

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
Etman 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 ١٠٠٠, 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
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '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 S' 134.7 million of borrowing costs capitalised during the year (2023: S' 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 S'000	31 December 2023 S'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
	₪'000	₪'000	₪'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:

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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 R'000	2023 R'000
Opening	14,882	19,842
Amortisation	(4,960)	(4,960)
At 31 December	9,922	14,882

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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.

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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 S'000	31 December 2023 S'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.

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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.

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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 ﷲ'000	31 December 2023 ﷲ'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

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21. OTHER RESERVES

	Notes	31 December 2024 ﷲ'000	31 December 2023 ﷲ'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 ﷲ. 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 ﷲ 37.2 million and settlement of treasury shares ﷲ 23 million.

22. LOANS AND BORROWINGS

	Notes	31 December 2024 ﷲ'000	31 December 2023 ﷲ'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 ټ. 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 ټ 281.4 million (2023: ټ 600 million). As at 31 December 2024, ټ 4,456.5 million Islamic banking facilities (Murabaha) were unutilised and available for drawdown with maturities predominantly greater than five years (2023: ټ 5,298.2 million).

22.2. The borrowings of the Group from the SIDF, denominated in ټ, 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, ټ equivalent 414.1 million (2023: ټ 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: ټ 281.4 million).

22.5. The borrowing from ADF, denominated in ټ, 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 ټ 2,814.4 million) out of USD 2,000 million (equivalent ټ 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.

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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.

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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 ¥'000	31 December 2023 ¥'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 ¥ 619.9 million (2023: ¥ 511.3 million), payroll related accrual amounting to ¥ 288.4 million (2023: ¥ 333.4 million) and accrual against expected sales returns amounting to ¥ 95 million (2023: ¥ 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 ¥'000	2023 ¥'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

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28. SELLING AND DISTRIBUTION EXPENSES

	2024 S'000	2023 S'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 S'000	2023 S'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 S'000	2023 S'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.

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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 ﷼'000	Bakery ﷼'000	Poultry ﷼'000	Other Activities ﷼'000	Total ﷼'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 ﷼'000	2023 ﷼'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 ﷼ 60.9 million (2023: ﷼ 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%)

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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		
	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	Net Total 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 ﷲ 4.4 billion at 31 December 2024 in respect of ongoing projects (2023: ﷲ 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* ﷲ'000	1 January - 31 December 2023 ﷲ'000	31 December 2024* ﷲ'000	31 December 2023 ﷲ'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 ﷲ'000			31 December 2023 ﷲ'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.

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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 ¥'000	Level 1 ¥'000	Level 2 ¥'000	Level 3 ¥'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.

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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.

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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 ₪ 4,808.5 million at 31 December 2024 (2023: ₪ 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 ₪'000
31 December 2024	₪	+100	48,085
	₪	-100	(48,085)
31 December 2023	₪	+100	46,478
	₪	-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 ₪ 18.9 million (2023: ₪ 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).

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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 ﷲ'000	31 December 2023 ﷲ'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 ﷲ'000	2023 ﷲ'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 ﷲ 1,000 million (ﷲ 1 per share) for the year ended 31 December 2023.

Dividends amounting to ﷲ 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 ﷲ 1 billion (ﷲ 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).