909.00	42.6%	-	-

Dividends dates

Year	Announcement Date	Due Date	Distribution Date	Distribution Method	Amount (¥)
2006	21-Jan-07	27-Mar-07	10-Apr-07	Account transfer	2
2007	21-Jan-08	24-Mar-08	7-Apr-08	Account transfer	2.5
2008	19-Jan-09	23-Mar-09	7-Apr-09	Account transfer	3.5
2009	20-Jan-10	11-Apr-10	26-Apr-10	Account transfer	4
2010	6-Dec-10	3-Apr-11	11-Apr-11	Account transfer	2.25
2011	7-Dec-11	2-Apr-12	11-Apr-12	Account transfer	2.25
2012	19-Jan-13	2-Apr-13	10-Apr-13	Account transfer	1.25
2013	29-Dec-13	2-Apr-14	9-Apr-14	Account transfer	1
2014	28-Dec-14	5-Apr-15	12-Apr-15	Account transfer	1
2015	14-Dec-15	3-Apr-16	12-Apr-16	Account transfer	1.15
2016	6-Dec-16	26-Mar-17	4-Apr-17	Account transfer	0.9
2017	11-Dec-17	9-Apr-18	17-Apr-18	Account transfer	0.75
2018	10-Dec-18	7-Apr-19	15-Apr-19	Account transfer	0.85
2019	9-Dec-19	5-Apr-20	13-Apr-20	Account transfer	0.85
2020	15-Dec-20	13-Apr-21	21-Apr-21	Account transfer	1
2021	15-Dec-21	12-Apr-22	20-Apr-22	Account transfer	1
2022	20-Dec-22	11-Apr-23	17-Apr-23	Account transfer	1
2023	20-Dec-23	2-Apr-24	16-Apr-24	Account transfer	1
2024*	19-Dec-24	As per EGM approval	As per EGM approval	Account transfer	1

*2024 is recommended to the Board of Directors for EGM approval and is subject to change

Distribution in the form of granting bonus shares

Year	Share Capital (ﷲ million)	Nominal Value of Bonus (ﷲ million)	Share Capital after Bonus (ﷲ million)	Percentage	Notes
2005	750	250	1,000	33.3%	One bonus share for every three outstanding shares
2010	1,150	1,150	2,300	100.0%	One bonus share for every one outstanding share
2012	2,300	1,700	4,000	73.9%	One bonus share for every 1.353 outstanding shares
2013	4,000	2,000	6,000	50.0%	One bonus share for every two outstanding shares
2016	6,000	2,000	8,000	33.3%	One bonus share for every three outstanding shares
2017	8,000	2,000	10,000	25.0%	One Bonus share for every four outstanding shares
Total		9,100.00			

Dates of bonus shares and other capital changes

Year	Announcement Date	Issue Type	Due Date	Previous Capital (ﷲ million)	New Capital (ﷲ million)
2005	18-Oct-05	Bonus shares	25-Dec-05	750	1,000
2007	19-Feb-07	Acquisition (WB and IBS)	27-Mar-07	1,000	1,090
2009	9-May-09	Acquisition (HADCO)	7-Oct-09	1,090	1,150
2010	5-Oct-10	Bonus shares	5-Dec-10	1,150	2,300
2012	7-Dec-11	Bonus shares	2-Apr-12	2,300	4,000
2013	29-May-13	Bonus shares	9-Sep-13	4,000	6,000
2016	14-Dec-15	Bonus shares	3-Apr-16	6,000	8,000
2017	8-Jun-17	Bonus Shares	8-Oct-17	8,000	10,000

Statutory Payments, Penalties and Sanctions

Statutory amounts recorded during 2024

Almarai is committed to paying certain fees and expenses to Saudi Government departments as per applicable terms and regulations. These inherent expenses are recorded in

the Financial Statements of the Company's operations. The following table details statutory charges in 2024 and 2023, with a brief description and related reason.

Statutory Organization	Description	Reason	2024 (S million)	2023 (S million)
Saudi Customs	Amounts paid or charged as customs fees on imports and port charges	Government requirement	103	94
General Authority of Zakat and Income Tax	Amounts paid as Zakat, WHT, Income Tax and VAT expenses according to the various laws	Government requirement	1,353	1,254
General Organization for Social Insurance	Amounts paid or charged as social insurance expenses, in accordance with Saudi Labour Law	Government requirement	120	105
Other Statutory Organizations	Amounts paid or charged according to various other laws	Other government requirements	285	279
Total			1,861	1,732

Penalties and sanctions

Almarai was not charged any penalties or sanctions during 2024 by any supervisory, regulatory or judicial unit.

Corporate Governance Code

The purpose of these rules is to set out Almarai's approach to corporate governance. Almarai is committed to maintaining high standards of corporate governance and considers good corporate governance an essential tool for maximizing long term shareholder value and is consistent with its commitment to quality in all its processes and products. The Company's Corporate Governance Rules are mandatory for all Directors and staff of Almarai and can only be amended by a resolution of the Board of Directors. Corporate governance is defined as "the system by which business corporations are directed and controlled". The corporate governance structure specifies the distribution of authority and responsibilities among different participants in the Company, such as the Board of Directors, Managers, shareholders and others, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the Company's objectives are set and the means of attaining those objectives and monitoring performance. The Board of Directors is responsible for Almarai's Corporate Governance Rules. The shareholders' role in governance is to appoint the Directors, Audit Committee and Independent Auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The Board's actions are subject to laws, regulations and accountability to the shareholders at the General Assembly Meeting. Almarai's Corporate Governance Rules have been

prepared according to international principles of corporate governance and local regulatory requirements, particularly the Capital Market Authority (CMA). It should be viewed as setting the framework of requirements for corporate governance within the Company. It should not be seen as a substitute for sound judgment and honorable arms' length dealings by Directors and Officers of the Company and should be viewed within the context of the broader legislative framework of Saudi Arabia. In particular, the stipulations of the following, the requirements of which have not all been incorporated in these rules, need to be borne in mind when considering corporate governance issues:

- The requirements of the CMA and of Tadawul
- The Companies Law of Saudi Arabia and associated ministerial directives of the Ministry of Commerce and Ministry Investment
- Almarai's Bylaws
- The Board establishes governance rules for the Company in accordance with the provisions of these regulations, and monitors their implementation, verifies their effectiveness and amends them as necessary

Rights of Shareholders and the General Assembly

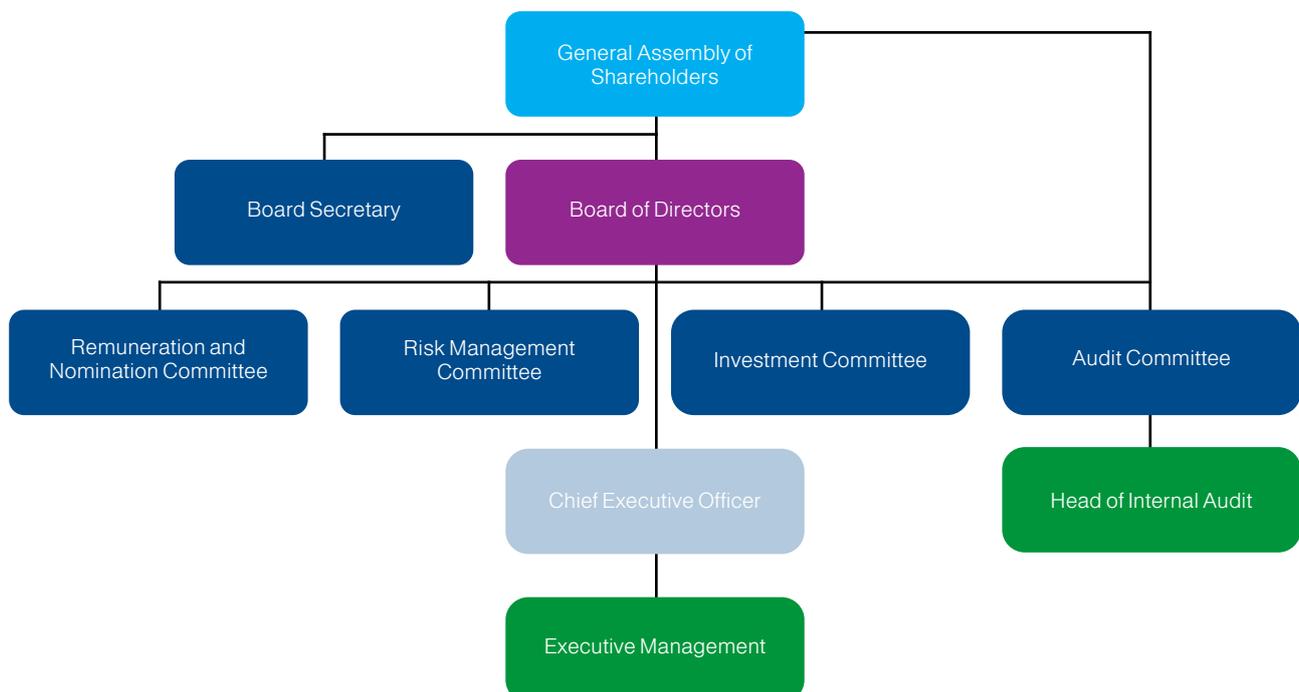
Almarai's Bylaws and Corporate Governance Rules ensure that shareholders enjoy all rights related to shares, in particular, the right to receive a share of approved dividend payments, the right to receive a share of the Company's assets upon liquidation, the right to attend General Assembly Meetings and participate in their deliberations and voting, the right to dispose of shares, the right to oversee the work of the Board of Directors and file responsibility litigation against Board members and the right to inquire and request information that does not compromise the interests of the Company and does not conflict with the terms and executive regulations of the CMA. Almarai allows maximum participation by shareholders at General Assembly Meetings and is keen to ensure that the choice of time and venue enables full participation. The Company has adopted an electronic voting system to make it easier for shareholders to exercise their right of voting if they are unable to attend in person. Almarai's Bylaws and Corporate Governance Rules also contain provisions related to the General Assembly, including procedures and precautions necessary to ensure that all shareholders are exercising their regular rights. The General Assembly is the highest power in the Company, with sole authorities including:

The appointment and termination of Board members, approval of the Consolidated Financial Statements,

appointment of the Audit Committee and the external Auditor and determination of his fees, approval of the regulation for the Audit Committee including its procedures, duties and rules for selecting its members, the means of their nomination, the term of their membership, their remunerations, and the mechanism of appointing temporary members in case a seat on the Committee becomes vacant, approval of the regulation for the Remuneration and Nomination Committee including its procedure, duties and rules for selecting its members, the term of their membership and their remunerations, approval of dividend distribution as recommended by the Board of Directors, increase or decrease of the capital of the Company and amendment of the Bylaws. Almarai provides sufficient access for its shareholders to read the minutes of the General Assembly Meeting and provides the CMA with a copy of the minutes within 10 days of the meeting.

Shareholder concerns that have a significant gravity are elevated through the appropriate channels to the Board of Directors for consideration and action. If necessary, these concerns would be raised to the Board Secretary. Any material concerns that could potentially impact the Company or its financial position and which are available in all means of media, newspaper, Almarai website or announcement via Tadawul will be communicated to the Board of Directors.

Corporate Governance structure



Board of Directors Formation and Functions

Almarai's Bylaws provide for a Board of Directors (comprising nine members). The rules regarding the appointment, resignation, term of office, powers, remuneration and the principal requirements are summarized below. The Board of Directors is the supreme management body within the Company and is appointed by the shareholders at the General Assembly in order to represent and protect the Company's interests. The Board is responsible for leading and controlling the Company and discharges this responsibility by approving the implementation of Company strategies and objectives. The Board empowers the management of the Company to run the business within defined parameters and monitors the performance of the Company. While the Board delegates authority to the Company's management, under the direction of the Chief Executive Officer, to attend to the routine running of the business, the Board retains ultimate fiduciary responsibility to shareholders to ensure the proper operation of the Company. The Board is appointed by the shareholders with the primary responsibility for operating the Company in their long term best interests. The Board also has a responsibility to provide clear directions and boundaries for the Company's Executive Management to operate within. This involves setting out a clear vision and strategy for the Company and defining the delegations that will be allowed to management and the policies and boundaries within which they are permitted to operate. This process is achieved by:

- a). Approving the strategic plans and main objectives of the Company and supervising their implementation. This includes:
 - Laying down a comprehensive strategy for the Company, the main work plans and policy related to risk management and reviewing and updating such policy
 - Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets
 - Supervising the main capital expenses of the Company and acquisition/disposal of assets
 - Deciding the performance objectives to be achieved, supervising the implementation thereof and overseeing the overall performance of the Company
- b). Laying down rules for internal control systems and supervising those systems. This includes:
 - Reviewing and approving the organizational and functional structures of the Company on a periodic basis
 - Developing a written policy to regulate conflicts of interest and remedy any possible cases of conflict by members of the Board of Directors, Executive Management and shareholders. This includes misuse of the Company's assets and facilities and arbitrary disposition resulting from dealings with related parties
 - Ensuring the integrity of financial and accounting procedures including procedures related to the preparation of the financial reports
 - Ensuring the implementation of control procedures appropriate for risk management by forecasting the risks that the Company could encounter and disclosing them transparently
 - Reviewing the effectiveness of internal control systems annually
 - Drafting Corporate Governance Rules for the Company that do not contradict the provisions of existing laws and regulations, supervising and monitoring, in general, the effectiveness of the rules and amending them whenever necessary
 - Laying down specific and explicit policies, standards and procedures for the members of the Board of Directors and implementing them after they have been approved by the General Assembly

c). Outlining a written policy that regulates the relationship with stakeholders with a view to protecting their respective rights. Such a policy must cover the following:

- Mechanisms for indemnifying the stakeholders in the event that their rights are contravened under the law and their respective contracts
- Mechanisms for the settlement of complaints or disputes that might arise between the Company and stakeholders. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of information related to them
- A Code of Conduct for the Company's Executives and employees compatible with proper professional and ethical standards and regulating their relationship with stakeholders

d). The Board of Directors lays down procedures for supervising the following:

- Deciding on policies and procedures to ensure the Company's compliance with laws and regulations

and the Company's obligation to disclose material information to shareholders, creditors and other stakeholders

- Preparing the Financial Statements and the Annual Report on the activities and financial status of the Company for the last financial year including the proposed method for a dividend payment
- Recommending to the General Assembly of shareholders the appointment, dismissal and the remuneration of external Auditors
- Almarai's Corporate Governance Rules stipulate that the Board should include a minimum of one in three Independent Directors. Executives may be Directors upon satisfaction of the relevant legal requirements. Almarai has implemented internal check-and-balance measures for assessing the performance of the Board of Directors and its Committees. These measures include but are not limited to a formal review process involving an evaluation by each Board member on the performance and effectiveness of the Board as a body, and its members individually

Members of the Board of Directors

The following tables include Directors' names, positions, membership status in other joint stock companies and attendance at the Board meetings held during 2024, noting

that these meetings were planned, and the Chairman did not receive any request by two or more of the Board members to hold emergency meetings during 2024.

Member Name	Position	Membership Status	(Listed/Unlisted)	Membership of Joint Stock Companies Inside and Outside of KSA
HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Chairman of the Board	Non-Executive	Listed	Zain Saudi Arabia, Yamamah Cement Co., Arabian Shield Cooperative Insurance Company
			Unlisted	Sultan Holding Group, Dar Al-Sallal Sweets Factory Co Ltd., Dar Al-Sallal Plastic Factories Company, Diplomat Sweets Company, Sabeen Investment, Al-Faraby Petrochemical Company, Tejoury Company, Tarabot Investment & Development
Mr. Sulaiman Bin Abdulkadir Almuhaidib	Vice Chairman	Non-Executive	Listed	Savola Group
			Unlisted	Vision Invest Co., Abdulkadir Al Muhaidib and Sons, RAFAL Real Estate Development Company, Al Muhaidib Holding, Amwal Alajjal, Taj Alawfia, That Alsawari, Tarabot investment & Development
Mr. Ammar Bin Abdulwahid Alkhudairy	Board Member	Independent	Listed	Saudi Pharmaceutical Industries & Medical Appliances Corporation (SPIMACO)
			Unlisted	Saudi Venture Capital Company, SIDF Investment Co, Al Khorayf Group, Sport Clubs Company (Bodymasters), Tob Alfarabi Company, Thara Furture Invetment Company, Dubai Arabian Saudi Contracting Company, Amwal Alkhaleej
Mr. Bader Bin Abdullah Al Issa	Board Member	Non-Executive	Listed	Savola Group, Banque Saudi Fransi, Taiba Investments
			Unlisted	Savola Foods Company, Panda Retail Company, United Sugar Company, Afia International Company, Assila Investment, the IFI exposure
Mr. Hosam Bin Ali Alqurashi	Board Member	Independent	Listed	-
			Unlisted	Saudi Coffee Company, The Madinah Heritage Company, Spinney's Arabia
Mr. Mohammed Bin Mansour Almousa	Board Member	Non-Executive	Listed	Minerva Foods SA – Brazil, Burgerizzr, Abdullah Al-Othaim Markets
			Unlisted	SALIC Ukraine – Ukraine, SALIC Australia – Australia, G3 Global Holding Canada Co
Mr. Salman Bin Abdelmuhsin Alsudeary	Board Member	Independent	Listed	Arabian Shield Cooperative Insurance Company, Jahez
			Unlisted	Tejoury CJSC, Tejoury Company - Foreign Branch Company , Bahrain, Archiving Warehouses (Subsidiary of Tejoury), ISNAD Corp.(Subsidiary of Tejoury), Abdulrahman Al-sudaury Foundation, Tejoury Solutions – UAE Branch
HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Board Member	Non-Executive	Listed	-
			Unlisted	Sultan Holding Group, 30Export, the International Chemical Industries Company, ADDAR Chemicals Company
Mr. Waleed Bin Khalid Fatani	Board Member	Non-Executive	Listed	Herfy Foods Company, Savola Group
			Unlisted	Kinan International Real Estate Development Company Limited, Savola Foods Company, United Sugar Company, Afia International Company, Panda Retail Co., Alkabeer Holding Company, Savola World Est.

Regular Meetings of the Board for 2024

Meetings									
No.	Member Name	Position	First 13-Feb-24	Second 18-Mar-24	Third 03-Jun-24	Fourth 09-Sep-24	Fifth 18-Dec-24	Attendance Rate	Membership Status
1	HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Chairman	Attended	Attended	Attended	Attended	Attended	100%	Non-Executive Director
2	Mr. Sulaiman Bin Abdulkadir Almuheidib	Vice Chairman	Attended	Attended	Attended	Attended	Attended	100%	Non-Executive Director
3	Mr. Ammar Bin Abdulwahid Alkhudairy	Member	Attended	Attended	Attended	Attended	Attended	100%	Independent Director
4	Mr. Bader Bin Abdullah Al Issa	Member	Attended	Attended	Attended	Attended	Attended	100%	Non-Executive Director
5	Mr. Hosam Bin Ali Alqurashi	Member	Attended	Attended	Attended	Attended	Attended	100%	Independent Director
6	Mr. Mohammed Bin Mansour Almousa	Member	Attended	Attended	-	Attended	Attended	80%	Non-Executive Director
7	Mr. Salman Bin Abdeltuhsin Alsudeary	Member	Attended	Attended	Attended	Attended	Attended	100%	Independent Director
8	HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	Attended	Attended	Attended	-	Attended	80%	Non-Executive Director
9	Mr. Waleed Bin Khalid Fatani	Member	Attended	Attended	Attended	Attended	Attended	100%	Non-Executive Director

Shareholders General Assembly Meetings during 2024

No.	Member Name	Position	First Meeting 02-Apr-24	Attendance Rate
1	HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Chairman	Attended	100%
2	Mr. Sulaiman Bin Abdulkadir Almuheidib	Vice Chairman	Attended	100%
3	Mr. Ammar Bin Abdulwahid Alkhudairy	Member	Attended	100%
4	Mr. Bader Bin Abdullah Al Issa	Member	Attended	100%
5	Mr. Hosam Bin Ali Alqurashi	Member	Attended	100%
6	Mr. Mohammed Bin Mansour Almousa	Member	Attended	100%
7	Mr. Salman Bin Abdeltuhsin Alsudeary	Member	Attended	100%
8	HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	Attended	100%
9	Mr. Waleed Bin Khalid Fatani	Member	Attended	100%

Ownership of Board Members

The table below illustrates shares held by members of the Board of Directors and any changes that occurred during 2024. There were no arrangements by which any of the Board members waived any salary or compensation.

		Share Ownership			
Member Name	Note	Opening Balance (January 2024)	Closing Balance (December 2024)	Percentage Change	
1	HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Personal ownership	8,695,651	8,697,659	0.0%
2	Mr. Sulaiman Bin Abdulkadir Almuheidib	Personal ownership	8,695	8,999	3.5%
3	Mr. Ammar Bin Abdulwahid Alkhudairy	-	-	-	-
4	Mr. Bader Bin Abdullah Al Issa	Personal ownership	1,666	2,328	39.7%
5	Mr. Hosam Bin Ali Alqurashi	-	-	-	-
6	Mr. Mohammed Bin Mansour Almousa	-	-	-	-
7	Mr. Salman Bin Abdelmuhsein Alsudeary	-	-	-	-
8	HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	-	-	-	-
9	Mr. Waleed Bin Khalid Fatani	Personal ownership	-	43,753	100%

Ownership of Senior Executives

The following table illustrates Senior Managers, their interests in Almarai shares, as well as any changes that occurred in 2024. None of them have any interest in debt instruments issued by Almarai and there were no arrangements or agreements by which any of the Senior Managers waived any salary or compensation.

Name	Share Ownership		
	Opening Balance (January 2024)	Closing Balance (December 2024)	Percentage Change
Abdullah Albader	260	260	0%
Ahmed Abualghaith	-	-	0%
Andrew Mackie	-	49,000	100%
Ayman Algeer	-	-	0%
Chris Langhorne	-	-	0%
Danko Maras	-	-	0%
Faisal Alfahadi	-	-	0%
Fawaz Aljasser	120,000	140,000	17%
Michael McDonald	1	1	0%
Mohammed Alshuhail	93,488	113,488	21%
Niall Mackay	-	10,000	100%
Nikolaos Stavridis	-	-	0%
Omar Salim	43,500	148,000	240%
Shadi Elqutati	-	10,000	100%

Details of Paid Compensation and Remuneration

Board Remunerations 2024								
Name	Position	Specific Amount *	Fixed Remunerations			Remunerations for Technical, Managerial and Consultative Work	Remunerations of the Chairman, Managing Director or Secretary, if a Member**	Total
			Allowance for Attending Board Meetings	Total Allowance for Attending Committee Meetings	In-kind Benefits			
Non-Executive Directors								
HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Chairman	550,000	15,000	12,000			600,000	1,177,000
Mr. Sulaiman Bin Abdulkadir Almuheidib	Vice Chairman	400,000	15,000	-				415,000
Mr. Bader Bin Abdullah Al Issa	Member	700,000	15,000	18,000				733,000
Mr. Mohammed Bin Mansour Almousa	Member	550,000	12,000	12,000				574,000
HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	550,000	12,000	6,000				568,000
Mr. Waleed Bin Khalid Fatani	Member	550,000	35,000	20,000				605,000
Total		3,300,000	104,000	68,000	-	-	600,000	4,072,000
Independent Directors								
Mr. Ammar Bin Abdulwahid Alkhudairy	Member	700,000	15,000	18,000				733,000
Mr. Hosam Bin Ali Alqurashi	Member	550,000	15,000	6,000				571,000
Mr. Salman Bin Abdelmuhsin Alsudeary	Member	600,000	15,000	15,000				630,000
Sub Total		1,850,000	45,000	39,000	-	-	-	1,934,000
Total		5,150,000	149,000	107,000	-	-	600,000	6,006,000

* This amount includes annual remuneration for membership of the Board of Directors and fixed remunerations for membership of committees

**Subject to EGM approval

Variable Remunerations

Percentage of the Profits	Periodic Remunerations	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares	Total	End-of-service Award	Aggregate Amount	Expenses Allowance
					-		1,177,000	
					-		415,000	
					-		733,000	
					-		574,000	
					-		568,000	
					-		605,000	
-	-	-	-	-	-	-	4,072,000	-
					-		733,000	
					-		571,000	
					-		630,000	
-	-	-	-	-	-	-	1,934,000	-
-	-	-	-	-	-	-	6,006,000	-

Paid to five top Senior Executives 2024 (including CEO and CFO) *

The five top Senior Executives, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), receive a remuneration according to employment contracts signed with them. The following table illustrates details of remuneration and compensation paid to Senior Executives.

Fixed Remunerations				
Remunerations of Top 5 Senior Executives (CEO and CFO Included)	Salaries	Allowances	In-kind Benefits	Total
For 2024 (س.ع)	11,380,000	3,736,082	390,000	15,506,082
For 2023 (س.ع)	8,880,000	2,217,996	390,000	11,487,996

*The Company committed to disclose total remuneration of the Senior Executive Management in accordance with the requirements of Article 93(4-b) of the Corporate Governance Rules. In order to protect the interests of the Company, its shareholders and its employees, and to avoid any damage that may result from the disclosure in details as per job titles and positions, the description of remuneration is not presented pursuant to Appendix (1) Remuneration Schedule of Corporate Governance Rules related to Senior Executives

Committees

Board of Directors

Name	Position	Fixed Remuneration (س.ع)*	Meeting Attendance Allowance (س.ع)	Total (س.ع)
HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Chairman	400,000	15,000	415,000
Mr. Sulaiman Bin Abdulkadir Almuheidib	Vice Chairman	400,000	15,000	415,000
Mr. Ammar Bin Abdulwahid Alkhudairy	Member	400,000	15,000	415,000
Mr. Bader Bin Abdullah Al Issa	Member	400,000	15,000	415,000
Mr. Hosam Bin Ali Alqurashi	Member	400,000	15,000	415,000
Mr. Mohammed Bin Mansour Almousa	Member	400,000	12,000	412,000
Mr. Salman Bin Abdelmuhsin Alsudeary	Member	400,000	15,000	415,000
HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	400,000	12,000	412,000
Mr. Waleed Bin Khalid Fatani	Member	400,000	35,000	435,000
Total		3,600,000	149,000	3,749,000

*Subject to EGM Approval

Variable Remunerations								
Periodic Remunerations	Profits	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares	Total	End of Service Award	Other Benefits	Aggregate Amount
-	-	13,299,750		5,925,549	19,225,299	-	1,801,286	36,532,667
-	-	9,713,750		4,993,497	14,707,247	-	1,399,608	27,594,851

Remuneration and Nomination Committee

Name	Position	Fixed Remuneration (except for the allowance for attending Board meetings) (ﷲ)	Meeting Attendance Allowance (ﷲ)	Total (ﷲ)
Mr. Ammar Bin Abdulwahid Alkhudairy	Chairman	150,000	6,000	156,000
Mr. Bader Bin Abdullah Al Issa	Member	150,000	6,000	156,000
Mr. Hosam Bin Ali Alqurashi	Member	150,000	6,000	156,000
HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	150,000	6,000	156,000
Total		600,000	24,000	624,000

Audit Committee

Name	Position	Fixed Remuneration (except for the allowance for attending Board meetings) (ﷲ)	Meeting Attendance Allowance (ﷲ)	Total (ﷲ)
Mr. Raied Bin Ali Alseif	Chairman	200,000	15,000	215,000
Mr. Abdulrahman Moulay Albizioui**	New Member	80,000	6,000	86,000
Mr. Eid Bin Faleh Al Shamri	Member	200,000	15,000	215,000
Dr. Salah Altaleb	Member	200,000	15,000	215,000
Mr. Salman Bin Abdelmuhsin Alsudeary	Member	200,000	15,000	215,000
Mr. Sulaiman Bin Naser Alhatlan*	Former Member	80,000	6,000	86,000
Total		960,000	72,000	1,032,000

*Membership ended June 2024

**Membership started September 2024

Risk Committee

Name	Position	Fixed Remuneration (except for the allowance for attending Board meetings) (ﷲ)	Meeting Attendance Allowance (ﷲ)	Total (ﷲ)
Mr. Waleed Bin Khalid Fatani	Chairman	150,000	20,000	170,000
Mr. Raied Bin Ali Alseif	Member	150,000	12,000	162,000
Mrs. Vanessa Fisk	Member	150,000	12,000	162,000
Total		450,000	44,000	494,000

Investment Committee

Name	Position	Fixed Remuneration (Except for the allowance for attending Board meetings) (ﷲ)	Meeting Attendance Allowance (ﷲ)	Total (ﷲ)
Mr. Bader Bin Abdullah Al Issa	Chairman	150,000	12,000	162,000
Mr. Ammar Bin Abdulwahid Alkhudairy	Member	150,000	12,000	162,000
Mr. Mohammed Bin Mansour Almousa	Member	150,000	12,000	162,000
HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	150,000	12,000	162,000
Total		600,000	48,000	648,000

Company Committees

With the exception of the Audit Committee, which shall be formed by the resolution of the Company's Ordinary General Assembly, the Board may at any time establish specialized committees as may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties. The formation of committees shall be made in accordance with general procedures developed by the Board, which shall determine the duties, duration and powers of each committee, and the way in which the Board monitors the activities of each committee. The Committee shall inform the Board of its findings or decisions with complete transparency. The Board shall regularly follow up

the activities of such committees to ensure the performance of the duties dedicated to them. Each committee shall be responsible before the Board for its activities; this shall not relieve the Board of its responsibility for such activities, duties and powers that it has delegated to such committee. The list of non-Board Company Committee members are:

Risk Committee

Mrs. Vanessa Fisk, Risk Committee Member

Vanessa Fisk is a full time Independent Non-Executive, currently sitting on the Boards of ABC International Bank plc, UK, Almarai Company, KSA and Banque Saudi Fransi, KSA. She is the Special Advisor to the Al Omran family KSA and an Independent Supervisory Board member of the family office, Narmo Capital and most recently she has joined the Board of TPL REIT Management Co Ltd, Pakistan. Vanessa focuses on companies which have a strong innovation and/or transformation agenda, with her current portfolio spanning both traditional and new digital enterprises. In particular she has a keen interest in those businesses deploying newer technologies to gain competitive advantage and is an active Board Advisor and Mentor to a number of the Middle East's emerging Fintech and Regtech start-ups. Prior to pursuing a Non-Executive career, Vanessa spent over 20 years in a wide variety of Senior Executive Director positions across multiple geographies. During 18 years at Barclays Bank PLC, Vanessa undertook roles of Chief Operating Officer and Chief Risk Officer for the Middle East, Director of Strategy and Transformation at Gerrard Investment Management Ltd, Chief Risk Officer for the Corporate Bank and Head of the Regional UK Leveraged Finance businesses. More recently Vanessa spent five years as Wholesale Banking Managing Director and Chief Operating Officer for Standard Chartered Middle East, North Africa and Pakistan. Vanessa holds a BA Hons in Accountancy and Finance from Huddersfield University, a post graduate degree in Leadership Studies from Exeter University and after leaving Standard Chartered completed the International Executive Program in Global Corporate Governance at Insead Business School, Fontainebleau, Paris. For the last three years, Vanessa has also been a visiting guest speaker on the Insead Global Executive MBA Program.

Audit Committee

Mr. Raied Bin Ali Alseif, Audit Committee Chairman

Raied Alseif is the CEO of Sultan Holding Company. He currently holds the following Board positions: member of the Board of Arabian Shield Insurance, IBC Environmental Lebanon, Dar Al Selal Confectionary Company, Diplomat and Barq Logistic Company. Previously, Raied held the position of Division Head at ANB, leading a team of Relationship Managers. Raied holds a Bachelor's degree in Accounting from the College of Administrative Science at King Saud University in Riyadh, KSA.

Mr. Abdulrahman Moulay Albizioui, Audit Committee Member

Abdulrahman has over 34 years of extensive experience in corporate finance, strategy, financial reporting, accounting, auditing and governance across both public and private sectors. He has held various senior executive roles, including Chief Financial Officer at Saudi Arabian Military Industries and FAS Holding Company as well as Senior Partner and Country Leader for Strategy and Transactions Services at EY in Saudi Arabia. He was a Board member of the General Authority for Awqaf and has served in various advisory and audit roles in leading organizations. His commitment to social responsibility includes mentoring and participating in national and international conferences. Abdulrahman is a Saudi Certified Public Accountant and holds an Honor's degree in Accounting from King Saud University, along with passing multiple professional exams including CPA, CISA and CIA.

Mr. Eid Bin Faleh Alshamri, Audit Committee Member

Eid Alshamri is a professional with a 30-year proven track record and has held various executive positions. He is also a member of several boards and committees in other companies. Eid holds a B.Sc. in Industrial Management with Honors from King Fahd University of Petroleum and Minerals (1989). He received his Certified Public Accountants license from the State of Colorado (1995) and has been a member of the American Institute of Certified Public Accountants (AICPA) since 1995.

Dr. Salah Bin Khalid Altaieb, Audit Committee Member

During his professional experience of more than 20 years, Dr Salah Altaieb has held senior executive and consultative positions in both the public and private sectors; as well as Board positions and audit and investment committee roles in a number of entities in business and NGOs. He holds a number of internationally renowned accounting and audit certifications: including the CPA, CMA, CFM, CIA, CCSA and CGAP. He holds a Bachelor's degree in Accounting from King Saud University, a Master's degree in Professional Accounting from The University of Miami, Florida and a Ph.D. in Accounting and Finance from the George Washington University, Washington DC. He is also a member of a number of professional organizations in accounting, auditing and management in Saudi Arabia and abroad.

Investment Committee

The Board of Directors issued a resolution dated 8 June 2020 to form the Investment Committee as a new committee, including the Investment Committee Regulation setting out the Committee's duties and authorities. At the same time, the Board abolished its Executive Committee. The purpose of the Investment Committee (the "Investment Committee" or "Committee") Regulation is to set out the composition, responsibilities and duties of the Committee and to define the interaction with the Board of Directors and Executive Management. The primary purpose of the Committee is to assist the Board in fulfilling its responsibilities towards the strategic planning and investments of Almarai Company and to oversee the Company's existing and future investments.

Rules for selecting members of the Investment Committee, how they are nominated and the duration of their membership

- An Investment Committee shall be formed from among the Board members or others by a resolution of the Board of Directors
- Nomination of Investment Committee members shall be pursuant to the recommendation of the Remuneration and Nomination Committee
- The number of members of the Committee shall not be less than three nor more than five
- The Committee Chairman shall be appointed by the members thereof at the first Committee meeting
- Members of the Investment Committee shall be appointed for a period not exceeding three years and may be reappointed as needed for the Committee's formation
- At its first meeting, the Investment Committee shall appoint a Secretary from among its members or the Company's employees
- The Committee members shall have the appropriate experience and qualifications relevant to the duties, responsibilities and the nature of the Committee's functions
- If an Investment Committee seat becomes vacant, the Company's Board of Directors may appoint a temporary member to the vacant position, provided that the latter has the required expertise and competence. The CMA shall be informed thereof, within five business days from the date of such appointment
- The Company undertakes to notify the CMA of the names of its Investment Committee members and the status of their membership, within five business

days from the date of their appointment, as well as any changes that may affect their membership within five business days from the occurrence of such changes

- Membership of the Investment Committee shall expire upon the expiry of the Committee's term or the expiry of the member's membership, in accordance with any applicable Saudi law, regulation or instruction. However, the Board of Directors may, at any time, remove all or some members of the Investment Committee. Members may also resign, on condition that they do so at an appropriate time, lest they be held liable towards the Company for damages resulting therefrom

Duties and competencies of the Investment Committee

The Investment Committee shall be competent to:

- Work with Executive Management to develop an investment strategy and policy for the Company commensurate with the nature of its business, activities and risks, and make appropriate recommendations to the Board of Directors
- Review the investment strategy and policy regularly, to ensure its alignment with any changes that may occur in the external work environment in which the Company operates legislation regulating business, or strategic objectives or otherwise, and recommend to the Board proposed changes
- Oversee the Company's investment activities and establish appropriate processes for measuring and assessing investment performance
- Study and evaluate the investment opportunities proposed by the Executive Management regarding the following transactions and make appropriate recommendations:
 - Mergers or acquisitions of companies, businesses or assets
 - Any termination, sale, transfer of ownership, exit or disposition of an existing investment
 - Joint ventures under partnership agreements
 - Investments/expansions in new or existing projects
 - Investment opportunities that Executive Management wishes to enter
 - Examination of financing prospects for the above transactions
 - Ensure that the proposed investment opportunities comply with relevant regulations and instructions
 - Identify and prioritize investment proposals

- Study the progress on the approved investment opportunities
- Carry out any tasks assigned by the Board of Directors
- Review and follow up on the implementation of Board and Investment Committee decisions

Meetings of the Investment Committee

- The Investment Committee shall convene periodically, at least every six months, and whenever needed
- The Investment Committee meetings are quorate, if attended by a majority of its members. Committee resolutions shall be adopted by a majority of the members present. In case of a tie, its Chairman shall have the casting vote
- The Chairman of the Investment Committee shall call for the convening of Committee meetings. Any member of the Investment Committee or the Chairman of the Board may ask the Chairman of the Investment Committee to call the Committee to meet
- The invitation to the meeting of the Investment Committee shall be sent to the Committee members, together with the agenda, seven days before the date of the scheduled meeting, unless the members agree otherwise
- No member of the Board of Directors or Executive Management shall be entitled to attend Investment Committee meetings unless the Committee requests to hear his/her opinion or obtain his/her advice. Attendance of Investment Committee meetings shall be limited to the members and the Secretary of the Committee
- Investment Committee meetings shall be documented and minutes including the discussions and deliberations carried out during such meetings shall be prepared. Recommendations of the Committee and voting results shall be documented and retained in a special and organized register, including the names of the attendees and any reservations they expressed (if any). Such minutes shall be signed by all of the attending members
- The Chairman of the Investment Committee or his assignee shall attend the Company's General Assemblies to answer shareholders' questions

- The Investment Committee shall submit summary reports to the Board of Directors following each of its meetings
- Within the scope of its powers, the Investment Committee may seek assistance from any expert or specialist, whether internal or external. This shall be included in the minutes of the Committee meeting. Such minutes shall state the name of the expert and his/her relation to the Company or its Executive Management

Powers of the Investment Committee

In the performance of its duties, the Investment Committee may:

- Request appropriate information that will enable the Committee to carry out its roles and responsibilities
- Investigate any matter falling within its functions, or any subject specifically requested by the Board of Directors
- Access the Company's records and documents
- Seek legal and technical advice from any third-party or other independent consultant, when necessary, to assist the Committee in performing its functions
- Review investment opportunities proposed by the Executive Management, provided that the justifications for approval or rejection are documented in the minutes of meetings
- Recommend investment opportunities to the Board of Directors

Investment Committee members remuneration

- The remuneration of the Committee members shall be a fixed cash amount, in addition to an attendance allowance
- The annual remuneration for the members of the Committee shall be determined as per the recommendation of the Remuneration and Nomination Committee to the Board of Directors

Final provisions (Application and Review)

This Regulation shall be effective from the date of its approval by the Board of Directors. This Regulation shall be reviewed by the Board of Directors, and any amendments shall be approved by the Board of Directors.

No.	Member Name	Position	Meetings				Attendance Rate
			First 18-Mar-24	Second 13-May-24	Third 01-Sep-24	Fourth 02-Dec-24	
1	Mr. Bader Bin Abdullah Al Issa	Chairman	Attended	Attended	Attended	Attended	100%
2	Mr. Ammar Bin Abdulwahid Alkhudairy	Member	Attended	Attended	Attended	Attended	100%
3	Mr. Mohammed Bin Mansour Almousa	Member	Attended	Attended	Attended	Attended	100%
4	HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	Attended	Attended	Attended	Attended	100%

Remuneration and Nomination Committee

The Board formed this Committee for a period of three years starting from 7 August 2019. The regulation of the Remuneration and Nomination Committee including the remuneration of its members was approved by the Company's General Assembly on 8 October 2017 in accordance with Articles 60 and 64 of the Corporate Governance Regulations issued by the CMA. The Committee has the role of making recommendations to the Board of Directors on nominations to the Board, developing clear policies for the remuneration of the Board of Directors and Senior Executives of the Company and its subsidiaries, reviewing the structure of the Board of Directors, identifying weaknesses and strengths of members of the Board, ensuring the independence of Independent Directors (annually) and ensuring the absence of conflicts of interest if members also belong to the Board of Directors of another company.

Regarding remuneration, the Committee shall be responsible for the following:

- Preparing a clear policy for the remuneration of the Board members, its Committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that are linked to performance, and disclosing and ensuring the implementation of such policy
- Clarifying the relation between the paid remuneration and the adopted Remuneration Policy and highlighting any material deviation from that policy
- Periodically reviewing the Remuneration Policy and assessing its effectiveness in achieving its objectives
- Providing recommendations to the Board in respect of the remuneration of its members, its Committees and Senior Executives, in accordance with the approved policy
- Reviewing the financial remuneration of the Chief Executive Officer, including long term and short term incentives, in addition to setting the performance level to be achieved by the Chief Executive Officer, and providing recommendations to the Board in respect thereof
- Reviewing and authorizing the Chief Executive Officer's recommendations as to financial remuneration of Senior Executives
- Ensuring and observing the compliance of the Company with respect to the policy for the remuneration of the

Board members and its Committees, and the Executive Management approved by the General Assembly of shareholders

Regarding nominations, the Committee shall be responsible for the following:

- Suggesting clear policies and standards for membership of the Board and the Executive Management
- Providing recommendations to the Board for the nomination or renomination of its members, in accordance with approved policies and standards, taking into account that nominations shall not include any person convicted of a crime involving moral turpitude or dishonesty
- Preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions
- Determining the amount of time that the member shall allocate to the activities of the Board
- Annually reviewing the skills and expertise required of the Board members and the Executive Management, while determining the strengths and weaknesses of the Board and Executive Management and recommending remedial solutions that serve the Company's interests
- Reviewing the structure of the Board and Executive Management, as well as providing recommendations regarding changes that may be made to such structure
- Annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the board of directors of another company
- Providing job descriptions for the Executive, Non-Executive and Independent Directors and Senior Executives
- Establishing procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant
- Determining the strengths and weaknesses of the Board and recommending remedial solutions that serve the Company's interests
- Providing an appropriate level of training and induction to new Board members regarding the Company's tasks and achievements so that they can perform their duties effectively
- Examining and reviewing the Executive Management's performance

- Examining and reviewing succession plans for the Company in general, and for the Board of Directors, Chief Executive Officer and Senior Executives
- Examining and reviewing the recommendations of the Chief Executive Officer regarding the appointment and

termination of Senior Executives, except for the Head of the Internal Audit department who shall be appointed and dismissed upon the recommendation of the Company's Audit Committee

Remuneration and Nomination Committee meetings during 2024

During 2024, the Remuneration and Nomination Committee held two meetings. The following table illustrates the names, positions and attendance of the Committee members.

No.	Member Name	Position	Meetings		Attendance Rate
			First 13-May-24	Second 02-Dec-24	
1	Mr. Ammar Bin Abdulwahid Alkhudairy	Chairman	Attended	Attended	100%
2	Mr. Bader Bin Abdullah Al Issa	Member	Attended	Attended	100%
3	Mr. Hosam Bin Ali Alqurashi	Member	Attended	Attended	100%
4	HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer	Member	Attended	Attended	100%

Audit Committee

The Company's Ordinary General Assembly formed this Committee for a period of three years starting from 7 August 2016. As an amendment, regulation of the Audit Committee, including the remuneration of its members, was approved by the Company's General Assembly on 8 October 2017, in accordance with Article 101 of the Companies Law. The Audit Committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, Financial Statements and internal control systems. The duties of the Audit Committee shall, in particular, include the following:

Financial reports

- Analyzing the Company's Interim and Annual Financial Statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's Financial Statements are fair, balanced, understandable and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy
- Analyzing any important or non-familiar issues contained in the financial reports
- Accurately investigating any issues raised by the Company's CFO or any person assuming his or her duties, or the Company's Compliance Officer or external Auditor
- Examining accounting estimates in respect of significant matters that are contained in the financial reports
- Examining the Company's accounting policies and providing the Board with its opinion and recommendations thereon

Internal Audit

- Examining and reviewing the Company's internal and financial control systems
- Analyzing internal audit reports and following up on the implementation of corrective measures in respect of the remarks contained therein
- Monitoring and overseeing the performance and activities of the Company's internal Auditor and Internal Audit department to ensure the availability

of the necessary resources and their effectiveness in performing the assigned activities and duties

- Submitting a recommendation to the Board on appointing a Director for the Internal Audit department and suggesting the remuneration thereof
- Studying and reviewing the Company's internal control system and preparing a written report on its opinion regarding the adequacy thereof and other activities that it conducted within its competence
- The Board shall make available sufficient copies of said report at the Company's head office at least 10 days prior to the date set for the General Assembly Meeting, in order to provide each shareholder with a copy of said report, which shall be read during the Assembly

The Auditor

- Providing recommendations to the Board to nominate Auditors, dismiss them, determine their remuneration and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts
- Verifying the independence of the Auditor, its objectivity, fairness and the effectiveness of audit activities, taking into account relevant rules and standards
- Reviewing the plan of the Company's Auditor and its activities and ensuring that it does not provide any technical or administrative work that is beyond its scope of work and provides its opinion thereon
- Responding to queries from the Company's Auditor
- Reviewing the Auditors' reports and its comments on the Financial Statements, as well as following up on the procedures taken in connection therewith

Ensuring compliance

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith
- Ensuring the Company's compliance with relevant laws, regulations, policies and instructions
- Reviewing the contracts and proposed related party transactions and providing its recommendations to the Board in connection therewith
- Reporting any issues to the Board in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken

The Committee is formed according to the following rules:

- An Audit Committee shall be formed by a resolution of the Ordinary General Assembly of the Company upon the recommendation of the Board of Directors
- Nomination of Audit Committee members shall be pursuant to the recommendation of the Remuneration and Nomination Committee
- Audit Committee members may be shareholders or others, provided that at least one of them is an independent member, and that one of its members is specialized in finance and accounting
- The Audit Committee shall not include any Executive Directors
- Any person who works or has worked in the Executive or Financial Management of the Company or with the Auditor of the Company during the last two years may not be a member of the Audit Committee
- The number of members of a committee shall not be less than three or more than five
- The Chairman of the Board of Directors may not be a member of the Audit Committee
- Members of the Audit Committee shall be selected in such a way as to ensure that they possess a variety of skills and expertise, taking into account their possession of appropriate expertise in the Company's business sector, including those who are competent in financial and accounting matters
- Members of the Audit Committee shall be appointed for a period not exceeding three years and may be reappointed as needed for the Committee's formation
- The Chairman of the Audit Committee shall be an independent member and shall be appointed by the members thereof at the first Committee meeting
- At its first meeting, the Audit Committee shall appoint a secretary from among its members or the Company's employees
- If an Audit Committee seat becomes vacant, the Company's Board of Directors may appoint a temporary member to the vacant position, provided that the latter has the required expertise and competence. The CMA shall be informed thereof within five business days from the date of appointment, which shall be submitted before the Ordinary General Assembly at its first subsequent meeting. The new Audit Committee member shall complete the term of his or her predecessor
- The Company undertakes to notify the CMA of the names of its Audit Committee members and the status of their memberships within five business days from the date of their appointment, as well as any changes that may affect their membership, within five business days from the occurrence of such changes

As per Article 103 of the Companies Law, the Audit Committee may ask the Board of Directors to call a General Assembly to convene if the Board of Directors hinders its work or when the Company suffers serious damages or losses. During 2024, the Audit Committee held five meetings. The following table illustrates the names, positions and attendance of the Committee members.

No.	Member Name	Position	Meetings					Attendance Rate
			First 18-Jan-24	Second 18-Apr-24	Third 04-Jul-24	Fourth 03-Oct-24	Fifth 05-Dec-24	
1	Mr. Raied Bin Ali Alseif	Chairman	Attended	Attended	Attended	Attended	Attended	100%
2	Mr. Abdulrahman Moulay Albizioui**	New Member	-	-	-	Attended	Attended	100%
3	Mr. Eid Bin Faleh Al Shamri	Member	Attended	Attended	Attended	Attended	Attended	100%
4	Dr. Salah Altaleb	Member	Attended	Attended	Attended	Attended	Attended	100%
5	Mr. Salman Bin Abdelmuhsin Alsudeary	Member	Attended	Attended	Attended	Attended	Attended	100%
6	Mr. Sulaiman Bin Naser Alhatlan*	Former Member	Attended	Attended	-	-	-	100%

*Membership ended June 2024

**Membership started September 2024

Results of Annual Internal Audit Procedures

Internal control system

The Board shall approve an internal control system for the Company in order to assess the policies and procedures relating to risk management, implementation of the provisions of the Company's governance rules approved by the Company and compliance with the relevant laws and regulations. Such a system shall ensure compliance with clear accountability standards at all executive levels in the Company, and that related party transactions are implemented in accordance with the relevant provisions and controls.

Establishing independent departments within the Company

For purposes of implementing the approved internal control system, the Company has established departments for the assessment and management of risks and for internal auditing. The Company may utilize external entities to perform the duties and competencies of the units or departments of risk assessment and management and internal control without prejudice to the Company's responsibility for those duties and competencies.

Duties of the Internal Audit department

The Internal Audit department shall assess and monitor the implementation of the internal control system and verify that the Company and its employees comply with the applicable laws, regulations and instructions as well as the Company's policies and procedures. The Internal Audit department shall be composed of an internal Audit Manager whose appointment is recommended by the Audit Committee. Such internal Auditor shall be responsible before the Audit Committee and a number of competent employees. The formation and operation of the Internal Audit department shall take into consideration the following:

- Employees of such department shall be competent, independent and adequately trained, and shall not be entrusted with any functions other than internal audit duties and internal control systems
- The Internal Audit department shall report to the Audit Committee and shall be subordinate and accountable to it
- The remuneration of the Manager of the Internal Audit department shall be determined by a recommendation of the Audit Committee, as per Company policies

- The department shall be given access to information and documents and shall be able to obtain the same without any restrictions

Internal Audit plan

The Internal Audit department shall operate pursuant to a comprehensive audit plan approved by the Audit Committee. The plan shall be updated annually. Key activities and operations, including the activities of the Risk Management and Compliance departments, shall be reviewed at least annually.

Maintaining internal Audit Reports

The Company shall keep records of the audit reports and business documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken in this regard.

Internal Audit Report

- The Internal Audit department shall prepare and submit, at least quarterly, a written report on its activities to the Board and the Audit Committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure
- The Internal Audit department shall prepare a general written report to be submitted to the Board and the Audit Committee on the audit activities it carried out during the financial year, compared to the approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year
- The Board shall specify the scope of the report of the Internal Audit department, based on recommendations from the Audit Committee and the Internal Audit department. The report shall include the following in particular:
 - Procedures for monitoring and overseeing the financial affairs, investments and risk management

- Assessing the development of risk factors threatening the Company and the existing systems, in order to confront radical or unexpected changes on Tadawul
 - An assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues
 - Failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance, and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's Annual Reports and its Financial Statements)
 - The extent to which the Company has complied with the internal controls when determining and managing risks
 - Information describing the Company's risk management operations
- The Audit Committee directly supervises Internal Audit, while Internal Audit continuously examines the efficiency and effectiveness of Almarai's internal control systems. Accordingly, the Board of Directors, based on the reports and recommendations of the Audit Committee, and in line with its business plan, confirms the following in respect of 2024:
 - No matters were brought to the Board's attention that would lead the Board to believe that there was a fundamental lack of integrity in financial and accounting systems such that it would require disclosure
 - The control systems are effectively functioning and facilitating the mitigation of potential risks that Almarai and its subsidiaries may face and that no matters relating to the functioning of internal controls were brought to the Board's attention that were material and would require disclosure
 - All necessary arrangements and corrective actions have been taken on all the concerns and recommendations raised by Internal Audit to the Audit Committee

Risk Committee

The Committee has the role of developing a strategy and comprehensive policies for risk management, monitoring their implementation and reviewing and updating them. The Committee also determines and maintains an acceptable level of risk that may be faced by the Company ensuring that the Company does not go beyond such level, ensuring the feasibility of the successful continuation of the Company.

The Committee shall be responsible for the following:

- Examining and reviewing the Company's risk management policies
- Developing a strategy and comprehensive policies for risk management that are consistent with the nature and volume of the Company's activities, monitoring their implementation and reviewing and updating them based on the Company's internal and external changing factors
- Determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level
- Ensuring the feasibility of the Company's continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following 12 months
- Overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein
- Regularly reassessing the Company's ability to manage risks and to be exposed to such risks
- Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks and presenting them to the Board
- Providing recommendations to the Board on matters related to risk management
- Ensuring the availability of adequate resources and systems for risk management
- Reviewing the organizational structure pertaining to risk management and providing recommendations regarding the same before approval by the Board
- Verifying the independence of risk management employees from activities that may expose the Company to risk
- Ensuring that risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk
- Reviewing any issues raised by the Audit Committee that may affect the Company's risk management

Risk Management Committee meetings during 2024

During 2024, the Risk Management Committee held four meetings. The following table illustrates the names, positions and attendance of Committee members.

No.	Member Name	Position	Meetings				Attendance Rate
			First 10-Mar-24	Second 05-May-24	Third 01-Sep-24	Fourth 01-Dec-24	
1	Mr. Waleed Bin Khalid Fatani	Chairman	Attended	Attended	Attended	Attended	100%
2	Mr. Raied Bin Ali Alseif	Member	Attended	Attended	Attended	Attended	100%
3	Mrs. Vanessa Fisk	Member	Attended	Attended	Attended	Attended	100%

Related Party Transactions

Almarai's written policy on conflict of interest addresses potential conflict situations for Directors, Executives and shareholders. The General Assembly is notified of any potential conflict of interest requiring approval. During the

normal course of its operations in 2024, Almarai carried out the following significant transactions with related parties on an arms' length basis.

Dealings during the year 2024

The following significant related party transactions during 2024 required approval from the General Assembly.

Member	Nature of Dealing	Amounts in SAR '000	Period	Conditions
Chairman / HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer				
Mobile Telecommunication Company Saudi (ZAIN)	Telecommunication services	11,762	2024	Commercial condition prevailing in the market
Savola Group (Mr. Sulaiman Bin Abdulkadir Almuheidib, Mr. Bader Bin Abdullah Al Issa and Mr. Waleed Bin Khalid Fatani)				
Panda Retail Company	Product Sales	998,251	2024	Commercial condition prevailing in the market
United Sugar Company	Sugar Purchasing	58,694	2024	Commercial condition prevailing in the market
Herfy Food Services Co.	Product Sales	3,451	2024	Commercial condition prevailing in the market
Arabian Shield Cooperative Insurance Company (HH Prince Naif Bin Sultan Bin Mohammed Bin Saud Al Kabeer, Mr. Salman Bin Abdelmuhsin Alsudeary)				
Arabian Shield Cooperative Insurance Company	Insurance	212,184	2024	Commercial condition prevailing in the market
Mr. Bader Bin Abdullah Al Issa				
Banque Saudi Fransi	Bank Financing	11,593	2024	Commercial condition prevailing in the market
International Food Industries Co	Purchasing	88,837	2024	Commercial condition prevailing in the market
HH Prince Saud Bin Sultan Bin Mohammed Bin Saud Al Kabeer				
30 Export	Product Sales	8,009	2024	Commercial condition prevailing in the market
Mr. Ammar Bin Abdulwahid Alkhudairy				
Saudi Pharmaceutical Industries & Medical Appliances Corporation ("SPIMACO").	Purchasing	240	2024	Commercial condition prevailing in the market
Alkhorayef Lubricant Co.	Purchasing	15,850	2024	Commercial condition prevailing in the market
Al Khorayef Commercial Co. Ltd.	Purchasing	43,589	2024	Commercial condition prevailing in the market
Mr. Mohammed Bin Mansour Almousa				
Abdullah Al Othaim Markets	Product Sales	783,596	2024	Commercial condition prevailing in the market
Minerva Sa	Services	3,802	2024	Commercial condition prevailing in the market
Burgerizzr**	Product Sales	410	2024	Commercial condition prevailing in the market
Mr. Hosam Bin Ali Alqurashi				
Saudi Coffee Company	Product Sales	39	2024	Commercial condition prevailing in the market
Spinneys Company	Product Sales	19,123	2024	Commercial condition prevailing in the market
Mr. Salman Bin Abdelmuhsin Alsudeary				
Jahez*	Product Sales	87	2024	Commercial condition prevailing in the market

* Mr. Salman Bin Abdelmuhsin Alsudeary became Board Member of Jahez effective from 17 December 2024.

**Mr. Mohammed Bin Mansour Almousa became Board Member of Burgerizzr effective from 7 July 2024.



Disclosure and Transparency Policy

Almarai seeks to provide accurate, regularly updated information to all its stakeholders and other interested parties. This policy reflects current activities and will be updated as and when those activities change. The Company publishes and regularly updates information about corporate structure and operations, partners, investments, other commercial activity and performance related information. As a publicly listed company, Almarai recognizes its obligation to respond appropriately to legitimate questions from consumers, customers, government, the media and other stakeholders. Information disclosed by Almarai under this policy is available on various websites including the Company's website (www.almarai.com) and the Saudi Stock Exchange (Tadawul) website (www.tadawul.com.sa).

The following information is updated and published annually, or as required by the law and relevant rules and regulations.

This is not an exhaustive list – other useful information is also disclosed as required:

- Board members
- Board Committee membership
- Board reports
- Quarterly reports and Financial Statements
- Annual Reports and Financial Statements
- Accounting policies
- Related Party Transactions
- Review of principal activities
- Auditors' report

In the following circumstances, Almarai will not routinely publish information:

- Where disclosure would, or would be likely to, prejudice the commercial interests of Almarai, its business partners or other third parties, and where the public interest in disclosure does not outweigh the public interest in maintaining the exemption
- When information has been given to Almarai in confidence, and where disclosure could give rise to an action for breach of confidence
- Personal information about Almarai employees, Board members or other individuals, where to do so may be in breach of data protection principles

- Where disclosure would, or would be likely to, prejudice the investigation, prevention or detection of crime, or the administration of justice
- When information is subject to legal privilege

Hotline compliance: Code of Conduct (COC) / Conflict of Interest (COI) / Whistleblowing policy

Almarai is an organization with strong values of responsibility and integrity. Our Code of Conduct contains general guidelines for conducting business with the highest standards of ethics. Almarai is committed to an environment where open, honest communications are the expectation, not the exception. We strive to create an environment where any stakeholder, whether internal or external, feels comfortable in reporting an instance that he or she believes violates Almarai's Code of Conduct policies or standards. In this spirit, Almarai has partnered with a leader in ethics and compliance reporting, to provide a transparent and anonymous reporting mechanism, hosted by a third-party hotline provider. All stakeholders are encouraged to submit reports relating to violations stated in Almarai's Code of Conduct, as well as ask for guidance related to policies and procedures and provide positive suggestions and stories with a guarantee that their comments will be heard.

Web link: <https://www.almarai.com/en/corporate/compliance/>

Historic information

The information that Almarai publishes on its website is mainly current information, although some historic information is available, for example previous Annual Reports.

Contact Almarai

Related or interested parties are invited to communicate with the Investor Relations department by email: investor.relations@almarai.com. Interested parties may also contact the Company on the following telephone numbers: 800 124 6688 in Saudi Arabia; or +966 (11) 453 6688 from abroad. Interested parties may also contact Almarai by email: info@almarai.com

For more information, visit the Company's website: www.almarai.com

Board of Directors Certification

The Board of Directors has taken care to ensure the professional performance of the Company during 2024 and certifies the following:

- There are no equity shares or debt instruments belonging to subsidiaries
- There were no convertible debt instruments, or any securities or contractual rights of initial public offering or similar rights issued or granted by Almarai, and there was no compensation obtained by Almarai in return
- There were no rights of conversion or initial public offering under convertible debt instruments, or any securities or contractual rights of initial public offering or similar rights issued or granted by Almarai
- There were no substantial operational conflicts of interest during 2024, other than those that have been disclosed
- We did not receive a request from the external Auditors to call a meeting of the General Assembly during 2024
- We did not receive a request from shareholders owning 5% or more of the Company's share capital to call a meeting of the General Assembly during 2024
- There was no procedure that might lead to the obstruction of shareholders' rights of voting
- There were no significant events affecting the integrity of the financial position of the Company after the financial year 2024 requiring disclosure, other than information that is available and declared
- The Company did not provide loans or credit facilities to any member of the Board of Directors
- Proper books of account have been maintained
- The system of internal control is sound and has been effectively implemented
- There are no significant doubts concerning Almarai's ability to continue as a going concern

Recommendations to the General Assembly

After reviewing the most important operational and financial activities for the financial year 2024, we are pleased to attach the Consolidated Financial Statements with the Auditor's report. We recommend that the General Assembly approve the Directors' report, the Consolidated Financial Statements and the Auditor's report. The place and time of the General Assembly Meeting and any other items on the agenda will be announced at a later date.

Financial Performance for 2024

Financial performance

The consolidated profit attributable to shareholders of ₪ 2,313 million, is an increase of 13% year-on-year mainly due to revenue growth of 7%, stabilized commodity costs and strong cost control.

Almarai's revenue growth of 7% was driven mainly by growth in the GCC countries across all core categories, predominantly in Dairy and Poultry.

The gross profit percentage for Almarai improved by 80 basis points to reach 31.8% for the year 2024, driven by improved product mix supplemented by an increase of revenue across GCC. In addition, continued cost control initiatives, dedicated efficiency programs and targeted marketing spending helped improve the operating profit percentage by 51 basis points to 14.3% for the year 2024.

Lastly, despite higher Zakat and Taxation expense due to improved performance, net income attributable to the shareholders of the Company grew from ₪ 2,049 million to ₪ 2,313 million, an increase of 13% year-on-year.

Almarai executed a key efficiency program for rationalization of working capital during 2024. This program focused on inventory optimization that resulted in reduction of inventory levels by ₪ 463 million and overall working capital decreased to 18% of revenues.

Segmental results

Dairy and Juice segments recorded 9% revenue growth over the last year due to sustained focus and successful tackling of challenging trading conditions including EGP devaluation. Segment registered profit growth of 15% on a year-on-year basis due to improved margins and realization of economies of scale achieved from capacity utilization and fixed cost base.

Bakery segment revenue growth of 3% was driven by higher sales of the bread and buns category. Higher sales growth resulted in improved economies of scale benefit resulting in net profit growth of 5% in 2024.

During 2024, Poultry segment revenue showed resilient growth and grew by 8% due to continued optimization of channel mix. In addition, excess capacity made available earlier in the year assisted in realizing further operational synergies to achieve 13% growth in net profit.

Geographic sales

Saudi Arabia, holding 66% value share of Almarai's sales at country level, remains the major contributor of sales for the Company by adding ₪ 716 million to the total revenue growth. The UAE came in as the second largest market for Almarai representing 10% of its total sales, followed by Egypt.

Cash flow and balance sheet

The Company delivered net cash generated from operating activities of ₪ 6,028 million, an increase of 34% over last year driven by higher revenue, improved working capital management and overhead cost control relative to year 2023.

The net cash used in investing activities of ₪ 4,498 million in 2024 was significantly higher than the previous year's spend of ₪ 3,304 million, mainly due to planned investment in poultry capacity expansion.

By the end of 2024, the overall leverage of the Company reached 2.06 times net debt to EBIDTA, which is lower than the strategic limit set by the Board of Directors of 2.5x to 2.7x. The net debt to equity ratio reached 51.3% at the end of 2024.

Existing financing

Almarai continued to enjoy a strong credit standing with various government and non-government financial and lending institutions, as well as from fixed income investors from both domestic and international markets. This favorable position results from Almarai's predictable positive operating cash flows and its clear strategy for sustainable growth.

Existing financing amounted to SAR 10,130.2 million at the end of 2024, in the form of Murabaha banking facilities

compliant with Shariah (excluding the banking facilities of foreign and GCC subsidiaries), government funding and Sukuk. All contractual terms and guarantees used for these financing agreements are executed with normal commercial conditions, including the mortgage of assets and production lines amounting to SAR 678.1 million, to the benefit of government financial institutions. Financing facilities granted by banks and other financial institutions are guaranteed by secured promissory notes issued by the Company.

Source of financing (SAR million)

Source of Financing	Amount of Core Funding	Financing Period	Payment Method	Start of Year 2024	Additions during the Year	Paid during the Year	31-Dec-24	Maturity Date
Banks and Financial Institutions (Islamic Banking Facilities)	10,425.9	2 to 10 years	Quarterly, semi-annual and annual	5,283.0	14,165.4	13,478.9	5,969.5	2025-2032
Banking Facilities of Foreign Subsidiaries	517.0	1 to 7 years	Quarterly, semi-annual and annual	212.6	302.4	412.2	102.9	2025-2028
Saudi Industrial Development Fund	612.1	1 to 11 years	Semi-annual	877.2		265.0	612.1	2025-2028
Supranational	214.6	1 to 9 years	Semi-annual	305.7		91.1	214.6	2025-2027
Agricultural Development Fund	366.0	11 years	Annual	583.5	300.0	517.4	366.0	2025-2027
International Sukuk	2,865.2	10 years	Lump sum	4,766.1		1,900.9	2,865.2	July 2033
Total	15,000.8			12,028.0	14,767.9	16,665.6	10,130.2	

Classification of funding (SAR million)

Classification of Funding	2024 (SAR million)	2023 (SAR million)
Classification		
Short term loans	24.5	117.4
Current portion of long term loans	1,205.5	3,411.4
Long term loans	8,900.2	8,499.2
Total	10,130.2	12,028.0

Maturity of funding (SAR million)

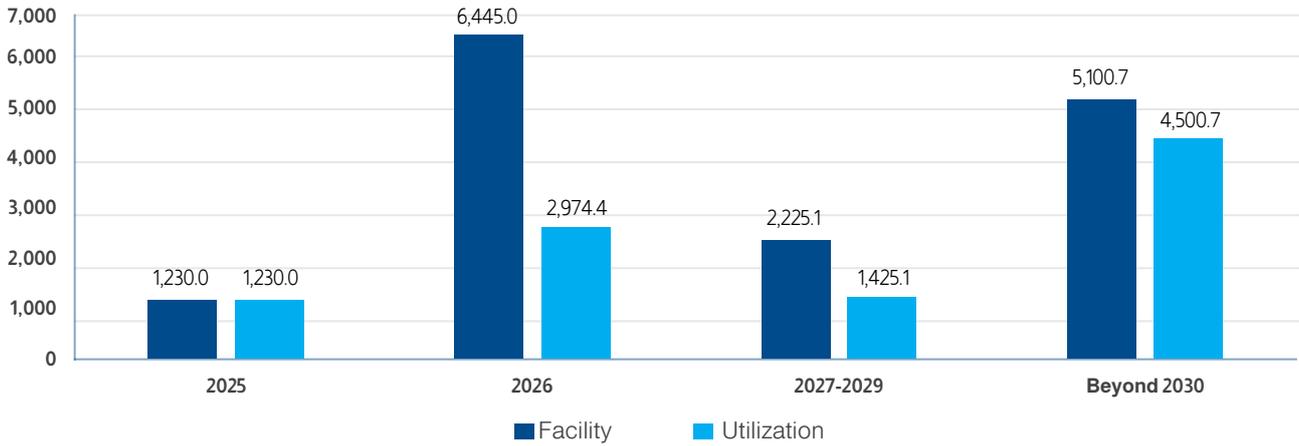
Maturity of Funding	2024 (SAR million)	2023 (SAR million)
Less than one year	1,230.0	3,528.8
One to two years	2,974.4	1,414.0
Two to five years	1,425.1	2,564.0
Greater than five years	4,500.7	4,521.2
Total	10,130.2	12,028.0

Potential financing

Due to the continuing need to finance Almarai's current operations and potential future investments, Almarai manages any excess cash and constantly provides the necessary financing solutions for all operational needs, as

well as funding proposals for cost efficient financing facilities. The volume of unutilized banking facilities and available government financing amounted to ﷲ 4,870.6 million at the end of 2024.

Facilities and utilization (ﷲ million)





04

Investing for Growth. Strengthening Governance.

Almarai delivered a record-breaking financial performance in 2024, reflecting its disciplined execution of strategic initiatives and its focus on driving shareholder value.

Financial Statements

Independent Auditor's Report to the Shareholders of Almarai Company	136
Consolidated Statement of Financial Position	140
Consolidated Statement of Profit or Loss	141
Consolidated Statement of Comprehensive Income	142
Consolidated Statement of Changes in Equity	143
Consolidated Statement of Cash Flows	144
Notes to the Consolidated Financial Statements	145



Independent Auditor's Report

To the Shareholders of Almarai Company (A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Almarai Company ("the Company") (and its subsidiaries) ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Carrying value of intangible asset - goodwill

Refer to Note 5.10 for the accounting policy relating to goodwill and Note 10 for the related disclosures in the accompanying consolidated financial statements.

The key audit matter

As at 31 December 2024, the carrying value of goodwill amounted to ₪ 927 million (2023: ₪ 940 million). The goodwill relates to the acquisition of Western Bakeries Limited, Hail Agricultural Development Company, International Dairy and Juice Limited and Bakemart.

The management has performed the annual goodwill impairment assessment as at 31 December 2024. As the goodwill is allocated to the respective cash generating units ("CGU"), the impairment assessment was performed by comparing the carrying value of each CGU, including the goodwill, to its recoverable amount.

The recoverable amount of each identified CGU was determined based on Value-In-Use ("VIU") calculations. These calculations employ a discounted cashflow (DCF) model, by using cashflow projections based on financial budgets approved by the management covering a five-year period. The Group's VIU calculations for the CGUs includes significant judgement and assumptions relating to cashflow projections, and the discount rates, and is highly sensitive to the changes in these assumptions.

We considered impairment of goodwill as a key audit matter, as the estimation of future cash flows and the assumptions involved in calculating the discounted value of these cash flows involve judgement that impacts the determination of recoverable amount and consequently impacts the impairment assessment of goodwill.

How the matter was addressed in our audit

We performed the following audit procedures in relation to the management's assessment of impairment of goodwill:

- Assessed the design and implementation, and tested the effectiveness of the Group's controls around goodwill impairment assessment process;
- Assessed the appropriateness of the Group's goodwill impairment assessment model against the requirements of IAS 36;
- Involved our specialists for assessing the reasonableness of the VIU calculations and the underlying assumption, including cash flow projections and discount rates used;
- Tested the accuracy and relevance of the input data used in the model by reference to supporting evidence, including approved budgets, and considered the reasonableness of these budgets by comparing the Group's historical results and performance against budgets;
- Performed sensitivity analysis over the key assumptions, principally sales growth rates and discount rates, to ascertain that any adverse reasonably possible changes to the key assumptions would not cause the carrying amount of goodwill to exceed the recoverable amount; and
- Assessed the adequacy of the disclosures in the consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.

Other Information

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

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

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

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report

To the Shareholders of Almarai Company (A Saudi Joint Stock Company) (continued)

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Almarai Company (“the Company”) (and its subsidiaries) (“the Group”).

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

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

KPMG Professional Services

Fahad Mubark Aldossari

License No.: 469

Riyadh on 19 January 2025

Corresponding to: 19 Rajab 1446H

Consolidated Statement of Financial Position

For the year ended 31 December 2024

	Notes	31 December 2024 S'000	31 December 2023 S'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7	22,750,342	20,807,810
Long-Term Prepayments	8	525,391	525,153
Right-of-Use Assets	9	504,066	473,831
Intangible Assets and Goodwill	10	1,130,692	1,123,769
Biological Assets	11	1,838,353	1,741,819
Investments	12	3,256	5,030
Derivative Financial Instruments	38	27,832	37,225
Deferred Tax Assets	24	3,858	24,307
		26,783,790	24,738,944
Current Assets			
Inventories	13	5,684,420	6,148,189
Biological Assets	11	136,551	135,044
Trade Receivables, Prepayments and Other Receivables	14	2,421,526	2,564,646
Derivative Financial Instruments	38	13,459	15,300
Time Deposit	15	-	1,925,556
Cash and Cash Equivalents	16	528,214	666,336
		8,784,170	11,455,071
TOTAL ASSETS		35,567,960	36,194,015
EQUITY AND LIABILITIES			
Share Capital	17	10,000,000	10,000,000
Statutory Reserve	18	2,966,165	2,966,165
Treasury Shares	20	(538,024)	(614,766)
Other Reserves	21	(1,311,377)	(956,911)
Retained Earnings		7,673,972	6,403,231
Equity Attributable to Equity Holders of the Company		18,790,736	17,797,719
Non-Controlling Interests		396	11,106
TOTAL EQUITY		18,791,132	17,808,825
Non-Current Liabilities			
Loans and Borrowings	22	8,900,245	8,499,169
Lease Liabilities	9	397,701	369,113
Employee Retirement Benefits	23	1,396,542	1,225,730
Derivative Financial Instruments	38	181,812	12,382
Deferred Tax Liabilities	24	61,890	92,107
		10,938,190	10,198,501
Current Liabilities			
Bank Overdrafts	34	52,598	844
Loans and Borrowings	22	1,229,996	3,528,828
Lease Liabilities	9	87,249	81,079
Zakat Payable	25	345,703	249,659
Income Tax Payable	25	36,226	30,789
Trade and Other Payables	26	4,048,921	4,245,868
Derivative Financial Instruments	38	37,945	49,622
		5,838,638	8,186,689
TOTAL LIABILITIES		16,776,828	18,385,190
TOTAL EQUITY AND LIABILITIES		35,567,960	36,194,015

The accompanying notes form an integral part of these Consolidated Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

Danko Maras
Chief Financial Officer

Abdullah Albader
Chief Executive Officer

**HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer**
Chairman

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	31 December 2024 S'000	31 December 2023 S'000
Revenue	33	20,979,512	19,575,585
Cost of Sales	27	(14,315,460)	(13,524,295)
Gross Profit		6,664,052	6,051,290
Selling and Distribution Expenses	28	(2,993,918)	(2,789,745)
General and Administration Expenses	29	(508,149)	(469,023)
Other Expenses, net	30	(63,166)	(64,461)
Impairment Loss on Financial Assets	14	(103,458)	(34,173)
Operating Profit		2,995,361	2,693,888
Finance Cost, net	31	(530,260)	(527,019)
Share of Results of Associate	12	(1,774)	(1,064)
Profit before Zakat and Income Tax		2,463,327	2,165,805
Zakat	25	(105,326)	(85,101)
Income Tax	24,25	(44,334)	(29,175)
Profit for the year		2,313,667	2,051,529
Profit for the year Attributable to:			
Shareholders of the Company		2,313,100	2,049,123
Non-Controlling Interests		567	2,406
		2,313,667	2,051,529
Earnings per Share (S), based on Profit for the year Attributable to Shareholders of the Company			
- Basic	32	2.34	2.08
- Diluted	32	2.31	2.05

The accompanying notes form an integral part of these Consolidated Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

Danko Maras
Chief Financial Officer

Abdullah Albader
Chief Executive Officer

**HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer**
Chairman

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	31 December 2024 S'000	31 December 2023 S'000
Profit for the Year		2,313,667	2,051,529
Items that will not be reclassified to profit or loss:			
Actuarial Loss on Employee Retirement Benefits	23	(58,915)	(85,659)
Change in the Fair Value of Equity Investment through FVOCI		-	4,174
Items that are or may be reclassified subsequently to profit or loss:			
Settlement of Cash Flow Hedges Transferred to Inventory / PPE		34,446	(71,464)
Foreign Currency Translation Differences		(181,226)	(146,686)
Movement in Fair Value on Cash Flow Hedges		(187,955)	27,465
Settlement of Cash Flow Hedges Transferred to Profit or Loss		(15,478)	(14,430)
Other Comprehensive Loss for the year, net of Income Tax		(409,128)	(286,600)
Total Comprehensive Income for the year		1,904,539	1,764,929
Total Comprehensive Income / (Loss) for the year Attributable to:			
Shareholders of the Company		1,902,907	1,799,986
Non-Controlling Interests		1,632	(35,057)
		1,904,539	1,764,929

The accompanying notes form an integral part of these Consolidated Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

Danko Maras
Chief Financial Officer

Abdullah Albader
Chief Executive Officer

**HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer**
Chairman

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share Capital SAR'000	Statutory Reserve SAR'000	Treasury Shares SAR'000	Other Reserves SAR'000	Retained Earnings SAR'000	Equity Attributable to Equity Holders SAR'000	Non-Controlling Interests SAR'000	Total Equity SAR'000
Balance at 1 January 2023	10,000,000	2,761,251	(866,602)	(809,399)	5,586,110	16,671,360	311,505	16,982,865
Profit for the year	-	-	-	-	2,049,123	2,049,123	2,406	2,051,529
Other Comprehensive Loss for the year	-	-	-	(163,478)	(85,659)	(249,137)	(37,463)	(286,600)
Total Comprehensive (Loss) / Income	-	-	-	(163,478)	1,963,464	1,799,986	(35,057)	1,764,929
Transfer during the year (Refer note 18)	-	204,914	-	-	(204,914)	-	-	-
Directors' Remuneration	-	-	-	-	(4,994)	(4,994)	-	(4,994)
Transactions with Owners in their Capacity as Owners								
Dividend Declared SAR 1 per Share	-	-	-	-	(982,330)	(982,330)	-	(982,330)
Share Based Payment Transactions	-	-	-	30,820	-	30,820	-	30,820
Settlement of Treasury Shares	-	-	251,836	(24,415)	45,895	273,316	-	273,316
Purchase of Additional Stake in IDJ (Refer note 1)	-	-	-	9,561	-	9,561	(264,561)	(255,000)
Transactions with Non-Controlling Interests	-	-	-	-	-	-	(781)	(781)
Balance at 31 December 2023	10,000,000	2,966,165	(614,766)	(956,911)	6,403,231	17,797,719	11,106	17,808,825
Balance at 1 January 2024	10,000,000	2,966,165	(614,766)	(956,911)	6,403,231	17,797,719	11,106	17,808,825
Profit for the year	-	-	-	-	2,313,100	2,313,100	567	2,313,667
Other Comprehensive Loss for the year	-	-	-	(351,278)	(58,915)	(410,193)	1,065	(409,128)
Total Comprehensive (Loss) / Income	-	-	-	(351,278)	2,254,185	1,902,907	1,632	1,904,539
Directors' Remuneration	-	-	-	-	(5,477)	(5,477)	-	(5,477)
Transactions with Owners in their Capacity as Owners								
Dividend Declared SAR 1 per Share	-	-	-	-	(988,277)	(988,277)	-	(988,277)
Share Based Payment Transactions	-	-	-	37,163	-	37,163	-	37,163
Settlement of Treasury Shares	-	-	76,742	(23,042)	10,310	64,010	-	64,010
Transactions with Non-Controlling Interests	-	-	-	(17,309)	-	(17,309)	(12,342)	(29,651)
Balance at 31 December 2024	10,000,000	2,966,165	(538,024)	(1,311,377)	7,673,972	18,790,736	396	18,791,132

The accompanying notes form an integral part of these Consolidated Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

Danko Maras
Chief Financial Officer

Abdullah Albader
Chief Executive Officer

**HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer**
Chairman

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	31 December 2024 S'000	31 December 2023 S'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		2,313,667	2,051,529
Adjustments for non-cash items:			
Depreciation of Property, Plant and Equipment	7	1,688,316	1,711,751
Amortisation of Long-term Prepayments	8	27,262	27,262
Depreciation of Right-of-Use Assets	9	117,990	110,900
Amortisation of Intangible Assets	10	39,970	37,395
Depreciation of Biological Assets	11	566,338	574,264
Loss arising from Changes in Fair Value less Cost to Sell of Crops		12,218	9,978
Provision for Employee Retirement Benefits	23	182,398	142,712
Provision for Inventories and Trade Receivables	13,14	185,866	86,382
Share Based Payment Expense		37,163	30,820
Finance Cost, net	31	530,260	527,019
Other Expenses, net	30	63,166	64,461
Share of Results of Associate	12	1,774	1,064
Zakat	25	105,326	85,101
Income Tax	24,25	44,334	29,175
		5,916,048	5,489,813
Changes in Working Capital:			
Inventories		348,415	(1,063,947)
Biological Assets		(11,161)	(7,885)
Trade Receivables, Prepayments and Other Receivables		11,740	(458,951)
Trade and Other Payables		(143,111)	591,073
Cash From / (Used in) Working Capital		205,883	(939,710)
Employee Retirement Benefits Paid	23	(70,501)	(59,222)
Zakat and Income Tax Paid	24,25	(22,948)	(8,255)
Net Cash From Operating Activities		6,028,482	4,482,626
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption / (Investment) in Time Deposit		1,876,250	(1,876,250)
Additions in Long-term Prepayments	8	(27,500)	-
Proceeds from Sale of Equity Investment	12	-	19,781
Purchase of Warehouse Facilities	1	(187,870)	-
Additions to Property, Plant and Equipment		(3,573,721)	(2,505,890)
Proceeds from the Disposal of Property, Plant and Equipment		137,383	73,741
Additions to Intangible Assets	10	(60,504)	(24,517)
Additions to Biological Assets		(1,072,814)	(1,095,263)
Proceeds from the Disposal of Biological Assets		287,126	228,358
Net Cash Used in Investing Activities		(2,621,650)	(5,180,040)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loans and Borrowings		14,767,862	16,099,196
Repayment of Loans and Borrowings		(16,576,340)	(13,634,845)
Purchase of Additional Stake in a Subsidiary	1	-	(255,000)
Finance Cost Paid		(645,039)	(559,199)
Dividend Paid	40	(986,875)	(980,576)
Settlement of Treasury Shares		64,010	273,316
Principal Element of Lease Payments		(122,093)	(100,764)
Interest Element of Lease Payments		(5,720)	(15,208)
Directors' Remuneration		(5,477)	(4,994)
Transactions with Non-Controlling Interests		(29,651)	(781)
Net Cash (Used in) / From Financing Activities		(3,539,323)	821,145
Net Change in Cash and Cash Equivalents		(132,491)	123,731
Cash and Cash Equivalents at 1 January		666,336	546,916
Effect of Movements in Exchange Rates on Cash and Cash Equivalents		(5,631)	(4,311)
Cash and Cash Equivalents at 31 December	16	528,214	666,336

The accompanying notes form an integral part of these Consolidated Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders and signed on its behalf by:

Danko Maras
Chief Financial Officer

Abdullah Albader
Chief Executive Officer

**HH Prince Naif Bin Sultan Bin
Mohammed Bin Saud Al Kabeer**
Chairman

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION

Almarai Company (the “Company”) is a Saudi Joint Stock Company, which was converted from a limited liability company to a joint stock company on 2 Rajab 1426 A.H. (8 August 2005). The Company initially commenced trading on 19 Dul Hijjah 1411 A.H. (1 July 1991) and operates under Commercial Registration No. 1010084223. Prior to the consolidation of activities in 1991, the core business was trading between 1977 and 1991 under the Almarai brand name.

The Company’s Head Office is located at Exit 7, North Ring Road, Al Izdihar District, P.O. Box 8524, Riyadh 11492, Kingdom of Saudi Arabia (“Saudi Arabia”).

The Company and its subsidiaries (together, the “Group”) are a major integrated consumer food and beverage Group in the Middle East with leading market share in Saudi Arabia. It also operates in Egypt, Jordan and other Gulf Cooperation Council (“GCC”) countries.

Dairy, fruit juices and related food business is operated under the “Almarai”, “Beyti” and “Teeba” brand names. All raw milk production, dairy and fruit juice product processing and related food product manufacturing activities are undertaken in Saudi Arabia, United Arab Emirates (“UAE”), Egypt and Jordan.

Dairy, Fruit Juices and related food business in Egypt and Jordan operates through a fully owned subsidiary International Dairy and Juice Limited (“IDJ”). The Group manages IDJ operations through the following key subsidiaries:

Jordan

Teeba Investment for Developed Food Processing

Egypt

International Company for Agricultural Industries Projects (Beyti) (SAE)

Bakery products are manufactured and traded by Western Bakeries Company Limited and Modern Food Industries Company Limited, under the brand names “L’usine” and “7 Days”, respectively.

Poultry products are manufactured and traded by Hail Agricultural Development Company under the “Alyoum” and “AlBashayer” brand names.

Seafood products are traded under the “Seama” brand name.

Ice cream products are traded under the “Almarai” brand name.

Infant Nutrition products are manufactured by Almarai Baby Food Company Limited and traded by International Pediatric Nutrition Company under “Nuralac” and “Evolac” brand names.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION (continued)

In territories where the Group has operations, final consumer packed products are distributed from manufacturing facilities to local distribution centres by the Group's long haul distribution fleet. The distribution centres in GCC countries are managed through subsidiaries in UAE, Sultanate of Oman ("Oman") and Kingdom of Bahrain ("Bahrain") and an agency agreements in Kuwait and Qatar as follows:

UAE

Almarai Emirates Company LLC

Oman

Arabian Planets for Trading and Marketing LLC

Bahrain

Almarai Company Bahrain W.L.L.

Kuwait

Al Kharafi Brothers Dairy Products Company Limited

Qatar

Khalid for Foodstuff and Trading Company

In other territories, where permissible by law, export sales are made through other subsidiaries.

The Group owns and operates arable farms in Argentina and United States of America ("USA"), collectively referred to as "Fondomonte", through the following key subsidiaries:

Argentina

Fondomonte South America S.A

USA

Fondomonte Holdings North America LLC

The Group's non-GCC business operations under IDJ and Fondomonte are managed through Almarai Investment Holding Company W.L.L., a company incorporated in Bahrain.

Poultry grandparent farming operations are conducted by Pure Breed Poultry Company.

Value-added meat and poultry products for the Middle East food services industry are manufactured and distributed by Premier Foods Industries Company LLC.

Frozen bakery products are produced and sold in the UAE and Bahrain by Bakemart FZ L.L.C, Bakemart L.L.C (UAE), and Bakemart W.L.L (Bahrain).

Acquisition:

On 3 Rabi Al Thani 1446 (6 October 2024), the Group, through its subsidiary Teeba Investment for Developed Food Processing Company, entered into a Share Purchase Agreement (“SPA”) to acquire 100% shares in Hammoudeh Food Industries, a company based in the Hashemite Kingdom of Jordan, for a total consideration of ₪ 263 million.

The completion of this acquisition is subject to certain conditions set forth in the SPA, including obtaining the necessary regulatory approvals from authorities in both the Kingdom of Saudi Arabia and the Hashemite Kingdom of Jordan. The financial impact and results of this acquisition will be incorporated into the Group’s Financial Statements upon successful completion of these conditions.

Asset Purchase Transactions.

On 21 Jumada Al Akhirah 1445 (5 December 2023), the Group entered into an agreement to acquire warehouse facilities based in Saudi Arabia for a value of ₪ 187 million. The completion of the acquisition was subject to finalisation of certain conditions/requisites outlined in the agreement. It included approval from regulatory authority and settlement of consideration payable to the counterparty.

During the year 2024, the Group obtained the required regulatory approval and settled the consideration. Management determined that substantially all of the fair value acquired was concentrated in the warehouse facilities and concluded that the arrangement did not meet the definition of a business combination under IFRS 3. Accordingly, the transaction was accounted for as an asset acquisition in the financial statements.

The acquisition will enhance Almarai’s capabilities to serve its customers with an expanded range of frozen products across the Kingdom of Saudi Arabia.

Purchase of Additional Stake in a Subsidiary:

On 26 Rajab 1444 A.H. (17 February 2023), the Group acquired the remaining share of 48% in IDJ, owned by PepsiCo, for a total consideration of ₪ 255 million paid in cash, resulting in an increase in its shareholding from 52% to 100%. Immediately prior to the purchase, the carrying amount of the existing 48% non-controlling interest (“NCI”) owned by PepsiCo was ₪ 264.6 million. The purchase was accounted for as an equity transaction with owners with no impact on the consolidated statement of profit or loss account for the period ended 31 December 2023. The difference of ₪ 9.6 million between the carrying value of NCI and consideration paid was recorded under equity as part of other reserves.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION (continued)

Climate change:

The Group is subject to short-term and long-term climate change related risks. These risks are inherent part of operating in a food industry. Almarai continually works to reduce the environmental footprint of the business, in part, due to the inherent risks.

Greenhouse gas emissions associated with fuel and electricity consumption have an impact not only on the environment but also on Almarai's financial bottom line. Climate change also creates risks for agricultural production through droughts, pests, diseases, etc. that pose challenges for sustaining and increasing production levels.

The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming practices, landfill waste reduction, commitment to 100% chlorofluorocarbon-free cold storage at its sales depot, and fuel efficiency measures including trailing alternative fuel vehicles.

Pillar Two:

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

These rules, applicable on a jurisdictional basis, aim to ensure a minimum level of taxation on income generated in each jurisdiction in which an entity operates.

The Group has assessed its potential exposure to Pillar Two income taxes based on its 2024 country-by-country financial information for constituent entities. Currently, the exposure is limited to the following entities:

- a) Pillar Two model rules were adopted across European Union member states at the end of 2023 and became effective from 1 January 2024. Fondomonte Inversiones S.L. qualifies for the transitional country-by-country safe harbour for 2024, resulting in no exposure to additional taxes under Pillar Two for the reporting period.
- b) On 1 September 2024, the National Bureau for Revenue (NBR) of Bahrain enacted Decree-Law No. (11) of 2024, introduced Domestic Minimum Top-Up Tax (DMTT). This law ensures that constituent entities of MNEs located in Bahrain pay a minimum tax of 15% on their profits. However, the DMTT provisions apply to financial years starting on or after 1 January 2025. Consequently, there is no exposure for the financial year ending 31 December 2024.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION (continued)

Details of subsidiary companies are as follows:

Name of Subsidiary	Country of Incorporation	Business Activity
Almarai Investment Company Limited	Saudi Arabia	Holding Company
Almarai Baby Food Company Limited	Saudi Arabia	Manufacturing Company
Almarai Construction Company Limited	Saudi Arabia	Dormant
Agricultural Input Company Limited (Mudkhalat)	Saudi Arabia	Dormant
Hail Agricultural Development Company	Saudi Arabia	Poultry / Agricultural Company
International Baking Services Company Limited	Saudi Arabia	Trading Company
International Pediatric Nutrition Company Limited	Saudi Arabia	Trading Company
Modern Food Industries Company Limited	Saudi Arabia	Bakery Company
Western Bakeries Company Limited	Saudi Arabia	Bakery Company
Pure Breed Poultry Company Limited	Saudi Arabia	Poultry Company
Premier Food Industries Company L.L.C	Saudi Arabia	Manufacturing and Trading Company
Artas United Limited Company	Saudi Arabia	Transportation and Storage Company
Almarai for Meat LLC	Saudi Arabia	Meat Company
Etmam Logistics Maintenance and Operation Company	Saudi Arabia	Warehouse Facilities
Agro Terra S.A.	Argentina	Dormant
Fondomonte South America S.A.	Argentina	Agricultural Company
Almarai Company Bahrain W.L.L.	Bahrain	Trading Company
Almarai Investment Holding Company W.L.L.	Bahrain	Holding Company
Bakemart W.L.L.	Bahrain	Manufacturing and Trading Company
IDJ Bahrain Holding Company W.L.L.	Bahrain	Holding Company
International Dairy and Juice Limited	Bermuda	Holding Company
International Dairy and Juice (Egypt) Limited	Egypt	Holding Company
International Company for Agricultural Industries Projects (Beyti) (SAE)	Egypt	Manufacturing and Trading Company
Beyti For Importation and Exportation Company L.L.C.	Egypt	Trading Company
BDC Info Private Limited	India	Operations Management
Markley Holdings Limited	Jersey	Dormant
Al Muthedoon for Dairy Production	Jordan	Dormant
Al Atheer Agricultural Company	Jordan	Dormant
Al Namouthjya for Plastic Production	Jordan	Dormant
Al Rawabi for juice and UHT milk Manufacturing	Jordan	Manufacturing Company
Teeba Investment for Developed Food Processing	Jordan	Manufacturing Company
Arabian Planets for Trading and Marketing L.L.C.	Oman	Trading Company
Alyoum for Food Products Company L.L.C.	Oman	Dormant
Fondomonte Inversiones S.L.	Spain	Holding Company
Hail Development Company Limited	Sudan	Dormant
Almarai Emirates Company L.L.C.	UAE	Trading Company
BDC international L.L.C.	UAE	Operations Management
Almarai Company Drinks Manufacturing LLC	UAE	Manufacturing Company
Bakemart L.L.C	UAE	Manufacturing and Trading Company
Bakemart FZ L.L.C	UAE	Manufacturing and Trading Company
Fondomonte Holding North America L.L.C.	USA	Holding Company
Fondomonte Arizona L.L.C.	USA	Agricultural Company
Fondomonte California L.L.C.	USA	Agricultural Company
Hayday Farm Operation L.L.C.	USA	Agricultural Company

	Effective Ownership Interest		Share Capital	Number of Shares Issued
	2024	2023		
	100%	100%	₹ 1,000,000	1,000
	100%	100%	₹ 200,000,000	1,000
	100%	100%	₹ 1,000,000	1,000
	52%	52%	₹ 25,000,000	250
	100%	100%	₹ 300,000,000	10
	100%	100%	₹ 500,000	500
	100%	100%	₹ 41,000,000	410,000
	100%	100%	₹ 70,000,000	70,000
	100%	100%	₹ 200,000,000	1,000
	100%	94%	₹ 46,500,000	465,000
	100%	100%	₹ 500,000	10
	100%	100%	₹ 10,000	100
	100%	100%	₹ 1,000,000	10
	100%	-	₹ 10,000	1,000
	100%	100%	ARS 33,210,000	33,210,000
	100%	100%	ARS 8,550,769,407	8,550,769,407
	100%	100%	BHD 100,000	1,000
	100%	100%	BHD 34,450,000	344,500
	100%	100%	BHD 30,000	600
	100%	100%	BHD 250,000	2,500
	100%	100%	USD 7,583,334	7,583,334
	100%	100%	EGP 3,233,750,000	323,375,000
	100%	100%	EGP 4,049,666,670	404,966,667
	100%	100%	EGP 2,000,000	2,000
	100%	100%	INR 2,750,680	275,068
	100%	100%	GBP 5,769,822	5,769,822
	100%	100%	JOD 500,000	500,000
	100%	100%	JOD 750,000	750,000
	100%	100%	JOD 250,000	250,000
	100%	100%	JOD 500,000	500,000
	100%	100%	JOD 21,935,363	21,935,363
	70%	70%	OMR 150,000	150,000
	100%	100%	OMR 20,000	20,000
	100%	100%	EUR 24,964,708	24,964,708
	100%	100%	SDG 100,000	100
	100%	100%	AED 300,000	300
	100%	100%	AED 200,000	200
	100%	100%	AED 250,000 (Unpaid)	100
	100%	100%	AED 300,000	300
	100%	100%	AED 300,000	300
	100%	100%	USD 500,000	50,000
	100%	100%	USD 500,000	50,000
	100%	100%	-	-
	100%	100%	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (here and after refer to as “IFRS as endorsed in Saudi Arabia”).

2.2 Preparation of the Consolidated Financial Statements

These Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the Consolidated Statement of Financial Position:

- Derivative financial instruments are measured at fair value.
- The employee retirement benefit is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological Assets, where fair value is reliably measurable, have been measured at fair value. (Refer note 6.1)

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. The excess of the cost of acquisition and amount of Non – Controlling Interest (“NCI”) over the fair value of the identifiable net assets acquired is recorded as goodwill in the Consolidated Statement of Financial Position. NCI is measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. If the business combination is achieved in stages, the acquisition date carrying value of the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the Consolidated Statement of Profit or Loss. 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. FUNCTIONAL AND PRESENTATION CURRENCY

These Consolidated Financial Statements are presented in SAR , which is the Company’s functional and the Group’s presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

5. MATERIAL ACCOUNTING POLICIES

5.1. New Standards, Amendment to Standards and Interpretations:

The Group has applied the following standards and amendments, where applicable, for the first time for their annual reporting period commencing 1 January 2024.

5.1.1. 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.

5.1.2. 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.

5.1.3. 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.

The adoption of above amendments does not have any material impact on the Consolidated Financial Statements during the year.

5.2. Standards issued but not yet effective

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

5.2.1. Amendments to IAS 27 – Lack of exchangeability

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

5.2.2. Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

5.2.3. IFRS 18, 'Presentation and Disclosure in Financial Statements'

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

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

5.3. Cash and Cash Equivalents

Cash and cash equivalents include bank balances, cheques and cash in hand and deposits with original maturities of three months or less, if any.

5.4. Time Deposits

Time 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.

5.5. Property, Plant and Equipment

Property, Plant and Equipment, including bearer plants, are measured at cost less accumulated depreciation and accumulated impairment loss, if any. Cost comprises of expenditure that is directly attributable to the acquisition of the asset. Cost includes the reclassifications from equity of any gains or losses on qualifying cash flow hedges relating to purchases of Property, Plant and Equipment. Cost also includes expenditures that are directly attributable to the acquisition / growing of the plant till its maturity. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in the Consolidated Statement of Profit or Loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and amount can be measured reliably.

The cost less estimated residual value is depreciated on a straight-line basis over the following estimated useful lives of the assets where depreciation is charged based on the expected use:

Buildings	5 – 40 years
Plant, Machinery and Equipment	2 – 20 years
Motor Vehicles	6 – 10 years
Bearer Plants	2 – 40 years

Land, Capital Work in Progress and Immature plants are not depreciated.

Capital work in progress at year end includes certain assets that have been acquired but are not ready for their intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

The assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

If significant parts of an item of property, plant and equipment have different useful lives then they are accounted for as separate items of property, plant and equipment.

5.6. Inventories

Inventories are measured at the lower of cost and net realisable value (“NRV”). Cost is determined using the weighted average method. Cost comprises all direct manufacturing expenditure based on the normal level of activity and transportation and handling costs. Cost includes the reclassifications from equity of any gains or losses on qualifying cash flow hedges relating to purchases of inventories. NRV comprises estimated selling price less further production costs to completion and appropriate selling and distribution costs. Cost of inventories is recognised as an expense and included in cost of sales.

Agriculture produce harvested from biological assets are measured at fair value less cost to sell at the point of harvest.

Spares are valued at lower of cost and NRV. Cost is determined on the weighted average cost basis.

5.7. Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate.

When the Group’s share of losses of an associate exceeds the Group’s interest in that an associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of associate’s identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the Consolidated Statement of Profit or Loss in the period in which the investment is acquired.

When a Group entity transacts with an associate of the Group, profits or losses resulting from the transactions with the associate are recognised in the Group’s Consolidated Financial Statements only to the extent of interests in the associate that are not related to the Group.

5.8. Right-of-Use Assets and Lease Liabilities

The Group recognises new assets and liabilities for its leases of various types of contracts including warehouse and depot facilities, accommodation/office rental premises, commercial vehicles etc. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to the Consolidated Statement of Profit or Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Statement of Profit or Loss. Short-term leases are leases with a lease term of 12 months or less.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, the management generally considers certain factors including historical lease durations, significant leasehold improvements over the term of the lease that have significant economic benefit to the Group's operation, the importance of the leased asset to the Group's operation and whether alternatives are available for the Group and business disruption required to replace the leased asset.

5.9. Biological Assets

Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably.

Where fair value cannot be measured reliably biological assets are stated at cost of purchase or cost of rearing or growing to the point of commercial production (termed as biological assets appreciation), less accumulated depreciation and accumulated impairment loss, if any. The costs of immature biological assets are determined by the cost of rearing or growing to their respective age. Immature biological assets are not depreciated. Biological assets are depreciated on a straight-line basis to their estimated residual values over periods as summarised below:

Dairy Herd	4 Lactation cycles
Breeder Birds – After Maturity	36 weeks (laying period)

5.10. Intangible Assets and Goodwill

Intangible Assets

Intangible assets other than goodwill are measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over the estimated useful lives of 3- 15 years.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and amount can be measured reliably.

Intangible assets' residual values, useful lives and impairment indicators are reviewed at each financial year end and adjusted prospectively, if considered necessary.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit (Also see note 5.14.2). Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit or Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5.11 Zakat and Income Tax

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

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

5.12. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference and unused tax losses arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint venture. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

5.13. Financial Instruments

5.13.1. 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 Other Comprehensive Income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be 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). For Investments designated as FVOCI and for which management has an intention to sell such investments within a period of 12 months from the financial year end, are classified under current assets.

The Group initially recognises financial assets on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises 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 recognised 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 Amortised 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 amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the Consolidated Statement of Profit or Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial Assets at FVOCI

The Group generally elects to recognise changes in the fair value of investments in equity in OCI. These changes are accumulated within the 'other reserve' classified under equity. The Group may transfer this amount from other reserve to retained earnings when the relevant shares are derecognised.

Dividends from such investments continue to be recognised in the Consolidated Statement of Profit or Loss as other income when the Group's right to receive payments is established. Accumulated gains and losses on these financial assets are never recycled to the Consolidated Statement of Profit or Loss.

b) Non-Derivative Financial Liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises 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 recognises non-derivative financial liabilities initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Group comprise of bank borrowings and trade and other payables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

5.13.2. Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments including forward foreign exchange contracts, commission rate swaps and commodity derivatives are measured at fair value. All derivatives are carried at their fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Any related transaction costs are recognised in the Consolidated Statement of Profit or Loss as incurred. Fair values are obtained by reference to quoted market prices, discounted cash flow models and pricing models, as appropriate.

Subsequent to initial recognition, any change in fair value is recognized on the basis of hedge accounting.

The Group designates its derivatives as hedging instruments in qualifying hedging relationships to manage exposures to interest rate, foreign currency, and commodity price risks, including exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risk, the Group applies hedge accounting for transactions that meet specific criteria.

In order to qualify for hedge accounting, the hedge should be expected to be highly effective i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objective and strategy is documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Group will assess the effectiveness of the hedging relationship. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. Prospective testing is performed mainly through matching the critical terms of both hedge item and instrument.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the Consolidated Statement of Other Comprehensive Income and accumulated in the hedging reserve shown within other reserves under equity. The ineffective portion, if material, is recognized in the Consolidated Statement of Profit or Loss, within other gains/(losses). In hedges of foreign currency contracts, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty. In hedges of interest rate swaps, ineffectiveness may arise if the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan. In hedges of commodity purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, and changes in the credit risk of the Group or the derivative counterparty.

The amount accumulated in equity is reclassified to the Consolidated Statement of Profit or Loss in the period during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to the Consolidated Statement of Profit or Loss.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 39. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

5.14. Impairment

5.14.1 Non-Derivative Financial Assets

The Group assesses on a forward-looking basis the Expected Credit Losses (“ECL”) associated with its debt instruments as part of its financial assets, carried at amortised cost and FVOCI.

For accounts receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised 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.

5.14.2 Impairment of Non-Financial Assets

Non-financial assets (other than biological assets measured at fair value, inventories and deferred tax assets) are reviewed 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).

A cash-generating units (“CGU”) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit or Loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

5.15. Employee Retirement Benefits

Employee Retirement benefits are payable to all employees employed under the terms and conditions of the Labor Laws applicable on the Company and its subsidiaries, on termination of their employment contracts.

The Group's obligation in respect of employee retirement benefits is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value.

Group sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Group's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of employee retirement benefit liability is performed by a qualified actuary using the projected unit credit method.

Re-measurement of employee retirement benefit liability, which comprise of actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income. The Group determines interest expense on the employee retirement benefit liability for the period by applying the discount rate used to measure the employee retirement benefit liability at the beginning of the annual period, taking into account any change in the net employee retirement benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to employee retirement benefits are recognised in the Consolidated Statement of Profit or Loss.

5.16. Treasury Shares

Own equity instruments that are reacquired (treasury shares), for discharging obligations under Employee Equity Participation Programmes ("EEPP"), are recognised at cost and presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares. No gain or loss is recognised in the Consolidated Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in retained earnings.

5.17. Share Based Payment Transactions

Certain employees of the Group receive remuneration in the form of equity settled share-based payments under the EEPP, whereby employees render services as consideration for the equity instruments (options or shares) granted under EEPP as disclosed in note 19.

The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the Consolidated Statement of Profit or Loss, together with a corresponding increase in other reserves, in equity, over the period during which the vesting conditions are fulfilled. The Other Reserves (representing the cumulative expense arising from ESOP) is transferred into Retained Earnings upon expiry of the EEPP, whether or not the equity instruments vest to the employees.

The cumulative expense recognised for EEPP at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

When the terms of the EEPP are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of the modification.

When the EEPP is terminated, it is treated as if the equity instruments vested on the date of termination, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new EEPP is substituted for the terminated ESOP and designated as a replacement award on the date that it is granted, the terminated and new EEPP are treated as if they were a modification of the original EEPP, as described in the previous paragraph.

5.18. Conversion of Foreign Currency Transactions

Foreign currency transactions are initially recognised by the Group's entities at their respective functional currencies' spot rate at transaction date. At the reporting date, monetary assets and liabilities denominated in foreign currencies are converted into ₪ at the exchange rates ruling on such date. Any resulting exchange differences are charged or credited to the Consolidated Statement of Profit or Loss as appropriate.

As at the reporting date, the assets and liabilities of the foreign subsidiaries are translated into ₪, at the rate of exchange ruling at the Consolidated Statement of Financial Position date and their Consolidated Statement of Profit or Loss are translated at the weighted average exchange rates for the year. Components of equity, other than retained earnings, are translated at the rate ruling at the date of occurrence of each component. Translation adjustments in respect of these components of equity are recorded through Consolidated Statement of Other Comprehensive Income.

5.19. Revenue Recognition

The Group generates revenue from a number of product lines, these include:

- Dairy and Juice
- Bakery
- Poultry
- Other activities (Arable, Horticulture, Infant Nutrition, Seafood products and Food Services)

Revenue is recognised when there is a contract with a customer for the transfer of products across various product categories and geographical regions.

Revenue is recognised in the Consolidated Statement of Profit or Loss when a performance obligation is satisfied, at the price allocated to that performance obligation. This is defined as the point in time when control of the products has been transferred to the customer, the amount of revenue can be measured reliably, and collection is probable. The transfer of control to customers takes place according to trade agreement terms.

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts and volume rebates.

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 based on historical experience. Expected sales returns are netted off against revenue with the corresponding impact in trade and other payables.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised 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, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The related liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. MATERIAL ACCOUNTING POLICIES (continued)

5.20. Government Grants

The Group receives government grants on import of feeds for its biological assets and on poultry production. Government grants are initially recognised within other liabilities at fair value when there is reasonable assurance that it will be received, and the Group will comply with the conditions associated with the grant.

Government grants are recognised in the Consolidated Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related inventories against which the grants are intended to compensate.

5.21. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method. Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The borrowings are classified as current liability if there is no right to defer settlement for at least 12 months from the reporting period.

5.22. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time, that is more than one year, to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. No borrowing costs are capitalised during idle periods.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Consolidated Statement of Profit or Loss in the period in which they are incurred.

5.23. Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's relevant Business Heads' (Chief Operating Decision Makers) which in the Group's case is to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's relevant Business Heads include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's operating segments are analysed and aggregated based on the nature of products and uniformity in the production processes.

6. USE OF JUDGEMENTS AND ESTIMATES

The preparation of these Consolidated Financial Statements, in conformity with IFRS as endorsed in the Saudi Arabia, requires the use of judgements, estimates and assumptions. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well as the disclosure of certain contingent assets and liabilities as at the Consolidated Statement of Financial Position date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenues and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

6.1. Judgement

Information about the judgement made in applying the Group's accounting policy on biological assets with respect to dairy herd and poultry flock is given below;

The Group's dairy herd comprises both immature and mature livestock. Immature livestock comprises dairy cows that are intended to be reared to maturity. These cows are held to produce milk or offspring but have not yet produced their first calf and begun milk production. Costs incurred in rearing immature livestock are capitalised to the Consolidated Statement of Financial Position. The directly attributable costs in bringing the asset to the location and condition necessary to be capable of operation include various components including but not limited to birth related charges, feed cost and labour charges. Mature livestock includes dairy cows that have produced their first calf and begun milk production. Costs incurred in relation to mature livestock are recognised in the Consolidated Statement of Profit or Loss immediately as an expense.

IAS 41 "Agriculture" requires measurement at fair value less costs to sell from initial recognition of such biological assets up to the point of harvest, other than when fair value cannot be measured reliably on initial recognition. Management has concluded as follows on the fair value measurement hierarchies in the context of dairy herd valuation:

Level 1 - there is no active market for dairy cows in Saudi Arabia and therefore a level 1 valuation is not possible.

Level 2 - there is no observable market data available and due to the significant differences in location, environment, associated costs, average yields, majority of distribution within Saudi Arabia and distance to active markets means that a level 2 valuation is not possible.

Level 3 - Discounted cash flow ("DCF") techniques (income or market approach) - the lack of a relevant active markets for unpasteurised milk and other intermediate product requires that any valuation technique would use overall revenue as a basis for any valuation and then eliminate costs and associated profit margin relating to pasteurisation, manufacturing, packaging, sales and distribution so as to determine the net indirect cash inflows. Further, given the wide range of product portfolio and customer channels in the Group's dairy businesses, varied profit margins across the product and channel mix would also need to be considered while applying any valuation technique. Management considers that any fair value so derived would be clearly unreliable as the costs of the biological assets' operation are a relatively small part of the Group's overall activities and any imputed cash flows derived from such a valuation approach would be overly dependent on a large number of assumptions, many of which could not be derived from, or compared to, market assumptions or observed data.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. USE OF JUDGEMENTS AND ESTIMATES (continued)

Cost or current replacement cost – management considers that any replacement cost approach would need to incorporate the cost of replacing existing dairy herd of same nature and size. As discussed above, level 1 and 2 valuations for dairy herd are not possible. As the dairy herd are currently accounted for at cost less accumulated depreciation and impairment losses, management believes that any depreciated replacement cost of existing nature and size (could it be so determined) would not be less than the current carrying value of the dairy herd.

Poultry flock includes Breeder Birds, Eggs and Broiler Birds. Breeder Birds are held for the purpose of laying eggs which are ultimately hatched into Broiler Birds. The Group considers that the fair value of its poultry flock approximates the cost of rearing or growth of its poultry flock to the point of commercial production due to their short period of life. The aforementioned costs include purchase cost of day old chick, feeding costs, labor costs, veterinary costs and other overhead costs. Cost incurred in respect of breeder birds subsequent to the beginning of their productive cycle are expensed in the income statement.

6.2. Assumptions and estimation uncertainties

Assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments to the carrying amount of assets and liabilities are included below;

- a) **Goodwill - Annual impairment testing of goodwill:** Goodwill impairment tests are performed for the group of CGU to which goodwill is allocated. The group of CGU is defined based on certain acquisitions and CGU's arising from those acquisitions. The structure and groups of CGU are assessed on an annual basis. The impairment test of goodwill is performed at least annually for each group of CGUs to which goodwill is allocated. To determine the value in use, the discounted cash flow models are used.

The most important parameters in the impairment test include assumptions related to sales growth rate and pre-tax discount rates. Also refer to note 10 for sensitivity related to these assumptions for the respective CGU.

- b) **Expected future free cash flows:** The projected free cash flows are based on current forecasts and targets set for five year period. These are determined at CGU level in the forecast and target planning process as well as based on external sources of information and industry-relevant observations such as macroeconomic indicators and market conditions. All applied assumptions are challenged through the forecast and target planning process based on management's best estimates and expectations, which are judgmental by nature. They include expectations regarding revenue growth, Earnings Before Interest and Tax ("EBIT") margins and capital expenditure.
- c) **Measurement of employee retirement benefits liability - key actuarial assumptions:** Estimates are applied when setting actuarial assumptions such as the discount rate, expected future salary increases, inflation and mortality. The actuarial assumptions vary from country to country, based on national economic and social conditions. They are set using available market data and compared with benchmarks to ensure consistency on an annual basis (Refer note 23 for sensitivity related to employee retirement benefits liability).
- d) **Dairy herd** - Average lactation cycle – Refer note 30.1
- e) **Trade Receivables** - Allowance for impairment of trade receivables – Refer note 14.

7. PROPERTY, PLANT AND EQUIPMENT

	Bearer Plants						
	Land and Buildings £'000	Plant, Machinery and Equipment £'000	Motor Vehicles £'000	Capital Work-in-Progress* £'000	Mature Plantations £'000	Immature Plantations £'000	Total £'000
Cost							
At 1 January 2024	15,495,130	16,741,397	3,113,607	2,237,460	88,059	8,921	37,684,574
Additions during the year	-	-	-	3,682,811	-	25,657	3,708,468
Purchase of Warehouse Facility	164,918	5,210	6,857	-	-	-	176,985
Transfers during the year	241,563	783,894	436,012	(1,461,469)	23,555	(23,555)	-
Disposals during the year	(126,986)	(238,459)	(140,101)	-	(29,010)	-	(534,556)
Currency Translation Difference	(50,629)	(177,153)	(9,213)	(3,778)	89	28	(240,656)
At 31 December 2024	15,723,996	17,114,889	3,407,162	4,455,024	82,693	11,051	40,794,815
Accumulated Depreciation							
At 1 January 2024	4,226,188	10,764,894	1,849,370	-	36,312	-	16,876,764
Depreciation for the year	469,617	997,984	188,991	-	31,724	-	1,688,316
Disposals during the year	(40,865)	(229,616)	(127,977)	-	(29,010)	-	(427,468)
Currency Translation Difference	(13,211)	(72,204)	(7,763)	-	39	-	(93,139)
At 31 December 2024	4,641,729	11,461,058	1,902,621	-	39,065	-	18,044,473
Net Book Value							
At 31 December 2024	11,082,267	5,653,831	1,504,541	4,455,024	43,628	11,051	22,750,342

*Capital work-in-progress as at 31 December 2024 primarily represents cost incurred on updates of existing production facilities including poultry business expansion, distribution facilities and depot development.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Bearer Plant						
	Land and Buildings	Plant, Machinery and Equipment	Motor Vehicles	Capital Work-in-Progress*	Mature Plantations	Immature Plantations	Total
	₪'000	₪'000	₪'000	₪'000	₪'000	₪'000	₪'000
Cost							
At 1 January 2023	15,119,036	16,276,320	2,917,627	1,266,455	95,525	16,140	35,691,103
Additions during the year	-	-	-	2,528,453	-	25,595	2,554,048
Transfers during the year	426,166	780,678	348,859	(1,555,703)	32,772	(32,772)	-
Disposals during the year	(12,956)	(204,698)	(146,118)	-	(40,102)	-	(403,874)
Currency Translation Difference	(37,116)	(110,903)	(6,761)	(1,745)	(136)	(42)	(156,703)
At 31 December 2023	15,495,130	16,741,397	3,113,607	2,237,460	88,059	8,921	37,684,574
Accumulated Depreciation							
At 1 January 2023	3,796,757	9,958,452	1,778,225	-	43,132	-	15,576,566
Depreciation for the year	450,050	1,032,390	195,968	-	33,343	-	1,711,751
Disposals during the year	(12,309)	(185,235)	(119,714)	-	(40,102)	-	(357,360)
Currency Translation Difference	(8,310)	(40,713)	(5,109)	-	(61)	-	(54,193)
At 31 December 2023	4,226,188	10,764,894	1,849,370	-	36,312	-	16,876,764
Net Book Value							
At 31 December 2023	11,268,942	5,976,503	1,264,237	2,237,460	51,747	8,921	20,807,810

7.1. Capital Work-in-Progress includes ₪ 134.7 million of borrowing costs capitalised during the year (2023: ₪ 48.2 million). Average interest rate on borrowings as of 31 December 2024 is 5.9 % per annum (2023: 5.5%). (Refer note 31)

7.2. Refer note 22 for information on property, plant and equipment pledged as security by the Group.

8. LONG-TERM PREPAYMENTS

	31 December 2024	31 December 2023
	₪'000	₪'000
Opening Balance	525,153	552,415
Additions	27,500	-
Amortisation	(27,262)	(27,262)
Closing Balance	525,391	525,153

Long-term prepayments comprise of amounts paid to or paid on behalf of the Saudi Electric Company for the commissioning and installation of power grids at the manufacturing sites and are amortised over the period of the respective agreements.

9. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets - class wise depreciation charge and balances are as follows:

	31 December 2024		31 December 2023	
	Depreciation ₹'000	Balance ₹'000	Depreciation ₹'000	Balance ₹'000
Land	39,443	329,000	38,365	326,763
Buildings	76,652	163,045	70,005	133,024
Vehicles	494	1,314	951	2,739
Equipment	49	70	49	119
Plant and Machinery	1,352	10,637	1,530	11,186
Total Right-of-Use Assets	117,990	504,066	110,900	473,831

Additions to Right-of-Use assets during the year ended 31 December 2024 are ₹ 121.4 million (31 December 2023: ₹ 93.2 million).

Lease liabilities as at year end are as follows:

	31 December 2024 ₹'000	31 December 2023 ₹'000
Non-Current portion of Lease Liabilities	397,701	369,113
Current portion of Lease Liabilities	87,249	81,079
Total Lease Liabilities	484,950	450,192

The total interest expense on lease liabilities recognised during the year ended 31 December 2024 is ₹ 20.0 million (2023: ₹ 15.9 million).

Expenses relating to short-term and low-value asset leases are ₹ 32 million and ₹ 2.5 million, respectively (2023: ₹ 19.4 million and ₹ 2.6 million, respectively).

The total cash outflow for leases in 2024 was ₹ 127.8 million (2023: ₹ 116.0 million).

10. INTANGIBLE ASSETS AND GOODWILL

	31 December 2024 ₹'000	31 December 2023 ₹'000
Software Licenses (Refer note 10.1)	193,715	168,821
Goodwill (Refer note 10.2)	927,055	940,066
Customer Relationships and Brands (Refer note 10.3)	9,922	14,882
	1,130,692	1,123,769

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. INTANGIBLE ASSETS AND GOODWILL (continued)

10.1. Software Licenses

	Software Licenses	Software Licenses in Progress*	Total
	ﷲ'000	ﷲ'000	ﷲ'000
Cost			
At 1 January 2024	546,840	24,427	571,267
Additions during the year	-	60,504	60,504
Transfers during the year	47,177	(47,177)	-
Disposals during the year	(11,164)	-	(11,164)
Currency Translation Difference	(2,315)	(1)	(2,316)
At 31 December 2024	580,538	37,753	618,291
Accumulated Amortisation			
At 1 January 2024	402,446	-	402,446
Amortisation for the year	35,010	-	35,010
Disposals during the year	(11,164)	-	(11,164)
Currency Translation Difference	(1,716)	-	(1,716)
At 31 December 2024	424,576	-	424,576
Net Book Value			
At 31 December 2024	155,962	37,753	193,715
Cost			
At 1 January 2023	531,536	17,926	549,462
Additions during the year	-	24,517	24,517
Transfers during the year	18,004	(18,004)	-
Disposals during the year	(1,509)	-	(1,509)
Currency Translation Difference	(1,191)	(12)	(1,203)
At 31 December 2023	546,840	24,427	571,267
Accumulated Amortisation			
At 1 January 2023	372,419	-	372,419
Amortisation for the year	32,435	-	32,435
Disposals during the year	(1,378)	-	(1,378)
Currency Translation Difference	(1,030)	-	(1,030)
At 31 December 2023	402,446	-	402,446
Net Book Value			
At 31 December 2023	144,394	24,427	168,821

*Software licenses in progress include certain software under installation. This majorly includes externally acquired software and licenses.

10.2. Goodwill

The goodwill relates to the acquisition of Western Bakeries Company Limited (WB) in 2007, Hail Agricultural Development Company (HADCO) in 2009, International Dairy and Juice Limited (IDJ) in 2012 and Bakemart in 2022.

	WB £'000	HADCO £'000	IDJ £'000	Bakemart £'000	Total £'000
Cost					
At 1 January 2024	548,636	244,832	477,299	30,177	1,300,944
Currency Translation Difference	-	-	(45,619)	(20)	(45,639)
At 31 December 2024	548,636	244,832	431,680	30,157	1,255,305
Accumulated Impairment					
At 1 January 2024	-	-	328,250	-	328,250
At 31 December 2024	-	-	328,250	-	328,250
Net Carrying Value					
At 31 December 2024	548,636	244,832	103,430	30,157	927,055
Cost					
At 1 January 2023	548,636	244,832	477,299	30,177	1,300,944
Currency Translation Difference	-	-	(32,560)	(68)	(32,628)
At 31 December 2023	548,636	244,832	444,739	30,109	1,268,316
Accumulated Impairment					
At 1 January 2023	-	-	328,250	-	328,250
At 31 December 2023	-	-	328,250	-	328,250
Net Carrying Value					
At 31 December 2023	548,636	244,832	116,489	30,109	940,066

WB and Bakemart forms part of the Bakery Products reporting segment, HADCO represents Poultry reporting segment while IDJ falls under the Dairy and Juice reporting segment having its CGU in Jordan and Egypt by the name of Teeba and Beyti, respectively.

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of each CGU to the recoverable amount which has been determined based on a value in use calculation using cash flow projections based on financial forecasts approved by management covering a five-year period. The pre-tax discount rate is applied to cash flow projections for respective CGUs that varies in the range of 8.0% to 16.0%. For the terminal value, the Gordon Growth Model is applied to the cash flows of the final forecast year, with a long-term growth rate of 2.0%.

The calculation of value in use is most sensitive to the assumptions on pre-tax discount rates.

Management has determined the values assigned to each of the above key assumptions as follows:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. INTANGIBLE ASSETS AND GOODWILL (continued)

Assumption	Approach used to determine values
Sales growth rate	Average annual growth rate over the five-year forecast period, based on past performance and management's expectations of market development.
Pre-tax discount rate	A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates, tax rates and risk premiums and is recalculated to a before-tax rate ('Pre-tax discount rate').

Assumptions used for value-in-use calculations to which the recoverable amount is most sensitive were:

Sensitivity to Changes in Assumptions – WB

The implications of changes to the key assumptions are discussed below.

(a) Sales Growth Assumption

The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 4.0%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in compounded annual growth rate.

(b) Pre-tax discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 8.0%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in the pre-tax discount rate.

Sensitivity to Changes in Assumptions – HADCO

The implications of changes to the key assumptions are discussed below.

(a) Sales Growth Assumption

The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 2.0%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in compounded annual growth rate.

(b) Pre-tax discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 8.0%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in the pre-tax discount rate.

Sensitivity to Changes in Assumptions – IDJ

The implications of changes to the key assumptions are discussed below.

(a) Sales Growth Assumption

The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 11%. If all other assumptions remain constant, a reduction of this growth rate by 17% would give a value in use equal to the current carrying amount.

(b) Pre-tax discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 16%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in the pre-tax discount rate.

Sensitivity to Changes in Assumptions – Bakemart

The implications of changes to the key assumptions are discussed below.

(a) Sales Growth Assumption

The sales growth in the forecast period has been estimated to be a compounded annual growth rate of 3.6%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in compounded annual growth rate.

(b) Pre-tax discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 9.0%. If all other assumptions remain constant, the calculation of value-in-use is not significantly impacted by material change in the pre-tax discount rate.

10.3 Customer Relationships and Brands

The customer relationships and brands were acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line method based on the timing of projected cash flows of the contracts/ business over their estimated useful lives.

	2024 £'000	2023 £'000
Opening	14,882	19,842
Amortisation	(4,960)	(4,960)
At 31 December	9,922	14,882

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. BIOLOGICAL ASSETS

The Group's biological assets consist of dairy herd, poultry birds and plantations.

Biological assets owned by the Group are measured as follows:

- **Dairy Herd and Poultry Flock:** At cost less accumulated depreciation and impairment losses, if any (Refer note 6.1).
- **Crops:** The crops that have reached a considerable degree of biological development have been stated at the present value of the net cash flows that will be provided by such crops in progress, estimated on the basis of the degree of biological development and the risks related to the completion of the development process of crops sown.

	Dairy Herd S'000	Breeder Birds S'000	Other Poultry S'000	Crops S'000	Total S'000
Cost					
At 1 January 2024	2,440,990	300,603	110,991	-	2,852,584
Additions during the year*	813,553	259,261	1,940,735	-	3,013,549
Transfers to Inventories	-	-	(1,932,770)	-	(1,932,770)
Disposals during the year	(625,455)	(218,199)	(271)	-	(843,925)
Currency Translation Difference	75	-	-	-	75
At 31 December 2024	2,629,163	341,665	118,685	-	3,089,513
Accumulated Depreciation					
At 1 January 2024	851,273	148,501	-	-	999,774
Depreciation for the year	349,693	216,645	-	-	566,338
Disposals during the year	(216,741)	(216,916)	-	-	(433,657)
Currency Translation Difference	20	-	-	-	20
At 31 December 2024	984,245	148,230	-	-	1,132,475
Net Book Value					
At 31 December 2024	1,644,918	193,435	118,685	-	1,957,038
Measured at Fair Value					
At 1 January 2024	-	-	-	24,053	24,053
Additions during the year	-	-	-	280,426	280,426
Transfers to Inventories	-	-	-	(277,230)	(277,230)
Loss Arising from Changes in Fair Value less Cost to Sell	-	-	-	(9,415)	(9,415)
Currency Translation Difference	-	-	-	32	32
At 31 December 2024	-	-	-	17,866	17,866
Carrying Amount					
At 31 December 2024	-	-	-	17,866	17,866
Biological Assets Classification:					
At 31 December 2024					
Biological Assets Classified as Non-Current Assets	1,644,918	193,435	-	-	1,838,353
Biological Assets Classified as Current Assets	-	-	118,685	17,866	136,551
	1,644,918	193,435	118,685	17,866	1,974,904

*Additions include Biological Assets appreciation amounting to S'778.2 million.

	Dairy Herd #'000	Breeder Birds #'000	Other Poultry #'000	Crops #'000	Total #'000
Cost					
At 1 January 2023	2,195,568	224,892	104,326	-	2,524,786
Additions during the year*	872,991	222,272	2,039,280	-	3,134,543
Transfers to Inventories	-	-	(2,032,615)	-	(2,032,615)
Disposals during the year	(627,518)	(146,561)	-	-	(774,079)
Currency Translation Difference	(51)	-	-	-	(51)
At 31 December 2023	2,440,990	300,603	110,991	-	2,852,584
Accumulated Depreciation					
At 1 January 2023	745,039	110,522	-	-	855,561
Depreciation for the year	396,701	177,563	-	-	574,264
Disposals during the year	(290,452)	(139,584)	-	-	(430,036)
Currency Translation Difference	(15)	-	-	-	(15)
At 31 December 2023	851,273	148,501	-	-	999,774
Net Book Value					
At 31 December 2023	1,589,717	152,102	110,991	-	1,852,810
Measured at Fair Value					
At 1 January 2023	-	-	-	18,486	18,486
Additions during the year	-	-	-	421,815	421,815
Transfers to Inventories	-	-	-	(420,594)	(420,594)
Gain Arising from Changes in Fair Value less Cost to Sell	-	-	-	4,389	4,389
Currency Translation Difference	-	-	-	(43)	(43)
At 31 December 2023	-	-	-	24,053	24,053
Carrying Amount					
At 31 December 2023	-	-	-	24,053	24,053
Biological Assets Classification:					
At 31 December 2023					
Biological Assets Classified as Non-Current Assets	1,589,717	152,102	-	-	1,741,819
Biological Assets Classified as Current Assets	-	-	110,991	24,053	135,044
	1,589,717	152,102	110,991	24,053	1,876,863

*Additions include Biological Assets appreciation amounting to # 719.4 million.

Dairy Herd represents heifers and cows held for milk production.

Parent Poultry Birds are held for the purpose of laying eggs which are hatched into Broiler Birds (Other Poultry).

Crops are mainly held for the purpose of serving as animal feed which are consumed internally.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. BIOLOGICAL ASSETS (continued)

Agricultural Risk Management:

The Group is subject to following risks relating to its agricultural activities:

(a) Failure to secure long-term production of fodder

Fodder production has been strategically shifted overseas/outside Saudi Arabia as per domestic law and regulations. The Group has developed an extensive supply chain network in North America and South America, covering both own and sourced fodder production, to ensure continuous supply of fodder for its dairy herd. Saudi Arabia's farms also carry a large Inventory of forage to ensure no disruption of supply.

(b) Large scale loss of biological assets due to disease/pandemic

Strong bio-security procedures, livestock and poultry flock located on multiple sites to reduce risk, disease control and vaccination program are in place along with screening and quarantine of incoming animals. Professional vet group within the farming division ensure large scale losses do not occur.

(c) Severe operational disruption (Fire, Flood, etc.)

The Group is prepared to respond to operational disruptions to minimise losses and remain viable. An effective Business Continuity Plan is continually reviewed and adapted for the changing nature of operational disruptions. Risk assessments are continually performed to identify possible events that could cause significant disruptions. Risk of business disruption from flood has been removed through farm design. Farm buildings are constructed in areas that do not have flash floods and also elevated above ground level.

12. INVESTMENTS

The investments comprise the following:

	Nature	Principal activity	Country of Incorporation / Principal Place of Business	31 December 2024 %	31 December 2023 %	31 December 2024 ٴ'000	31 December 2023 ٴ'000
Investments in Associate							
Maria Fondomonte S.A. (Refer note 12.1 and 12.2)	Associate	Source, process and sale of forage supplies	Romania	49.0%	49.0%	3,256	5,030
						3,256	5,030

12.1. Movement in the investment in associate is as follows:

	2024 ₺'000	2023 ₺'000
Opening balance	5,030	6,108
Share of Results for the year	(1,774)	(1,064)
Currency Translation Difference	-	(14)
Closing balance	3,256	5,030

12.2. On 22 Safar 1441 A.H. (21 October 2019) the Group acquired 49% equity interest in Maria Fondomonte S.A. (the "Associate") to strengthen its dairy herd feed supply. The Group reviewed this investment for impairment on account of breach of certain clauses set forth in the shareholders' agreement (the "Agreement") dated 21 October 2019. Based on fair valuation of Group's equity stake in the Associate, an impairment loss of ₺ 82.9 million was recognised in 'Other expenses' in the Consolidated Statement of Profit or Loss during the year ended 31 December 2022.

The Group has taken legal action under the Agreement, within the jurisdiction of Romania, to recover its investment in the Associate. The Group will reassess the carrying value of this investment at each reporting period and adjust or reverse the impairment in subsequent periods accordingly.

13. INVENTORIES

	31 December 2024 ₺'000	31 December 2023 ₺'000
Raw Materials	4,208,808	4,681,722
Finished Goods	1,061,679	990,163
Spares	821,907	826,221
Work in Progress	234,961	241,829
Total Inventories	6,327,355	6,739,935
Less: Allowance (Refer note 13.1)	(642,935)	(591,746)
Total	5,684,420	6,148,189

13.1. Movement in allowance is as follows:

	2024 ₺'000	2023 ₺'000
Opening balance	591,746	541,347
Allowance made and written off during the year	54,935	52,209
Currency Translation Difference	(3,746)	(1,810)
Closing balance	642,935	591,746

13.2. Allowance for inventories is based on nature of inventories, their expiry and sales expectation based on historic trends and other qualitative factors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

14. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024 S'000	31 December 2023 S'000
Trade Receivables - Third Parties	1,964,690	1,890,630
- Related Parties (Refer note 37)	-	160,561
	1,964,690	2,051,191
Less: Allowance for impairment of trade receivables (Refer note 14.1)	(257,832)	(160,768)
Net Trade Receivables	1,706,858	1,890,423
Prepayments	503,311	494,109
Government Grants	107,251	96,107
Other Receivables	104,106	84,007
	2,421,526	2,564,646

	31 December 2024 S'000	31 December 2023 S'000
Ageing of Trade Receivables		
Up to 2 months	1,444,290	1,500,209
2 - 3 months	166,536	179,253
More than 3 months	353,864	371,729
	1,964,690	2,051,191

Movement in allowance for impairment of trade receivables is as follows:

	31 December 2024 S'000	31 December 2023 S'000
At the beginning of the year	160,768	139,707
Allowance made and written off during the year (Refer note 14.2)	98,519	22,296
Currency Translation Difference	(1,455)	(1,235)
At the end of the year	257,832	160,768

14.1. Trade receivables disclosed above are classified as financial assets at amortised cost.

14.2. 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.

14.3. The credit terms of the trade receivables vary across the business segments of the Group and therefore any significant change in product-mix also affects the ageing profile of trade receivables accordingly.

15. TIME DEPOSITS

	31 December 2024 ₹'000	31 December 2023 ₹'000
Time Deposit (Refer note 15.1)	-	1,925,556
	-	1,925,556

15.1. The average rate on time deposit (Murabaha) for the year ended 31 December 2023 was 5.9% with a maturity of less than one year.

15.2. Time deposit was redeemed on its date of maturity i.e. 24 Shaban 1445 A.H. (5 March 2024).

16. CASH AND CASH EQUIVALENTS

	31 December 2024 ₹'000	31 December 2023 ₹'000
Cash at Bank - Current accounts (Refer note 16.1)	460,893	643,658
Cash at Bank - Deposits (Refer note 16.2)	36,824	274
Cash in Hand	30,497	22,404
	528,214	666,336

16.1. Cash available in banks are non-interest bearing.

16.2. The average rate on bank deposits during 2024 is 5.3% (2023: 5.3%) per annum with an average maturity of less than a month.

16.3. The cash and cash equivalents include ₹ 9.7 million (2023: ₹ 30.4) million earmarked in dividend accounts.

17. SHARE CAPITAL

The Company's share capital at 31 December 2024 amounted to ₹ 10,000 million (2023: ₹ 10,000 million), consisting of 1,000 million (2023: 1,000 million) fully paid and issued shares of ₹ 10 each. Holders of these shares are entitled to dividends as declared from time to time and entitled to one vote per share at general assembly meeting.

18. STATUTORY RESERVE

The statutory reserve included in the consolidated financial statements as of December 31, 2024, and December 31, 2023, was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended December 31, 2024, the requirement to set aside a statutory reserve has been removed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19. EMPLOYEE EQUITY PARTICIPATION PROGRAMS

19.1. Employee Stock Option Program (“ESOP”):

The Group has offered certain employees (the “Eligible Employees”) the option (the “Option”) for equity ownership (treasury shares) opportunities and performance-based incentives which will result in more alignment between the interest of both shareholders and these employees. The vesting of the Option is dependent on meeting performance targets (such as earnings per share) set by the Company along with the required period of stay in service by the Eligible Employees. The exercise of the Option is contingent upon the shares of the Company continuing to be listed on the Tadawul.

Treasury shares that have not been granted to Eligible Employees in the reporting period for which those were earmarked shall carry over to the next reporting period.

The number of share options and the exercise price has been retrospectively adjusted for the prior period to reflect the effect of the bonus share issue.

The ESOP 2018 was granted in Muharram 1440 A.H. (September 2018). The number of shares shall not exceed 4,000,000 shares.

The ESOP 2019 was granted in Dhul-Hijjah 1440 A.H. (August 2019). The number of shares shall not exceed 4,500,000 shares.

The ESOP 2020 was granted in Rajab 1441 A.H. (March 2020). The number of shares shall not exceed 4,100,000 shares.

The fair value per Option is estimated at the grant date using the Black Scholes Merton pricing model, taking into account the terms and conditions upon which the share options were granted.

	ESOP 2018	ESOP 2019	ESOP 2020
Input to the Model;			
Dividend Yield (%)	1.4%	1.5%	1.7%
Expected Volatility (%)	19.1%	22.9%	23.1%
Risk Free Interest Rate (%)	3.0%	3.0%	2.1%
Contractual Life of Share Options (Years)	2.4	2.5	2.9
Share Price (ﷲ) at Grant Date	49.2	51.9	37.0
Exercise Price (ﷲ) at Grant Date	55.0	55.0	50.0
Fair Value per Option (ﷲ)	4.1	6.7	2.1
Weighted Average Share Price during respective year (ﷲ)	53.2	52.6	51.3

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Options is indicative of future trends, which may also not necessarily be the actual outcome.

The following sets out the number of the, and movements in, ESOP share options during the year:

	2024	2023
At the beginning of the year	3,181,000	9,614,000
Settled during the year	(1,201,000)	(5,187,000)
Forfeited during the year	(359,000)	(1,246,000)
At the end of the year	1,621,000	3,181,000

19.2. Employee Share Plan (“ESP”):

Under the ESP, the equity instruments (the shares) are granted to the eligible employees for equity ownership (treasury shares) under the same terms and conditions as mentioned above for ESOP. The fair value per award is determined using the market price of the Company’s share at the grant date.

The ESP 2021 was granted in Rabi Al-Thani 1443 A.H. (November 2021). The number of shares awarded under the plan were 472,500 shares.

The ESP 2022 was granted in Shaban 1443 A.H. (March 2022). The number of shares awarded under the plan were 513,500 shares.

The ESP 2023 was granted in Rajab 1444 A.H. (January 2023). The number of shares awarded under the plan were 755,500 shares.

The ESP 2024 was granted in Rajab 1445 A.H. (January 2024). The number of shares awarded under the plan were 810,500 shares.

The following table sets out the number of the, and movements in, ESP shares during the year:

	2024	2023
At the beginning of the year	1,741,500	986,000
Granted during the year	810,500	755,500
Settled during the year	(398,500)	-
Forfeited during the year	(21,000)	-
At the end of the year	2,132,500	1,741,500

20. TREASURY SHARES

	31 December 2024 #’000	31 December 2023 #’000
At the beginning of the year	614,766	866,602
Settled during the year	(76,742)	(251,836)
At the end of the year	538,024	614,766

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

21. OTHER RESERVES

	Notes	31 December 2024 S.E'000	31 December 2023 S.E'000
Hedging Reserve		178,466	9,479
Currency Translation Reserve	21.1	1,014,584	833,358
Others	21.2	118,327	114,074
		1,311,377	956,911

21.1. During 2024, the Egyptian pound recorded an average 39.1% (2023: 20.1%) devaluation in rate against the S.E. As a result, currency translation adjustment has been recorded in relation to the translation of foreign operations in Egypt.

21.2. Others include movement for balances related share-based payment expenses S.E 37.2 million and settlement of treasury shares S.E 23 million.

22. LOANS AND BORROWINGS

	Notes	31 December 2024 S.E'000	31 December 2023 S.E'000
Non-Current Liabilities			
Islamic Banking Facilities (Murabaha)	22.1	5,551,280	4,758,147
Saudi Industrial Development Fund ("SIDF")	22.2	334,872	614,789
Banking Facilities of Non-GCC Subsidiaries	22.3	56,084	59,407
Supranational (Murabaha)	22.4	118,415	209,674
Agricultural Development Fund ("ADF")	22.5	38,263	56,570
		6,098,914	5,698,587
International Sukuk	22.6	2,801,331	2,800,582
		8,900,245	8,499,169
Current Liabilities			
Islamic Banking Facilities (Murabaha)	22.1	418,203	524,844
Saudi Industrial Development Fund ("SIDF")	22.2	277,260	262,384
Banking Facilities of Non-GCC Subsidiaries	22.3	46,766	153,177
Supranational (Murabaha)	22.4	96,160	96,025
Agricultural Development Fund ("ADF")	22.5	327,787	526,907
		1,166,176	1,563,337
International Sukuk	22.6	63,820	1,965,491
		1,229,996	3,528,828
Total Loan and Borrowings		10,130,241	12,027,997

22.1. The borrowings under Islamic banking facilities (Murabaha) are secured by promissory notes given by the Group and are denominated in ￼. The Islamic banking facilities (Murabaha) with a maturity period of less than two years are predominantly of a revolving nature. During the year ended 31 December 2024, the Group entered into new Islamic Banking facilities for ￼ 281.4 million (2023: ￼ 600 million). As at 31 December 2024, ￼ 4,456.5 million Islamic banking facilities (Murabaha) were unutilised and available for drawdown with maturities predominantly greater than five years (2023: ￼ 5,298.2 million).

22.2. The borrowings of the Group from the SIDF, denominated in ￼, are secured by a mortgage on land, building, plant and machineries equivalent to the outstanding borrowings. As at 31 December 2024, the Group had no unutilised SIDF facilities available for drawdown (2023: Nil). Assets held as collateral are subject to restriction of disposal until the loan is settled or the disposal is approved by SIDF.

22.3. These banking facilities of Non-GCC subsidiaries represent foreign currency denominated borrowings, including USD, EGP and JOD from foreign banking and developing institutions, secured by guarantees provided by the Company. As at 31 December 2024, ￼ equivalent 414.1 million (2023: ￼ 311.5 million) facilities were unutilised and available for drawdown.

22.4. The borrowings granted by Supranational (“IFC” - Member of World Bank Group and “EBRD” - European Bank for Reconstruction and Development) are Murabaha facilities and in USD, secured by promissory notes given by the Group. As at 31 December 2024, the Group had no unutilised facility available for drawdown (2023: ￼ 281.4 million).

22.5. The borrowing from ADF, denominated in ￼, is secured by a mortgage on land, building, plant and machineries equivalent to the outstanding borrowings. As at 31 December 2024, the Group had no unutilised ADF facilities available (2023: Nil). Assets mortgaged are subject to the restriction of disposal until the loan is settled or the disposal is approved by ADF.

22.6. On 28 Jumada Al-Akhirah 1440 A.H, (5 March 2019), the Group issued its first International Sukuk – Series I amounting to USD 500.0 million out of USD 2000.0 million Euro Medium Term Note Programme at a par value of USD 0.2 million each. The International Sukuk Issuance bore a return of 4.3% per annum payable semi-annually in arrears. The International Sukuk – Series I was redeemed on its date of maturity i.e. 24 Shaban 1445 A.H. (5 March 2024).

On 7 Muharram 1445 A.H, (25 July 2023), the Group issued its International Sukuk – Series II amounting to USD 750 million (equivalent ￼ 2,814.4 million) out of USD 2,000 million (equivalent ￼ 7,505 million) Euro Medium Term Note Programme at a par value of USD 0.2 million each. The International Sukuk – Series II Issuance bears a return of 5.2% per annum payable semi-annually in arrears. The International Sukuk – Series II will be redeemed at par on its date of maturity i.e. 28 Rabi Al Thani 1455 A.H. (25 July 2033).

The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management, in case of potential breach, actions are taken by management to ensure compliance. As at 31 December 2024, there has not been any non-compliance observed for any of the covenants.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. EMPLOYEE RETIREMENT BENEFITS

	2024 S'000	2023 S'000
Opening Balance	1,225,730	1,056,581
Consolidated Statement of Profit or Loss		
Current Service Cost	115,587	98,727
Interest Cost	55,494	43,985
Past Service Cost	11,317	-
Consolidated Statement of Comprehensive Income		
Actuarial Loss	58,915	85,659
Cash Movements:		
Benefits paid	(70,501)	(59,222)
Closing Balance	1,396,542	1,225,730

		2024 S'000	2023 S'000
Sensitivity in Employee Retirement Benefits Liability			
Salary Inflation	1% Decrease	1,286,119	1,141,043
	Base	1,396,542	1,225,730
	1% Increase	1,524,385	1,320,349
Discount Rate	1% Decrease	1,525,769	1,321,485
	Base	1,396,542	1,225,730
	1% Increase	1,287,030	1,141,657

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.

Demographic Assumptions

	31 December 2024	31 December 2023
GCC employees		
Number of Employees	43,918	41,044
Weighted average age of employees (years)	36	36
Weighted average years of past service	7	7

Weighted average duration of the employee retirement benefit liability is 8.1 years.

The significant assumptions used to determine the present value of the defined benefit obligations for the years ended December 31 are as follows:

	2024	2023
Discount Rate	4.9% - 6.8%	4.2% - 6.4%
Long-term Salary Growth Rate	4.9% - 6.8%	4.2% - 6.4%

Risk Exposure:

The Group is exposed to a number of risks, the most significant of which are detailed below.

Inflation risk

The majority of the plan's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities.

Changes in bond yields

Decrease in corporate bond yields will increase plan liabilities.

24. DEFERRED TAX

Following are the major deferred tax assets and liabilities recognised by the Group.

24.1. Deferred Tax Assets

	2024 #'000	2023 #'000
Opening Balance	24,307	29,674
Decrease during the year	(12,404)	(110)
Currency Translation Difference	(8,045)	(5,257)
Closing Balance	3,858	24,307

Deferred tax assets relate to unused tax losses for its subsidiaries in Argentina and Egypt. Management believes that future taxable profits will be available against which deferred tax assets can be realised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

24. DEFERRED TAX (continued)

24.2. Deferred Tax Liabilities

	2024 S'000	2023 S'000
Opening Balance	92,107	90,489
Increase during the year	13,658	11,415
Transfer	(27,923)	-
Currency Translation Difference	(15,952)	(9,797)
Closing Balance	61,890	92,107

Deferred tax liability relates to taxable temporary differences arising majorly on Property, Plant and Equipment.

25. ZAKAT AND INCOME TAX

	31 December 2024 S'000	31 December 2023 S'000
Zakat Provision (Refer note 25.1)	345,703	249,659
Income Tax Provision (Refer note 25.2)	36,226	30,789
	381,929	280,448

25.1. Zakat Provision

Zakat is charged at the higher of net adjusted income or Zakat base as required by the ZATCA. The key elements of zakat base primarily include equity components, net income and liabilities adjusted for zakat purpose.

	2024 S'000	2023 S'000
Opening Balance	249,659	168,596
Charge for the year	105,326	85,101
Payments	(9,282)	(4,038)
Closing Balance	345,703	249,659

The Company filed its Consolidated Zakat returns for all the years up to 2023. The Zakat assessments for all the years up to 2020 for Almarai Company have been closed and settled with the ZATCA.

25.2. Income Tax Provision

	2024 S'000	2023 S'000
Opening Balance	30,789	17,503
Charge for the year	18,272	17,650
Payments	(13,666)	(4,217)
Currency Translation Adjustment	831	(147)
Closing Balance	36,226	30,789

Foreign subsidiaries filed their tax returns for all years up to 2023 and settled their tax liabilities accordingly. While all the returns have been filed, final assessments are pending for certain years.

26. TRADE AND OTHER PAYABLES

Management considers that the carrying amount of trade payables approximates to their fair value.

	31 December 2024 RMB'000	31 December 2023 RMB'000
Trade Payable - Third Parties	1,489,386	1,912,113
- Related Parties (Refer note 37)	-	15,074
Accrued Expenses (Refer note 26.1)	2,139,575	1,974,481
Other Payables	419,960	344,200
	4,048,921	4,245,868

26.1. Accrued expenses include accrual against volume discounts and trade support costs amounting to RMB 619.9 million (2023: RMB 511.3 million), payroll related accrual amounting to RMB 288.4 million (2023: RMB 333.4 million) and accrual against expected sales returns amounting to RMB 95 million (2023: RMB 81.1 million). Other payables include unrecognised portion of Government grants related to inventories, dividend payables and advance from customers at the reporting date.

27. COST OF SALES

	2024 RMB'000	2023 RMB'000
Material Consumed	9,017,906	8,711,725
Government Grants	(279,702)	(383,510)
Employee Costs	2,155,890	1,917,104
Depreciation of Property, Plant and Equipment	1,416,610	1,450,812
Infrastructure Support and Services	986,740	873,151
Depreciation of Biological Assets	566,338	574,264
Utilities	472,685	389,118
Vaccines and Drugs	174,428	171,233
Outside Processing Charges	61,929	69,580
Consumables	64,956	56,018
Depreciation of Right-of-Use Assets	41,409	41,642
Amortisation of Long-term Prepayments (Refer note 8)	27,262	27,262
Amortisation of Intangible Assets	12,060	19,162
Other Expenses	375,163	326,153
Less:		
Appreciation of Biological Assets (Refer note 11)	(778,214)	(719,419)
	14,315,460	13,524,295

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

28. SELLING AND DISTRIBUTION EXPENSES

	2024 AED '000	2023 AED '000
Employee Costs	1,753,243	1,590,975
Marketing Expenses	532,820	540,220
Depreciation of Property, Plant and Equipment	250,401	238,116
Infrastructure Support and Services	239,791	214,974
Depreciation of Right-of-Use Assets	65,036	60,470
Utilities	27,945	25,838
Consumables	9,225	7,554
Amortisation of Intangible Assets	2,586	2,339
Other Expenses	112,871	109,259
	2,993,918	2,789,745

29. GENERAL AND ADMINISTRATION EXPENSES

	2024 AED '000	2023 AED '000
Employee Costs	284,855	268,046
Insurance	98,198	88,797
Infrastructure Support and Services	55,428	51,185
Depreciation of Property, Plant and Equipment	21,305	22,823
Amortisation of Intangible Assets	25,324	15,894
Depreciation of Right-of-Use Assets	11,545	8,788
Utilities	6,756	5,353
Consumables	1,047	1,175
Other Expenses	3,691	6,962
	508,149	469,023

30. OTHER EXPENSES, NET

	2024 AED '000	2023 AED '000
Loss on Disposal of Biological Assets (Refer note 30.1)	123,142	115,685
Gain on Disposal of Property, Plant and Equipment	(30,295)	(27,227)
Net Gain on Disposal of Right-of-Use Assets	(1,090)	(493)
Dividend on Equity Investment	-	(570)
Other Income	(5,523)	(3,962)
Exchange Gain	(23,068)	(18,972)
	63,166	64,461

30.1. Each cow within the dairy herd is depreciated over the average useful life of approximately 4 lactations (Refer note 5.9). In order to maintain the size and health of the dairy herd, a significant proportion of the herd is culled or sold each year based on an assessment by management of the productivity, breeding and efficiency of each herd member and only those meeting predefined levels are retained. It is not possible to predict in advance which herd members will be culled early or late and accordingly the average useful life of approximately 4 lactations is applied across the whole of the dairy herd.

Underperforming herd members are often sold in a secondary market where the value received for each herd member is generally not linked to the age of the herd member.

Herd members culled or sold before 4 lactations will typically have a depreciated cost higher than the expected residual value and thus a loss on disposal will generally arise. Management believe that such loss on disposal broadly offsets the absence of depreciation on those herd members that survive beyond the average 4 lactation period and accordingly neither the profit for the year nor the net carrying cost of the dairy herd as reported in the Consolidated Statement of Financial Position is materially distorted.

31. FINANCE COST, NET

	2024 £'000	2023 £'000
Interest and Finance Charges	692,939	622,319
Interest on Lease Liabilities	19,968	15,978
Interest Income on other Deposits	(31,593)	(56,133)
Exchange Gain / (Loss)	(829)	7,443
Interest Capitalisation	(134,747)	(48,158)
Net Gain on Settlement of Interest Rate Swap Instrument	(15,478)	(14,430)
	530,260	527,019

32. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2024	2023
Profit for the year attributable to the shareholders of the Company £'000'	2,313,100	2,049,123
Number of shares '000'		
Weighted average number of ordinary shares for the purposes of basic earnings	988,191	984,567
Weighted average number of ordinary shares for the purposes of diluted earning	1,000,000	1,000,000
Earnings per Share (£), based on Profit for the year attributable to Shareholders of the Company		
- Basic	2.34	2.08
- Diluted	2.31	2.05

Weighted average number of shares are retrospectively adjusted to reflect the effect of Bonus Shares and are adjusted to take account of Treasury Shares held under the Almarai Employee Equity Participation Programme.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

33. SEGMENT REPORTING

The Group's principal business activities involve manufacturing and trading of dairy and juice products under Almarai, Beyti and Teeba brands, bakery products under L'usine and 7 Days brands and poultry products under Alyoum and AlBashayer brands. Other activities include arable, horticulture, infant nutrition, seafood and value added meat products. Selected financial information as at 31 December 2024 and 31 December 2023, and for the year then ended, categorised by these business segments, is as follows:

Dairy and Juice: Milk production, dairy, fruits juice, ice cream product processing and distribution

Bakery: Bakery products manufacturing and distribution

Poultry: Poultry products manufacturing and distribution

Other Activities: Arable, horticulture, infant nutrition, seafood and value added meat products

	Dairy and Juice S'000	Bakery S'000	Poultry S'000	Other Activities S'000	Total S'000
31 December 2024					
Revenue	14,094,150	2,661,579	3,794,209	1,493,041	22,042,979
Third Party Revenue	14,007,348	2,661,579	3,794,209	516,376	20,979,512
Depreciation and Amortisation	(1,418,049)	(233,945)	(611,069)	(176,813)	(2,439,876)
Share of Results of Associate	-	-	-	(1,774)	(1,774)
Profit / (Loss) attributable to Shareholders of the Company	1,488,971	403,325	485,782	(64,978)	2,313,100
Profit / (Loss) for the year	1,489,538	403,325	485,782	(64,978)	2,313,667
Total Assets	21,120,578	1,982,800	9,074,896	3,389,686	35,567,960
Total Liabilities	12,799,436	427,890	2,886,540	662,962	16,776,828
31 December 2023					
Revenue	12,997,638	2,584,458	3,518,336	1,761,375	20,861,807
Third Party Revenue	12,902,558	2,584,458	3,518,336	570,233	19,575,585
Depreciation and Amortisation	(1,458,524)	(216,638)	(553,097)	(233,313)	(2,461,572)
Share of Results of Associate	-	-	-	(1,064)	(1,064)
Profit / (Loss) attributable to Shareholders of the Company	1,298,163	384,417	428,098	(61,555)	2,049,123
Profit / (Loss) for the year	1,298,813	384,417	429,854	(61,555)	2,051,529
Total Assets	23,977,931	1,985,481	7,260,844	2,969,759	36,194,015
Total Liabilities	12,999,332	492,391	4,160,985	732,482	18,385,190

The Group's revenue is derived from contracts with customers for sale of consumer products. Control of products is transferred at a point in time and directly sold to customers.

Segment assets are measured in the same way as in the Consolidated Financial Statements. These assets are allocated and analysed based on the operations of the segment. The Group's management does not analyse total assets based on its geographical location and therefore country-wise total assets are not disclosed in these Consolidated Financial Statements.

The revenue from business segments categorised by geographical region is as follows:

	Dairy and Juice S'000	Bakery S'000	Poultry S'000	Other Activities S'000	Total S'000
31 December 2024					
Saudi Arabia	8,599,142	1,940,169	3,094,353	270,507	13,904,171
Other GCC Countries	2,969,012	690,148	570,739	52,711	4,282,610
Other Countries	2,439,194	31,262	129,117	193,158	2,792,731
Total	14,007,348	2,661,579	3,794,209	516,376	20,979,512
31 December 2023					
Saudi Arabia	8,069,853	1,925,337	2,940,774	252,254	13,188,218
Other GCC Countries	2,756,774	618,228	459,530	31,237	3,865,769
Other Countries	2,075,931	40,893	118,032	286,742	2,521,598
Total	12,902,558	2,584,458	3,518,336	570,233	19,575,585

The geographical distribution of Group's non-current assets excluding financial assets and deferred tax asset is as follows:

	2024 S'000	2023 S'000
Saudi Arabia	23,476,658	21,305,363
Other GCC Countries	889,781	864,683
Other Countries	2,385,661	2,507,366
Total	26,752,100	24,677,412

34. BANK OVERDRAFTS

It represents the overdrafts facility arrangement in IDJ (Egypt and Jordan) amounting to S'60.9 million (2023: S'40.4 million), secured by corporate guarantee given by the Company. The average rate on overdrafts facility during 2024 was 28.5% and 8.6% per annum for Egypt and Jordan respectively. (2023: 20.5% and 9.8%)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

35. CASH FLOW INFORMATION

35.1. Non-cash Investing and Finance Activities

Borrowing Cost Capitalised as part of Capital Work-in-Progress (Refer note 7).

Acquisition of Right-of-Use-Assets (Refer note 9).

35.2. Net Debt Reconciliation

	Liabilities from financing activities				Asset		Net Total S'000
	Loans and Borrowings S'000	Bank Overdrafts S'000	Lease Liabilities S'000	Sub-total S'000	Cash and Cash Equivalents S'000	Time Deposit S'000	
Opening balance as at 1 January 2024	12,027,997	844	450,192	12,479,033	666,336	1,925,556	9,887,141
Financing cash flows	(1,861,066)	52,588	(127,813)	(1,936,291)	(132,491)	-	(1,803,800)
Redemption	-	-	-	-	-	(1,876,250)	1,876,250
Changes in Leases	-	-	152,090	152,090	-	-	152,090
Finance Cost/Income	625,873	19,166	19,968	665,007	-	16,436	648,571
Finance Cost/Income Paid/Received	(625,873)	(19,166)	(5,720)	(650,759)	-	(65,742)	(585,017)
Currency Translation Adjustment	(36,690)	(834)	(3,767)	(41,291)	(5,631)	-	(35,660)
Closing balance as at 31 December 2024	10,130,241	52,598	484,950	10,667,789	528,214	-	10,139,575
Opening balance as at 1 January 2023	9,514,033	87,130	466,830	10,067,993	546,916	-	9,521,077
Financing cash flows	2,546,208	(81,857)	(100,764)	2,363,587	123,731	-	2,239,856
Investment	-	-	-	-	-	1,876,250	(1,876,250)
Changes in Leases	-	-	98,228	98,228	-	-	98,228
Finance Cost/Income	550,563	5,537	15,978	572,078	-	49,306	522,772
Finance Cost/Income Paid/Received	(553,662)	(5,537)	(15,208)	(574,407)	-	-	(574,407)
Currency Translation Adjustment	(29,145)	(4,429)	(14,872)	(48,446)	(4,311)	-	(44,135)
Closing balance as at 31 December 2023	12,027,997	844	450,192	12,479,033	666,336	1,925,556	9,887,141

36. COMMITMENT AND CONTINGENCIES

36.1. The contingent liabilities against letters of credit are S' 485 million at 31 December 2024 (2023: S' 491 million).

36.2. The contingent liabilities against letters of outward guarantee and corporate guarantee are S' 815 million at 31 December 2024 (2023: S' 877 million).

Contingent liabilities against letters of credit and letters of guarantee expire as follows.

	31 December 2024 S'000	31 December 2023 S'000
Within One year	891,525	905,308
Two to Five years	287,848	360,040
After Five years	120,383	103,192
Total	1,299,756	1,368,540

36.3. The Group had capital commitments amounting to ٢ 4.4 billion at 31 December 2024 in respect of ongoing projects (2023: ٢ 3.1 billion). The majority of the capital commitments are for poultry business expansion, updating the existing production facilities, sales depot development, distribution fleet, fridges and IT equipment.

36.4. Refer to note 25.1 for Zakat related matters.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the normal course of its operations, the Group had the following significant transactions with related parties during the year ended 31 December 2024 and 2023 along with their balances:

Nature of Transaction	Transaction Amount		Balance at	
	1 January - 15 December 2024* ٢'000	1 January - 31 December 2023 ٢'000	31 December 2024* ٢'000	31 December 2023 ٢'000
Sales To				
Panda Retail Company*	967,764	802,370	-	160,484
Herfy Food Services*	3,202	161	-	77
Total	970,966	802,531	-	160,561
Purchases From				
United Sugar Company*	57,249	73,338	-	(5,561)
International Food Industries Co*	87,983	81,443	-	(9,513)
Total	145,232	154,781	-	(15,074)

Effective from 15 December 2024, the relationships with Savola Group companies no longer qualify as related party relationships under IFRS as endorsed in Saudi Arabia. Accordingly, all transactions executed with Savola Group companies during the period from 1 January 2024 to 15 December 2024 have been disclosed as related party transactions.

Members of the Board of Directors do not receive any remuneration for their role in managing the Group unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Executive Directors receive fixed remuneration as a result of their direct duties and responsibilities. The Senior Executives, including the Chief Executive Officer and the Chief Financial Officer, receive remuneration according to the employment contracts signed with them. The following table illustrates details of remuneration and compensation paid to Directors and Key Management Personnel.

	Key Management Personnel			Key Management Personnel		
	Non Executive / Independent Board Members	Other Key Management Personnel	Total	Non Executive / Independent Board Members	Other Key Management Personnel	Total
	31 December 2024 ٢'000			31 December 2023 ٢'000		
Short-term employee benefits	6,006	29,374	35,380	4,155	21,744	25,899
Shared Based Payment	-	5,926	5,926	-	4,993	4,993
Post-employment benefits	-	1,223	1,223	-	857	857
Total	6,006	36,523	42,529	4,155	27,594	31,749

Sales and purchases (including services) carried out to/from related parties during the year based on the price lists in force and terms that would be available to third parties in the normal course of business.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

38. DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2024, the Group had various financial derivatives that were designated as cash flow hedge instruments to cover cash flow fluctuations arising from commission rates, foreign exchange prices and commodity prices that are subject to market price fluctuations. As per Group policy, derivative instruments are not used for trading or speculative purposes.

At 31 December 2024, the Group had 16 commission rate swap agreements in place with a total notional amount of 1.8 billion. At 31 December 2023, the Group had 23 commission rate swap agreements in place with a total notional amount of 2.5 billion.

The swaps result in the Group receiving floating Saudi Arabian Interbank Offered Rate (SAIBOR) rates while paying fixed rates of commission rate under certain conditions. The swaps are being used to hedge the exposure to commission rate changes of the Group's Islamic borrowings.

The Group enters into hedging strategies by using various financial derivatives to cover foreign exchange firm commitments and forecasted transactions that are highly probable.

The Group enters into various commodity derivatives to hedge the price of certain commodity purchases. These derivatives match the maturity of the expected commodity purchases and use the same underlying index as for the hedged item, therefore does not result in basis risk.

All financial derivatives are carried in the Consolidated Statement of Financial Position at fair value. All cash flow hedges are considered highly effective. The application of hedge accounting effectively results in recognising interest expense at a fixed interest rate for the hedged floating rate loans and inventory and PPE at the fixed foreign currency rate for the hedged purchases.

The following table detail the notional principal amounts and remaining terms outstanding as at the reporting date:

	Notional amount of the hedging instruments		Carrying amount of the hedging instrument	
	Current S'000	Non-Current S'000	Assets S'000	Liabilities S'000
31 December 2024				
Forward currency contracts	1,998,476	7,729,299	4,356	180,988
Interest rate swaps	200,000	1,600,000	27,832	-
Commodity Derivatives	524,216	21,787	9,103	38,769
	2,722,692	9,351,086	41,291	219,757
31 December 2023				
Forward currency contracts	2,654,927	6,662,369	33,912	14,259
Interest rate swaps	800,000	1,700,000	16,879	451
Commodity Derivatives	804,454	34,539	1,734	47,294
	4,259,381	8,396,908	52,525	62,004

39. FINANCIAL INSTRUMENTS

39.1. Fair value measurement of financial instruments

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. Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the identical asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Fair Value		
	Hedging Instruments RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
31 December 2024					
Financial Assets					
Derivative Financial Instruments	41,291	-	41,291	-	
Financial Liabilities					
Derivative Financial Instruments	219,757	-	219,757	-	
31 December 2023					
Financial Assets					
Derivative Financial Instruments	52,525	-	52,525	-	
Financial Liabilities					
Derivative Financial Instruments	62,004	-	62,004	-	

Level 2 derivative financial instruments include forwards, commission rate swaps and commodity derivatives. These derivatives are valued using widely recognised valuation models. The Group relies on the counterparty for the valuation of these derivatives. The valuation techniques applied by the counterparties include the use of forward pricing standard models using present value calculations and mid-market valuations. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

39. FINANCIAL INSTRUMENTS (continued)

39.2. Risk Management of Financial Instruments

The Group's activities expose it to a variety of financial risks, credit risk, liquidity risk, market price risk and capital management risk.

The Group's risk management is predominantly centralised under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board approves the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit Risk:

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, trade receivables and receivables from related parties and derivative financial instruments as follows.

	31 December 2024 S'000	31 December 2023 S'000
Cash at Bank (Refer note 16)	497,717	643,932
Time Deposit (Refer note 15)	-	1,925,556
Trade Receivables - Third Parties	1,964,690	1,890,630
Trade Receivables - Related Parties (Refer note 37)	-	160,561
Derivative Financial Instruments (Refer note 38)	41,291	52,525
Other Receivables (Refer note 14)	104,106	84,007
	2,607,804	4,757,211

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

Credit risk on receivable and bank balances is limited as:

- Cash balances, term deposits, time deposits and derivative financial instruments are held with banks with sound credit ratings ranging from BBB- and above.
- The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. These adjusted loss rates in the current year are similar to the effective loss rates observed in the prior year. The Group has identified the GDP, unemployment rate, inflation rate and interest rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors.

Trade receivables outstanding balance comprises of 63% (2023: 66%) in KSA, 28 % (2023: 25%) in GCC (other than KSA) and 10% (2023: 9%) in other Countries. The five largest customers account approximately for 35% of outstanding trade receivables at 31 December 2024 (2023: 34%).

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

Liquidity Risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted and include estimated interest till maturity.

31 December 2024					
	Carrying Amount ₹'000	On Demand or Less than 1 year ₹'000	1 year to 5 years ₹'000	More than 5 years ₹'000	Total ₹'000
Non Derivative Financial Liabilities					
Bank Overdrafts	52,598	71,764	-	-	71,764
Loans and Borrowings	10,130,241	1,718,272	5,527,604	5,111,328	12,357,204
Trade and other payables	3,828,941	3,828,941	-	-	3,828,941
Lease Liabilities	484,950	104,343	223,074	327,363	654,780
	14,496,730	5,723,320	5,750,678	5,438,691	16,912,689
Derivative Financial Liabilities					
Forward currency contracts	180,988	134	170,906	-	171,040
Commodity Derivatives	38,769	37,811	906	-	38,717
	219,757	37,945	171,812	-	209,757
31 December 2023					
	Carrying Amount ₹'000	On Demand or Less than 1 year ₹'000	1 year to 5 years ₹'000	More than 5 years ₹'000	Total ₹'000
Non Derivative Financial Liabilities					
Bank Overdrafts	844	933	-	-	933
Loans and Borrowings	12,027,997	3,985,657	4,824,766	4,920,751	13,731,174
Trade and other payables	4,023,358	4,023,358	-	-	4,023,358
Trade Payables to Related Parties	15,074	15,074	-	-	15,074
Lease Liabilities	450,192	88,700	193,270	320,490	602,460
	16,517,465	8,113,722	5,018,036	5,241,241	18,372,999
Derivative Financial Liabilities					
Forward currency contracts	14,259	3,185	10,409	-	13,594
Interest rate swaps	451	3	422	-	425
Commodity Derivatives	47,294	46,434	808	-	47,242
	62,004	49,622	11,639	-	61,261

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Group's future commitments. The Group's terms of sales require amounts to be paid either on a cash on delivery or on a terms basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

39. FINANCIAL INSTRUMENTS (continued)

Market Risk:

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as, commission rates, commodity prices and foreign currency exchange rates, will 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 exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. The Group seeks to apply hedge accounting to manage volatility in profit or loss.

Commission Rate Risk:

Commission Rate Risk is the exposure associated with the effect of fluctuations in the prevailing commission rates on the Group's financial position and cash flows. Islamic banking facilities (Murabaha), International Finance Corporation facility, other banking facilities of non-GCC subsidiaries and Sukuk amounting to ٢ 4,808.5 million at 31 December 2024 (2023: ٢ 4,647.8 million) bear variable financing commission charges at the prevailing market rates.

The Group's policy is to manage its financing charges using a mix of fixed and variable commission rate debts. The policy is to keep 50% to 60% of its borrowings at fixed commission rate. Currently, 53% of the total outstanding borrowings at 31 December 2024 (2023: 61%) are at fixed commission rate. Further variable borrowing carry commission rate at prevailing market rates indexed to SAIBOR.

The swap contracts require settlement of net interest receivable or payable every 90 or 180 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The following table demonstrates the sensitivity of the income to reasonably possible changes in commission rates, related to variable rate borrowings (net of hedge) with all other variables held constant.

	Increase / decrease in basis points of commission rates	Effect on income for the year ٢'000
31 December 2024	٢ +100	48,085
	٢ -100	(48,085)
31 December 2023	٢ +100	46,478
	٢ -100	(46,478)

Commodity Price Risk:

Commodity Price Risk is the risk associated with changes in prices to certain commodities including corn, sugar and soya etc. that the Group is exposed to and its unfavourable effect on the Group's costs and cash flow. This commodity price risk arises from forecasted purchases of certain commodities that the Group uses as raw material, which is managed and mitigated by entering into commodity derivatives.

The Group enters into various commodity derivatives to hedge the price of certain commodity purchases. These derivatives match the maturity of the expected commodity purchases and use the same underlying index as for the hedged item.

The sensitivity of the commodity prices to reasonably possible changes in rates by 5% would have increased / (decreased) profit by ٢ 18.9 million (2023: ٢ 12.5 million).

Currency Risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in currency that's not the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in Kuwaiti Dinar ("KWD"), Euro ("EUR") and Great British Pounds ("GBP"). The fluctuation in exchange rates against KWD, EUR and GBP are monitored on a continuous basis. Quantitative data regarding the Group's exposure to currency risk arising from currencies is as follows:

	KWD ﷵ'000	EUR ﷵ'000	GBP ﷵ'000	Total ﷵ'000
31 December 2024				
Cash at Bank	25,698	18,129	2,128	45,955
Cash in Hand	11,815	66	44	11,925
Trade Receivables and Other Receivables	124,914	319,366	4,718	448,998
Short term Borrowings	-	(25,914)	-	(25,914)
Long Term Borrowings	-	(52,704)	-	(52,704)
Trade Payables	(1,101)	(2,450)	(142)	(3,693)
Net Statement of Financial Position exposure	161,326	256,493	6,748	424,567

	KWD ﷵ'000	EUR ﷵ'000	GBP ﷵ'000	Total ﷵ'000
31 December 2023				
Cash at Bank	45,788	10,132	21,905	77,825
Cash in Hand	5,704	41	13	5,758
Trade Receivables and Other Receivables	122,303	-	141	122,444
Short term Borrowings	-	(24,887)	-	(24,887)
Long Term Borrowings	-	(75,501)	-	(75,501)
Trade Payables	(2,873)	(84,491)	-	(87,364)
Net Statement of Financial Position exposure	170,922	(174,706)	22,059	18,275

The Group uses forward currency contracts to eliminate volatility in currency exposures. Management believes that the currency risk for forecast payments and capital expenditure is adequately managed primarily through entering into foreign currency forward purchase agreements. The Group treasury's risk management policy is to hedge between 65% to 90% of forecast non-pegged USD cash flows for accounts payable and capital expenditure purchases up to one year in advance, subject to a review of the cost of implementing each hedge. For the year ended 31 December 2024, approximately 80% of forecast payments and capital expenditures were hedged in respect of foreign currency risk. The hedge of forecast payments and capital expenditures qualified as 'highly probable' qualified forecast transactions for hedge accounting purposes. The forward purchase agreements are secured by promissory notes given by the Group. The sensitivity of the currency to reasonably possible changes in rates by 5% would have increased / (decreased) profit by ﷵ 46.43 million (2023: ﷵ 40.8 million).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

39. FINANCIAL INSTRUMENTS (continued)

A strengthening / (weakening) of the KWD, EUR and GBP by 10% against all other currencies would have affected the measurement of financial instruments (includes financial assets and liabilities) denominated in foreign currency and would have increased / (decreased) equity by the amounts shown below:

	31 December 2024 #'000	31 December 2023 #'000
KWD	16,133	17,092
EUR	25,649	(17,471)
GBP	675	2,206
	42,457	1,827

Capital Management:

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- ii) to provide an adequate return to shareholders.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by adjusted equity. The Group's gearing ratios at the year end of the reporting year were as follows;

	2024 #'000	2023 #'000
Total Loans and Borrowings (Refer a)	10,182,839	12,028,841
Time Deposit	-	(1,925,556)
Cash and Cash Equivalents	(528,214)	(666,336)
Net debt	9,654,625	9,436,949
Adjusted Equity (Refer b)	17,660,440	16,685,056
Gearing	54.7%	56.6%

a) This includes bank overdrafts.

b) Adjusted equity is total equity net of intangible assets and goodwill.

40. DIVIDENDS APPROVED AND PAID

On 23 Ramadan 1445 A.H. (2 April 2024) the shareholders in their Extraordinary General Assembly Meeting approved dividends of 1,000 million (1 per share) for the year ended 31 December 2023.

Dividends amounting to 11.7 million were not paid on treasury shares.

41. DIVIDENDS PROPOSED

The Board of Directors have proposed, for shareholders' approval at the General Assembly Meeting, dividends of 1 billion (1 per share) for the year ended 31 December 2024.

42. SUBSEQUENT EVENTS

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

43. BOARD OF DIRECTORS APPROVAL

These Consolidated Financial Statements were approved by the Board of Directors on 19 Rajab 1446 A.H. (19 January 2025).



Almarai Company

Exit 7, North Ring Road

Al Izdihar District

PO Box 8524

Riyadh, 11492

Saudi Arabia

investor.relations@almarai.com

www.almarai.com

Download our Investor
Relations app

