

Chairman's Statement

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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.

