

**ALMUNAJEM FOODS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**AND INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED**  
**JUNE 30, 2024**

**ALMUNAJEM FOODS COMPANY**  
**(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2024**

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## KPMG Professional Services

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Commercial Registration No 1010425494

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

واجهة روشن ، طريق المطار  
صندوق بريد ٩٢٨٧٦  
الرياض ١١٦٦٣  
المملكة العربية السعودية  
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of AIMunajem Foods Company  
(A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying condensed interim financial statements of **AIMunajem Foods Company** ("the Company"), which comprise:

- the condensed statement of financial position as at 30 June 2024,
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024,
- the condensed statement of changes in equity for the six-month period ended 30 June 2024,
- the condensed statement of cash flows for the six-month period ended 30 June 2024,
- the notes to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2024.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed interim financial statements of **AIMunajem Foods Company** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

## KPMG Professional Services



Fahad Mubark Aldossari  
License No. 469



Al Riyadh, 4 Safar 1446H  
Corresponding to: 8 August 2024

**ALMUNAJEM FOODS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2024**

	Notes	June 30, 2024 SAR (Unaudited)	December 31, 2023 SAR (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant, and equipment	6	275,609,680	265,419,060
Right-of-use assets	7	42,813,422	42,293,830
Intangible assets		1,251,865	1,515,399
Investments in associate	8	140,630,141	-
<b>Total non-current assets</b>		<b>460,305,108</b>	<b>309,228,289</b>
<b>Current assets</b>			
Inventories	9	604,274,924	569,156,460
Trade receivables	10	344,332,860	251,006,879
Due from related parties	11-b	7,529,178	10,536,453
Prepayments and other assets	12	182,071,576	175,901,345
Cash and cash equivalents	13	69,947,695	248,927,926
<b>Total current assets</b>		<b>1,208,156,233</b>	<b>1,255,529,063</b>
<b>TOTAL ASSETS</b>		<b>1,668,461,341</b>	<b>1,564,757,352</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	14	600,000,000	600,000,000
Statutory reserve		96,818,580	96,818,580
Actuarial valuation reserve		(5,168,148)	(5,168,148)
Retained earnings		338,701,399	235,878,819
<b>Total equity</b>		<b>1,030,351,831</b>	<b>927,529,251</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	7	35,615,941	37,014,636
Employees' benefit obligations		57,406,616	53,342,696
<b>Total non-current liabilities</b>		<b>93,022,557</b>	<b>90,357,332</b>
<b>Current liabilities</b>			
Lease liabilities	7	8,604,257	8,591,383
Zakat payable	16	10,857,711	19,541,041
VAT payable		35,466,821	23,585,712
Trade payables, accruals, and other liabilities	15	489,193,778	494,674,866
Due to related parties	11-c	964,386	477,767
<b>Total current liabilities</b>		<b>545,086,953</b>	<b>546,870,769</b>
<b>Total liabilities</b>		<b>638,109,510</b>	<b>637,228,101</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,668,461,341</b>	<b>1,564,757,352</b>

Mohammed Salman Mahmood  
Chief Financial Officer

Thamer Abdulaziz Abanumay  
Chief Executive Officer

Salah Abdullah Almunajem  
Chairman

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

**ALMUNAJEM FOODS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2024**

	Note	For the three-months period ended		For the six-months period ended	
		June 30, 2024 SAR (Unaudited)	June 30, 2023 SAR (Unaudited)	June 30, 2024 SAR (Unaudited)	June 30, 2023 SAR (Unaudited)
Revenue	17	826,288,518	772,385,784	1,729,233,861	1,674,350,249
Cost of sales		(693,162,163)	(637,168,446)	(1,400,352,442)	(1,383,420,914)
<b>Gross profit</b>		<b>133,126,355</b>	<b>135,217,338</b>	<b>328,881,419</b>	<b>290,929,335</b>
Other income	19	4,746,579	142,320	5,739,649	6,926,061
Selling and distribution expenses		(66,605,643)	(66,709,901)	(138,082,826)	(133,398,619)
General and administrative expenses		(7,328,440)	(7,121,277)	(14,371,687)	(13,566,435)
Allowance for expected credit losses	10	(171,313)	(644,080)	(571,313)	(1,488,146)
<b>Operating income</b>		<b>63,767,538</b>	<b>60,884,400</b>	<b>181,595,242</b>	<b>149,402,196</b>
Finance income	18	613,683	2,095,689	3,012,315	3,513,918
Finance cost	18	(2,624,744)	(563,075)	(4,073,179)	(2,331,106)
<b>Finance cost / income, net</b>		<b>(2,011,061)</b>	<b>1,532,614</b>	<b>(1,060,864)</b>	<b>1,182,812</b>
Share in results of associate	8	5,326,989	-	7,321,146	-
<b>Profit before zakat</b>		<b>67,083,466</b>	<b>62,417,014</b>	<b>187,855,524</b>	<b>150,585,008</b>
Zakat	16	(3,262,563)	(4,853,292)	(10,032,944)	(11,139,912)
<b>NET PROFIT FOR THE PERIOD</b>		<b>63,820,903</b>	<b>57,563,722</b>	<b>177,822,580</b>	<b>139,445,096</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of employees' defined benefit liabilities		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>63,820,903</b>	<b>57,563,722</b>	<b>177,822,580</b>	<b>139,445,096</b>
<b>Basic and diluted earnings per share:</b>					
Basic and diluted earnings per share from net profit	20	1.06	0.96	2.96	2.32

Mohammed Salman Mehmood  
Chief Financial Officer

Thamer Abdulaziz Abanumay  
Chief Executive Officer

Saleh Abdullah Almunajem  
Chairman

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**ALMUNAJEM FOODS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF CHANGES IN EQUITY 2024**

	Share capital SAR	Statutory reserve SAR	Actuarial valuation reserve SAR	Retained earnings SAR	Total SAR
As at January 1, 2023 (Audited)	600,000,000	68,597,256	(4,972,434)	236,886,901	900,511,723
Net profit for the period	-	-	-	139,445,096	139,445,096
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	139,445,096	139,445,096
Dividends (Note 21)	-	-	-	(60,000,000)	(60,000,000)
As at June 30, 2023 (Unaudited)	600,000,000	68,597,256	(4,972,434)	316,331,997	979,956,819
As at January 1, 2024 (Audited)	600,000,000	96,818,580	(5,168,148)	235,878,819	927,529,251
Net profit for the period	-	-	-	177,822,580	177,822,580
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	177,822,580	177,822,580
Dividends (Note 21)	-	-	-	(75,000,000)	(75,000,000)
As at June 30, 2024 (Unaudited)	600,000,000	96,818,580	(5,168,148)	338,701,399	1,030,351,831

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**ALMUNAJEM FOODS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024**

		June 30, 2024 SAR (Unaudited)	June 30, 2023 SAR (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes		
Profit before zakat		187,855,524	150,585,008
<b><u>Adjustments</u></b>			
Depreciation of right-of-use assets	7	4,794,562	3,481,001
Depreciation of property, plant, and equipment	6	14,013,562	13,921,738
Amortization of intangible assets		263,534	443,991
Interest on lease liabilities	7	892,853	2,181,950
Finance cost	18	3,180,326	149,156
Allowance for expected credit losses	10	571,313	1,488,146
Provision for slow moving & obsolete inventories	9	343,258	-
Share in results of associate	8	(7,321,146)	-
Gain on disposal of property, plant, and equipment	19	(4,104,279)	(7,057,975)
Provision for employees' benefit obligations		5,678,762	3,617,040
		<b>206,168,269</b>	<b>168,810,055</b>
<b><u>Working capital adjustments:</u></b>			
Trade receivables		(93,897,294)	(48,361,883)
Prepayments and other assets		(6,170,231)	(64,292,082)
Inventories		(35,461,722)	126,151,259
Trade payables, accruals, and other liabilities		(5,481,088)	1,247,840
VAT payable		11,881,109	9,942,140
Due from / to related parties		3,493,894	(8,494,918)
		<b>80,532,937</b>	<b>185,002,411</b>
Finance costs paid		(3,890,090)	(917,083)
Employees' benefit obligations paid		(1,614,842)	(794,595)
Zakat paid		(18,716,274)	(18,716,219)
<b>Net cash generated from operating activities</b>		<b>56,311,731</b>	<b>164,574,514</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant, and equipment	6	(24,238,432)	(12,563,121)
Proceeds from disposal of property, plant, and equipment	6	4,138,529	1,666,611
Payments for purchase of intangible assets		-	(442,060)
Payments for investment in associate	8	(134,425,895)	-
Dividends received		1,116,900	-
<b>Net cash used in investing activities</b>		<b>(153,408,898)</b>	<b>(11,338,570)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities	7	(6,883,064)	(5,826,375)
Proceeds from short-term loans		-	30,000,000
Repayments of short-term loans		-	(30,000,000)
Dividends Paid	21	(75,000,000)	(60,000,000)
<b>Net cash used in financing activities</b>		<b>(81,883,064)</b>	<b>(65,826,375)</b>
Net (decrease) / increase in cash and cash equivalents		<b>(178,980,231)</b>	<b>87,409,569</b>
Cash and cash equivalents at the beginning of the period		<b>248,927,926</b>	<b>111,029,404</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	13	<b>69,947,695</b>	<b>198,438,973</b>
<b>NON-CASH TRANSACTION</b>			
Compensation for the expropriation of land and a building	19	-	8,271,036

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Chairman

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

**ALMUNAJEM FOODS COMPANY**  
(A SAUDI JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2024**  
(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)

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## **1. CORPORATE INFORMATION**

Almunajem Foods Company (the “Company”) is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration numbered 1010231822, dated 7 Rabie Al Thani 1428H (corresponding to 24 April 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11441, KSA.

The Company is a subsidiary of Abdullah Al Ali Almunajem Sons Company (the “Ultimate Parent”) which is a Closed Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010000565 dated 11 Dhu Al-Qidah 1376H (corresponding to 10 June 1957) and currently holds 69.3%. The registered address of the Parent is located at Riyadh, P O Box 2395, Riyadh 11451, KSA.

On 11 October 2020, the shareholders decided to go for an IPO. The shareholders decided in their meeting dated 2 November 2020 to convert the Company from a limited liability Company to a Closed Joint Stock Company and the Company’s name was changed from “Almunajem Cold Stores Company” to “Almunajem Foods Company” (A Saudi Closed Joint Stock Company). Legal formalities were completed on 17 February 2021.

As of 20 December 2021, 30% of the company’s shares were listed in Saudi Stock Exchange market (Tadawul). Currently, 69.3% of the Company is owned by a main shareholder (Abdullah Al Ali Almunajem Sons Company) and 0.7% by another shareholder (AlKafaa Real Estate Company).

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as “the Law”) came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Companies Law and amended the Article of Association to align the Articles to the provisions of the Law.

The Company is engaged in wholesale and retail trading in fruits, vegetables, cold and frozen poultry and meat, bottled, food stuff, through its following branches:

<b>Commercial registration</b>	<b>Branch location</b>
1131026002	Burieda
2050059043	Dammam
4030176226	Jeddah
5855030212	Khamis Mushait
4650046753	Medina
3550027505	Tabuk
3350031238	Hail
2250045420	Al-Ahsa
4031067309	Makkah
4032032800	Taif
5900017953	Jizan
1010401313	Riyadh
1010465454	Riyadh
4030291805	Jeddah
1010653210	Riyadh
3400119907	Sakaka

## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

These condensed interim financial statements for the three and six months periods ended June 30, 2024, have been prepared in accordance with International Accounting Standard (34) “Interim Financial Reporting” that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).



## **2. BASIS OF PREPARATION (Continued)**

### **2.1 Statement of Compliance (continued)**

The condensed interim financial statements should be read in conjunction with the Company's annual financial statement as at December 31, 2023 ("last annual financial statements"). These condensed interim financial statements do not include all the information and disclosures required to prepare a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. In addition, the results for the six months periods ended June 30, 2024, are not necessarily indicative of the results that may be expected for the year ended December 31, 2024.

### **2.2 Judgments and Estimates**

The preparation of Company's condensed interim financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by Saudi Organization for Chartered and Professional Accountants require management to make judgements, estimates, and assumptions that affect the reported amounts of revenues, costs, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Actual results may differ from these estimates.

The significant estimates made by the management when applying the Company's accounting policies and the significant sources of uncertainties were similar to those shown in the Company's latest annual financial statements.

### **2.3 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost basis except for the employees' benefit obligations, which have been measured in accordance with the projected unit credit method.

### **2.4 Going concern.**

The condensed interim financial statements have been prepared on the going concern basis.

## **3. PRESENTATION AND FUNCTIONAL CURRENCY**

The financial statements are presented in Saudi Riyals (SAR) which is the functional currency of the Company.

## **4. MATERIAL ACCOUNTING POLICIES**

**4.1** The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 31,2023.

Below is the accounting policies that were not included in the last annual financial statements:

### **4.2 Investments in Associates**

An associate is an entity over which the Company 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 Condensed Interim Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the Condensed Interim Statement of Financial Position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

#### **4. MATERIAL ACCOUNTING POLICIES (continued)**

##### **4.2 Investments in Associates (continued)**

When the Company's share of losses of an associate exceeds the Company's interest in that an associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate, the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

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 Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of associate's identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in the Condensed Interim Statement of Profit or Loss in the period in which the investment is acquired.

#### **5. NEW STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE AND OTHER AMENDMENTS**

There are no new standards issued, however, there are a number of amendments to current standards that are effective from January 1, 2024. These amendments do not have a significant impact on these financial statements.

<b>Effective for annual periods beginning on or after</b>	<b>New standards and amendments</b>
January 1, 2024	Non-Current Liabilities with Covenant - Amendments to IAS 1 and Classification of Liabilities as Current or Non-current - Amendments IAS1.
	Lease Liability in a Sale and Leaseback-Amendments to IFRS 16.
	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

##### **Standards issued but not yet effective:**

The Company has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

<b>Effective for annual periods beginning on or after</b>	<b>New standards and amendments</b>
January 1, 2025	Lack of Exchangeability – Amendments to IAS 21.
Available for optional adoption/ effective date deferred indefinitely	Sale or contribution of assets between the investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2024**  
**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**6. PROPERTY, PLANT, AND EQUIPMENT**

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Cost:</b>		
At the beginning of the period/year	541,458,845	540,692,547
Additions during the period/year	24,238,432	24,036,909
Disposals during the period/year*	(3,147,234)	(15,286,170)
Write-off	-	(7,984,441)
At the end of the period/year	<u>562,550,043</u>	<u>541,458,845</u>
<b>Accumulated depreciation:</b>		
At the beginning of the period/year	276,039,785	268,385,182
Charge during the period/year	14,013,562	27,532,737
Write-off	-	(7,937,701)
Disposals during the period/year *	(3,112,984)	(11,940,433)
At the end of the period/year	<u>286,940,363</u>	<u>276,039,785</u>
<b>Net book value:</b>		
At the end of the period/year	<u>275,609,680</u>	<u>265,419,060</u>

\* For the year ended December 31, 2023, this item included the disposal of land and buildings in the city of Jeddah as a result of expropriation, with a net book value of SAR 2.7 million as at December 31, 2023. Refer (Note 19).

**7. LEASES**

Set out below are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period/year:

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Right-of-use assets</b>		
At the beginning of the period/year	42,293,830	46,629,990
Additions	5,314,154	8,272,029
Adjustments *	-	(3,545,394)
Depreciation charge	(4,794,562)	(9,062,795)
At the end of the period/year	<u>42,813,422</u>	<u>42,293,830</u>
	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
<b>Lease liabilities</b>		
At the beginning of the period/year	45,606,019	48,954,192
Additions	5,314,154	8,272,029
Adjustments *	-	(3,179,891)
Accretion of interest	892,853	1,639,422
Payments	(7,592,828)	(10,079,733)
At the end of the period/year	<u>44,220,198</u>	<u>45,606,019</u>

**ALMUNAJEM FOODS COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIODS ENDED JUNE 30, 2024**  
**(ALL AMOUNTS IN SAUDI RIYALS UNLESS OTHERWISE STATED)**

**7. LEASES (continued)**

\* This adjustment is related to the year ended 31 December 2023, where the effect of adjustments was allocated in the statement of profit or loss and other comprehensive income between the depreciation charge of the right-of-use assets and the interest on lease liabilities with the amount of SAR 1.01 million and SAR 1.37 million, respectively. The classification of lease repayment is divided into capital repayment of lease liability of SAR 8.44 million as a cash flow from financing activities and finance cost paid of SAR 1.64 million as a cash flow from operating activities.

Lease liabilities are classified in the condensed interim statement of financial position as follows:

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Current	<b>8,604,257</b>	8,591,383
Non-current	<b>35,615,941</b>	37,014,636
	<b>44,220,198</b>	45,606,019

**8. INVESTMENT IN ASSOCIATE**

The Company has signed binding share purchase agreement on 25/8/1445H (corresponding to March 6, 2024G), to acquire shares in Balady Poultry Trading Company, the investee, in accordance with which the Company purchased 1,116,900 shares (representing 17% of Balady Company's shares) from existing shareholders in Balady Company through private transactions, at a purchase price of SAR 120 per share with total amount of SAR 134.11 million included transaction cost with an amount of SAR 397.90. The Transaction has been self-financed by the Company.

In addition to the above-mentioned agreement, On April 29, 2024 (corresponding to 20 Shawwal 1445 H) the Company signed a binding share purchase agreement between major shareholders of Baladi Poultry Company, under which Almunajem Foods Company will purchase 1,511,100 shares, which represents 23% of the Company's shares at a purchase price of a capacity of SAR 120 per share for a total of SAR 181.33 million. The transaction will be executed after obtaining the necessary approvals from the relevant authorities, including the General Authority for competition.

At June 30, 2024, the company owns 17% of Balady Poultry Trading Company.

The movement in investment in associate for the period ended June 30, 2024 is as follows:

	<b>June 30, 2024 (Audited)</b>
At the beginning of the period	-
Purchases during the period	<b>134,425,895</b>
Share of results for the period *	<b>7,321,146</b>
Dividends declared during the period	<b>(1,116,900)</b>
At the end of the period	<b>140,630,141</b>

\* The share in profit of associate was calculated from the date of acquisition up to 30 June 2024 based on management's accounts.

**9. INVENTORIES**

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Goods for resale	<b>368,245,602</b>	318,050,021
Goods in transit	<b>204,021,668</b>	228,253,273
Raw material and consumables	<b>29,781,504</b>	20,325,142
Spares and consumables	<b>4,347,884</b>	4,306,500
Less: Allowance for slow-moving and obsolete items*	<b>(2,121,734)</b>	(1,778,476)
	<b>604,274,924</b>	569,156,460

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**9. INVENTORIES (continued)**

During the period ended June 30, 2024, SAR 1,407.99 million (June 30, 2023: SAR 1,384.7 million) of the inventory was recognized as an expense in the cost of revenue. Cost of revenue also includes compensations and volume rebates from suppliers amounting to SAR 10.9 million (June 30, 2023: SAR 4.9 million)

\* The movement of allowance for slow-moving and obsolete inventories is as follows:

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
At the beginning of period/year	<b>1,778,476</b>	1,000,000
Provided during the period/year	<b>343,258</b>	778,476
At the end of period/year	<b>2,121,734</b>	1,778,476

\* This pertains to specifically identified spares that are no longer useable and slow-moving goods for resale.

**10. TRADE RECEIVABLES**

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Trade receivables	<b>348,723,536</b>	254,826,242
Less: Allowance for expected credit losses	<b>(4,390,676)</b>	(3,819,363)
	<b>344,332,860</b>	251,006,879

Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days, it is not the company's policy to obtain collateral for receivables.

Movement in the allowance for expected credit losses is as follows:

	<b>June 30, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
At the beginning of the period/year	<b>3,819,363</b>	13,781,430
Provided during the period/year	<b>571,313</b>	1,340,278
Written-off *	-	(11,302,345)
At the end of the period/year	<b>4,390,676</b>	3,819,363

\* The Board of Directors in their meeting dated August 15, 2023, approved to write-off certain balances which were 100% provided for in prior years.

**11. RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent major shareholders, director, and key management personnel of the Company and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the interim condensed financial statement are as follows:



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**11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

**a) Related parties' transactions**

<u>For the six months period ended</u> <u>June 30, 2024 (unaudited)</u>	<u>Relationship</u>	<u>Sales</u>	<u>Purchases</u>	<u>Expenses</u>	<u>PPE</u> <u>purchase/</u> <u>Selling</u>
France Poultry	Affiliate	-	313,865,649	-	-
Shawaya House Company	Affiliate	5,974,840	-	121,161	-
Gulf Catering Company	Affiliate	3,293,366	-	795,801	-
Nutrition and Diet Center Company	Affiliate	2,810,471	2,557,966	566,401	-
Az-Zad Saudi Company	Affiliate	165,096	-	99,245	-
Thati Limited Company	Affiliate	7,270	-	22,265	-
Bureida Trading and Refrigeration	Affiliate	-	-	162,739	10,865,100
Al-Kafa'a Real State Company	Affiliate	-	-	1,253,950	-
Abdullah Al Ali Almunajem Sons	The parent company	-	-	2,524,894	-
Four Steps International	Owned by a member of the BOD	-	-	40,000	-

<u>For the six months period ended</u> <u>June 30, 2023 (unaudited)</u>	<u>Relationship</u>	<u>Sales</u>	<u>Purchases</u>	<u>Expenses</u>	<u>PPE</u> <u>purchase/</u> <u>Selling</u>
France Poultry	Affiliate	-	249,570,089	-	-
Shawaya House Company	Affiliate	17,669,755	-	81,260	-
Gulf Catering Company	Affiliate	4,011,073	-	277,576	-
Nutrition and Diet Center	Affiliate	3,111,994	3,300,006	469,451	-
Az-Zad Saudi Company	Affiliate	284,409	-	1,740	-
Thati Limited Company	Affiliate	9,270	-	15,865	-
Bureida Trading and Refrigeration	Affiliate	-	-	164,402	1,087,800
Al-Kafa'a Real State Company	Affiliate	-	-	882,824	-
Abdullah Al Ali Almunajem Sons	The parent company	-	-	2,348,083	-
Four Steps International	Owned by a member of the BOD	-	-	49,000	-

Related parties balances included in the condensed interim statement of financial position are as follows:

**b) Due from related parties**

	<u>Relationship</u>	<u>June 30,</u> <u>2024</u> <u>(Unaudited)</u>	<u>December 31,</u> <u>2023</u> <u>(Audited)</u>
Shawaya House Company	Affiliate	5,364,427	6,752,516
Gulf Catering Company	Affiliate	1,017,944	2,223,642
Nutrition and Diet Center Company	Affiliate	1,127,499	1,529,993
Az-Zad Saudi Company	Affiliate	19,308	30,302
		<u>7,529,178</u>	<u>10,536,453</u>

The above balances are unsecured, interest-free, and settlement term within 30-45 days. The management estimates the allowance on due from the related party balance at the reporting date at an amount equal to lifetime ECL. No receivable balances from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate. Management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

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**11. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

**c) Due to related parties**

	<i>Relationship</i>	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Bureida Trading and Refrigeration	Affiliate	<b>652,349</b>	429,064
Abdullah Al Ali Almunajem Sons	The parent	<b>292,420</b>	46,330
Thati Limited Company	Affiliate	<b>19,617</b>	2,373
		<b>964,386</b>	<b>477,767</b>

Outstanding balances at the period end are unsecured, interest free and settlement within 30-45. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at period/year-end arise in the normal course of business.

**d) Key management compensation**

Key management personnel of the Company comprise of key members of the management having authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation to key management is shown below:

	<b>For the three-months period ended</b>		<b>For the six-months period ended</b>	
	<b>June 30, 2024 (Unaudited)</b>	<b>June 30, 2023 (Unaudited)</b>	<b>June 30, 2024 (Unaudited)</b>	<b>June 30, 2023 (Unaudited)</b>
Short-term employee benefits *	<b>2,351,718</b>	2,055,575	<b>4,689,152</b>	4,048,554
Employees' defined benefit liabilities	<b>101,990</b>	290,725	<b>202,466</b>	377,297
	<b>2,453,708</b>	2,346,300	<b>4,891,618</b>	4,425,851

\*Short-term employee benefits include SAR 0.97 million (June 30, 2023: SAR 0.97 million) pertaining to the board of directors' remuneration.

**12. PREPAYMENTS AND OTHER ASSETS**

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Advance to a related party *	<b>160,238,910</b>	147,582,501
Prepayments	<b>10,774,013</b>	13,789,491
Advances to suppliers and contractors **	<b>8,448,586</b>	3,601,741
Right of return assets	<b>1,321,964</b>	1,049,728
Employee receivables	<b>709,289</b>	998,570
Others	<b>578,814</b>	608,278
Accrued compensation (Note 19)	-	8,271,036
	<b>182,071,576</b>	<b>175,901,345</b>

\*This represents advance payments to France Poultry (a subsidiary to the Parent Company) for future deliveries of goods. (note 11).

\*\* This includes advance payments to Burieda Trading with an amount of SAR 2.2 million (a subsidiary to the Parent Company) for future deliveries of refrigeration trucks boxes. (note 11).

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**13. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Cash at banks	<b>67,358,819</b>	137,092,371
Cash on hand	<b>2,588,876</b>	1,835,555
Short-term deposits*	<b>-</b>	110,000,000
	<b><u>69,947,695</u></b>	<b><u>248,927,926</u></b>

\*Cash and cash equivalents include Murabaha Islamic short-term deposits with a maturity period within three months.

**14. SHARE CAPITAL**

The Company's share capital of SAR 600 million consisted of 60 million issued and fully paid shares of SAR 10 each on June 30, 2024 (December 31, 2023: 60 million shares of SAR 10 each).

**15. TRADE PAYABLES, ACCRUALS, AND OTHER LIABILITIES**

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Trade payables*	<b>430,114,018</b>	427,362,439
Accrued expenses	<b>52,688,259</b>	62,848,190
Refund liabilities	<b>1,545,557</b>	1,324,731
Advances from customers	<b>1,487,468</b>	1,199,945
Other payables	<b>3,358,476</b>	1,939,561
	<b><u>489,193,778</u></b>	<b><u>494,674,866</u></b>

\*Trade Payables include supply chain agreements compatible with Islamic Sharia granted from Saudi local banks during the period ended June 30, 2024, with an amount of SAR 178 million (December 31, 2023: SAR 128.4 million).

Trade and other payables are non-interest bearing and have a term of 30 to 90 days.

**16. ZAKAT Payable**

Movement in the zakat provision is as follows:

	<b>June 30, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
At the beginning of the period/year	<b>19,541,041</b>	18,840,788
Provided during the period/year	<b>10,532,944</b>	19,416,472
Adjustments	<b>(500,000)</b>	-
Paid during the period/year	<b>(18,716,274)</b>	(18,716,219)
At the end of the period/year	<b><u>10,857,711</u></b>	<b><u>19,541,041</u></b>

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**16. ZAKAT Payable (continued)**

**Status of assessments:**

- Combined Zakat returns have been filed by the Parent Company, including the Company, with the Zakat, Tax and Customs Authority (ZATCA) for the years from 2008 to 2020.
- The Company obtained Zakat certificates for the years 2021 and 2022. In addition, Zakat assessments for 2021 and 2022 were completed without exposure against Zakat declarations
- The Company filed the Zakat declaration for the year 2023, the Zakat payable has been paid based on this declaration and a Zakat certificate has been issued for the year 2023, during April 2024.
- The Company was inspected for the value-added tax (VAT) for 2022, completed on 6 November 2023 with adjustments against VAT returns and the Company paid differences for 2022 by SAR 37,994.
- The Company was inspected for the value-added tax (VAT) for 2023, completed on 21 May 2024 with adjustments against VAT returns and the Company paid differences for 2023 by SAR 2,386.

**17. REVENUE**

	<b>For the three-months period ended</b>		<b>For the six-months period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue recognized at a point in time</b>				
Non-retail - goods transferred	<b>507,049,061</b>	492,037,745	<b>985,665,046</b>	977,669,979
Retail - goods transferred	<b>315,914,138</b>	276,472,243	<b>737,612,243</b>	689,328,775
<b>Revenue recognized over-time</b>				
Storage rent revenue	<b>3,325,319</b>	3,875,796	<b>5,956,572</b>	7,351,495
	<b>826,288,518</b>	772,385,784	<b>1,729,233,861</b>	1,674,350,249

Sales are entirely made in the Kingdom of Saudi Arabia.

**18. FINANCE COST / INCOME, NET**

	<b>For the three-months period ended</b>		<b>For the six-months period ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<u>Finance Cost</u>				
Bank interest (note 15)	<b>2,155,447</b>	149,156	<b>3,180,326</b>	149,156
Interest on lease liabilities	<b>469,297</b>	413,919	<b>892,853</b>	2,181,950
	<b>2,624,744</b>	563,075	<b>4,073,179</b>	2,331,106
<u>Finance Income</u>				
Income from short-term deposits (note 13)	<b>(613,683)</b>	(2,095,689)	<b>(3,012,315)</b>	(3,513,918)
	<b>2,011,061</b>	(1,532,614)	<b>1,060,864</b>	(1,182,812)

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**19. OTHER INCOME**

	For the three-months period ended		For the six-months period ended	
	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Gain on disposal of property, plant, and equipment*	4,109,142	33,921	4,104,279	7,057,975
Foreign currencies exchange gain / (losses)	484,253	(52,695)	1,272,241	(481,328)
Other income / (expense)	153,184	161,094	363,129	349,414
	<b>4,746,579</b>	<b>142,320</b>	<b>5,739,649</b>	<b>6,926,061</b>

\* During the period ending June 30, 2023, the Company realized and booked a net gain of SAR 5.5 million resulting from insured government compensation for a building owned by the Company located in the city of Jeddah. The property was having a net book value of SAR 2.7 million (note 6).

During April 2024, the formal procedure of collecting the compensation amount was finalized and the Company received an amount of SAR 11.1 million.

**20. EARNING PER SHARE**

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the period attributable to equity holders with the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as the basic earnings per share as the Company does not have any convertible securities or diluted instruments to exercise.

The following table reflects the profit for the period attributable to equity holders and weighted average number of ordinary share outstanding during the period used in the basic and diluted EPS computations:

	For the three-months period ended		For the six-months period ended	
	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)
Net profit for the period	63,820,903	57,563,722	177,822,580	139,445,096
Weighted average number of ordinary shares	60,000,000	60,000,000	60,000,000	60,000,000
Basic and diluted earnings per share	<b>1.06</b>	<b>0.96</b>	<b>2.96</b>	<b>2.32</b>

**21. DIVIDENDS**

The Company's Board of Directors meeting held on May 28, 2024G, (Corresponding/ to 20 Dhul-Qi'dah 1445 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 26, 2024G (corresponding to 18 Dhul-Qi'dah 1445 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2024, have approved to distribute approved to distribute dividends for the first half of the year 2024 amounting to SAR 75 million to the Company's shareholders at 1.25 riyal per share, or 12.5% of the capital.

The Extraordinary General Assembly meeting held on May 8, 2023 (corresponding to 18 Shawwal 1444 H) based on the recommendation of the Company's Board of Directors meeting held on March 23, 2023, (Corresponding to 1 Ramadan 1444 H) approved to distribute dividends for the second half of the year 2022 amounting to SAR 60 million to the Company's shareholders at 1 riyal per share, or 10% of the capital.



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**22. SEGMENT INFORMATION**

The Senior Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the company managed them separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the condensed interim financial statements.

For management purposes, the Company is into business units based on its geographical regions, as follows:

<i><b>For the six-months period ended June 30, 2024 (Unaudited)</b></i>	<b>Central region</b>	<b>Eastern&amp; Northern regions</b>	<b>Western&amp; Southern regions</b>	<b>Total</b>
<b>Revenue</b>	722,899,632	349,459,792	656,874,437	1,729,233,861
<b>Cost of revenue</b>	587,161,396	284,323,535	528,867,511	1,400,352,442
<b>Depreciation and amortization</b>	8,171,620	3,329,814	7,570,224	19,071,658
<b>Segment profit before zakat</b>	80,109,764	37,054,498	70,691,262	187,855,524
<b>Total assets as of June 30, 2024 (Unaudited)</b>	850,522,114	285,151,009	532,788,218	1,668,461,341
<b>Total liabilities as of June 30, 2024 (Unaudited)</b>	564,178,283	21,534,713	52,396,514	638,109,510
<i><b>For the Six-months period ended June 30, 2023 (Unaudited)</b></i>	<b>Central region</b>	<b>Eastern region</b>	<b>Western region</b>	<b>Total</b>
<b>Revenue</b>	696,022,079	338,165,966	640,162,204	1,674,350,249
<b>Cost of revenue</b>	579,668,427	278,711,920	525,040,567	1,383,420,914
<b>Depreciation and amortization</b>	6,401,398	3,499,853	7,945,479	17,846,730
<b>Segment profit before zakat</b>	54,045,055	32,897,210	63,642,743	150,585,008
<b>Total assets as of June 30, 2023 (Unaudited)</b>	805,266,154	276,537,184	483,318,640	1,565,121,978
<b>Total liabilities as of June 30, 2023 (Unaudited)</b>	542,637,424	12,923,669	29,604,066	585,165,159

All the operating segments revenue and non-current assets are generated and based in the Kingdom of Saudi Arabia. There is no customer contributing 10% or more of the total revenue.

<i><b>For the six-months period ended June 30, 2024 (Unaudited)</b></i>	<b>Central Region</b>	<b>Eastern &amp; Northern Regions</b>	<b>Western &amp; Southern Regions</b>	<b>Total</b>
<b>Revenue</b>				
Retail	334,249,456	145,007,569	258,355,218	737,612,243
Non-retail	386,702,745	203,004,202	395,958,099	985,665,046
Storage rent revenue	1,947,431	1,448,021	2,561,120	5,956,572
<b>Total revenues</b>	<b>722,899,632</b>	<b>349,459,792</b>	<b>656,874,437</b>	<b>1,729,233,861</b>
<b>Cost of revenues</b>				
Retail	(265,907,560)	(115,919,289)	(203,987,466)	(585,814,315)
Non-retail	(319,408,810)	(168,015,886)	(324,171,063)	(811,595,759)
Storage rent revenue	(1,845,026)	(388,360)	(708,982)	(2,942,368)
<b>Total Cost of revenues</b>	<b>(587,161,396)</b>	<b>(284,323,535)</b>	<b>(528,867,511)</b>	<b>(1,400,352,442)</b>
<b>Total Gross profit</b>	<b>135,738,236</b>	<b>65,136,257</b>	<b>128,006,926</b>	<b>328,881,419</b>

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**22. SEGMENT INFORMATION (continued)**

<i>For the six-months period ended June 30, 2023 (Unaudited)</i>	<i>Central Region</i>	<i>Eastern &amp; Northern Regions</i>	<i>Western &amp; Southern Regions</i>	<i>Total</i>
Revenue				
Retail	308,875,011	136,269,040	244,184,724	689,328,775
Non-retail	385,231,597	200,053,252	392,385,130	977,669,979
Storage rent revenue	1,915,471	1,843,674	3,592,350	7,351,495
Total revenues	696,022,079	338,165,966	640,162,204	1,674,350,249
Cost of revenues				
Retail	(253,766,154)	(110,407,788)	(197,828,225)	(562,002,167)
Non-retail	(324,046,090)	(167,939,353)	(325,798,722)	(817,784,165)
Storage rent revenue	(1,856,183)	(364,779)	(1,413,620)	(3,634,582)
Total Cost of revenues	(579,668,427)	(278,711,920)	(525,040,567)	(1,383,420,914)
Total Gross profit	116,353,652	59,454,046	115,121,637	290,929,335

**23. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Company has letters of credit as of June 30, 2024, amounting to SAR 7.4 million (December 31, 2023: SAR 3.5 million). There are capital commitments as of June 30, 2024, amounting to SAR 12.2 million (December 31, 2023: SAR 1.3 million) related to property, plant, and equipment.

**24. SUBSEQUENT EVENTS**

No other matter has occurred up to and including the date of the approval of these interim condensed financial statements by the management which could materially affect these interim condensed financial statements and the related disclosures for the period ended June 30, 2024.

**25. APPROVAL OF CONDENSED INTERIM FINANCIAL STATEMENTS**

These condensed interim financial statements were approved for issuance by the Board of Directors on 6 August 2024 (corresponding to 2 Safar 1446H).