

2025  
Annual Report

المنجم  
ALMUNAJEM  
للأغذية Foods



Diversity is  
our Wealth...  
Expansion is  
our Strength

المنجم  
ALMUNAJEM  
للأغذية Foods



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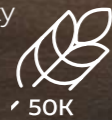
## Diversity is our Wealth... Expansion is our Strength

Throughout a year marked by rapid transformation in the food sector, driven by continuously evolving consumer needs and expectations, Almunajem Foods successfully positioned itself as a leading example of progress and resilience within the industry. This year's journey is captured in the theme, "Diversity is our Wealth... Expansion is our Strength," reflecting a forward-looking vision, deep industry expertise, and strategic decisions that have shaped the Company into a fully integrated food ecosystem that touches people's lives every day. The diversity embraced by Almunajem Foods extends far beyond a broad product portfolio. It enhances consumers' lives, reinforces their trust, and reflects the Company's long-standing partnerships with more than **95** global suppliers, supported by a portfolio of hundreds of products tailored to meet the needs of the Saudi market.

Our greatest pride this year lies in our expansion, representing a significant leap in capabilities within the food sector. The establishment of the new Almunajem Foods' factory in Jeddah will increase production capacity to more than **50,000** tons annually, supported by a logistics network serving more than **24,000** retail outlets across the Kingdom. Enhanced storage hubs continue to strengthen confidence in the resilience and sustainability of food supply chains. In addition, Loadly, the Company's wholly owned subsidiary, aims to provide more than **200,000** pallet storage units, offering innovative solutions across sectors including food, pharmaceuticals, and medical supplies. Together, these achievements bring our theme to life, symbolizing a year in which the Company made steady progress, strengthened its market presence, and expanded its impact with confidence and clear vision.



Increase production capacity  
to **+50,000**  
tons annually



A logistics network serving  
**+24,000**  
retail outlets



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## Overview

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## Overview about Almunajem Foods

For over **75** years, Almunajem Foods has been an integral part of the Saudi food landscape and a key contributor to the development of a mature food ecosystem that has kept pace with the Kingdom's economic growth and societal transformation. From a small shop established in **1950**, Almunajem Foods has evolved into a leading national company that contributes to enhancing food security and providing integrated products and services across the value chain, from the manufacturing and sourcing of diverse products to marketing and distribution, and ultimately to delivery to service outlets. With this rapid development, Almunajem Foods built an integrated business model encompassing:

- Global imports from more than **95** suppliers worldwide.
- Local production of meat products at the Company's food factory in Jeddah, with a current capacity of more than **15,000** tons, and a projected capacity of more than **50,000** tons annually, after the establishment of the new food factory in Jeddah by the end of **2026**, God Willing
- Storage and refrigeration services are provided through a network of **12** warehouses equipped to the highest quality & safety standards.
- Extensive marketing and distribution are supported by a fleet of more than **1,000** vehicles, reaching more than **24,000** retail stores across KSA.
- Advanced logistics solutions are provided by the Company's wholly owned subsidiary, "Loadly," targeting a total capacity more than **200,000** storage pallets and enhancing the speed and reliability of delivery.


This integration has also contributed to developing a product portfolio of over **850** products across five main categories, aiming to meet the needs of all food sectors in key retail accounts, wholesale sectors, and food services.

Today, Almunajem Foods continues to play a vital role in supporting national food security, promoting local content, and enhancing the quality of its products and services. The Company builds on its integrated operational structure and ongoing investments in industrial and logistical expansion, as well as local poultry production, while remaining highly responsive to market dynamics and evolving consumer needs

As it continues to grow and evolve, Almunajem Foods strengthens its position as a leading company in the food sector, contributing to building a more sustainable and efficient food ecosystem in KSA.

 **+95**  
global suppliers

 **12**  
refrigerated warehouses

 distribution fleets  
**+1,000**  
vehicle



## Vision

To be the leading company, delivering food products that enrich the lives of millions at all times.

## Mission

To deliver quality food products from around the world in a reliable, efficient and customer-centric manner that adds value to all stakeholders.

## Values

Almunajem Foods is built on a set of core values that guide every decision and operation:

### Trust

We recognize the importance of trust in our standards, our people, our capabilities, our products and our services.

### Integrity

We act with fairness, honesty and to the highest ethical standards when conducting our business.

### Quality

We import, market, produce and distribute safe and high-quality foods to customers.

### Passion

We always go above and beyond to provide world-class customer experience.

### Collaboration

We work closely with our stakeholders to succeed together, with an outlook that aims to grow and foster partnerships over the long-term.

**These values continue to serve as the compass guiding our decisions and underpinning our strategy for sustainable growth.**



## Our Journey

For over **75** years, Almunajem Foods' evolution from a single store to an industry leader has mirrored the Kingdom's own development, reflecting a shared journey of progress and service. At every milestone, the Company has worked diligently to build an integrated food ecosystem that grows steadily and expands with confidence.

This timeline represents the story of a journey shaped by bold visions, strong partnerships, and ever-growing operational capabilities, a journey through which Almunajem Foods has become a name synonymous with quality and trust.

**1950** 

### AlMunajem Establishment

Almunajem Foods began as a small store importing and distributing essential food products, launching a journey to establish a strong presence in the local market, and laying the foundations for a food ecosystem that would gradually expand across KSA.

**1970** 

### Early Expansion of the Distribution Network

During the **1970s** and **1980s**, Almunajem Foods expanded its presence by strengthening its supply and distribution network and building deeper relationships with suppliers and retailers. The Company's growth was fueled by trusted brands that enhanced its ability to reach a wider range of consumers across different regions.

**1992** 

### The Food Factory commenced its operations in Jeddah... A Defining Turning Point

The announcement of the Company's first industrial facility marked the beginning of a new era in food manufacturing.

**2000** 

### Building a Modern Cold Chain System

This decade saw the establishment of new cold storage facilities and the enhancement of logistics infrastructure by adopting advanced refrigerated storage systems to ensure product safety and quality. These developments strengthened the Company's reliability and earned greater trust from both customers and suppliers.

**2015** 

### Portfolio Diversification and Brand Strengthening

Almunajem Foods crowned its brand expansion efforts with the launch of its flagship brand Dari, adding hundreds of products across multiple categories to meet the needs of Saudi consumers.

**2021** 

### Listing on the Saudi Stock Exchange (Tadawul)

Almunajem Foods became a publicly listed company on the Saudi Stock Exchange, marking a milestone that reflects the maturity of its operating model and the confidence of investors in its capabilities. This step also strengthened the Company's transparency, governance, and shareholder base.

**2022** 

### Large Expansion of the Distribution Network

In **2022**, Almunajem Foods achieved a major milestone in expanding its distribution network, surpassing **20,000** retail outlets served across KSA. This accomplishment reinforced the Company's position as one of the leading players in the food distribution sector.

**2023** 

### Expanding Logistics Capabilities (Loadly)

The Company established "Loadly" to provide innovative logistics solutions that serve vital sectors such as consumer goods (including food and beverages) and healthcare (covering pharmaceuticals, medical supplies, and other related products).

**2024** 

### Approval of the Food Factory Expansion Project

Almunajem Foods announced the establishment of a second food factory in Jeddah, alongside its existing facility, covering an area of more than **56,000** sqm with an annual production capacity of more than **35,000** tons. The new food factory will produce poultry, red meat, seafood, and cheese products. Designed with state-of-the-art infrastructure, the food factory is built to double production capacity in the future and accommodate additional production lines as needed.

2025



## Expanding and Strengthening the Integrated Ecosystem

In **2025**, the Company began constructing a second food factory in Jeddah, alongside its existing facility. The new food factory spans more than **56,000** sqm with an annual production capacity of more than **35,000** tons, covering poultry, red meat, seafood, and cheese products. Work is currently in progress to equip new production lines that will raise the targeted capacity to more than **50,000** tons per year, further enriching the Company's product portfolio, enhancing its competitiveness, and boosting its local content contribution.

Almunajem Foods continued its growth through a distribution network that now serves more than **24,000** retail outlets, supported by an upgraded refrigerated fleet and a modern logistics infrastructure powered by advanced technologies to ensure timely and high-quality delivery of all food categories to its customers across all sales channels. The Company further reinforced its leadership in the logistics sector by launching operations of "Loadly", providing integrated, model logistics solutions. "Loadly" began operating its first warehouse in Riyadh with a capacity of more than **42,000** storage units (pallets), targeting a total capacity of more than **200,000** storage units (pallets). During **2025**, Almunajem Foods invested approximately SAR **83.3** million in "Loadly".

In line with KSA's strategic direction, the National Transformation Program (**2020**), and the Saudi Vision **2030**,

Almunajem Foods expanded its investments in "Balady" Poultry Company, which specializes in poultry production and breeding farms that leverages the latest farming and production technologies. This expansion aims to achieve high-quality production levels that meet local demand. Almunajem Foods holds a **40%** stake in Balady Poultry Company, which announced in **2025** an investment expansion worth SAR **1.13** billion to increase its production capacity to more than **700,000** poultry per day.

This year also witnessed notable growth in the Company's product portfolio and brand identity, with the development of multiple categories designed to meet consumer needs and reinforce the presence of its marketed brands such as Doux, Dari, Coopoliva, Lamb Weston, President, and others. These developments enhanced the Company's competitiveness and supported its expansion across both the retail sector and various food service segments.

At the operational level, in **2025**, Almunajem Foods continued to enhance its quality and food safety procedures and to improve its storage and refrigeration systems across its network of **12** warehouses. The Company also implemented operational programs aimed at boosting product efficiency, reducing waste, and improving inventory management, all contributing to a more efficient supply chain and ensuring consistent product availability across all channels.

At the human capital level, **2025** witnessed an expansion in development and empowerment programs, including specialized training initiatives in quality, operations, sales, marketing, and logistics. These efforts reflect the Company's commitment to building a workforce capable of leading the next phase of growth.

Thus, **2025** stands as a pivotal chapter in the journey of Almunajem Foods, a year in which industrial expansion, logistical advancement, and product and market growth converged to place the Company on a stronger, more sustainable path, laying the groundwork for a new phase of accelerated growth that touches the lives of millions of consumers every day.



## Our Diversity

### Key Products and Brands

In such a vast food market, Almunajem Foods has built its identity on distinctive diversity that expands beyond the number of products, to reflect the Company’s ability to offer food solutions that cater to every taste, serve restaurant needs, and meet the demands of both the retail and wholesale sectors across KSA.

This diversity spans a network of major well-established supplier companies worldwide. It extends through an advanced storage and distribution system that ensures the Company’s products are available in tens of thousands of locations across KSA and culminates in a wide product portfolio carefully designed to meet consumer needs with exceptional quality and enduring trust.

Today, Almunajem Foods’ portfolio includes more than **850** SKUs across **5** main categories that form the core of the Company’s food offerings:

- 

Red and White Meats
- 

Dairy derivatives
- 

Frozen Fruits and Vegetables
- 

Other food products
- 

Olives and Oils

Each of these categories includes a wide range of items and products.




## Brands Enriching the Saudi Market

Almunajem Foods stands out with a portfolio of products featuring some of the world's leading brands. Over the years, these brands have become a key strength that has reinforced the Company's position and competitiveness in the local market.


For every brand at Almunajem Foods, the Company undertakes R&D initiatives to identify and develop the best products that meet diverse consumer needs. These efforts embody loyalty, trust, and leadership, driving sustainable growth.

### Owned Brands




**1985**

**Montana:** Montana was launched in the Saudi market in the mid-**1980s**, becoming a leading brand and the consumer's first choice for frozen fruits and vegetables products. Today, Montana is the preferred brand among consumers and a symbol of quality, with its products carefully sourced from multiple origins around the world.



**1992**

**Anaam Al Saudia:** "Anaam Al Saudia" minced meat, produced from lamb and beef, is manufactured at Almunajem Foods' factory in Jeddah. The brand has been widely recognized by consumers since the early **1990s**.



**1992**

**Habra :**Almunajem Foods produces a variety of processed meat products at its food factory in Jeddah, including the "Habra" brand, which is known for its high quality.



**2001**

**Marietta :** Marietta is a brand owned by Almunajem Foods and is well known in the wholesale and food service sectors. It offers a wide range of products, including frozen vegetables and fruits, dairy products, and dry-stored goods such as rice, cooking oils, sauces, and canned products.



**2015**

**DARI:** DARI is a brand that represents and embodies Almunajem Foods' extensive expertise in selecting the finest natural produce. The products are packaged fresh using the latest technologies. The brand offers high-quality, natural products that meet homemakers' preferences for healthy, safe, and nutritious food.



**2018**

**Life :** Life is one of the most well-known, trusted, and preferred brands among consumers in the food service and wholesale sectors for frozen vegetables and fruits, as well as cooking oils. Life products are packaged from various sources around the world, including the Kingdom of Saudi Arabia.



**2024**

**Optimal Solutions Company 2024 (Loadly):** "Loadly" was established to stand out as a main player in KSA's logistics services sector, redefining the concept of logistics by providing seamless, innovative, customer centric solutions that align with KSA's ambition to empower businesses and streamline supply chains.

## Brands Marketed and Distributed by Almunajem Foods

The most important Almunajem Foods brands are as follows:



1972

**Doux Chicken :** Doux was established in **1930** in France and is now owned by its sister company France Poultry, which is **100%** owned by Abdullah Ali Almunajem Sons Company. Doux offers a variety of poultry products, including whole chickens, chicken cuts, and a range of Further Processed Products (FPP), such as chicken burgers, nuggets, and sausages in various flavors, among others, with a focus on product quality and ease of preparation. All products are halal-certified, ensuring they meet Islamic dietary standards.



1978

**Coopoliva :** A leading Spanish brand in olive and olive oil production, Coopoliva offers a wide range of olives and olive oils renowned for their unique varieties, making Coopoliva a trusted choice for consumers as well as retail and food service clients alike.



1994

**Fletcher :** Fletcher International is one of Australia's largest exporters of lamb and sheep meat products. Fletcher processes more than **90,000** sheep and lambs weekly, amounting to more than **4.5** million annually.



1994

**Silver Fern :** Silver Fern Farms is a leading New Zealand company specializing in the production and marketing of beef and lamb products. Established in **1948**, it operates as a cooperative company, representing approximately more than **20,000** farmers and livestock breeders across New Zealand, including sheep, cattle, and deer farmers.



1980

**The Three Cows :** The Three Cows brand, owned by Arla, offers a wide variety of cheese products available throughout the Middle East. The trusted Three Cows cheese range, which includes shredded mozzarella and white cheese, is a key source of rich and delicious flavors.



1991

**President :** Established in France in **1968**, President is currently present in more than **150** countries. This makes it the world's number one brand in the dairy products industry. It offers a wide range of cheese, butter, and cream products, making it a global favorite for cheese lovers.

Almunajem Foods Company distributes and markets President products throughout the Kingdom and across all sales channels. The brand enjoys the trust of various customers due to its high product quality.



2001

**Lamb Weston :** Founded in **1950**, Lamb Weston is a global leader in supplying frozen potato products. It is also a leader in the category of diverse and specialty potato products, including toaster potatoes.



2012

**Villa Germania :** Villa Germania was established in **1996** in Brazil and is the largest producer and exporter of duck meat in Latin America. Villa Germania is the number one leading supplier of duck meat in the Middle East and is a key exporter to Asia.



2015

**Asmak :** "Asmak" was founded in **1999** and is a leading company in the supply of fresh and frozen seafood across the Middle East, North Africa, and global markets. It offers a comprehensive range of seafood products, including fresh, frozen, and breaded items. The company has achieved significant growth driven by the expertise of its team, its strong distribution network, and its partnerships with suppliers and customers.



2016

**Moralejo :** Moralejo Seleccion is a long-established Spanish brand, and is a third-generation family business, specializing in lamb and sheep meat. Founded **70** years ago, it began with the founder selling lamb on his motorcycle and delivering it to various Spanish cities by train. Today, Moralejo operates two state-of-the-art factories measuring **5,500** and **9,000** square meters. It adheres to the highest quality standards, including IFS certification, Halal certification, and compliance with U.S. Specifications. Moralejo exports chilled and frozen lamb and sheep meat to over **30** countries worldwide.



2022

**Jack's Creek :** Jack's Creek is a premium brand offering high-quality beef from Angus and Wagyu cattle raised in the lush pastures of Australia. This brand has an outstanding reputation and is favored by most "steak" and "burger" restaurants in the Kingdom.



2024

**Daawat :** "Daawat" is the flagship brand of the renowned LT Foods, producing the finest and purest rice varieties. Its diverse products are distributed in more than **80** countries, including India, the United States, Europe, the Middle East, and the Far East.



2019

**Valbreso :** Valbreso is a global dairy brand that specializes in sheep-milk dairy products. Its products are made from **100%** sheep milk sourced from herds of sheep grazing on the fertile plateaus surrounding Roquefort-sur-Soulzon in France, a region renowned to produce Roquefort cheese. Valbreso is distinguished by its unique taste and exceptional richness.



2021

**Apeti :** It is a brand specialized in the production and import of chilled Brazilian beef under the Apeti brand, which is owned by JBS, the world's leading producer of beef.



**Diversity... A Strategic Pillar for Growth**

Product diversity and brand variety are not merely drivers of commercial growth, they form a strategic pillar that reflects Almunajem Foods' ability to respond to market changes, meet the needs of diverse consumer preference, and strengthen its presence in a market where tastes evolve, and expectations expand.

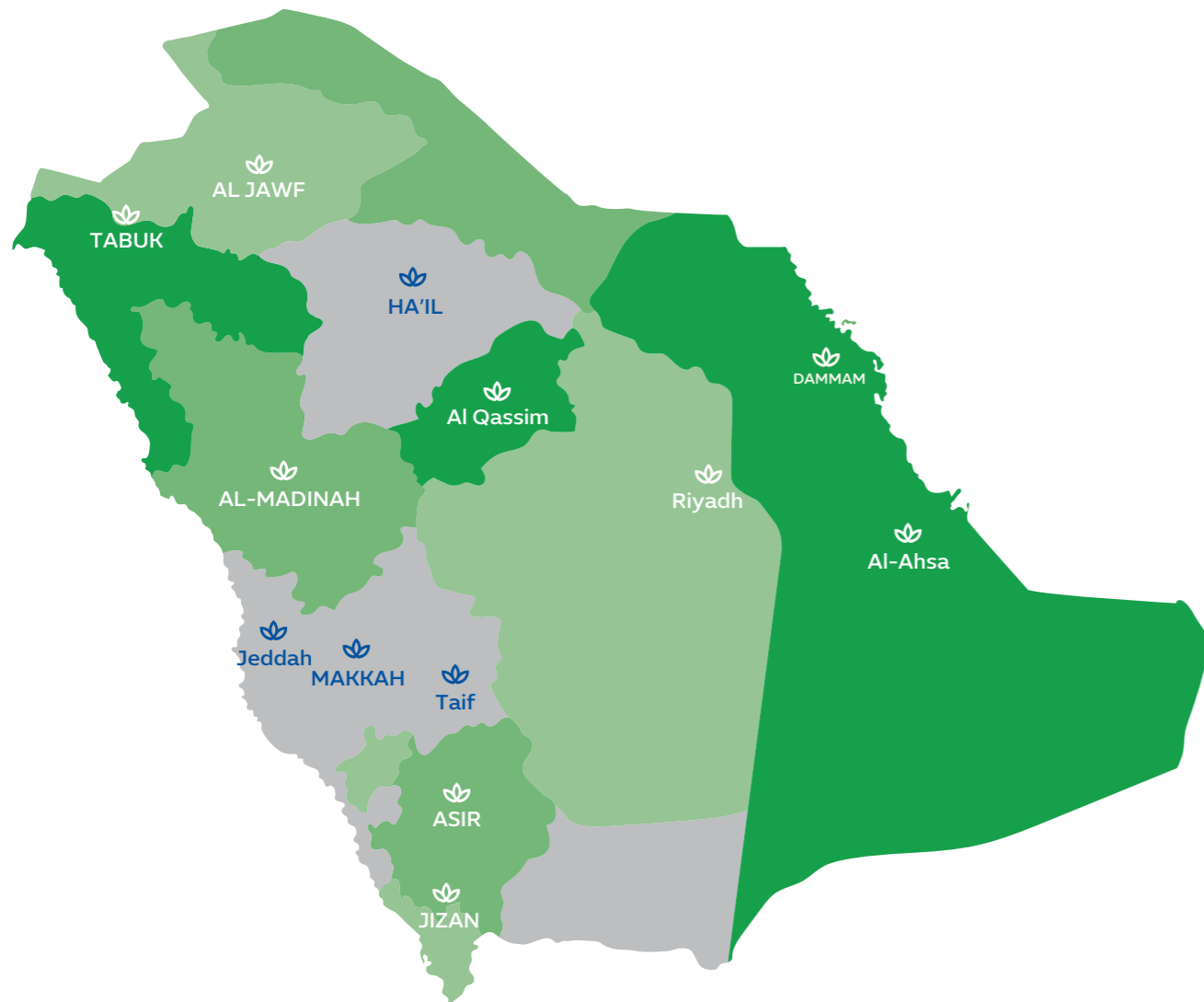
Through this diversity, Almunajem Foods builds a continuous success story year after year, offering consumers broader choices, greater confidence, and consistent quality.

## Our Geographic Presence

Almunajem Foods has established a widespread footprint across all of Saudi Arabia. We operate a network that varies in its operational details but unites under a single goal delivering food of the highest quality to every store, restaurant, and household in a timely manner.

This extensive reach is no coincidence; it is the result of decades of carefully building a delivery ecosystem based on strategic expansion, robust infrastructure, and over **75** years of experience in the Saudi market.

Today, Almunajem Foods operates through **13** branches covering key regions of KSA, with one branch each in: Riyadh, Jeddah, Buraydah, Dammam, Khamis Mushait, Madinah, Tabuk, Hail, Al Ahsa, Makkah, Ta'if, Jazan, and Sakaka. This footprint gives the Company a unique ability to reach consumers in every region, shorten the distance between product and consumer, reduce delivery times, and enhance supply reliability throughout the year.



Through these branches, Almunajem Foods relies on a wide distribution network that reaches more than **24,000** points of sale across KSA, spanning:

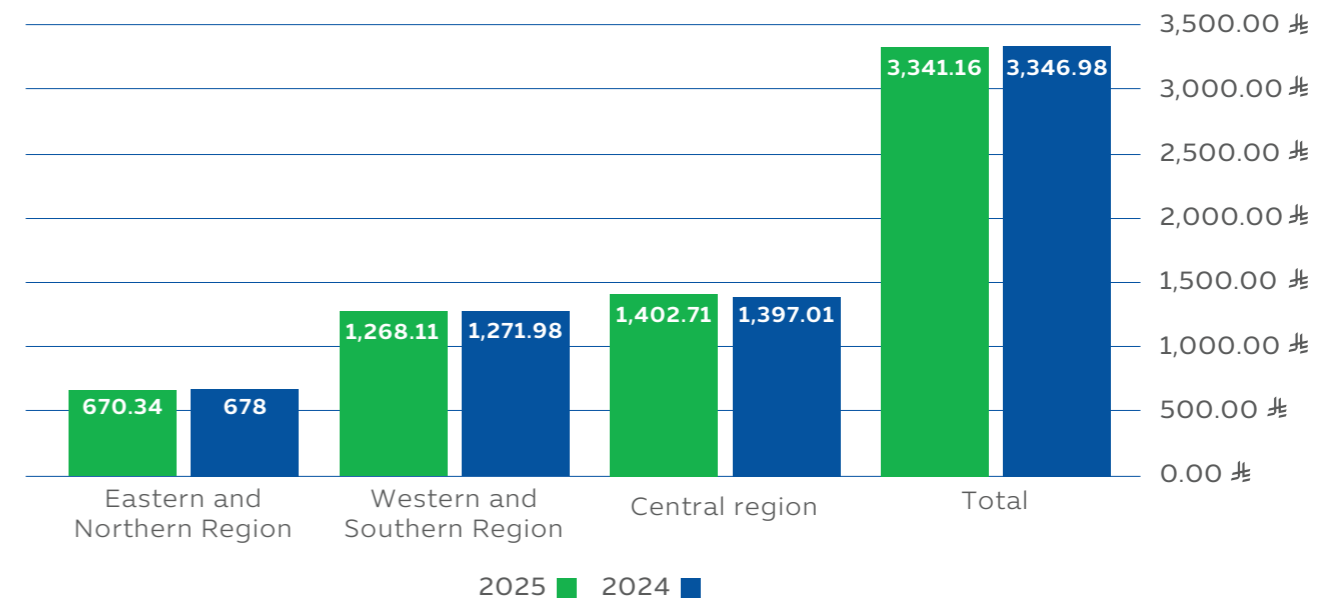


This network is supported by an advanced logistics system comprising of **12** warehouses and equipped with the latest storage technologies, alongside a fleet that exceeds **1,000** vehicles, including multi-zone refrigerated trucks that operate around the clock to maintain product quality at every step.

This geographic presence, with its diversity and reach, reflects not only the size of the company but also its ability to maintain a continuous presence in consumers' lives, respond to market demands quickly and efficiently, and expand into new areas in line with population growth and economic development in KSA.

Almunajem Foods' footprint extends beyond operational locations, it is a daily presence, a network of partnerships across KSA, and an operational capability that integrates the Company into the food cycle at thousands of sites, from major cities to developing regions, and from central markets to small stores relying on uninterrupted distribution.

### Geographical Distribution of Revenue



## Key Performance Indicators

Almunajem Foods measures its progress and growth based on a set of KPIs that reflect operational strength, portfolio diversification, supply chain efficiency, and market penetration in KSA.

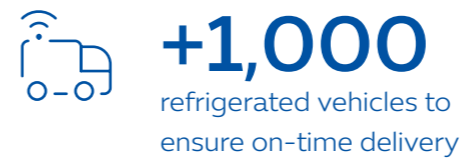
These KPIs provide a comprehensive view of the Company's performance in **2025**, highlighting its ability to sustain industrial and logistical expansion and create long-term, sustainable value

### First: 2025 - Operational KPIs

- Almunajem Foods' portfolio includes more than **850** SKUs across **5** main categories.
- The Company serves more than **24,000** retail outlets throughout KSA.
- The food factory has a current production capacity of more than **15,000** tons per year (current capacity), with a target of reaching more than **50,000** tons per year once the new plant is built.
- The sales and marketing team consist of roughly **1,000** employees.
- The Company has more than **95** internationally certified suppliers, enhancing its ability to provide a diverse range of high-quality food products.
- The Company operates **12** refrigerated warehouses equipped with state-of-the-art storage technologies to maintain product quality throughout the supply chain journey.
- A distribution fleet of more than **1,000** refrigerated vehicles, including multi-zone trucks that operate around the clock to ensure products reach the market in optimal condition.
- With the expansion of its wholly owned subsidiary, "Loadly" aims to provide more than **200,000** pallet storage units, in addition to innovative storage solutions serving various sectors such as food, pharmaceuticals, medical supplies, and other related products.

### Second: 2025 - Financial KPIs

- Revenue:** Total revenue for **2025** is SAR **3,341.16** million
- Profitability:** Gross and operating profit margins is **15.89%** and **5.4%** respectively
- Investment Expansion:** Values of investments in new expansions are SAR **251** million



## Investment Case

Almunajem Foods' strength is based on competitive advantages that combine operational efficiency, innovative solutions, and geographic reach, as well as a long-standing reputation and operational excellence. These factors collectively form a solid foundation that attracts investors and enhances the ability to achieve sustainable growth in one of KSA's most vital sectors.

With the increasing demand in the food sector, the growth of modern sales channels, and evolving consumption patterns, Almunajem Foods has emerged as a leading company capable of adapting to changes, capitalizing on market opportunities, and building long-term value for both consumers and investors.

Among the competitive advantages of investing in Almunajem Foods are:

### 1. Continuous Expansion and Operational Integration:

Almunajem Foods combines local manufacturing, importing, marketing, distribution, and logistics. This provides the company with a flexible business model that allows it to control product quality and supply chains, increase efficiency, and enhance operational effectiveness, thereby improving returns and achieving sustainable growth, God willing. The new food factory in Jeddah and the investment in Balady Poultry Company will enhance local content and giving greater capacity to meet the growing demand in the Saudi market. These expansion projects will contribute to increased revenues and improved profit margins, God willing.

### 2. Logistics Capabilities:

Logistical capability is a key element of success. Almunajem Foods boasts a distribution network comprising of **12** refrigerated warehouses and more than **1,000** vehicles, serving more than **24,000** retail outlets across KSA, including vehicles equipped with multi-refrigeration systems. This logistical strength enables rapid access to all sales channels and markets, ensuring the availability of high-quality products at every stage of the supply chain.

Integration,  
Expansion, and  
Sustainable  
Growth

Logistical  
Prowess  
Achieving  
Sectoral  
Expansion

### 3. Extensive Product Portfolio:

Almunajem Foods' portfolio includes more than **850** food products across **5** main categories, with significant expansion in its brand portfolio. This extensive diversification reduces operational risks and enhances the Company's ability to adapt to evolving consumer preferences, as well as develop food solutions tailored to the diverse needs of the Saudi market.

### 4. Distribution and Competitiveness:

Almunajem Foods leverages a broad geographic presence across key regions in KSA and long-standing relationships with retailers, wholesalers, and restaurants and hotels. This extensive network allows Almunajem Foods to be an integral part of the consumer's daily food cycle, strengthening its position in the competitive and growing Saudi market. With a legacy spanning seventy-five years, Almunajem Foods continues to leverage its rich heritage and capacity for continuous development.

### 5. Aligning with Saudi Vision 2030:

Almunajem Foods operates within the framework of KSA's Vision **2030** and aligns with it on several fronts as a trusted national partner from the private sector. The private sector is a major contributor to KSA's Vision **2030**, creating jobs and opportunities, advancing technology and innovation, and providing high-quality food products, thus contributing to the goals of health and quality of life. Furthermore, it contributes to achieving food security and self-sufficiency in KSA.

Diverse Product  
Portfolio and  
Pioneering  
Resilience

Heritage,  
Expansion, and  
Sustainable  
Partnerships

National  
Partner  
Achieving  
Food Security

# Investor Relations (IR)

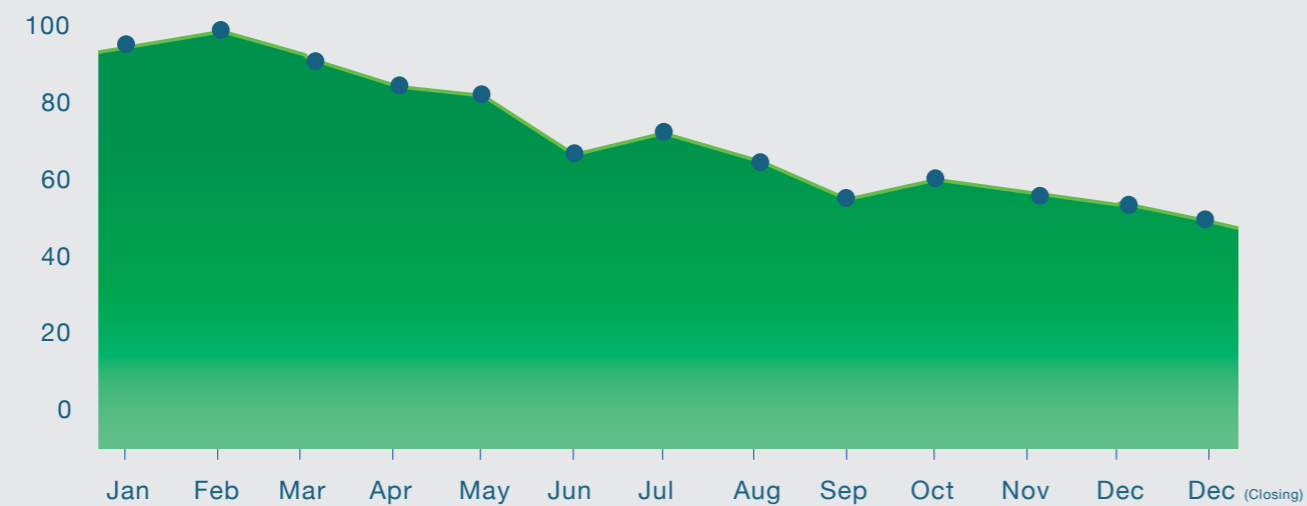
## Almunajem Foods Stock Information

Listing Date	20/12/2021
Company short name on Tadawul	Almunajem Foods Company
Company Symbol on Tadawul	4162
Capital Market	Saudi Tadawul – Main Market – TASI
Number of Issued Shares	60 Million Shares
Closing Price at the End of 2025	49.96

## Average Change in Share Price in 2025

Share Price on 31/12/2025	49.96	Lowest Price on Tadawul in 2025	49.02
Share Price One Year Ago	94.8	Average Change in 2025	(45.68)
Highest Price on Tadawul in 2025	103		

## Share Performance in 2025



## Largest Investors in Almunajem Foods Company (those holding more than 5%)

Owner	No. of Owned Shares 2024	No. of Owned Shares 2025	Ownership Percentage
Abdullah Ali Almunajem Sons Company	41,580,000	41,580,000	69.3%

## Almunajem Foods Company Investors by Ownership Type

Ownership	Ownership Percentage (%)	Number of Investors	Number of Shares
Saudi Investors	96.06%	36,780	57,638,318
Foreign Investors	3.94%	1,896	2,361,682
Total	100%	38,676	60,000,000

## Investor Relations Contact Information:

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Contact Number: 0115755555 / 0114755555

## Investor Relations Page Link/QR Code:



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## Chairman's Statement

### A Vision Aligned with Transformation... A Sustainable Growth Strategy and Enduring Food Security

#### Dear Shareholders and Valued Partners,

On behalf of the Board of Directors, it is my pleasure to present to you the annual report of Almunajem Foods, documenting what has been a pivotal year in our corporate journey. This was a year in which the Board's strategic vision was translated into tangible reality, reaffirming our unwavering dedication to lead the food sector and to serve as an essential pillar of the Kingdom's food security ecosystem. Our transformative expansions are undertaken in alignment with the objectives of Vision **2030**. Our primary role on the Board is to chart the future trajectories that

ensure sustainable growth and safeguard shareholder rights. This year, we were focused on two core pillars: the transition from traditional distribution to industrial integration, and the enhancement of our logistical independence.

#### Localization Strategy and Value Optimization

On the path of industrial integration, the company has commenced construction of its new food factory in Jeddah. This facility will significantly increase our production capacity for poultry, meat, dairy, and seafood products, thereby bolstering our operational efficiency and underpinning future growth plans. Furthermore, our acquisition of a **40%** stake in "Balady Poultry Company" in **2024**, one of the leading local poultry producers, is a direct manifestation of our adopted localization and value-maximization strategy.

The Board has taken a strategic decision to elevate the enhancement of local content to a strategic priority, positioning it as a cornerstone for strengthening our national leadership, mitigating external risks, and ensuring supply chain stability. It is within this framework that we have lent our full support to the new Jeddah food factory project, viewing it as the foundation of our transitional phase into advanced national food manufacturing.

This initiative will elevate the company's operations to a new era of production, development, and food security, which will, God willing, positively reflect on the Company's financial position and operational performance.

#### Investing in Infrastructure and the Future

Within the context of enhancing logistical autonomy, and recognizing the immense potential of the logistics sector, the Board has empowered our subsidiary, "Optimal Solutions Company for Logistics Services – Loadly," to accelerate its growth trajectory. Loadly is positioned to become an independent strategic arm serving the Saudi market and its global logistical aspirations.

We regard the assets already developed and those currently under construction, both in terms of storage capacities and digital integration, as strategic investments. These form an economic shield that protects our achievements, fortifies our leading market shares, and grants us a decisive competitive advantage in a market characterized by rapid change and persistent challenges.

#### Governance and Institutional Sustainability

The Board has placed paramount importance on embedding sound governance practices to ensure transparency and fairness across all our transactions. Concurrently, we have prioritized Environmental, Social, and Governance (ESG) considerations. We have mandated the adoption of clean energy solutions and environmentally friendly practices in our existing facilities and future investments, in alignment with global environmental best practices. Our commitment extends to implementing rigorous governance standards and continuously improving our work environment, thereby achieving an equilibrium between economic growth, social responsibility, and the long-term preservation of resources.

#### Investment in Human Capital

Our pride extends beyond financial results to encompass the success of our strategies in localizing leadership, supported by comprehensive development programs designed to cultivate excellence.

#### Outlook

We look toward the future with both optimism and responsibility. As we vigorously pursue our expansion plans, "risk management" and "operational efficiency" remain the key criteria that guide our strategic decisions. Our ultimate objective is to build a resilient entity, capable of adapting to economic fluctuations, while consistently delivering rewarding and sustainable returns to our shareholders.

In conclusion, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and Crown Prince, His Royal Highness, Prince Mohammed bin Salman bin Abdulaziz Al Saud—may God protect them—for fostering a stimulating business environment that enables the private sector to thrive. My thanks also go to you, our esteemed shareholders, for your invaluable trust, which fuels our ongoing journey. I also acknowledge the dedication of our executive management and all employees for their commitment to translating the Board's strategies into tangible success. We reaffirm our unwavering dedication to preserving the Company's achievements and maximizing shareholder value.

And from Allah comes success.

Chairman of the Board of Directors

**Mr. Saleh bin Abdullah bin Ali Almunajem**



## CEO Statement

### Dear Shareholders,

The year **2025** was defined by a combination of global operational and economic challenges that impacted profit margins due to the volatility of selling prices of certain products, intensified competition, and supply chain constraints. We navigated this landscape with steadfast financial discipline and operational agility, underpinned by a culture of continuous innovation and development that allowed us to safeguard product quality and ensure business continuity.

In contrast, we view this year as a pivotal period of strategic transformation. Almunajem Foods is implementing its long-term expansion plans to enhance its production capabilities. The construction of our new, fully owned food factory, is well underway. Once it is operational, it will elevate our total production capacity to more than **50,000** tons of value-added products across the meat, poultry, dairy, and seafood categories. This expansion is a cornerstone of our strategic diversification, establishing a lasting foundation for future growth.

As part of this strategic evolution in **2025** the "Optimal Solutions Company for Logistics Services (Loadly)", our fully owned subsidiary, has inaugurated its first specialized warehouse in Riyadh. Built to the highest global standards, this facility boasts a capacity of more than **42,000** pallet positions, which are already fully leased. This showcases a powerful market validation of our operational model and the robust demand for our logistics services. Loadly is now growing rapidly, with additional warehouses under development in Riyadh and Jeddah, we are targeting a total capacity of more than **200,000** pallet positions. This venture represents a significant leap forward in fortifying our supply chain integration and revenue diversification.

In alignment with the ambitious goals of Saudi Vision **2030**, we have increased our local content to **27%** this year, and we are reinforcing this commitment, targeting a **65%** reliance on local supply chains by **2029**. By forging strategic alliances and partnerships to reduce import dependence, we are bolstering our resilience against global market fluctuations and steering toward a future defined by an ambitious strategy and vital objectives.

While these substantial investments have a temporary impact on short-term results, they are fundamental in building a platform for enduring value creation and enhancing profitability over the medium and long term. This approach is entirely consistent with the aspirations of our shareholders and our strategy to achieve sustainable growth.

This year, we successfully fortified our market position. Almunajem now offers a market share that ranges from **10%** to **30%**, depending on the product category, supported by robust annual sales volumes exceeding **300,000** tons.

This figure transcends mere financial and operational metrics; being a direct outcome of the strategic efficiency of our **13** regional branches across the Kingdom, our capability to exceed **24,000** points of sale, and the culmination of our persistent and strategic efforts.

These accomplishments and our production capabilities are built on deep expertise in the

food sector and a resilient logistics infrastructure, including over **58,000** pallet storage units, excluding the storage capacity of its subsidiary "Loadly." Our storage units are equipped with cutting-edge cooling and freezing technologies, this ensures exceptional product quality that reaches every consumer through our extensive fleet and highly skilled teams dedicated to logistics, marketing, and sales services.

The true driver of every success we have achieved remains our human capital, now totaling more than **2,300** dedicated employees. Our commitment to attracting and developing national talent is institutionalized through "Almunajem Digital Academy", our framework for continuous training and learning, aimed at enhancing employee proficiency, cultivating leadership and specialized skills, and building a team of national leaders capable of realizing our strategic objectives and ensuring sustainable growth.

In the end, I would like to extend my deep gratitude to our Board of Directors for their unwavering support, to my dedicated team for their loyalty and hard work, and to our esteemed shareholders and customers for the trust that remains the cornerstone of our leadership.

To Allah, we entrust success.

CEO

**Eng. Thamer bin Abdulaziz Abanumay**

## Our Strategy

Almunajem Foods operates an agile, market-driven business model designed to adapt to the dynamic nature of the market. Our strategy is anchored in four strategic pillars aimed at maximizing long-term shareholder value, elevating customer experience, and reinforcing Almunajem Foods' leadership in the Saudi food sector, in alignment with the Kingdom's national food security priorities. These pillars are:

### 1. Expanding and Diversifying Product Categories

#### Objectives

We are driving portfolio growth by building market share in core categories and introducing new offerings that reflect evolving consumer demand. Our strategic focus remains on scaling high-growth and high-margin segments that strengthen performance and reinforce our competitive position.

#### Results and Key Milestones

During **2025**, we broadened our portfolio through targeted launches of new SKUs and products across frozen fruits, fruit blends, and vegetables, reinforcing our position as a key supplier in the market.

At the same time, we expanded our red & white meat and seafood production, underpinned by increased manufacturing capacity.

### 2. Enhancing Sales Channels

#### Objectives:

We are strengthening customer experience through a unified sales-channel model that delivers consistent, and seamless services across traditional and digital points of sale.

Our priorities are to extend our leadership in the food services sector and to capture additional market share, supported by targeted investment in digital capabilities that will shape the next phase of our transformation and future operating model. This approach reinforces operational excellence while keeping pace with rising expectations across our broad customer base.

We are also enhancing our offering for premium hospitality and fine-dining clients within the HORECA sector, in response to the continued shift in consumer preferences toward these channels.

In parallel, we are maintaining our retail market positioning through product innovation and market share expansion, while accelerating online growth across B2B and B2C channels to increase their contribution to total revenues in the years ahead.

#### Results and Key Milestones:

**Revenue Growth:** Strong execution in **2025** drove **10%** and **12%** growth across the retail and food services sectors respectively. Growth was led by improved market performance in red and white meat, frozen fruits and vegetables, and in our premium cheese range.

**Innovation:** As food services continue to grow across the Kingdom, maintaining Innovation remains a core priority in key categories such as red and white meat, frozen fruits and vegetables, and olives. We are leveraging the Kingdom's expanding tourism and hospitality sectors, supported by government initiatives, to drive sustained momentum across these areas

**Digital Enablement:** We continuously seek to grow in B2B online channels and in parallel broadening our reach across the various consumer-facing B2C and aggregators e-commerce platforms. This growth highlights the effectiveness of our multi-channel expansion and ensures that digital capability is a core enabler of sustained performance over the long term.

### 3. Strategic Growth in Partnerships and Developing Local Content



#### Objective

To drive ambitious growth and enhance long-term shareholder value by pursuing selective partnerships and acquisitions in the chilled poultry sector while simultaneously advancing local content in manufacturing capabilities. This integrated strategy strengthens our market position, diversifies our brand portfolio, and expands our contribution to national food security and the Saudi economy in alignment with Vision 2030.

#### Results and Key Milestones

Almunajem Foods made significant progress on its strategic integration agenda, highlighted by a new partnership with Balady Poultry Company to produce and package poultry products, which Almunajem Foods will commercialize and distribute. This collaboration links Balady's specialized production capabilities with Almunajem Foods' scaled marketing and distribution network, creating a vertically integrated value chain that supports shared and sustainable growth. In parallel, we advanced our local manufacturing capabilities by progressing our SAR 157 million investment to build a second food factory in Jeddah, with construction reaching 75% completion by the end of 2025. Once operational, the facility is expected to add more than 35,000 tons of annual production capacity, bringing our total to more than 50,000 tons by mid-2026, and will enable Almunajem Foods to produce seafood and dairy products locally for the first time, with commercial operations expected to commence in the second quarter of 2026.

Strategic Local Content Performance: We made significant progress on our localization targets, increasing local content to approximately 27%. Almunajem Foods' management aims to raise this to 65% by 2029, strengthening Almunajem Foods' contribution to national industry development and expanding domestic value creation.

Fresh Poultry: Dari's fresh chicken continued to gain strong momentum, and by the end of 2025, Almunajem Foods had expanded its distribution network to 60 routes, enhancing coverage and responsiveness across both Food Services and Retail channels as demand increased.

Supply Chain Sustainability: We reinforced supply continuity by localizing the production and packaging of Dari frozen whole chicken within the Kingdom and expanding partnerships with domestic poultry and dairy manufacturers. These steps reduce reliance on imports and support continuity of supply when external conditions tighten.

### 4. Providing Third Party Logistics Services



#### Objectives

Leveraging Almunajem Foods' established supply chain capabilities, we are transforming our logistics operations into an independent profit center. Our priority is to provide comprehensive, end to end logistics solutions for the food, pharmaceutical, and other sectors, all delivered to the highest quality standards.

#### Practical Steps and Achievements

Almunajem Foods launched our dedicated logistics subsidiary, "Optimal Solutions Company for Logistics Services (Loadly)", to provide smart warehousing and distribution capabilities aligned with the Kingdom's vision to enhance supply chain efficiency. Loadly is now fully operational, with its first warehouse in Riyadh running at a capacity of more than 42,000 pallets.

We are also advancing a targeted expansion program to increase total capacity to more than 200,000 pallets across Riyadh, Jeddah, and other locations, which reflects strong operational readiness and the growing demand we are projecting for Loadly's services.

#### Strategic Indicator

#### 2024 Status

#### 2025 Progress and Achievements

Strategic Indicator	2024 Status	2025 Progress and Achievements
<b>Manufacturing Capacity Expansion</b>	15,000 metric tons. SAR 157 million approved investment for the new food manufacturing facility in Jeddah.	Construction of the new Jeddah food facility reached 75% completion. Total capacity is expected to increase to more than 50,000 metric tons, with infrastructure designed to enable future scaling.
<b>Local Content</b>	18% (actual)	27% (actual)
<b>Logistics Sector (Loadly)</b>	Under establishment and project planning.	Riyadh warehouse is operational with a capacity of more than 42,000 (pallets.)
<b>Fresh Poultry Distribution Network</b>	Pilot launch.	Expanded to 60 distribution routes.
<b>Retail and Food Services Growth</b>	Stable growth.	10% growth for retail sector. 12% growth for food services sector.

## Our Business Model

Almunajem Foods operates a unified operating model built to respond swiftly to evolving consumer needs while maintaining control, continuity, and service consistency at scale. We deliver sustainable value through three strategic pillars that safeguard a secure and reliable flow of food products across the Kingdom.

### Sourcing and Manufacturing, from Importing to Local Production

The Company brings decades of proven expertise in managing global and domestic supply chains. Over time, it has established long-standing supplier relationships founded on transparency, consistency, and shared accountability for product quality. Our integrated sourcing operations span Saudi Arabia and international markets, securing availability of more than **300,000** tons of products each year. As volumes expand, we maintain high operating efficiency, through disciplined management and precise alignment between supply growth and distribution capacity.

Since inception, the Company has pursued industrial capability with discipline, adopting effective solutions and steadily expanding manufacturing capacity. This expansion has further enhanced our supply chain and storage operations, ensuring they align with environmental sustainability requirements. During the year, Almunajem Foods advanced its industrial expansion program through the new Jeddah food factory, supporting product diversification and reducing reliance on imported finished goods.

This progress in manufacturing capability is a key enabler of future strategic expansion. It positions the Company to localize production across a broader range of food categories, including meat and poultry products, seafood, and dairy derivatives, while enhancing flexibility across domestic supply chains.

## Cold Storage Warehousing: Evolving from Operations to Logistics Leadership

In **2025**, leveraging its substantial storage capacity, AlMunajem Foods evolved from traditional inventory management into a leader in large-scale cold-chain logistics. The Company operates a nationwide network of **12** fully owned cold storage warehouses with a combined capacity exceeding **58,000** pallet storage units, supported by a modern inventory management system. Through our expansion into third-party logistics (3PL) via Loadly, we further optimized our cold storage network by utilizing more than **42,000** storage units of 3PL capacity and enhancing returns through disciplined capacity management.



Securing  
**+300,000**  
tons of products annually

### Distribution: Reach Without Limits

Almunajem Foods operates one of the region's largest chilled and frozen transportation fleets, enabling consistent and reliable delivery across the Kingdom and ensuring products arrive fresh, safe, and in optimal condition.

- **Geographic Penetration:** We serve more than **24,000** points of sale, including more than **12,800** retail outlets, more than **10,800** food service outlets, and more than **975** wholesale customers.

- **Smart Fleet:** Our fleet includes more than **1,000** vehicles, including vehicles that are equipped with GPS tracking and real-time temperature monitoring, safeguarding product condition from dispatch to delivery.

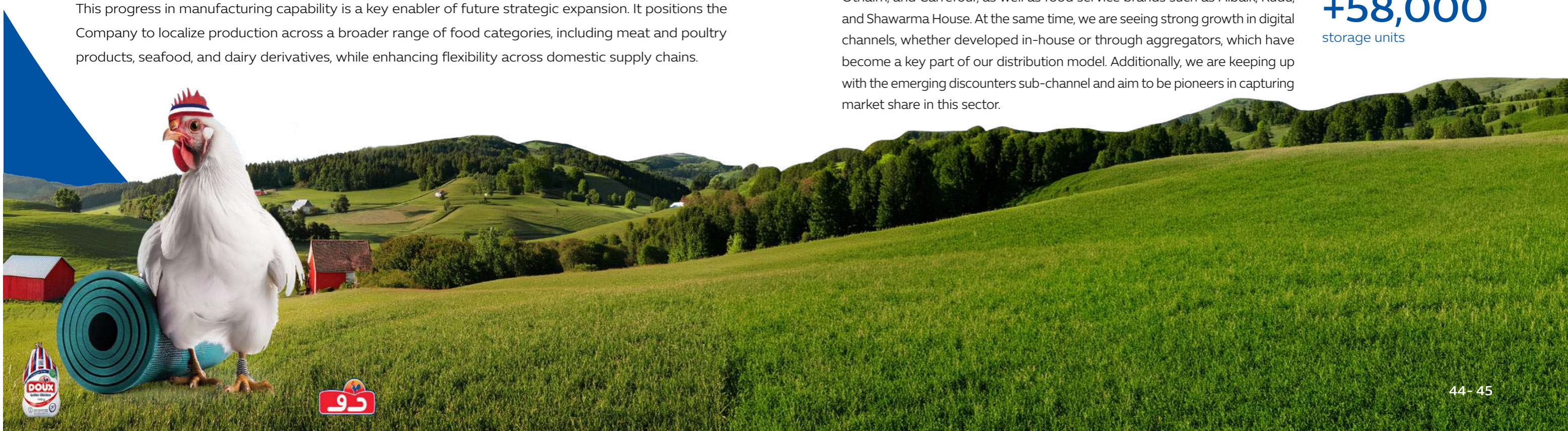
- **Strategic Customers:** We proudly serve major retail chains like Panda, Al Othaim, and Carrefour, as well as food service brands such as Albaik, Kudu, and Shawarma House. At the same time, we are seeing strong growth in digital channels, whether developed in-house or through aggregators, which have become a key part of our distribution model. Additionally, we are keeping up with the emerging discounters sub-channel and aim to be pioneers in capturing market share in this sector.



Serving  
**+24,000**  
points of sales



Storage capacity reaching  
**+58,000**  
storage units



## Stakeholder Engagement

Almunajem Foods believes leadership is only sustained when trust is earned and continuously reinforced across all stakeholders. In **2025**, we further formalized our stakeholder engagement framework, transforming transparency from a regulatory obligation into a daily operational practice. This approach delivers measurable value for shareholders, an exceptional experience for customers, and equitable partnership with suppliers.

We view transparency as more than compliance; it is the foundation of enduring relationships. Accordingly, we strengthened engagement channels to ensure stakeholder expectations remain aligned with the Company's long-term growth trajectory.

### Shareholders & Investors: Fostering Trust and Transparency

We place our shareholders' interests at the forefront of our priorities and provide clear visibility into the Company's performance: Effective Engagement: Throughout **2025**, the Company maintained regular quarterly and periodic meetings with investors and financial analysts. This reflects our commitment to providing a clear, transparent view of financial performance and the progress of our major strategic initiatives, such as the Jeddah Food Factory project.

#### Digital Governance and Access



We activated digital investor relations tools to facilitate timely access to financial reports and material disclosures as soon as they are released.

#### Dividend Policy



In line with our commitment to maximizing shareholder returns, the Company maintained a strong cash dividend policy. The Board of Directors approved cash dividend distributions for the **2025** fiscal year totaling **120** million Saudi riyals, reflecting the strength of our financial position and cash flows.

### Customers: Innovation in Service for the Consumer

The customer remains central to our operating model. In **2025**, we strengthened our service proposition through:

#### Digital Experience



Enhancements to our B2B sales platforms and smart applications improved order efficiency and enabled real-time visibility over supply processes.

#### Broader Choices



We expanded our product range by introducing new frozen vegetable and fruit items, ensuring our offerings remain aligned with evolving consumer preferences.

#### Responsible Product Marketing



We uphold a transparent and accountable marketing approach, providing clear nutritional information on every product. Our campaigns promote healthier eating habits, protect consumers' right to informed choice, and reinforce long term brand trust.

## Suppliers: Sustainable Strategic Alliances

We regard suppliers as strategic partners within our value chain. Our approach in **2025** focused on:

### Long-Term Relationships

We maintained partnerships with more than **95** suppliers globally and locally, with increased emphasis on partners who meet sustainability standards and demonstrate environmental responsibility.

### Local Content

We deepened collaboration with domestic producers, particularly in poultry and dairy, to support our objective of reaching **65%** local content by **2029**.

## Community and Food Security: A National Responsibility

Our accountability extends beyond financial performance to encompass our social and environmental contributions:

### Food Security

We work closely with the General Food Security Authority (GFSA) to support supply chain stability across the Kingdom. We are also committed to strengthening strategic reserves of essential commodities to safeguard availability under challenging conditions and to contribute meaningfully to national food security objectives that serve citizens and residents alike.

### Community Initiatives

We contribute to national programs that promote nutritional awareness and responsible consumption. In parallel, we continue efforts to reduce carbon emissions across our logistics assets.

## Regulatory Authorities

We ensure total compliance with all government regulations:

- We sustain an active relationship with CMA and Tadawul through our commitment to periodic disclosures and rigorous governance and transparency in publishing material information. We also participate in workshops and development initiatives under regulatory authorities to support capital market efficiency.
- We maintain strong and trusted relationships with key regulatory bodies, among them are the General Food Security Authority (GFSA) and the Saudi Food and Drug Authority (SFDA).
- We comply with all applicable government regulations and submit detailed reports to the competent authorities in line with their requirements.
- We work continuously with the Ministry of Human Resources and Social Development (MHRSD) through multiple programs that support our objectives, deliver operational priorities, and align with national directions, particularly in qualitative Saudization, raising workplace environment standards, and enabling Saudi talent in the market.
- We strictly adhere and abide by fair competition principles and comply fully with the laws and regulations issued by the Saudi General Authority for Competition.
- We implement the required systems to comply with the e-invoicing policies, in coordination with the Zakat, Tax and Customs Authority (ZATCA).
- We regularly update and review internal policies and procedures to ensure alignment with the most recent laws and regulations.



# Our Employees: Workplace Environment and Human Capital Investment



## Saudization

We have maintained full compliance with the required Localization levels and consistently met the Ministry of Human Resources and Social Development's nationalization requirements for targeted roles. In parallel, we driving further progress with a clear objective to expand our localization initiatives in **2026**. This underscores our continued commitment to developing Saudi talent and increasing its participation across our operations.



## Recruitment

We continued to strengthen our workforce capabilities in line with our expansion and the launch of new projects. Headcount reached **2,356** employees at year-end **2025**, up from **2,148** at the beginning of the year. This growth reflects our strong ability to attract skilled talent and effectively support the operational requirements of our expansion.



## Training and Development

We sustained continuous investment in human capital through employee participation in Almunajem Digital Academy programs during **2025**. These programs provide the foundation of structured training and continuous learning, strengthening workforce capabilities, developing leadership and specialized skills, and building the competencies required to achieve our strategic objectives and support sustained growth.



Headcount reached  
**+2,356**  
employees

# Market Overview\*

## Voice of the Consumer in the Middle East in 2025, based on a market study conducted by PWC

### Health and Dietary Choices Shaping Regional Consumer Trends

Almunajem Foods' outlook for 2025 and beyond anchored in a comprehensive assessment of evolving market dynamics, as global research indicates a clear shift toward smarter and more health-focused food systems. Against this backdrop, the value of the sector in the Middle East is projected to reach USD 240 billion by 2035.

The Voice of the Consumer findings highlight five themes shaping future demand:

#### Balancing cost and quality

Despite relative financial stability, 49% of consumers identify cost of living as a top priority, reinforcing the demand for value-driven offerings that remain uncompromising on quality.

#### Speed as a defining driver in Food Services

The region leads globally in reliance on ready-to-eat meals at 53% compared to 34% worldwide, creating strong growth momentum across hotels, restaurants, and coffeeshops (HORECA).

#### Responsible consumption

Environmental awareness continues to mature, with 75% of consumers more inclined to support companies that reduce carbon footprint through purchasing and operating practice.

#### Public health culture

Health-conscious behaviors are steadily rising, with 9% of consumers participating in weight-loss programs, double the global average, reinforcing increasing demand for healthier and functional food options. Consumer sentiment reflects a balance between financial confidence and awareness of future risks.

Middle Eastern consumers demonstrate notable financial resilience, as 57% report financial stability. However, this confidence is accompanied by heightened awareness of key risks, including:

- Inflation and rising commodity costs
- Climate change and its impact on production
- Supply chain sustainability

Collectively, these indicators present Almunajem Foods with a clear strategic opportunity to accelerate growth by developing solutions and services aligned with consumer behavior and directly addressing emerging priorities.

### Balancing Value and Quality: A Strategic Response to Consumer Awareness

While the cost of living remains a key driver of purchasing decisions across the Middle East, the consumer demonstrates a unique balance between affordability and quality expectations. The research indicates that 44% of consumers rank price as the primary purchase driver, below the global average of 57%. At the same time, other factors play a significant role in shaping decisions carry material weight: :

- 36% prioritize taste and quality .
- 34% consider trust in the brand as a fundamental prerequisite for purchase.

In this context, Almunajem Foods prioritizes a local-production strategy that enhances value without compromising standards. The establishment of the second food factory in Jeddah positions the Company to introduce new locally produced product lines across meat and poultry, dairy products, and seafood, offering consumers a stronger balance between competitive pricing and the quality they expect.

The findings also indicate a growing preference for reducing food waste, with 38% of consumers reporting that they purchase only what they need. In response, Almunajem Foods is expanding its portfolio to include a broader range of innovative pack sizes tailored to actual consumption patterns and evolving purchasing behaviors.



## Shifts in Distribution Channels and Consumer Behavior

Retail purchasing behavior in **2025** reflects a more diversified mix of shopping channels, as consumers increasingly balance traditional in store purchasing with the convenience of online digital platforms.

Supermarkets and hypermarkets remain the dominant retail destination at **72%**. At the same time, support for small local retailers, grocery shops, and discount formats has risen to **47%**, above the global average of **45%**, signaling a measurable shift toward local and value-oriented channels.

Digital convenience continues to accelerate rapidly. Adoption of instant-order platforms and rapid-delivery applications in the Middle East reached **30%**, double the global rate. This trend creates stronger opportunities for digital partnerships and enhanced direct-to-consumer execution to meet the demands of increasingly time-sensitive lifestyles across the Kingdom and the broader Middle East region.

## Strategic Opportunities and Challenges

Saudi Arabia's push to strengthen local production continues to gain momentum, supported by consumer confidence in quality standards and health requirements. However, structural gaps persist, particularly in terms of product availability and variety.

Consumers identify three primary barriers to purchasing local products: limited product variability, insufficient distribution coverage across retail points, and high pricing. These challenges underscore the pivotal role of Almunajem Foods. By viewing these constraints as a strategic opportunity to reshape the broader food landscape, the Company is leading an expansion initiative designed to bridge this gap through:

- Innovating and expanding national product ranges to provide broader choices that align with modern consumer expectations and compete effectively with international brands.
- Increasing investments in domestic supply chains to enhance efficiency, speed, and on-shelf availability across all channels.
- Improving cost efficiency through operational integration while positioning local products as the preferred choice for consumers in terms of price and quality.

\*Source for the "Market Overview" section: Voice of the Consumer **2025**: Middle East findings - PwC.



The value of the sector will reach

# 240\$

billion by 2035



# 75%

of consumers support companies that implement sustainable practices



## Success Story

### Jeddah Food Factory

#### Expanding Production Capacity and Advancing National Food Security

In **1992**, Almunajem Foods took a defining step in its manufacturing journey with the establishment of its Jeddah food factory. This investment responded to the growing demand for meat products in the Saudi market and significantly strengthened the breadth and depth of the Company's offerings. It built upon Almunajem Foods' longstanding heritage and was supported by a robust commercial and logistics infrastructure that serves thousands of sales outlets across the Kingdom.

Today, as a tangible expression of our commitment to long-term growth and value creation, Almunajem Foods is extending its industrial legacy through a strategic expansion valued at SAR **157** million. This investment is designed to increase the capacity of the existing facility and introduce innovative products across meat, poultry, dairy, and seafood categories. The expansion will be realized through the construction of a new state-of-the-art food factory in Jeddah, equipped with advanced industrial technologies and modern machinery. The facility will enable operational efficiency and uphold the highest international food safety standards while supporting the Company's future growth ambitions.

#### A Solid Foundation of Growth and Purposeful Evolution

What began as a modest component within a broader business framework has evolved into a foundational pillar of Almunajem Foods' operations. Over the years, the Jeddah food factory has undergone successive expansions in response to the Kingdom's rapid population growth and sustained demand for meat and poultry products. These expansions reflect the Company's strategic commitment to increasing local content and transitioning selected imported products into domestic production. As a result, production capacity has increased by more than **125%**, reaching over **15,000** tons annually, while poultry capacity has been doubled. The factory has also introduced new production lines to expand its portfolio of meat and poultry products and has localized the production of the global poultry brand "Doux" within the Kingdom. These developments further strengthen the factory's industrial significance and directly support the localization of food supply chains.

#### Transformation, Production, and Capacity Expansion

At the new food factory, the Company is targeting more than threefold increase in production capacity, supported by advanced industrial technologies that enhance quality and widen product variety. In **2024**, the Board approved a SAR **157** million investment to build the new factory in Jeddah's Third Industrial City. The project will span more than **56,000** square meters and is expected to deliver significant growth in operating scale in line with ambitious strategic and operational targets, with commercial operations scheduled to begin in Q2 **2026**.

#### Beyond Expansion: Portfolio Diversification and Sustainable Growth

This expansion is not solely focused on increasing production volumes. It represents a strategic shift toward greater portfolio diversification and deeper operational integration. The Company is progressing with the acquisition and operation of advanced production lines for seafood and dairy products, among other categories. In parallel, Almunajem Foods is strengthening end-to-end execution and enhancing the performance and positioning of its owned brands. These initiatives align directly with Almunajem Foods' commitment to the priorities of Saudi Vision **2030**, particularly in advancing local content and strengthening food security. Expanding local production will reduce reliance on imports while supporting improved profitability.

It will also enable tighter end-to-end quality oversight, underpinned by globally recognized standards such as ISO **22000**, together with the renewal of the Company's Halal certification in **2025**. This further reinforces Almunajem Foods' position as a trusted name in Saudi households.



## Strategic Goals and Aspirations

Driving Innovation Leadership and Expanding Local Value Creation

Almunajem Foods is advancing with confidence toward a future defined by sustainable growth, guided by its longstanding legacy and ambitious strategy for **2026** and the years ahead. The Company's aspirations are anchored in the following strategic objectives:



### 1. Industrial Expansion and Innovation

Almunajem Foods aims to raise internal operating efficiency and expand its value-added product portfolio, with a clear focus on delivering major projects, including the Jeddah food factory and Loadly expansions. These investments are intended to strengthen Almunajem Foods' market share across poultry, red meat, seafood, and logistics.



### 3. Digital Transformation and Customer Experience

Almunajem Foods will expand its presence across modern sales channels, including B2B and B2C channels, by investing in digital capabilities and artificial intelligence to elevate the customer's experience and ensure delivery of products with the highest standards of quality and efficiency. Additionally, we partner with leading digital platforms to offer a wide range of our food products.



### 2. Strengthening Local Content and Food Security

Almunajem Foods will increase reliance on domestic supply chains by establishing strategic partnership and cooperation arrangements that accelerate product localization and expand local content, in alignment with Vision **2030**.



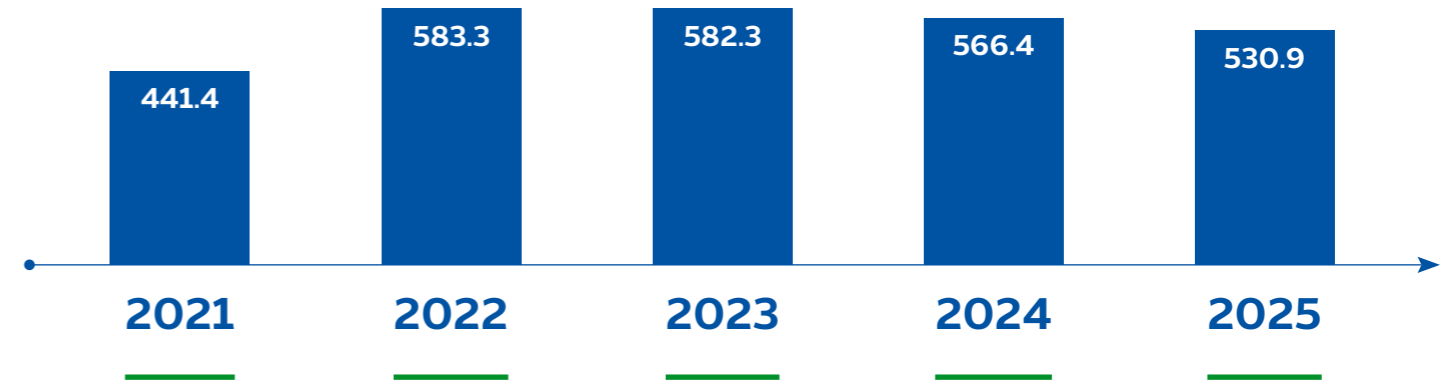
### 4. Sustainability and Environmental Responsibility

Almunajem Foods places sustainability at the center of operations by adopting practices that reduce food waste and improve resource efficiency, supporting continuous growth that serves shareholders and the community alike.

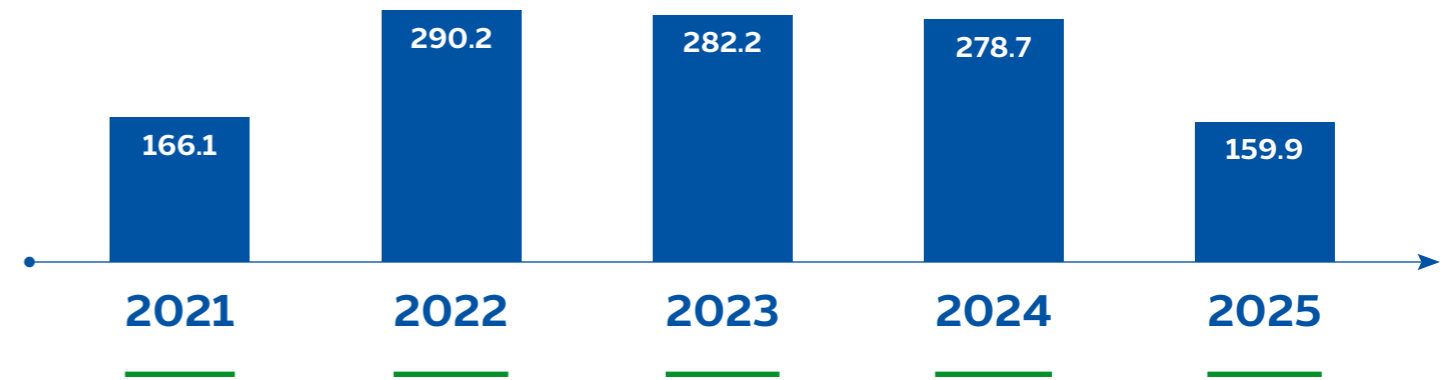
With strong strategic partnerships and a deep understanding of Saudi market dynamics, Almunajem Foods is confident in its ability to reinforce its position as a leader in the Kingdom's food and beverage sector.

## Key Financial Highlights

Gross profit (million SAR)



Net profit (million SAR)



Total assets (million SAR)



## Risk Management

Almunajem Foods is committed to ensuring that stakeholders have clear visibility into the risk factors that may arise during the Company's operations. This enables informed assessment before decision making. The occurrence of such risks could have negative or material effects on Almunajem Foods' performance, financial position, operating results, and forward outlook.

### Principal Risks

Similar to other companies operating in the domestic market, Almunajem Foods is exposed to a range of risks that may affect its operations, continuity, profitability, and financial positioning, whether directly or indirectly. The Company maintains risk management policies that are updated, when needed, by the Internal Audit Department under the oversight of the Audit Committee. In parallel, the Board of Directors monitors risk factors on a continuous basis, and risk considerations are addressed across Board meetings.

Set out below are the types of risks that may face Almunajem Foods, along with an overview of their potential impacts. Knowing that the risks listed below are illustrative and not exhaustive:

## Market Risks

### 1. Competitive Environment

Almunajem Foods operates in a market where competitive intensity continues to rise. To protect and advance its position, the Company and executive management regularly monitor market conditions, pricing, and promotional activity to sharpen competitive advantage and maintain a clear view of sector opportunities and challenges. In response, Almunajem Foods adopts the actions and scenarios required to address competitive pressure, including strengthening its brands and continuously improving product quality, while maintaining full compliance with applicable government regulations.

### 2. Changing Consumption Patterns and Health Awareness

Almunajem Foods continually updates its production and marketing strategies in line with shifting sector dynamics within the Kingdom. This ensures the Company remains aligned with evolving consumer expectations while consistently delivering the best possible quality.

### 3. Health Crises and Global Pandemics

Almunajem Foods maintains proactive continuity plans to manage regional or global health disruptions that could affect workforce availability or the smooth flow of supply chains. The Company draws on a flexible logistics infrastructure, a supplier network spanning multiple continents, and locally and internationally recognized preventive protocols to reduce the risk of operational disruption.

### 4. Natural Disasters and Climate Change

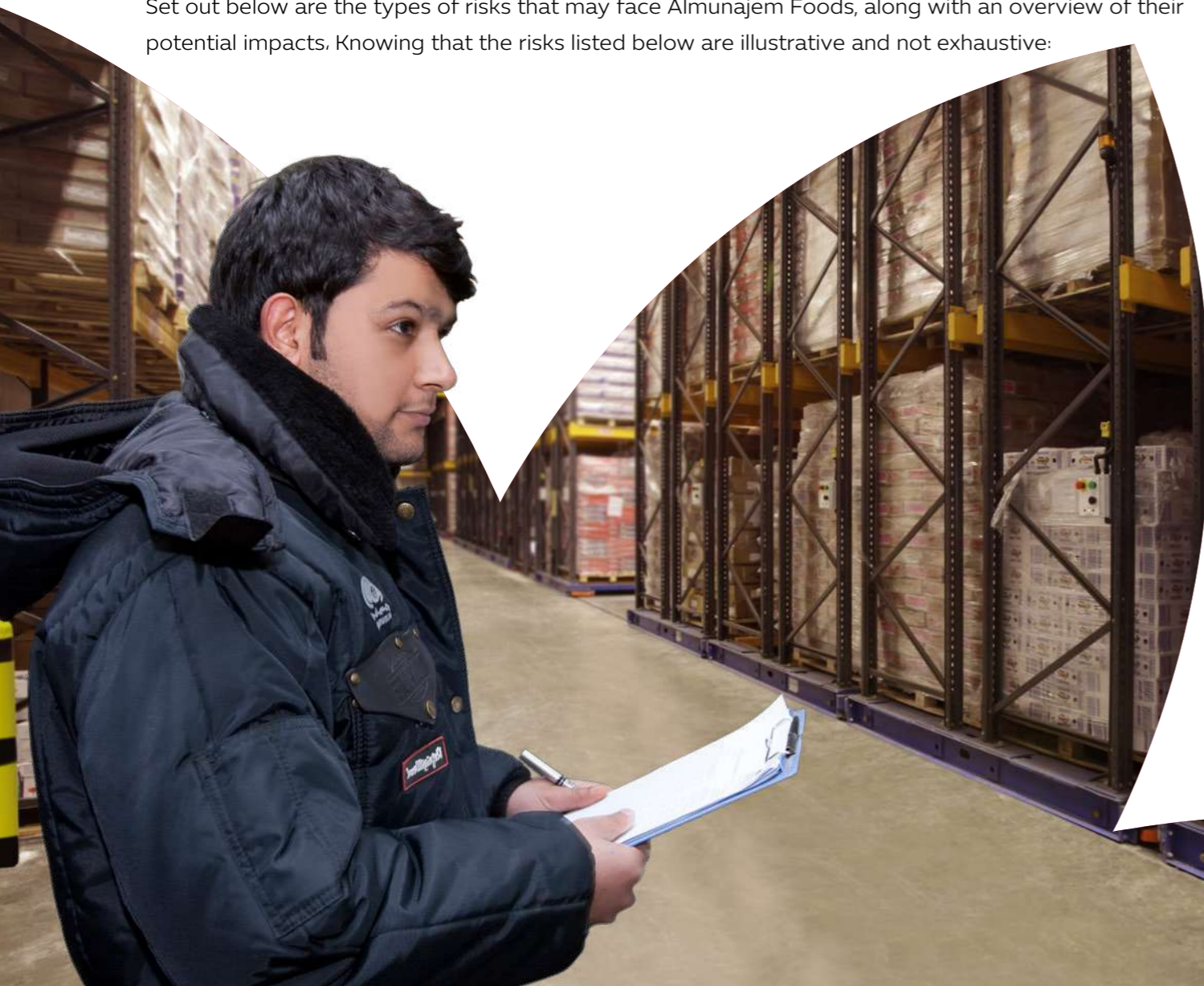
Almunajem Foods has established contingency plans to manage natural disasters and climate related risks that could impact production and sales volumes. The Company also develops practical response scenarios to limit the operational and financial impacts that could result from such events.

### 5. Cybersecurity and Digital Transformation

A cybersecurity incident could lead to unauthorized access to or misuse of Almunajem Foods' information systems and data. This may result in the leakage of confidential or sensitive information, the loss of core data assets, and disruption to business activity and operations, with potential harm to the Company's reputation. Almunajem Foods continues to reinforce its technical infrastructure and maintains effective business continuity plans and appropriate mechanisms to reduce service interruptions in the event of a technical failure.

### 6. Geopolitical Risks

Almunajem Foods adopts a proactive and forward-looking approach to managing geopolitical risks, given their impact on supply chain resilience and operational continuity. The Company mitigates these risks through diversified sourcing, strategic supplier partnerships across multiple geographies, continuous monitoring of global developments, and enhanced logistics planning supported by prudent safety stock levels. These measures enable Almunajem Foods to safeguard supply continuity, maintain cost stability, and sustain its competitive position and long-term growth.



## Operational Risk

### 1. Rising Operating Costs

Almunajem Foods periodically reviews its cost structure and ensures costs are managed with discipline to achieve the best possible outcomes.

### 2. Production Defects

Almunajem Foods is committed to delivering the highest quality. The Company uses modern machinery and equipment and performs all required testing to keep production defects to the lowest possible level level.

### 3. Inventory Storage and Stock Management

Almunajem Foods relies on its sector experience and its understanding of product demand cycles to manage inventory effectively and address risks related to improper storage conditions and stock mismanagement.

### 4. Technical and Technological Failures

Almunajem Foods' operations depend on advanced systems and modern technology. The Company takes the necessary precautions to ensure smooth operations and addresses potential failures through contingency plans designed to resolve issues promptly when they arise.

### 5. Occupational Health and Safety Incidents

Almunajem Foods complies with the occupational health and safety regulations applicable in the Kingdom, in addition to recognized international best practices. The Company prioritizes employing highly competent and experienced production personnel to reduce errors as far as possible. It also provides guidance materials, controls, and training programs to ensure that information is available, and work is carried out properly.

## Administrative and Organizational Risks

### 1. Human Resources Management

Almunajem Foods' performance depends significantly on the expertise, skills, and capabilities of its executive leadership and other senior personnel. The Company works to reduce employee turnover in order to limit the impact of losing key talent. In parallel, Almunajem Foods continues to attract qualified professionals and invests in developing existing employees so they can assume greater responsibilities and progress into senior roles.

### 2. Regulatory Compliance

Almunajem Foods operates within a robust regulatory framework and complies with a wide range of requirements, including the General Food Security Authority and the Saudi Food and Drug Authority regulations. The Company has established clear, practical compliance procedures and maintains strong relationships with the relevant regulators. Executive management oversees compliance with applicable standards on an ongoing basis.

### 3. Laws and Regulations

Almunajem Foods complies with all laws and regulations applicable in the Kingdom, including newly issued legislation that applies to companies operating in Saudi Arabia. The Company also maintains a specialized team to assess legislation that is relevant to Almunajem Foods' activities and they issue periodic updates on regulatory developments, helping to mitigate the risk of sanctions or fines arising from non-compliance.

### 4. Taxes and Government Charges

The Company is currently subject to Zakat and value-added tax. Almunajem Foods remains compliant with applicable government decisions relating to taxes and charges as they are issued and implemented.

### 5. Scope of Licensing

Almunajem Foods manages licensing and permit requirements through dedicated teams that coordinate with the relevant government authorities to ensure timely renewals. This approach helps mitigate the risk of any license or permit being suspended or expired.

## Financial and Economic Risks

### 1. Interest Rate Fluctuations

Almunajem Foods monitors interest rate movements and assesses their potential impact on financing costs. The Company manages this exposure through balanced financial policies designed to preserve capital efficiency and minimize any adverse impact on profitability and cash generation.

### 2. Credit Risk

Credit risk arises when a counterparty fails to meet its obligations, which may result in financial losses. Almunajem Foods actively manages credit exposure and establishes provisions for receivables where collection risk is identified, to mitigate potential losses.

### 3. Liquidity Shortfalls and Expansion of Borrowing

Liquidity risk relates to the Company's ability to secure sufficient funding to meet obligations associated with financial instruments. It may also arise when a financial asset cannot be sold quickly at, or close to, its fair value. Almunajem Foods manages liquidity risk through ongoing monitoring to ensure adequate liquidity is maintained to meet its financial commitments.

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## Operating Sectors

Almunajem Foods operates at scale across the Kingdom through an operating model designed for broad market coverage and sustained growth. A multichannel strategy underpins this model, enabling access to all consumer segments nationwide. The Company's operations are structured across the following core channels:

### Retail Sector

The Retail division supplies more than **850** food SKUs across chilled, frozen, and ambient categories to over more than **12,800** points of sale, serving customers across the Kingdom's cities, districts, and remote areas. This reach ensures consistent product availability for end consumers, wherever and whenever they need it.

Almunajem Foods' retail presence is reinforced by extensive market coverage and a well structured, scheduled distribution network. Retail operations are

managed through two main distribution tracks:

### Direct Distribution

Almunajem Foods provides direct-to-store distribution through a skilled salesforce supported by a large, well-equipped fleet, which ensures the Company's broad product portfolio is supplied consistently across the Kingdom, including small grocery stores and mini markets.

### Key Accounts

Almunajem Foods serves the Kingdom's leading retail channels, which rely on the Company's core brands to meet consumer demand, including: Panda, Al-Othaim Markets, Carrefour, Lulu Hypermarkets, Tamimi, Danube, Bin Dawood, Farm Superstores, Al Sadhan, and Nesto, alongside other retail customers.

Through deep customer relationships across the retail landscape, Almunajem Foods contributes to strengthening the performance of Saudi retail by ensuring that high-quality food products remain consistently available. The Company enhances customer experience through disciplined execution across ordering, replenishment, warehousing, and transportation, safeguarding product integrity and food safety from distribution to the point of sale. At the same time, Almunajem Foods continues to build long-term partnerships with major retail chains through collaboration on inventory management, promotional planning, and marketing campaigns. This integration improves sales effectiveness and strengthens customer satisfaction. Together, the Company's operational capabilities and market execution reinforce its position as a key supplier to the Saudi retail sector, supporting national food security objectives and sustainable economic development.

More than   
**850**  
food SKUs

More than   
**12,800**  
points of sale in the Kingdom

### Food Services

This vital channel serves the operational needs of the hospitality sector, restaurants, and cafés. Our clients include fast food, QSRs, fine-dining restaurants, as well as commercial catering companies and airline catering providers.

Almunajem Foods collaborates closely with major operators to support their daily operations. Its services are delivered according to well-defined institutional standards and strict quality requirements, overseen by professional management and teams that blend local expertise with international experience.

Food Services represent a core pillar of Almunajem Foods' operations and a key demand driver for the Company's portfolio, including poultry, meat, frozen fruits and vegetables, dairy, olive and olive oil products, rice, and other essential categories.

Almunajem Foods plays a leading role in advancing the Kingdom's Food Services sector by setting a clear benchmark for quality and supply reliability. The Company ensures uninterrupted supply to its customers, including during peak seasons when demand rises significantly. This reliability reinforces Almunajem Foods' role as a trusted, central supplier to the Kingdom's hospitality and food services ecosystem, which strengthens its contribution to national food security.

At the same time, the demands of this sector have strengthened the Company's capabilities and operational readiness, broadening the range of products and services offered to a dynamic market with constantly evolving needs and preferences. This has enhanced Almunajem Foods' expertise and agility in meeting diverse operational requirements.

More than   
**10,800**  
points of sale in the Kingdom



## Wholesale Sector

The Wholesale sector is a cornerstone of Almunajem Foods' commercial business model. It links the Company's diverse product portfolio to a wide network of trade customers across the Kingdom through an integrated distribution system that delivers frozen, chilled, and dry food products reliably and efficiently. This channel strengthens Almunajem Foods' position as a key food supplier in the Saudi market.

More than   
**975** points of  
 sale in the Kingdom

Wholesale operations are powered by a specialized, high-performing sales team with a proven track record in building long-term commercial partnerships. Market coverage is structured with precision across all regions and is powered by Almunajem Foods' logistics platform, including branches, warehouses, and refrigerated transportation. This operating platform delivers a supply chain that is both efficient and cost-effective, reinforcing competitiveness and commercial value.

## Warehouses and Logistics Solutions

Almunajem Foods provides warehousing and logistics solutions for sectors, such as the food and beverage sector, pharmaceuticals, and others. Customers can utilize the Company's transportation and storage services through its branch network across the Kingdom. The establishment of Optimal Solutions Company for Logistics Services (Loadly), a fully owned subsidiary of Almunajem Foods, marks a strategic move beyond a traditional logistics function. Loadly is positioned as a platform for logistics excellence aligned with Saudi Vision 2030.

Loadly is designed to provide comprehensive and innovative logistics solutions for the food and pharmaceutical sectors, supported by an advanced infrastructure:

### First Riyadh Warehouse (Operational):

**42,000** pallet  
storage units

### Total Target Storage Capacity:

Approximately  
**200,000** pallet  
storage units

Almunajem Foods' logistics strategy is grounded in quality and valued-driven solutions that foster long term partnerships and broaden the Company's revenue base. In warehousing and logistics across the Kingdom, Almunajem Foods strengthens its own operating network while extending proven capability and infrastructure to support national logistics priorities aligned with Vision 2030 in the food sector.

Alongside integrated logistics solutions for food commodities, Loadly also serves the healthcare supply chain, handling pharmaceuticals and medical supplies to reinforce availability across these critical sectors. During 2025, Almunajem Foods committed capital expenditure exceeding SAR 83 million to warehouse development and expansion. This investment expands capacity, improves operating efficiency, and elevates service standards for customers in the Saudi market.

## Food Sector and Future Growth Outlook

Saudi Arabia's food sector is transitioning into a new phase of accelerated expansion, shaped by the structural shifts under Vision 2030. Domestic demand is evolving as tourism and entertainment expand, as the Kingdom advances its global destination aspirations, and visitor numbers rise, including Hajj and Umrah. At the same time, giga-projects and broader economic activity continue to grow. Together, these factors are driving higher consumption, shifting demand patterns, and reshaping distribution channels and the supply chain infrastructure.

Within this landscape, the food services sector continues to stand out for its resilience and sustained demand, supported by population growth, tourism development, and seasonal and year round events. Almunajem Foods is responding by expanding geographic reach, sharpening the portfolio in line with evolving consumer behavior, and improving operating efficiency to accelerate responsiveness and strengthen supply flexibility.



## Operational Performance

Almunajem Foods continues to reinforce its leadership position in the Kingdom's food landscape through an operating model built on innovation and diversified food solutions. This approach has enabled Almunajem Foods to run a connected, end to end ecosystem that serves the Saudi market with high efficiency and strong execution capability.

### Products and Market Penetration

Almunajem Foods maintains a trusted, comprehensive portfolio that combines exclusive global brands with the Company's owned brands. This mix supports the Kingdom's food security priorities and reinforces Almunajem Foods' role as a reliable supplier across essential categories.

Our product portfolio spans hundreds of SKUs that meet a wide range of nutritional needs, covering frozen and chilled products as well as dry goods. This breadth strengthens competitiveness and equips Almunajem Foods to respond to changing preferences across all seasons.

Almunajem Foods' product variety is supported by a robust operational and logistics base, including:

**A Network of Branches Covering the Kingdom:** Almunajem Foods operates through **13** main branches strategically located to serve all regions of the Kingdom. This network enables rapid response and reliable delivery of products in optimal condition across points of sale. The Company also maintains extensive warehousing and refrigerated facilities across its network, covering up to more than **200,000** square meters and providing a storage capacity of more than **58,000** tons, excluding the storage capacity of its subsidiary "Loadly."

**Market Position and Reliability:** Almunajem Foods continues to strengthen its position as a primary and trusted supplier to the Saudi market, with annual sales volumes amounting to more than **300,000** tons and a leading market share in the Retail sector.

**Industrial Localization and Value Growth:** Almunajem Foods is advancing its industrial localization strategy and value-enhancement initiatives by directing investment toward strengthening manufacturing capabilities that date back to **1992**, when the Jeddah food factory was established.

This program supports increased local content and enables the Company to offer Saudi-made products that compete globally in terms of quality, efficiency, and innovation.



We are currently laying the foundations for new growth engines, including

### Production Expansion

In **2025**, Almunajem Foods established a new food factory in Jeddah, marking a major transformation in the Company's independent production capability. The facility has been engineered as an advanced hub for a broad range of products across meat, poultry, dairy derivatives, and seafood. Upon completion, Almunajem Foods targets total production capacity of more than **50,000** metric tons, strengthening local content and reducing reliance on imports.

### Strategic Investment

Almunajem Foods acquired a **40%** stake in Balady Poultry Company to support high quality production aligned with leading global manufacturing and operating standards. This investment is accompanied with an ambitious expansion plan aimed at positioning the business among the Kingdom's leading poultry producers.

### Enhancing Local Content

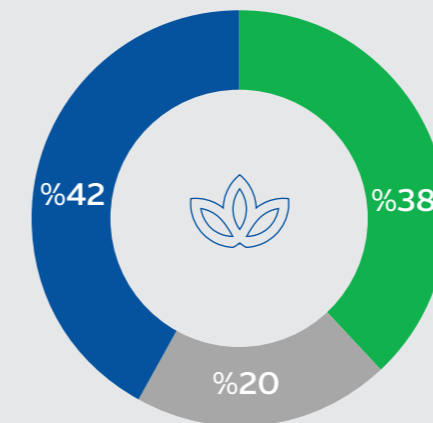
The year **2025** witnessed excellent performance in increasing the percentage of local content, rising from **18%** in **2024** to **27%** in **2025**. Additionally, we aim to reach **65%** by **2029**, in alignments with objectives of the Saudi Vision **2030**.

The Company's financial performance underscores the resilience of its commercial model. Wholesale and Food Services remain the primary revenue contributors at approximately **57%**. The table below presents the evolution of revenue (SAR million):

Sales Channel	2021	2022	2023	2024	2025
Wholesale and Food Services	1,589.88	1,748.94	1,978.42	1,945.43	1,894.69
Retail Sector	978.83	1,217.54	1,322.57	1,389.56	1,427.27
Warehouses and Logis-tics Solutions	8.31	12.04	13.42	12	19.20
<b>Total</b>	<b>2,577.02</b>	<b>2,978.52</b>	<b>3,314.41</b>	<b>3,346.99</b>	<b>3341.16</b>

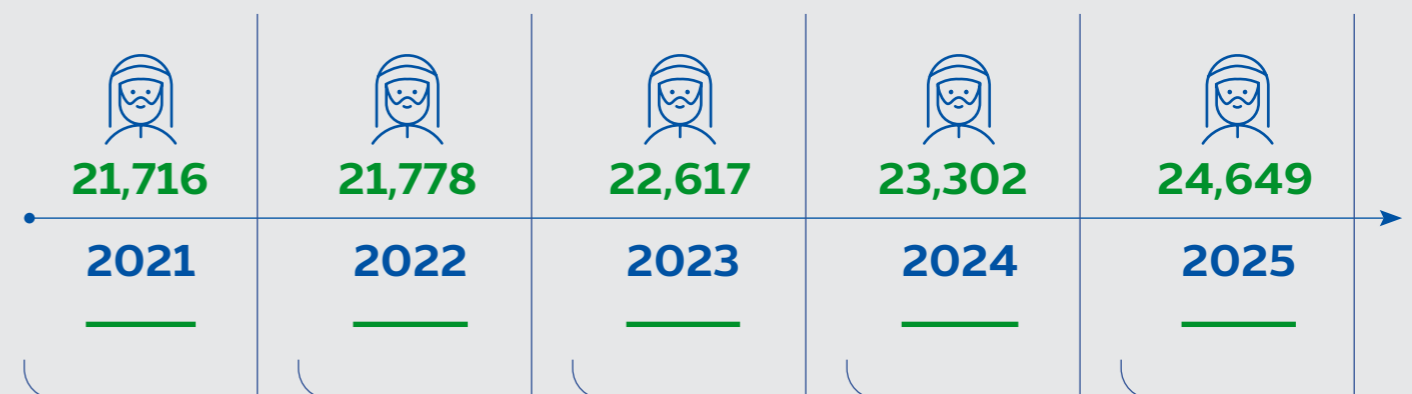
(All amounts in SAR million.)

### Geographic distribution of revenue in 2025



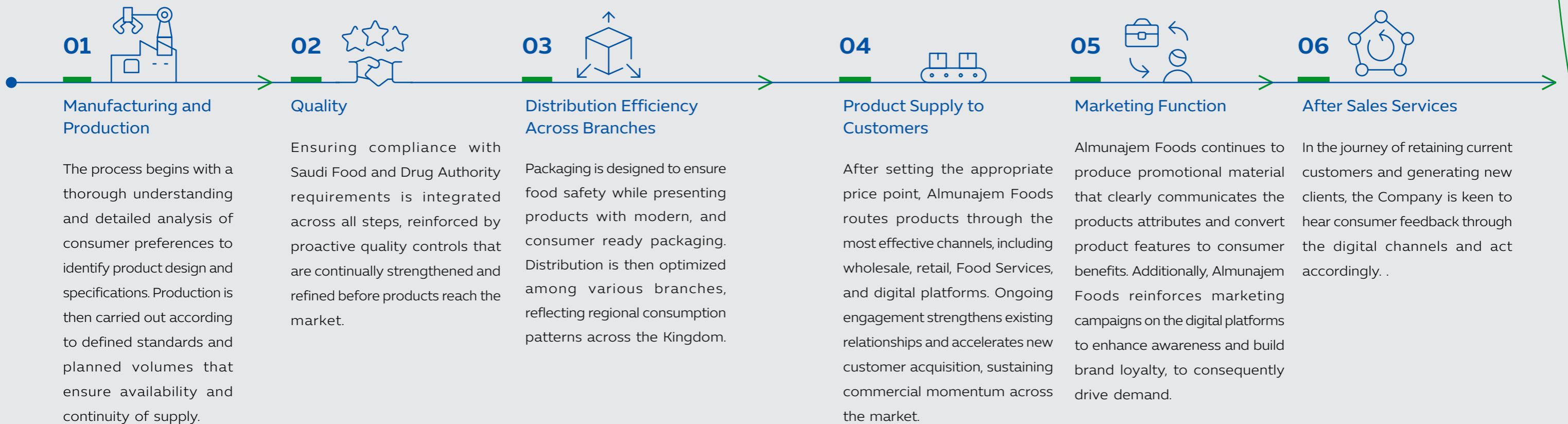
● Western & Southern Region ● Northern & Eastern Region ● Central region

### Growth of the Company's customers point of sales over five years



## Multistage Production Model

Almunajem Foods operates a fully integrated production model that begins with precise sourcing of premium raw materials and extends all the way to ensuring product availability for the end consumer. Almunajem Foods ensures suppliers' compliance with robust control standards that meet operational requirements; the result is a portfolio that contributes to clear value and dependable quality, aligned with the expectations of Almunajem Foods' customers.



## Quality Assurance and Occupational Safety

Quality and occupational safety sit at the core of Almunajem Foods' operating model. They provide the discipline that governs day-to-day activities across manufacturing, production, and product distribution, while sustaining the highest levels of performance. Almunajem Foods also applies an integrated quality management system aligned with leading international standards, including the International Organization for Standardization (ISO), to ensure consistent quality control across each operational stage.

Operational Quality and Safety Practices:

### Developing the Production Portfolio

Almunajem Foods launched upgraded poultry production lines at the Jeddah food factory and continues to strengthen inspection and control procedures in line with the expansion of chilled poultry and seafood production.

### Comprehensive End-to-End Control

Regarding the products manufactured by the Company, Almunajem Foods follows a "supplier to consumer" methodology, with inspections beginning with raw materials and continuing through to final delivery to the end consumer.

### On-Site Customer Visits

A specialized technical team conducts field visits to customers to address any observations or concerns immediately. Suppliers are also required to implement corrective actions to maintain quality and confirm full conformity with specifications.

## Accreditations and Certifications for 2025

In **2025**, the Company sustained its established portfolio of international certifications, reflecting continued operational consistency and disciplined execution:

- Food Safety: Ongoing validity of the ISO 22000:2018 certification for storage facilities, including cold stores, which ensures adherence to the highest food safety standards.
- Food Safety Management Certification for the Jeddah food factory in accordance with ISO 22000:2018.
- Halal Certification: Full compliance with the requirements of the Saudi Halal Center for the Jeddah food factory, confirming alignment of all operations with national Shariah and regulatory standards.



## Occupational Health, Safety, and Environment

Protecting people is embedded as a core operational priority at Almunajem Foods. A strong occupational safety culture positively impacts daily decisions across the business, supporting a safe and motivating workplace for more than **2,300** employees in alignment with leading international standards. This commitment extends beyond the workforce to encompass community safety and environmental stewardship as integral elements of the Company's corporate strategy. As part of this approach, Almunajem Foods has begun deploying clean energy solutions, including the introduction of solar power technologies at selected warehouses. These initiatives contribute to lowering the Company's carbon footprint and improving energy efficiency, supporting responsible growth alongside operational expansion.



## Innovation and Technology

Innovation and technology underpin the Company's approach to digital enablement across all business units. During **2025**, focus was placed on strengthening digital infrastructure and reinforcing cybersecurity capabilities to safeguard data integrity and ensure uninterrupted business operations through:

### Warehouse Management System (WMS)

enhancement of the Warehouse Management System, one of the most advanced platforms in this domain. The system enables integrated technical connectivity with a broad base of major local and international suppliers, supporting high inventory accuracy and uninterrupted product flow.

### Business Process Automation

The Company introduced new technology tools to automate administrative and operational workflows, accelerating service responsiveness and enhancing data accuracy across all **13** branches.

### Cybersecurity and Enterprise Architecture

The Company enhanced its data-protection and system-security controls in line with high-assurance standards, while maintaining continuous technical support to ensure network stability as company operations continue to grow.

### Environmentally Responsible Technologies

In support of the Company's Environmental, Social, and Governance (ESG) objectives, the Technology function enabled the deployment of the solar energy project across branches and storage facilities. The transition moved into active implementation during **2025**, improving energy efficiency and reducing environmental impact.

### Smart Tracking System

The Company continued to operate and enhance digital sensors across its vehicle fleet, providing precise, real-time monitoring of cooling zone temperatures.

### Sales Planning Automation

The Company expanded its digital ecosystem through the launch of a B2B platform that enables retailers, wholesalers, restaurants, and catering companies to place orders and manage accounts online. In parallel, sales planning processes were strengthened across distribution routing, delivery timing, volumes, and product selection, enabling continuous automated analytics and systematic performance tracking.

## Human Resources

Almunajem Foods views its people as the foundation of its performance and continuity. The Company therefore advances an ambitious plan for talent development and job localization aligned with Saudi Vision **2030**, supporting the expansion of national participation across the private sector.

### Inspection Stages and Operating Perspectives:

#### 1. Workforce Planning

Establishing the Human Resources business plan and ensuring it is fully aligned with the Company's overarching strategy.

#### 2. Leadership and Team Development

Prioritizing leadership expertise across Human Resources roles, while strengthening collaboration, reinforcing a one team culture, and enabling smoother execution to deliver high performance standards and an optimal workplace. This includes monitoring resourcing levels in key leadership positions and overseeing performance across HR functions.

#### 3. Laws and Regulations

Ensuring ongoing compliance with applicable laws, regulations, policies, and procedures in the Kingdom of Saudi Arabia, including the Labor Law, the Social Insurance Law, and other relevant requirements.

### Recruitment Policy

- Managing employment support programs administered by the Human Resources Development Fund (HRDF).
- Tracking and evaluating performance indicators across Human Resources initiatives.
- Human Resources Data Governance: Managing and developing workforce records using advanced Human Resources Information Systems (HRIS) and modern cloud technologies to protect data accuracy, confidentiality, and integrity. The Company's digital framework supports the extraction and analysis of statistical indicators and analytical reporting, enabling strategic decisions based on reliable, and real time insights. This includes conducting exit interviews, analyzing outcomes, and submitting improvement recommendations to management.
- Conducting periodic performance evaluations.
- Planning and executing recruitment activities in line with the Company's strategy and expansion plans.
- Designing and delivering effective employee training programs.

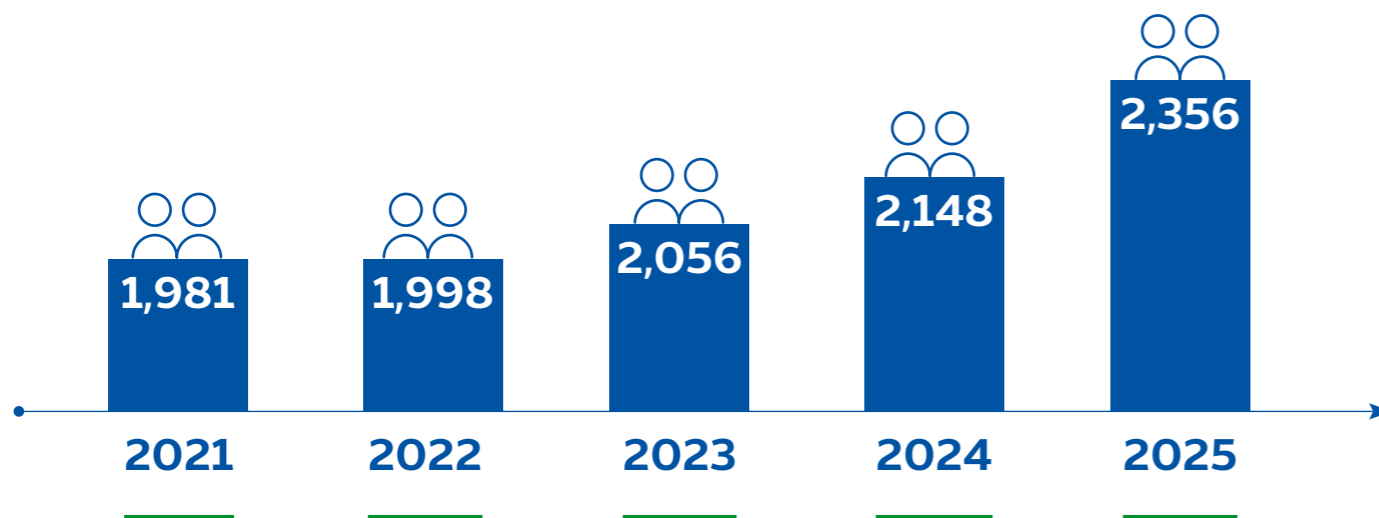
## Localization and Leadership

Almunajem Foods remains committed to widening job opportunities for national talent across all functions. The Company invests in structured training and capability building programs that support the localization of the food sector and strengthen Saudi professional capacity in line with national objectives.

## Workforce Size

During **2025**, the number of employees increased in a disciplined manner to support strategic expansions at the food factory and the Loadly warehousing facility. Total workforce reached **2,356** employees, combining national and international expertise that strengthens operational depth and supports knowledge transfer across the organization.

## Development of Total Workforce Over the Past Five Years



## Women Empowerment

The Company continued to strengthen women’s participation across administrative, technical, and production roles. This progress is supported by a safe and motivating work environment that enables professional advancement and sustained career growth.

## Cultural Diversity

Almunajem Foods brings together professionals of more than **20** nationalities. This diversity strengthens cross market insight, enriches perspectives, and supports innovation through the integration of global experience.

## Training and Development

In **2025**, Almunajem Foods implemented an ambitious development agenda focused on leadership continuity through succession planning. The Almunajem Digital Academy served as a central digital platform for developing employees’ professional skills. Through partnerships with leading international institutes, the Academy focused on preparing second-line leadership by building advanced leadership capability and practical operational skills. In parallel, intensive specialized programs were delivered to team leaders in supply chain management for newly deployed technology systems, including the Warehouse Management System (WMS). This integrated framework is designed to build a generation of national talent equipped to lead both digital and operational transformation, while sustaining business continuity in line with the highest professional standards.

## Rewards and Incentives

To strengthen retention and recognize performance, the Company adopted a comprehensive rewards program that links financial incentives to both individual and collective results. This approach reinforces teamwork, supports engagement, and aligns performance with high professional standards.



## Marketing and Corporate Communications

Almunajem Foods applies a flexible marketing approach grounded in continuous innovation and the strengthening of brand value. In **2025**, the Company turned market pressures into growth opportunities by sharpening consumer engagement and advancing food solutions that respond to evolving expectations.

Customer input remains a clear reference point for innovation. During **2025**, Almunajem Foods enhanced after sales follow up systems to protect the quality of the consumer experience. This discipline strengthened the standing of the Company's brands as trusted and preferred choices.

The Company also expanded its communication and engagement channels through an integrated model designed to ensure effective presence across consumer touchpoints, including:

### Digital platforms

Activating social media channels and websites as interactive listening tools that convert customer input into product development opportunities, alongside corporate websites, billboards, and public advertising.

### Market footprint

Maintaining strong visibility and impactful in-store and outdoors campaigns through boundary pushing marketing activities.

### Corporate reputation management

Strengthening communications around sustainability & ESG initiatives and local content, supporting a positive brand perception in line with global best practices and the objectives of Vision **2030**.

### Contact Information

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## Governance

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## Governance

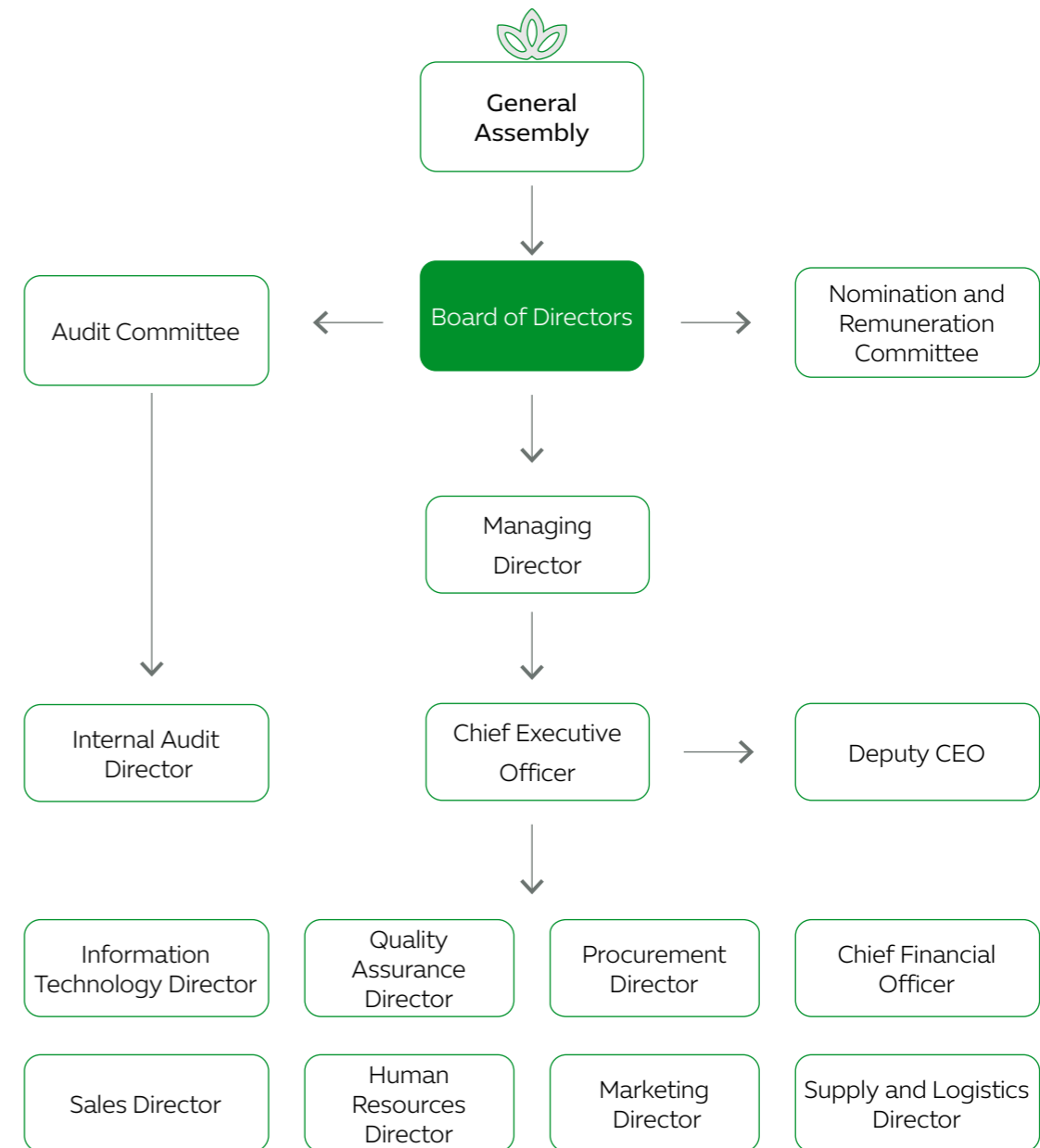
Almunajem Foods' Board of Directors is committed to establishing an effective governance framework that regulates the Company's administrative and financial operations. The Annual Report presented by the Company serves as a key communication tool with shareholders and stakeholders. By adhering to the highest governance standards, the Company reinforces its values of credibility and transparency in its disclosures. This commitment reflects its compliance with the regulatory requirements set by the Capital Market Authority (CMA) and contributes to presenting a clear and fair image of the Company's financial position and operational results, which is a fundamental factor in ensuring its continued success.

### Introduction

- Almunajem Foods has developed its governance regulations in alignment with the Corporate Governance Regulations issued by the Capital Market Authority (CMA).
- The administrative structure of Almunajem Foods consists of the Board of Directors (Board), two committees established by the Board, and a team of the Company Executives ("Executive Management").
- The Board bears the overall responsibility for establishing, supervising, and reviewing governance principles and policies to ensure full compliance with relevant regulations, thereby enhancing the Company's growth and sustainability.
- To enhance its functions, the Board has established two committees: the Audit Committee and the Nomination and Remuneration Committee. The performance of these two Committees is periodically reviewed by the Board in accordance with regulatory requirements and based on the Board's need for recommendations from these Committees.
- The Company's governance framework is built on continuous engagement with shareholders, ensuring effective communication with the Board to receive their suggestions and recommendations regarding the Company and its performance

## Organizational Structure

The organizational structure of Almunajem Foods comprises the Board of Directors and its associated Committees, which include the Audit Committee and the Nomination and Remuneration Committee. The Board holds the ultimate responsibility for steering and overseeing the Company, in addition to keeping an eye on the Senior Executives' performance.



## The Board of Directors

### Statement of Board Members

The Board of Directors of Almunajem Foods oversees the management of the Company, bearing primary responsibility toward shareholders and striving to serve their interests by directing and monitoring the Company's operations and affairs. The Board is also responsible for defining the Company's overall strategic direction and policy framework.

The Company's Ordinary General Assembly held on **29th December 2024** elected the Board Members from among the candidates for the upcoming tenure, which begins on **15th February 2025**, and lasts for four years until **14th February 2029**.

### Board Composition

The Board of Almunajem Foods consists of six (6) Members as follows:

Member Name	Position	Membership Type
Saleh bin Abdullah bin Ali Almunajem	Chairman of the Board	Non-Executive
Suliman bin Abdulrahman Abdullah Al-Guwaiz	Vice Chairman	Independent
Hasan bin Shakib AlJabri	Board Member	Independent
Nader bin Ibrahim Alwohaibi	Board Member	Non-Executive
Abdullah bin Omar Bawazir	Board Member	Non-Executive
Thamer bin Abdulaziz Abanumay	Board Member	Executive

### Board Member Biographies



#### 1. Mr. Saleh bin Abdullah bin Ali Almunajem

Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	Chairman of the Board	General Secondary Certificate	<ul style="list-style-type: none"> <li>Branch Manager at Almunajem Foods.</li> <li>General Manager of Sales and Procurement at Almunajem Foods.</li> </ul>	<ul style="list-style-type: none"> <li>Over <b>50</b> years of extensive professional experience in management and trade in general. Various executive and leadership positions in different fields.</li> <li>Deputy General Manager, Almunajem Foods (formerly Almunajem Cold Stores).</li> </ul>

#### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		· Chairman of the Board		
Abdullah Ali Almunajem Sons Company	Closed Joint Stock Company	✓		· Board Member		✓
Alkafaa Real Estate Company	Closed Joint Stock Company	✓		· Board Member		✓
Saudi-Spanish Business Council	Government Institution	✓		· Board Chairman		✓
Saudi-Moroccan Business Council	Government Institution	✓		· Board Member		✓
Saudi-Indian Business Council	Government Institution	✓		· Board Member		✓

## 2. Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	Vice Chairman of the Board at Almunajem Foods.	Bachelor's Degree, Business Administration from Portland State University, USA.	<ul style="list-style-type: none"> <li>Governor, General Organization for Social Insurance (GOSI).</li> <li>Deputy CEO, Riyadh Bank.</li> <li>Head of Trade Department, Corporate Sector, Samba Financial Group.</li> </ul>	Over <b>35</b> years of extensive experience in banking operations, finance, credit, and executive management.

### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		Vice Chairman	✓	
Saudi Industrial Investment Group	Listed Joint Stock Company	✓		Board Member	✓	
Etihad Etisalat (Mobily)	Listed Joint Stock Company	✓		Vice Chairman		✓
Saudi Awwal Bank (SAB)	Listed Joint Stock Company	✓		Board Member	✓	
BlackRock Saudi Arabia	Closed Joint Stock Company	✓		Chairman of the Board	✓	
Saudi Agricultural and Livestock Investment Company (SALIC)	Closed Joint Stock Company	✓		Board Member	✓	
Banque Saudi Fransi	Listed Joint Stock Company	✓		Chairman of the Board		✓
National Industrialization Company	Listed Joint Stock Company	✓		Board Member		✓
Liva Insurance Company	Listed Joint Stock Company	✓		Chairman of the Board		✓
Saudi Arabian Mining Company (Ma'aden)	Listed Joint Stock Company	✓		Board Member		✓
Future Work Company	Closed Joint Stock Company	✓		Vice Chairman		✓
AJIL Financial Services Company	Closed Joint Stock Company	✓		Vice Chairman		✓
Hassana Investment Company (HIC)	Closed Joint Stock Company	✓		Chairman of the Board		✓
Royal & Sun Alliance Insurance (Middle East)	Closed Joint Stock Company		✓	Chairman of the Board		✓
Mastercard International (Africa & South Asia)	Listed Joint Stock Company		✓	Chairman of the Board		✓
AlBawani Holding Company	Closed Joint Stock Company	✓		Board Member	✓	

### 3. Mr. Nader bin Ibrahim Alwohaibi



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	<ul style="list-style-type: none"> <li>Board Member at Almunajem Foods.</li> <li>CEO of Abdullah Ali Almunajem Sons Company.</li> </ul>	<ul style="list-style-type: none"> <li>Master's Degree in Social Protection System Netherlands.</li> <li>Bachelor's Degree in Insurance – USA.</li> </ul>	<ul style="list-style-type: none"> <li>CEO, Gulf Catering Company.</li> <li>Assistant Governor for Insurance Affairs, General Organization for Social Insurance (GOSI).</li> <li>General Manager of Planning and Development, General Organization for Social Insurance (GOSI).</li> <li>Pensions Department Advisor, General Organization for Social Insurance (GOSI).</li> <li>Secretary General of the Board of Directors, General Organization for Social Insurance (GOSI).</li> </ul>	Around <b>25</b> years of extensive professional experience in insurance, risk management, and strategic planning, during which he held a number of leadership positions in various sectors.

#### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		Board Member	✓	
Riyad Bank	Listed Joint Stock Company	✓		Board Member		✓
SABIC	Listed Joint Stock Company	✓		Board Member		✓
Clariant - Switzerland	Listed Joint Stock Company		✓	Board Member		✓
Future Work Company	Closed Joint Stock Company	✓		Board Member		✓
Mudud Company	Closed Joint Stock Company	✓		Board Member		✓
Jarir Marketing Company	Listed Joint Stock Company	✓		Board Member		✓
National Medical Care Company	Listed Joint Stock Company	✓		Board Member		✓

### 4. Mr. Abdullah bin Omar Bawazir



Nationality	Current Position	Qualifications	Previous Positions	Experience
Yemeni	<ul style="list-style-type: none"> <li>Board Member at Almunajem Foods.</li> <li>Head, Financial Affairs, Abdullah Ali Almunajem Sons Company.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's Degree, Accounting, King Saud University (KSU).</li> </ul>	<ul style="list-style-type: none"> <li>Head, Finance Department, Almunajem Foods.</li> <li>Financial Manager, Gulf Catering Food Factory.</li> <li>Auditor, Audit Supervisor, Audit Manager, Ernst &amp; Young &amp; Co.</li> </ul>	Over <b>30</b> years of extensive professional experience in finance and auditing.

#### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		<ul style="list-style-type: none"> <li>Board Member,</li> <li>Member of the Audit Committee,</li> <li>Member of the Nomination and Remuneration Committee</li> </ul>		✓
Balady Poultry Co.	Listed Joint Stock Company	✓		<ul style="list-style-type: none"> <li>Board Member,</li> <li>Member of the Audit Committee</li> </ul>		✓
France Poultry Company	Simplified Joint Stock Company (Single Person)		✓	<ul style="list-style-type: none"> <li>Supervisory Board Member</li> </ul>		✓

## 5. Eng. Hasan bin Shakib AlJabri



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	Board Member at Almunajem Foods.	Bachelor's Degree, Agricultural Engineering American University of Beirut.	<ul style="list-style-type: none"> <li>CEO, Executive Committee Member, Saudi Economic and Development Company (SEDCO Holding).</li> <li>CEO, Saudi Economic and Development Company (SEDCO Capital).</li> <li>Board Member, Head of Investment Banking, Managing Director, and Chairman of the Board of Directors of Funds, SNB Capital Company.</li> <li>Executive Vice President, Dar Al-Maal Al-Islami.</li> <li>Head, the Western Region of Corporate Banking, Senior Manager, Credit Services, Saudi National Bank (Previously, SAMBA).</li> </ul>	Over <b>40</b> years of administrative and financial experience acquired throughout his career, with professional expertise in investment banking services and corporate finance within the Middle East and North Africa (MENA) region.

### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		Board Member, Chairman of the Nomination and Remuneration Committee, Member of the Audit Committee	✓	
Jeddah Transport Company (JTC)	Government affiliated Company	✓		Board Member, Member of the Executive Committee, Member of the Investment Committee, Member of the Nomination and Remuneration Committee	✓	
Arabian Petroleum Supply Company (AP-SCO)	Closed Joint Stock Company	✓		Board Member	✓	
Abunayyan Holding Company	Closed Joint Stock Company	✓		Board Member, Chairman of the Investment Committee	✓	

### Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Franklin Templeton Company	Closed Joint Stock Company	✓		Board Member	✓	
Dar Al Tamleek (DAT) Company	Closed Joint Stock Company	✓		Chairman of the Board, Chairman of the Executive Committee, Member of the Risk and Credit Management Committee	✓	
King Abdullah Bin Abdulaziz International Foundation for Humanitarian Works	Royal Foundation	✓		Board Member, Chairman of the Investment Committee	✓	
SEDCO Capital Luxembourg for Financial Investments	Limited Liability Company		✓	Chairman of the Board		✓
Ahmed Mohamed Saleh Baeshen & Co.	Closed Joint Stock Company	✓		Board Member		✓
Saudi Economic and Development Company (SEDCO Capital)	Closed Joint Stock Company	✓		Board Member		✓
Saudi Airlines Catering Company (SACC)	Closed Joint Stock Company	✓		Board Member		✓
SNB Capital Company	Closed Joint Stock Company	✓		Board Member		✓
Elaf Travel & Tourism Group	Limited Liability Company	✓		Board Member		✓
Yusr International School	Limited Liability Company	✓		Board Member		✓
Fakieh Entertainment Company	Closed Joint Stock Company	✓		Chairman of the Board	✓	
Binladin International Holding Group	Closed Joint Stock Company	✓		Board Member		✓

### 6. Eng. Thamer bin Abdulaziz Abanumay



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	<ul style="list-style-type: none"> <li>Chief Executive Officer, Almunajem Foods.</li> <li>Board Member at Almunajem Foods.</li> </ul>	Bachelor's Degree, Mechanical Engineering, College of Eginearing, King Saud University (KSU), <b>1996</b> .	<ul style="list-style-type: none"> <li><b>2017G</b>: Executive Director, Almarai Company.</li> <li>Held multiple leadership positions at SABIC and AlRajhi Industrial Group.</li> <li>Board Member, Saudi Petrochemical Company (SADAF), and Marketing Committee Member on the Board of Directors from <b>2012G to 2015</b>.</li> </ul>	<ul style="list-style-type: none"> <li>more than <b>25</b> Years in various fields and sectors.</li> <li>Extensive experience in trade, marketing, sales, and global business management.</li> </ul>

**Current and Previous Positions of Board Members in Companies Inside or Outside the Kingdom**

Company Name	Legal Entity	Location		Position	Membership Type	
		Inside KSA	Outside KSA		Current	Previous
Almunajem Foods Company	Listed Joint Stock Company	✓		Board Member	✓	
Balady Poultry Co.	Listed Joint Stock Company	✓		Vice Chairman	✓	
Saudi Petrochemical Company (SADAF)	Closed Joint Stock Company	✓		Board Member		✓



## Board Committees

Almunajem Foods has established an appropriate number of committees based on its needs and circumstances, enabling the Board to effectively carry out its responsibilities. The Board Committees are formed in accordance with general procedures set by the Board, which include defining the Committee's functions, term of operation, granted authorities, and the mechanisms for the Board's oversight of its activities. The Committee is required to transparently report to the Board regarding its activities, findings, and decisions. The Board must also regularly monitor the Committees to ensure they fulfill their assigned responsibilities.

Below is a summary of the structure and responsibilities of each Committee of the Company's Board:

### [ a ] Audit Committee

The Audit Committee is responsible for monitoring the Company's business and verifying the integrity and veracity of its reports, financial statements, and internal control systems. The Committee's key functions include:

- |  |   |   |  |
|--|---|---|--|
| <p>1. Reviewing the Company's interim and annual financial statements before presenting them to the Board of Directors and providing opinions and recommendations to ensure fairness, accuracy, and transparency.</p>  | <p>8. Examining internal audit reports and following up on the implementation of corrective actions for observations included in the reports.</p>   | <p>14. Reviewing the External Auditors' plan and activities, verifying that they do not engage in technical or administrative tasks beyond the scope of the audit, and providing consultations accordingly.</p> | <p>22. The Audit Committee is formed as a subcommittee of the Board of Directors, consisting of three (3) Members from the shareholders or others, provided that at least one Member is an Independent Member, and the Committee must not include any Executive Members of the Board. At least one Member of the Committee must be a specialist in financial and accounting affairs. It is not permitted for anyone who works or has worked during the past two years in the Executive or Financial Management of the Company, or for the Company's Auditor, to be a Member of the Audit Committee. A Committee Member is considered a specialist in financial and accounting affairs if the Member holds a bachelor's degree in accounting or an equivalent field and has at least seven years of professional experience in accounting and auditing. This requirement is reduced to five years if the Member holds a fellowship from the Saudi Organization for Chartered and Professional Accountants (SOCPA) or any equivalent professional qualification recognized by SOCPA.</p> |
| <p>2. Providing a technical opinion - upon request from the Board - on whether the Board's report and financial statements are balanced, understandable, and include all necessary information for shareholders and investors to assess the Company's financial position, performance, business model, and strategy.</p> | <p>9. Supervising and overseeing the performance of the Internal Auditor and the Internal Audit Department, if applicable, to ensure the availability of necessary resources and the effectiveness of their operations.</p>                   | <p>15. Responding to inquiries from the Company's External Auditor.</p>   |  |
| <p>3. Examining any significant or unusual issues included in the financial reports.</p>   | <p>10. In the absence of an Internal Auditor, the Committee shall submit its recommendation to the Board regarding the necessity of appointing one.</p>   | <p>16. Examining the External Auditor's report and observations on the financial statements.</p>  |  |
| <p>4. Investigating any concerns raised by the Chief Financial Officer (CFO), his delegates, the Compliance Officer, or the External Auditor.</p>  | <p>11. Recommending to the Board the appointment of the Head of the Internal Audit Unit or Department, or the Internal Auditor, and proposing their remuneration.</p>   | <p>17. Reviewing the results of regulatory reports and ensuring that the Company has taken the necessary actions regarding them.</p>  |  |
| <p>5. Verifying the accounting estimates for material matters included in the financial reports.</p>   | <p>12. Recommending to the Board the nomination, dismissal, determination of fees, and evaluation of the performance of External Auditors after verifying their independence and reviewing the scope of their work and contractual terms.</p> | <p>18. Ensuring the Company's compliance with relevant laws, regulations, policies, and instructions.</p>   |  |
| <p>6. Reviewing the Company's accounting policies and providing recommendations to the Board regarding them.</p>   | <p>13. Ensuring the independence, objectivity, and fairness of the External Auditors, as well as the effectiveness of the audit activities, while considering relevant rules and standards.</p>   | <p>19. Reviewing proposed contracts and transactions with related parties and providing consultations to the Board.</p>   |  |
| <p>7. Reviewing the Company's internal control, financial control, and risk management systems.</p>  |   | <p>20. Preparing a report expressing their opinion on the adequacy of the Company's internal control system and other activities it has undertaken within its scope of responsibility.</p>                      |  |
|  |   | <p>21. Escalating any issues that require action to the Board and providing recommendations on the necessary measures to be taken.</p>  |  |

## [ b ] Nomination and Remuneration Committee

The primary responsibility of the Nomination and Remuneration Committee is to identify qualified individuals and candidates to join the Board of Directors, ensuring they meet the required membership criteria. It also assists the Board in establishing an effective governance framework and developing the necessary policies and procedures. The Committee's scope of work includes all activities that enable it to fulfill its objectives, including:

1. Nominating qualified candidates for Board membership.
2. Conducting an annual review of Board membership requirements, which includes capabilities, experience, and the availability of the necessary time for Board activities.
3. Reviewing the structure of the Board and proposing necessary modifications in the Company's best interest.
4. Identifying strengths and weaknesses within the Board and providing appropriate recommendations to improve performance.
5. Nominating individuals for the positions of Chief Executive Officer (CEO) and Managing Director, and nominating Committee Members for approval by the Board or the General Assembly.
6. Reviewing policies and procedures requiring Board approval before their implementation through the General Assembly.
7. Monitoring the independence of Independent Board Members and verifying the absence of any conflicts of interest on an annual basis.
8. Reviewing preparatory materials and training programs designated for new Board Members.
9. Presenting a framework that includes clear policies regarding the remuneration of Directors and Senior Executives.
10. Reviewing and proposing succession plans for key executive positions.
11. Reviewing the overall structure of the Company's remuneration and benefits, including job grades, wage and benefit structures, and performance-based rewards and incentives.
12. Approving changes to the CEO's remuneration and providing recommendations regarding modifications to the remuneration of the Managing Director, Board Members, and members of the various committees.
13. Approving extraordinary remuneration (such as recruitment or performance bonuses for the CEO and senior positions).
14. The Nomination and Remuneration Committee is a subcommittee established by the Board of Directors. The Committee consists of at least three (3) members, subject to the following considerations:
  - The Committee Chairman must be an Independent Member.
  - The Chairman of the Board shall not hold the position of Committee Chairman.
  - Committee Members must possess appropriate academic qualifications, practical training, and familiarity with administrative aspects and the nature of the Company's activities.

The Nomination and Remuneration Committee is formed by a resolution of the Company's Board of Directors based on a recommendation from the Board. Furthermore, the Company's General Assembly issues the Committee's charter, which includes its operational controls, procedures, responsibilities, selection rules for its members, membership term, and their remuneration.



## Board and Committees Meetings

The following tables outline the number of meetings held by the Board of Directors and its Subcommittees, as well as the participation of Members in the Board and Committee meetings for the fiscal year ending on **31st December 2025G**.

The Board of Directors held five (**5**) meetings in **2025G**, as detailed in the table below:

Member Name	Position	Board of Directors Meeting Attendance Record				
		First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting
		17 / 3 / 2025	19 / 5 / 2025	24 / 6 / 2025	24 / 9 / 2025	17 / 12 / 2025
Mr. Saleh bin Abdullah bin Ali Almunajem	Chairman of the Board	Attended	Attended	Attended	Did not attend	Attended
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Vice Chairman	Attended	Attended	Attended	Attended	Attended
Mr. Nader bin Ibrahim Alwohaibi	Board Member	Attended	Attended	Attended	Attended	Attended
Eng. Hasan bin Shakib AlJabri	Board Member	Attended	Attended	Attended	Attended	Attended
Mr. Abdullah bin Omar Bawazir	Board Member	Attended	Attended	Attended	Attended	Attended
Eng. Thamer bin Abdulaziz Abanumay	Board Member	Attended	Attended	Attended	Attended	Attended

The Audit Committee held four (**4**) meetings in **2025G**, as detailed in the table below:

Name	Position	Membership Classification	Audit Committee Meeting Attendance Record			
			First Meeting	Second Meeting	Third Meeting	Fourth Meeting
			12 / 3 / 2025	8 / 5 / 2025	6 / 8 / 2025	3 / 11 / 2025
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Committee Chairman	Independent	Attended	Attended	Attended	Attended
Eng. Hasan bin Shakib AlJabri	Board Member	Independent	Attended	Attended	Attended	Attended
Mr. Abdullah bin Omar Bawazir	Board Member	Non-Executive	Attended	Attended	Attended	Attended

The Nomination and Remuneration Committee held three (**3**) meetings in **2025G**, as detailed in the table below:

Name	Position	Membership Classification	Nomination and Remuneration Committee Meeting Attendance Record		
			First Meeting	Second Meeting	Third Meeting
			7/2/2025	12/11/2025	3/12/2025
Eng. Hasan bin Shakib AlJabri	Committee Chairman	Independent	Attended	Attended	Attended
Mr. Abdullah bin Omar Bawazir	Board Member	Non-Executive	Attended	Attended	Attended
Mr. Nader bin Ibrahim Alwohaibi*	Board Member	Non-Executive	Membership not yet started	Attended	Attended
Mr. Mohammad Ibrahim AlRowette**	Board Member	Non-Executive	Attended	Membership ended	Membership ended

\*Membership began on **15** February **2025G**.

\*\*Membership ended on **14** February **2025G**.

## Interests of Board Members, Their Wives, and Minor Children in the Company's Shares

The following table outlines the interests of Board Members, their wives, and their minor children in the Company's shares, along with any changes in those interests or rights during the year **2024G**:

Member Name	Description	Share Ownership		
		Opening Balance (January 2025)	Closing Balance (December 2025)	Change Percentage
Mr. Saleh bin Abdullah bin Ali Almunajem	Indirect Ownership	<b>5,880,000</b>	<b>5,880,000</b>	-
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	-	-	-	-
Mr. Nader bin Ibrahim Alwohaibi	-	-	-	-
Eng. Hasan bin Shakib AlJabri	-	-	-	-
Mr. Abdullah bin Omar Bawazir	-	-	-	-
Eng. Thamer bin Abdulaziz Abanumay	-	-	-	-

## Compensation and Remuneration

The remuneration of Board Members is determined by the Ordinary General Assembly, based on the recommendation of the Nomination and Remuneration Committee, in accordance with the Companies Law and its Regulations.

Board Member remuneration in the Company consists of a fixed amount, attendance allowances for meetings, expense allowances, or in-kind benefits, with the possibility of combining two of these elements. This remuneration must not exceed the limits specified by the Companies Law and its Regulations, as well as the Company's Remuneration Policy for Board Members, its Committees, and Senior Executives, including any approved amendments according to the Companies Law

It is worth noting that, in accordance with the Company's Bylaws, Board Members are not entitled to vote on their remuneration or compensation. Senior Executives' compensation is determined based on employment contracts, as per the Remuneration Policy approved by the Nomination and Remuneration Committee. Board Members and Senior Executives are also not authorized to borrow from the Company or vote on any contract or arrangement in which they have a significant interest.

### (A) Board members' bonuses and allowances for 2025G

Name	Position	Annual bonuses and attendance allowances (SAR)
<b>Non-Executive Members</b>		
Mr. Saleh bin Abdullah bin Ali Almunajem	Chairman of the Board	<b>262,000</b>
Mr. Abdullah bin Omar Bawazir	Board Member	<b>265,000</b>
Mr. Nader bin Ibrahim Alwohaibi	Board Member	<b>233,750</b>
Mr. Mohammed Ibrahim Alruwaitea	Board Member	<b>31,250</b>
<b>Total (SAR)</b>		<b>792,000</b>
<b>Independent Members</b>		
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Vice Chairman	<b>265,000</b>
Eng. Hasan bin Shakib AlJabri	Board Member	<b>265,000</b>
<b>Total (SAR)</b>		<b>530,000</b>
<b>Executive Members</b>		
Eng. Thamer bin Abdulaziz Abanumay	Board Member	<b>233,750</b>
Mr. Fahd Abdulmohsen Abdulrahman Al-Fadhli		<b>31,250</b>
<b>Total (SAR)</b>		<b>265,000</b>
<b>Grand Total (SAR)</b>		<b>1,587,000</b>

### (B) Rewards and Allowances for Committee Members for 2025G

Name	Position	Annual bonuses and attendance allowances (SAR)
<b>Audit Committee Members</b>		
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Committee Chairman	<b>62,000</b>
Eng. Hasan bin Shakib AlJabri	Board Member	<b>62,000</b>
Mr. Abdullah bin Omar Bawazir	Board Member	<b>62,000</b>
<b>Total (SAR)</b>		<b>186,000</b>
<b>Nomination and Remuneration Committee Members</b>		
Eng. Hasan bin Shakib AlJabri	Committee Chairman	<b>56,000</b>
Mr. Abdullah bin Omar Bawazir	Board Member	<b>56,000</b>
Mr. Nader bin Ibrahim Alwohaibi	Board Member	<b>46,750</b>
Mr. Mohammed Ibrahim Alruwaitea	Board Member	<b>9,250</b>
<b>Total (SAR)</b>		<b>168,000</b>

### (C) Remuneration for the Top 5 Senior Executives for 2025G

The table below includes the compensation of the top five executives who received compensation from the company during the year **2025**, including the CEO and the CFO.

Basic Salaries (Saudi Riyals)	Allowances* (Saudi Riyals)	Total Salaries and Allowances (Saudi Riyals)	Variable Remuneration (Saudi Riyals)	Commitments of Determined Allowances (Saudi Riyals)	TOTAL
<b>5,002,295</b>	<b>1,193,631</b>	<b>6,195,926</b>	<b>1,773,250</b>	<b>574,538</b>	<b>8,543,714</b>

\*Allowances include housing and transportation allowances

It is worth noting that there have been no waivers of compensation by any Board Member, Committee Chairperson, or Committee Member.

## Company Senior Management

The Senior Management team at Almunajem Foods consists of highly qualified individuals, both Saudi and non-Saudi, who possess extensive international and local expertise in the import, trade, marketing, and export of frozen fruits and vegetables, chilled and frozen meats, and a diverse array of food products.

The CEO holds the primary responsibility for managing the Company’s affairs and overseeing its performance, in alignment with the objectives and directives of the Board of Directors and shareholders.

The Senior Management team of the Company consists of eleven (11) members. An overview of each member is provided below:

### 1. Eng. Thamer bin Abdulaziz Abanumay



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	<ul style="list-style-type: none"> <li>Chief Executive Officer, Almunajem Foods.</li> <li>Board Member at Balady Poultry Co.</li> </ul>	Bachelor’s Degree in Mechanical Engineering, College of Engineering, King Saud University (1996G).	<ul style="list-style-type: none"> <li>2017G: Executive Director, Almarai Company.</li> <li>Held multiple leadership positions at SABIC and AlRajhi Industrial Group. Board Member, Saudi Petrochemical Company (SADAF), and Marketing Committee Member on the Board of Directors from 2012G to 2015.</li> </ul>	<ul style="list-style-type: none"> <li>more than 25 Years in various fields and sectors.</li> <li>Extensive experience in trade, marketing, sales, and global business management.</li> </ul>

### 2. Mr. Muhammad Salman Mehmood



Nationality	Current Position	Qualifications	Previous Positions	Experience
Pakistani	Chief Financial Officer (CFO).	Bachelor’s Degree in Accounting.	<ul style="list-style-type: none"> <li>Prior to joining Almunajem Foods, he served as a Financial Controller at an International Trading Company under the Olayan Group for two and a half years.</li> <li>External Auditor at Deloitte &amp; Touche across Saudi Arabia, Pakistan, and Qatar for over 10 years.</li> </ul>	<ul style="list-style-type: none"> <li>Appointed as CFO for Almunajem Foods in February 2023G.</li> <li>Extensive Experience in Accounting Management and Auditing.</li> <li>Certified Member, Association of Chartered Certified Accountants (ACCA), UK.</li> </ul>

### 3. Mr. Mohammed Ali Almunajem



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	Executive VP of Support Services.	High School Diploma from Al Yamamah High School in Riyadh (1984G).	Since 1986G: Administrative and Human Resources Manager, Branch Manager, Other Positions in Various Business Units, Almunajem Foods.	<ul style="list-style-type: none"> <li>Vast Experience in Human Resources Management.</li> <li>March 2010G: Director, Support Services, Almunajem Foods.</li> </ul>

#### 4. Mr. Ahmed Gamal Mansour



Nationality	Current Position	Qualifications	Previous Positions	Experience
Egyptian	General Manager of Sales	Bachelor of Arts	<ul style="list-style-type: none"> <li>Senior Executive Director for KSA and GCC at Nadec.</li> <li>Sales Development Manager at IFFCO Saudi Arabia.</li> <li>Regional Sales Manager for KSA, Bahrain, and Egypt at Nushan Global.</li> <li>Modern Trade Sales Manager at Kabli Company in KSA.</li> <li>Key Accounts Manager for the Americana Meat Sector in KSA.</li> </ul>	<ul style="list-style-type: none"> <li>Over <b>22</b> years of experience in the sales and marketing of fastmoving consumer goods (FMCG) in Saudi Arabia and the Gulf region.</li> <li>Joined Almunajem Foods as General Manager of Sales on <b>4 May 2025G</b>.</li> </ul>

#### 5. Mr. Ali Fayez Khreis



Nationality	Current Position	Qualifications	Previous Positions	Experience
Lebanese	Supply Chain and Logistics Director	Bachelor's Degree in Telecommunication Engineering from Lebanese International University, Lebanon ( <b>2008G</b> ).	<ul style="list-style-type: none"> <li><b>2009G</b>: Joined Almunajem Foods. November <b>2011G</b>: Director of Supply Chain and Logistics, Almunajem Foods.</li> </ul>	<ul style="list-style-type: none"> <li>Vast Experience in Warehouse Operations Management and Building Management Systems.</li> <li><b>2009G</b>: Joined Almunajem Foods.</li> </ul>

#### 6. Mr. Majed Mohammed Al Bakheet



Nationality	Current Position	Qualifications	Previous Positions	Experience
Saudi	Director, Human Resources	<ul style="list-style-type: none"> <li>Executive MBA, Leadership and International Management, Al Yamamah University, Riyadh, <b>2016G</b>.</li> <li>Bachelor's Degree, Business Administration, Imam Mohammad Ibn Saud Islamic University (IMISIU), Riyadh, <b>2012G</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Various Positions, Different Companies.</li> </ul>	<ul style="list-style-type: none"> <li>more than <b>10</b> Years, Human Resources.</li> <li>Since March <b>2015G</b>: Multiple Roles and Responsibilities, Almunajem Foods.</li> </ul>

#### 7. Mr. Rabih Bouzeineddine



Nationality	Current Position	Qualifications	Previous Positions	Experience
Canadian	Director, Information Technology	Bachelor's Degree, Computer Science, Eastern New Mexico University, USA, <b>1983G</b> .	<ul style="list-style-type: none"> <li>Consultant, Executive Management, Elissar Technologies, Canada.</li> <li>Information Systems Manager, North America, MeadWestvaco (now WestRock).</li> <li>Team Leader, Computing Services, General Electric Appliances.</li> <li>Assistant Professor, Computer Science, University of New Hampshire, USA.</li> </ul>	<ul style="list-style-type: none"> <li>more than <b>30</b> Years.</li> <li>Since <b>2007G</b>: Joined Almunajem Foods.</li> </ul>

## 8. Mr. Mazen Abdel Wahid



Nationality	Current Position	Qualifications	Previous Positions	Experience
Canadian	Director of Internal Audit, Almunajem Foods.	<ul style="list-style-type: none"> <li>Bachelor's Degree, Commerce – Accounting, Beirut Arab University, Lebanon, <b>1996G</b>.</li> <li>Certified Public Accountant (CPA), USA, <b>2004G</b>.</li> <li>Certified Fraud Examiner (CFE), USA, <b>2013G</b>.</li> <li>Certified Internal Controls Auditor (CICA), USA, <b>2013G</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Various Positions, Ernst &amp; Young (EY). Senior Manager, the Advisory Services Division, Ernst &amp; Young (EY).</li> <li>External Auditor, RSM Richter, Canada.</li> <li>Multiple Roles, Corporate Credit Facilities and other Banking Divisions, Bank of Beirut Riyadh, Lebanon.</li> </ul>	<ul style="list-style-type: none"> <li>more than <b>27</b> Years, Internal and External Auditing, Consulting, Banking, and Accounting across Canada, Lebanon, and Saudi Arabia.</li> <li>February <b>2016G</b>: Established and led the Internal Audit Department, and worked as a Secretary, Audit Committee, Almunajem Foods.</li> </ul>

## 9. Mr. Ali El Zein



Nationality	Current Position	Qualifications	Previous Positions	Experience
Lebanese	Executive Vice President at Almunajem Foods.	<ul style="list-style-type: none"> <li>MBA.</li> <li>Bachelor's Degree, Business Administration, Accounting.</li> <li>Leadership Development Program, Agility, Switzerland, <b>2015G</b> - Public Administration.</li> </ul>	<ul style="list-style-type: none"> <li>Managing Director, DSV Solutions (Saudi Arabia).</li> <li>CEO, Agility Logistics (Saudi Arabia).</li> <li>Executive Director of Sales and Marketing in Saudi Arabia, Agility Logistics.</li> <li>Trade and Operations Manager, Finatrade Group (Ghana, Africa).</li> </ul>	<ul style="list-style-type: none"> <li>Began his professional career in Ghana, Africa in <b>2004</b> in the supply chain field with Finatrade Group.</li> <li>Relocated to Saudi Arabia in <b>2008</b> and joined Agility, where he held several positions most notably Executive Sales and Marketing Director for the Kingdom from <b>2011</b> to early <b>2019</b>. In the same year, he assumed the position of CEO of Agility Logistics.</li> <li>Following the global acquisition of Agility by DSV, he was appointed as the CEO of the Logistics Sector (warehousing, transportation, distribution, exhibitions, and events) in Saudi Arabia until September <b>2023G</b>, when he joined the Almunajem Group of Companies.</li> <li>Recognized as an exceptional leader in supply chain management and contract logistics</li> </ul>



**10. Mr. Mohamed Attia Abdelhadi**

Nationality	Current Position	Qualifications	Previous Positions	Experience
Egyptian	Director, Quality assurance, Almunajem Foods.	Bachelor’s Degree, Agricultural Sciences, Ain Shams University, Cairo, Egypt, <b>1998G.</b>	Several Positions, Different Companies.	June <b>2011G:</b> Quality Assurance Director at Almunajem Foods.



**11. Mr. Mazen Abdulghani El Danab**

Nationality	Current Position	Qualifications	Previous Positions	Experience
Lebanese	Marketing Director, Almunajem Foods	Master’s Degree, Business Administration, Lebanese American University, Lebanon, <b>1996G.</b> Bachelor’s Degree, Business Accounting, Lebanese American University, Lebanon, <b>1992G.</b>	Manager, Direct Distribution Sales, Manager, Wholesale and Food Services Sales, and other Positions, Almunajem Foods. July <b>2014G:</b> Director, Procurement Department, Almunajem Foods.	Food Sales, Procurement, and Marketing <b>1998G:</b> Joined Almunajem Foods.

**Interest of Senior Executives, Their Wives, and Minor Children in Company Shares**

The table below outlines the interests of Senior Executives, their wives, and their minor children in the Company’s shares, along with any changes in these interests or rights during **2025G:**

Name	Description	Share Ownership		
		Opening Balance (January 2025)	Closing Balance (December 2025)	Change Percentage
Mr. Mohammed Ali Almunajem	Indirect Ownership	<b>870,000</b>	<b>870,000</b>	-



## General Assemblies of Shareholders

The General Assembly is held at least once annually within the six months following the end of the Company's fiscal year. Additionally, an Ordinary General Assembly may be called to convene, whenever necessary.

### Ordinary General Assembly

The Company's Extraordinary General Assembly was held on **20th May 2025G**, with an attendance rate of **77.58%**. The following Board Members were present:

Name	Position	Attendance Record
Mr. Saleh bin Abdullah bin Ali Almunajem	Chairman of the Board	✓
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Vice Chairman	✓
Mr. Nader bin Ibrahim Alwohaibi	Board Member	✓
Eng. Hasan bin Shakib AlJabri	Board Member	✓
Mr. Abdullah bin Omar Bawazir	Board Member	✓
Eng. Thamer bin Abdulaziz Abanumay	Board Member	✓
<b>Total Attendance</b>		<b>6</b>

### Extraordinary General Assembly

The Company's Ordinary General Assembly was held on **31st July 2025G**, with an attendance rate of **76.30%**. The following Board Members were present:

Name	Position	Attendance Record
Mr. Saleh bin Abdullah bin Ali Almunajem	Chairman of the Board	✓
Mr. Suliman bin Abdulrahman Abdullah Al-Guwaiz	Vice Chairman	✓
Mr. Nader bin Ibrahim Alwohaibi	Board Member	×
Eng. Hasan bin Shakib AlJabri	Board Member	✓
Mr. Abdullah bin Omar Bawazir	Board Member	✓
Eng. Thamer bin Abdulaziz Abanumay	Board Member	✓
<b>Total Attendance</b>		<b>5</b>

## Board Performance Evaluation

To monitor and enhance the performance of the Board, ensure compliance with regulatory requirements, implement best practices in corporate governance, and strengthen the Board's effectiveness, Almunajem Foods Board will establish an appropriate policy for evaluating the performance of its Members and Members of its Committees. The objective is to ensure that the Members of the Board and its Committees continue to meet the standards and conditions specified in the defined membership procedures for the Board, as well as continue to comply with the requirements of the laws, regulations, and instructions issued by the Ministry of Commerce and CMA. This policy serves as one of the key guiding articles that the Company aims to implement in the upcoming period. However, the Board has not set performance indicators or conducted an individual assessment for this year.

For the year **2025G**, Almunajem Foods has limited its Board evaluation to an internal assessment conducted by the Nomination and Remuneration Committee. The Committee evaluated the performance of the Board and its Members using approved assessment models. The Company is also considering the possibility of outsourcing this assessment to a specialized external entity in the future.

## Company's Bylaws

The Bylaws of Almunajem Foods serve as the document that defines the legal regulations and guiding principles governing the Company's activities and core objectives. The Bylaws include a set of key provisions that outline the Company's identity, operations, organizational structure, and the procedures and policies that regulate it, in alignment with the provisions of the Companies Law and the Corporate Governance Regulations in the Kingdom. The Bylaws of Almunajem Foods consist of a set of provisions that establish the regulatory framework governing relationships and transactions both within and outside the Company.

# Corporate Governance

## General Governance Framework

Almunajem Foods aims to ensure the implementation of the best corporate governance practices. The Company has established effective and reliable policies and procedures to protect the rights of shareholders and all stakeholders. To achieve this goal, the Company has adopted a corporate governance manual and policy that outlines the standards, framework, and regulatory guidelines for the Company's management to ensure compliance with the best practices. This manual governs business conduct procedures, monitors the compliance of the Board and officials with these practices, and defines mechanisms for maintaining these practices in a manner that serves and supports the Company's interests.

Almunajem Foods recognizes that the successful implementation of good governance practices extends beyond mere compliance with legal requirements. It involves establishing a framework that fosters a culture of integrity, accountability, and effective business policies. Therefore, the governance manual is periodically reviewed by the Board as needed to ensure its alignment with the applicable regulations in the Kingdom, including the rules issued by CMA, the Listing and Registration Rules, the Corporate Governance Regulations, the Companies Law, and the instructions issued by the Ministry of Commerce and Investment. This process aims to enhance the Company's governance practices.

## Corporate Governance Manual

The Corporate Governance Manual, approved by the Board and the General Assembly, covers the following broad areas:

- |   |  |   |   |
|---|--|---|---|
|  | 1. Policies and Procedures for Board Membership. |  | 7. Shareholder Communication Policies.  |
|  | 2. Conflict of Interest Policy.                  |  | 8. Disclosure and Transparency Policies.  |
|  | 3. Insider Trading Policy.                       |  | 9. Audit Committee Functions.   |
|  | 4. Board Committee Principles and Policies.      |  | 10. Nomination and Remuneration Committee.  |
|  | 5. General Assembly Policies.                    |  | 11. Policies for Internal and External Auditing, Monitoring, Evaluation, and Internal Controls. |
|  | 6. Dividend Distribution Policy.                 |   |   |



## Core Governance Principles

Almunajem Foods is committed to the highest levels of legal disclosure, clear and fair disclosure, and the disclosure of material developments. In this regard, the Company's governance system is based on the following principles:

### Leadership

- In line with sound leadership principles, the Company is led by an effective Board, which is collectively responsible for its sustainability, ensuring its long-term success and growth.
- There is a clear distribution of responsibilities among Board Members between Company leadership and Executive Management, ensuring no individual has unrestricted decision-making authority, as all decisions are governed by structured frameworks.
- The Chairman of the Board is responsible for leading the Board and ensuring its effectiveness in all matters related to its role. To reinforce the collaborative role of Board Members, Non-Executive Members must engage constructively in discussions and contribute to the development of strategy supporting proposals.

### Shareholder Engagement

- The Board is responsible for building a constructive dialogue with shareholders based on a mutual understanding of objectives through the Ordinary General Assembly. In this regard, the Board collectively ensures the existence of an effective and acceptable communication channel with shareholders.
- The Board must actively engage with shareholders' views through all practical and efficient means.

### Effectiveness

- Members of the Board and its Committees must maintain an appropriate balance of skills, expertise, independence, and knowledge of the Company to effectively fulfill their duties and responsibilities.

### Accountability

- The Board provides a balanced and realistic assessment of the Company's position and future prospects and is held accountable for it.
- The Board is responsible for implementing sound risk management and internal control systems and is accountable for their effectiveness.
- The Board establishes the necessary formal arrangements for reporting, risk management, internal control, internal auditing, and maintaining an appropriate relationship with the External Auditor, ensuring full accountability.

### Remuneration

- Remuneration levels are adequately designed to attract, retain, and motivate qualified professionals to achieve the required quality in successfully managing the Company while avoiding excessive payments beyond what is necessary for this purpose. Additionally, remuneration shall not exceed the limits permitted by applicable laws and circulars.
- The remuneration of the Managing Director and Executive Management must be linked to both collective and individual performance levels within the Company.
- No Director is allowed to determine his personal remuneration.



## Procedures for Communicating Shareholder Proposals and Feedback on the Company and its Performance to the Board Members

Almunajem Foods places great importance on maintaining continuous communication with shareholders, recognizing their rights and interests. The Company has a dedicated Investor Relations (IR) Department under the Finance Department that monitors and receives all shareholder inquiries, feedback, and proposals. These are either handled immediately or reported directly to the Executive Management and the Board for review. To facilitate this communication, the Company provides multiple channels as follows:

Website: [www.almunajemfoods.com](http://www.almunajemfoods.com) Email: [IR@almunajemfoods.com](mailto:IR@almunajemfoods.com)  
 IR page Email: [Info@almunajemfoods.com](mailto:Info@almunajemfoods.com)  
 Phone: +966114755555

All investors can access financial reports, corporate governance policies, periodic announcements, and relevant information through the IR section on the Company's website. Additionally, quarterly and annual meetings were held in 2025G with investors and financial analysts to discuss the Company's financial results.

## Provisions and Compliance

Almunajem Foods Management has established the required rules for leading and steering the Company. These rules include mechanisms to regulate the relationships between the Board, Executive Directors, shareholders, and entities dealing with the Company. These rules include specific procedures aiming to facilitate the decision-making process while enhancing transparency and credibility with the aim of protecting the rights of shareholders and entities dealing with the Company and contributing to fairness, competitiveness, and transparency in the market and business environment.

The Company is committed to applying CMA's Corporate Governance Regulation (CGR) provisions. CGR requires the disclosure of both applicable and non-applicable provisions, along with including explanations for any case of non-application in the Board's report. The Company's Governance and Compliance Department, in collaboration with the Executive Management and Executive Committees, continuously reviews and updates governance policies and practices to enhance integrity and transparency. The Company also adheres to all mandatory provisions contained in CGR with the exception of the guidance articles listed below:

No. of Article/ Paragraph	Title	Text of Article/Paragraph	Degree of Application	Causes of Non-Application
Article 37 (Guiding Article)	Training	The Company shall pay adequate attention to training and qualifying Board Members, Committee Members, and the Executive Management, and shall develop the necessary programs for the same.	Not Applied	The Company has its own training and qualification plan in different departments.
Article 67 (Guiding Article)	Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee". The Chairman and majority of its Members shall be Non-Executive Directors. The Members of that Committee shall possess an adequate level of knowledge in risk management and finance.	Not Applied	The Board provides real-time monitoring of risks during all Board meetings.
Article 82 (Guiding Article)	Employee Incentives	The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees.	Not Applied	The Company has its own employee incentive plan; the implementation mechanism falls within the specification of the Nomination and Remuneration Committee, which is a subcommittee of the Board.
Article 84 (Guiding Article)	Social Responsibility	The Ordinary General Assembly, based on the Board of Directors' recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community.	Not Applied	The Company engages in certain social initiatives; however, these are conducted without specific programs or measurable indicators.
Article 85 (Guiding Article)	Social Initiatives	The Board shall establish programs and determine necessary methods for proposing social initiatives.		
Article 92 (Guiding Article)	Formation of the Corporate Governance Committee	If the Board forms a Corporate Governance Committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such a Committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually.	Not Applied	The Company does not currently see the necessity to form a Governance Committee and will comply with this provision when needed.

## Transactions with Related Parties

Almunajem Foods engages in transactions with related parties during its normal course of business. These transactions are conducted under the same terms applied to dealings with other parties. Below are the transactions or contracts in which the Company is a party to, or where a Member of the Company's Board, Senior Executives, or any related person has an interest, or any transaction between the Company and other related parties.

During FY **2025G**, certain contracts, in which the Company was a party and where some Board Members had interests, survived. Some of these contracts were agreed upon in previous years and are extensions of ongoing relationships that began before **2025G**.

The following table shows a detailed description of the contracts concluded with the Related Parties in **2025G**, and the interests of the Company's Board Members and Senior Executives in these contracts:

Related Party	Nature of Interest	Contract-ing Party	Type of Rela-tion with the Company	Contracting Nature	Duration	Contracting Nature Nature of Contract (Deal/Contract/ Purchase Order)	Transaction Conditions	Amount (SAR)
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	France Poultry Co.	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Purchases	There Are No Preferential Conditions	<b>386,835,372</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Shawaya House Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Sales	There Are No Preferential Conditions	<b>17,379,832</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Shawaya House Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Purchases, Meals for Employees, Shared Service Expenses	There Are No Preferential Conditions	<b>48,153</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Gulf Catering Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Sales	There Are No Preferential Conditions	<b>9,043,102</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Gulf Catering Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Purchases, Meals for Employees, Shared Service Expenses	There Are No Preferential Conditions	<b>2,418,450</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Nutrition and Diet Center (NDC) Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Sales	There Are No Preferential Conditions	<b>7,028,809</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar	Indirect	Nutrition and Diet Center (NDC) Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Purchases	There Are No Preferential Conditions	<b>4,871,098</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Nutrition and Diet Center (NDC) Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Shared Services Expenses	There Are No Preferential Conditions	<b>294,729</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Azzad Saudi Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Sales	There Are No Preferential Conditions	<b>1,778,245</b>

Related Party	Nature of Interest	Contracting Party	Type of Relation with the Company	Contracting Nature	Duration	Contracting Nature Nature of Contract (Deal/Contract/ Purchase Order)	Transaction Conditions	Amount (SAR)
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Azzad Saudi Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Purchases, Meals for Employees, Shared Service Expenses	There Are No Preferential Conditions	<b>95,992</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Thati Limited Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Food Sales	There Are No Preferential Conditions	<b>29,000</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Thati Limited Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Shared Expenses	There Are No Preferential Conditions	<b>145,368</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Bureida Trading and Refrigeration Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Purchase of Equipment and Cooling and Freezing Boxes	There Are No Preferential Conditions	<b>11,190,900</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Bureida Trading and Refrigeration Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	Shared Service Expenses and Maintenance of Cooling Equipment and Boxes	There Are No Preferential Conditions	<b>233,956</b>
Mr. Saleh bin Abdullah bin Ali Almunajem	Indirect	Alkafaa Real Estate Company	Sister Company– A Subsidiary to the Parent Company	Contract	Annual	The Company Rented Work Sites and Accommodation	There Are No Preferential Conditions	<b>3,240,962</b>
Mr. Saleh bin Abdullah bin Ali Almunajem Mr. Nader bin Ibrahim Alwohaibi Mr. Abdullah bin Omar Bawazir	Indirect	Abdullah Ali Almunajem Sons Company	Parent Company and a Board Member	Contract	Annual	The Company Rented Work Sites, Accommodation, and Shared Services	There Are No Preferential Conditions	<b>1,183,791</b>
Mr. Mohammad Ibrahim AlRowette	Direct	Four Steps Marketing Foundation	A Company Owned by One of the Board Members	Contract	Annual	Abdullah Ali Almunajem Sons Company		<b>13,000</b>
Mr. Saleh bin Abdullah bin Ali Almunajem	Indirect	Abdulaziz Abdullah Almunajem	A Shareholder in the Parent Company	Contract	Annual	The Company Rented Accommodation for One of the Employees	There Are No Preferential Conditions	<b>27,000</b>
Mr. Abdullah bin Omar Bawazir Eng. Thamer bin Abdulaziz Abanumay	Indirect	Balady Poultry Co.	Almunajem Foods Owns <b>40%</b> of the Company	Contract	Annual	Food Purchases	There Are No Preferential Conditions	<b>227,314</b>

## There Are No Preferential Conditions

The Company pays statutory fees and charges due to the Saudi government authorities as per the applicable laws and regulations. The following table shows details of payments related to fees and costs during 2025G in brief:

Legal Authority	2025 (All Amounts in SAR)		Brief Description	Reasons
	Paid	Due Amount until the End of Year		
General Organization for Social Insurance (GOSI)	6,662,376	582,405	Amounts paid or charged as social insurance expenses, in accordance with the Saudi Labor Law	Government Requirements
The General Authority of Customs	355,429,740	9,072,836	Amounts paid or deducted as customs duties on imports and ports	Government Requirements
General Authority of Zakat and Tax (ZATCA)	391,570,906	39,596,599	Amounts paid as Zakat, withholding tax, income tax, and value added tax expenses, in accordance with various laws	Government Requirements
Other Legal Authorities	16,491,283	-	Amounts paid or charged in accordance with other applicable laws	Government Requirements

## Loans

The following table includes a detailed list of the total value of the Company's loans between 2024G and 2025G, with a breakdown of these loans:

Detailed Statement of the Total Value of the Company's Loans Between 2024G and 2025G

(All amounts in SAR)

Statement / Year	2025	2024
Short-Term Loans	325,000,000.00	92,000,000.00
Long-Term Loans	11,321,764	-
Current Portion of Short-Term Loans	325,000,000.00	92,000,000.00
Current Portion of Long-Term Loans	-	-
<b>Total Loans</b>	<b>336,321,764</b>	<b>92,000,000.00</b>

The following table provides a detailed statement of the value of the Company's loans to banks to the end of 2025G:

### Detailed Statement of the Value of the Company's Loans to Banks to the End of 2025G (All amounts in SAR)

Lending Institution Name	Original Loan Amount	Issuance Date	Maturity Date	Loan Balance as of the End of the Year
SAB	150,000,000	30-12-25	08-01-26	92,000,000.00
SNB	84,000,000	25-12-25	01-01-26	0
SNB	18,000,000	25-12-25	01-01-26	0
SNB	8,000,000	25-12-25	01-01-26	0
SNB	30,000,000	25-12-25	01-01-26	0
SNB	35,000,000	25-12-25	01-01-26	0

## Our shareholders

Based on the Board's keenness to raise the standards of disclosure and transparency, Almunajem Foods strives to provide comprehensive, accurate, and clear information that enables shareholders to fully exercise their rights. The Company is committed to providing this information in a timely manner and updating it regularly. In this regard, the Company has intensified its efforts in communicating with shareholders through various media and official means.

## Investor Relations (IR)

City	Riyadh	ISIN Code	SA15DGU21117
Country	Kingdom of Saudi Arabia	The financial market to which it belongs	Tadawul Saudi Arabia - Main Market - TASI
Type of Ownership	Public Joint Stock Company	Scope of Work	Importing, Marketing, and Distributing Frozen, Chilled, and Dry Food Products
Year of Establishment	1950	Sector	Retail and Distribution of Consumer Goods
Listing Date	20/12/2021	Number of Issued Shares	60 Mln Shares
Company's Short Name on Tadawul	Almunajem	Paid-up Capital	600 SAR Mln
Foreign Ownership by the End of 2025	3.86%	Company's Code on Tadawul	4162
Share Closing Price by the End of 2025	49.96	Par Value/Share	10 SAR
Market Cap by the End of 2025	2,997,600,000 SAR	Percentage of Free Float	30%

## Substantial Shareholders

The following tables illustrate the ownership structure of Almunajem Foods and the ownership of foreign investors in the Company as of the end of **2025G**:

Structure of Substantial Shareholders and Change in their Ownership Percentage

Name	2024		2025	
	No. of Owned Shares	Ownership Percentage	No. of Owned Shares	Ownership Percentage
Abdullah Ali Almunajem Sons Company (Closed Joint Stock Company)	41,580,000	69.3%	41,580,000	69.3%

## Company's Shareholders Register Application in 2025

During **2025G**, Almunajem Foods applied for the shareholders' register from the Securities Depository Center (Edaa). The following is a summary of the dates and reasons for these applications:

S	Date of Application	Reason for Application	S	Date of Application	Reason for Application
1	20/05/2025	The General Assembly	4	30/09/2025	Company Procedures
2	31/07/2025	The General Assembly	5	24/11/2025	Other
3	30/06/2025	Other	6	03/11/2025	Company Procedures

## Disclosure and Transparency

Almunajem Foods is committed to disclosing all material decisions and critical information to investors through "Tadawul" and its Investor Relations (IR) website in adherence to the principles of transparency and fairness. The Company strictly complies with all policies and procedures related to the disclosure of financial statements and performance reports in accordance with applicable legal requirements, regulatory frameworks, and directives issued by relevant authorities.

In **2025G**, the Company focused on enhancing transparency by implementing several key measures, most notably organizing regular quarterly meetings with investors and financial analysts to discuss financial results, company performance, and major strategic and operational developments. Additionally, investor and analyst inquiries were addressed, and the Company's future strategies were clearly and directly communicated with the Management Team.

The Company remains committed to upholding principles that safeguard shareholder rights and ensure fairness by providing information in a timely manner and through recognized channels. Almunajem Foods shares details of its performance, activities, and operations throughout the year via its Annual Report and the annual General Assembly meeting, enabling shareholders and investors to stay fully informed of any significant developments that may impact its financial position and business operations without compromising its competitive edge.

The Company also ensures the regular distribution of dividends to shareholders and continuously reminds them to update their personal information and link their bank accounts to their portfolios to avoid any delays in dividend payments.

Throughout **2025G**, the Company announced several financial events and strategic activities. All disclosures were published on the official website of the Saudi Stock Exchange (Tadawul) and on the IR page of the Company's official website. In total, the Company issued **17** investor announcements during the year, as follows:

## Almunajem Foods Disclosures in 2025

S	Announcement Date	Announcement Title
1	16/02/2025	Announcement of the Board's decision on the formation of the Audit Committee
2	16/02/2025	Announcement of the Board's decision to appoint the Chairman of the Board and Vice Chairman, form Board Subcommittees, and appoint the Company's representatives
3	16/03/2025	Announcement of the annual financial results for the period ending on <b>31st December 2024 (12 months)</b>
4	24/04/2025	Invitation from the Board to shareholders to attend the Ordinary General Assembly meeting (first meeting) via modern technology means
5	11/05/2025	Announcement of the interim financial results for the period ending on <b>31st March 2025 (three months)</b>
6	13/05/2025	Announcement regarding the latest developments on the establishment of a limited liability subsidiary
7	21/05/2025	Announcement of the results of the Ordinary General Assembly meeting (first meeting)
8	03/06/2025	Announcement of the Board's decision to distribute cash dividends to shareholders for <b>H1 of FY 2025</b>
9	10/07/2025	Invitation from the Board to shareholders to attend the Extraordinary General Assembly meeting (first meeting) via modern technology means
10	03/08/2025	Announcement of the results of the Extraordinary General Assembly meeting (first meeting)
11	10/08/2025	Announcement of the interim financial results for the period ending on <b>30th June 2025 (six months)</b>
12	04/11/2025	Announcement of the interim financial results for the period ending on <b>30th September 2025 (nine months)</b>
13	16/11/2025	Announcement of the Board's approval of the CEO's resignation and the appointment of a new CEO
14	16/11/2025	Announcement of the appointment of a Managing Director
15	18/11/2025	Announcement of the Board's decision to distribute cash dividends to shareholders for <b>H2 of FY 2025</b>
16	18/12/2025	Announcement of a change in the position of Vice Chairman of the Board
17	22/12/2025	Announcement of the receipt of the first disbursement from the loan granted by the Saudi Industrial Development Fund (SIDF)

## Conference Calls Scheduled by the Company Throughout the Year to Discuss Financial Statements

S	Date	Event
1	25/3/2025	Conference call to discuss the financial results for FY 2024
2	26/5/2025	Conference call to discuss the financial results for Q1 of FY 2025
3	20/8/2025	Conference call to discuss the financial results for Q2 of FY 2025
4	19/11/2025	Conference call to discuss the financial results for Q3 of FY 2025

## Dividends Distributions

The Board shall recommend declaring and paying any dividends before approval by the shareholders at the meeting of the General Assembly. The Company is under no obligation to declare dividends and any decision to do so will depend on, inter alia, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, restrictions to which the dividend distribution process is subject under financing and debt agreements, Zakat, and other legal and regulatory considerations.

According to the Company's Bylaws, the annual net profits are distributed as follows:

1. The Ordinary General Assembly may, upon the Board's approval, retain a percentage of the net profits to form a public reserve to be allocated for special purposes.
2. The General Assembly may resolve to retain other reserves to the extent that doing so serves the interest of the Company or ensures the distribution of a stable dividend as possible to shareholders. The said Assembly may also deduct from the net profits amounts for the establishment of social institutions for the Company's employees or to support existing institutions.
3. The Ordinary General Assembly may resolve to distribute the remainder of the above to the shareholders of the Company.
4. The Company may distribute interim profits to its shareholders on a semi-annual or quarterly basis after meeting the requirements issued by CMA. The Company may authorize the Board to execute such distributions in accordance with the controls issued by CMA.
5. The General Assembly may allocate any amount from the Company's funds available for cash distributions as a general reserve or to achieve social purposes for the Company's employees or its Subsidiaries or for other purposes related to the Company, as deemed beneficial by the Board.

## Entitlement to Dividends

Shareholders shall be entitled to dividends pursuant to the General Assembly resolution adopted in that regard and indicating the maturity and distribution dates. The entitlement to dividends is for the shareholders registered in the shareholders' records at the end of the specified maturity day.

## Company's Distribution of Dividends in 2025

Description	Period		Total
	H1	H2	
Percentage of Capital Dividends	10%	10%	20%
Dividend Per Share (SAR)	1	1	2
Total Distributed Dividends (SAR)	60,000,000	60,000,000	120,000,000

## Dividends Distributed to the Company's Shareholders over the Past 4 Years

Year	Distribution Rate	Dividend per Share (SAR)	Total Distribution (SAR)
2025	20%	2	120,000,000
2024	32.5%	3.25	195,000,000
2023	32.5%	3.25	195,000,000
2022	22.5%	2.25	135,000,000

## Unclaimed Dividends

In its commitment to safeguarding shareholder rights and adhering to the integrity principle, Almunajem Foods has provided a feature for shareholders to inquire about unclaimed dividends. The Company is dedicated to disbursing these amounts to their rightful owners. Shareholders can send their name and identification number via the email: IR@almunajemfoods.com or use the contact form available on the IR page on the Company's official website.

## Shareholders' Suggestions and Feedback regarding the Company and its Performance

The following measures are taken by Almunajem Foods' Board to inform its Members – especially Non-Executives – of the shareholders' suggestions and feedback regarding the Company and its performance:

1. Board Members and Committees' Chairmen attend the General Assembly meetings to keep abreast of the shareholders' feedback and suggestions.
2. Quarterly and annual meetings were held in **2025G** with investors and financial analysts to discuss the Company's financial results.
3. The Company's IR informed the Board Members of the shareholders' feedback and suggestions throughout the year.

For more information, kindly visit Almunajem Foods IR website via the following link:

[www.almunajemfoods.com/ar/investor-relations](http://www.almunajemfoods.com/ar/investor-relations)

For more inquiries and questions, kindly email directly on:

[IR@almunajemfoods.com](mailto:IR@almunajemfoods.com) | [Info@almunajemfoods.com](mailto:Info@almunajemfoods.com)

In order to promote the best practices of corporate governance for the Board and the Company, Almunajem Foods has completed an assessment and review of the governance practices of the Board. The review covered the following dimensions:

1. Board leadership and governance.
2. Regular communication with investors and analysts.
3. The Company's financial strength, especially in terms of the growth of profits.
4. Communication and flow of information between the Board and shareholders.
5. The Company is committed to working in accordance with laws and regulations to protect its shareholders.
6. Disclosure of substantial developments regarding the Company's performance, activities, and operations, including financial statements and performance reports.
7. The timely provision of suitable information for all shareholders through the Company's communication channels.

## Sustainability and Social Responsibility

Almunajem Foods is committed to incorporating sustainability principles into every aspect of its operations. This dedication not only improves the Company's reputation but also strengthens its relationships with consumers and the community in general. The Company believes that compliance with sustainability is essential for building confidence with customers and partners. The Company further strives to achieve a balance between economic growth and social and environmental responsibility.

The Company applies this sustainable model in all its various activities, products, and services. By adopting sustainable agricultural practices and modern technologies in production and distribution, the Company aims to reduce its environmental impact and enhance resource efficiency. The Company's commitment to sustainability reflects its vision of achieving long-term success based on its values and responsibility toward the community.

### Towards A Sustainable Community

Community	Environment	Public Health	Employees	Economy
<ul style="list-style-type: none"> <li>· Meeting the needs of the community is at the top of the sustainability pyramid.</li> <li>· A sustainable community is less vulnerable to risks.</li> <li>· Continuous development of sustainability benefits the community.</li> <li>· Increasing the Saudization rates of jobs in the Company serves the Saudi community.</li> <li>· In order to achieve customer satisfaction, the Company has established a comprehensive process to follow up on end clients/consumer feedback and address any complaints immediately, along with a specialized customer service team, a quality team, and suppliers, with the involvement of the Senior Management</li> </ul>	<ul style="list-style-type: none"> <li>· Using environmentally friendly renewable energy technologies in some of the operational processes.</li> <li>· Currently, owning <b>3528</b> solar panels with a production capacity of up to <b>135</b> megawatts per hour at its branch in Ri-yadh. This initiative has yielded tangible results in promoting the use of renewable energy and has effectively contributed to reducing carbon emissions by <b>1300</b> tons annually.</li> <li>· Planning to expand the installation of renewable energy technologies across the branches.</li> <li>· The company initiated a project to plant a tree for each employee.</li> </ul>	<ul style="list-style-type: none"> <li>· Providing healthy and nutritious products.</li> <li>· Protecting the environment from pollution.</li> <li>· Packaging in a healthy and safe manner.</li> <li>· Developing a diverse and excellent range of high quality nutritious food products, such as antioxidant rich berries and acai, as well as a comprehensive selection of vegetables.</li> </ul>	<ul style="list-style-type: none"> <li>· Improving the living conditions of employees and their families and providing appropriate healthcare for them.</li> <li>· Protecting workers' rights by ensuring a safe and healthy working environment that aligns with occupational safety standards, guaranteeing that workers receive their financial and job related rights in accordance with labor laws in the Kingdom, and implementing policies of non-discrimination and equal employment opportunities.</li> <li>· Developing workers' skills by offering specialized training programs to enhance employee efficiency in various fields, encouraging innovation, and fostering leadership skills among employees to boost their professional competence.</li> </ul>	<ul style="list-style-type: none"> <li>· Contributing to the development of the national economy by adopting strategies focused on operational efficiency, supporting local content, and developing national talent.</li> <li>· Investing in sustainable projects, such as the use of renewable energy, which helps reduce operational costs, enhances production efficiency, achieves sustainability, and reduces the carbon footprint. This positively reflects and contributes to achieving the Kingdom's Vision <b>2030</b> to strengthen the sustainable economy.</li> <li>· Contributing to the development of the sector in the Kingdom is one of the Company's priorities.</li> <li>· Achieving financial sustainability is a key goal of the Company.</li> </ul>



## Internal Audit and Control at the Company

### Internal Control

Effective controls and risk management are fundamental to achieving the objectives of the Company. The Management is responsible for establishing a comprehensive and effective internal and financial control system. This system is based on the Management's vision and judgment regarding the establishment of a control system that aligns with the relative significance of financial risks and other risks associated with the Company's activities. Therefore, the internal and financial control system is designed to provide reasonable assurance in order to avoid material errors and minimize associated risks and losses.

Based on the Audit Committee's work in **2025G** and the corrective actions taken by the Company's Management to enhance the internal control, financial, and risk management system, the Audit Committee did not identify any substantial deficit regarding risk management or the effectiveness of the internal control and financial oversight system that requires disclosure. The Committee believes that the Company has an effective internal and financial control system that is reasonably designed and implemented to mitigate risks.

### Internal Audit Department Scope of Work

Providing Recommendations	Verification and Assurance	Examination and Evaluation	Supervision and Monitoring	Review and Discussion
Providing the necessary recommendations to the Board to activate and improve the internal control procedures within the Company.	Ensuring the presence of an effective internal control system in the Company and confirming the implementation of the corrective actions for any violations.	Examining and evaluating the adequacy and effectiveness of control systems.	Monitoring the internal audit operations in the Company and overseeing the implementation of tasks effectively.	Reviewing the reports submitted by the Internal Auditor and discussing any remarks.

## Auditing Processes

The auditing reports did not reveal any substantial weakness in the Company's internal control system regarding the financial statements. In fact, most feedback mainly focused on enhancing performance, boosting the work of various departments and sections, and raising the efficiency thereof, completing the authentication process for the sake of strengthening the control system and optimally using available resources.

There were no recommendations from the Audit Committee that conflicted with the Board's decisions, nor were there any recommendations that the Board refused to adopt regarding the appointment, dismissal, remuneration, or performance evaluation of the External or Internal Auditors.

- Internal Auditor's Report
- Audit Committee Opinion
- Audit Committee Recommendation for the Appointment of an External Auditor.

The Committee reviewed proposals submitted by a number of accredited audit firms for the annual audit of the financial year ending on **31st December 2025G** and submitted its recommendation to the Board for referral to the General Assembly of Shareholders for the appointment of an external auditor from among the nominated candidates. Ernst & Young (EY) was selected, with audit fees set at SAR **690,000** (six hundred ninety thousand Saudi riyals only) for **2025G**.

## Corporate Governance Regulations

Generally speaking, Almunajem Foods complies with the provisions of the Corporate Governance Regulations issued by CMA and the key governance principles for the companies operating in the Kingdom. The Company is keen to abide by all governance regulations, keep up with the latest developments thereof, and continues to update related policies and procedures upon the issuance of any regulatory changes that require the same.

## Board Declarations

Almunajem Foods' Board hereby declares that:

- The accounting records have been duly updated and prepared.
- The internal control system has been duly made and adequately implemented.
- The Board has no doubts about the Company's ability to continue its activity.
- The consolidated financial statements for the fiscal year ending on December **31, 2025G** have been prepared in accordance with full IFRS-KSA

and with other standards and pronouncements that are endorsed by SOCPA.

- No substantial events have occurred that affect the safety of the Company's financial position following the end of the fiscal year **2025G** that need to be disclosed, other than the already available information declared earlier.
- The Company Board did not receive any request from the financial auditors calling upon the General Assembly to convene in **2025G**.

- The Company Board did not receive a request from shareholders holding **5%** or more of the Company capital claiming upon the General Assembly to convene in **2025G**.
- The Company did not report any normal or legal person who holds **5%** or more of the Company's issued shares in **2025G**.
- No measures have been taken obstructing the rights of shareholders to vote.
- There are no treasury shares held by the Company or any details about the uses of such shares.
- The subsidiaries hold no equity shares or debt instruments.
- There are no convertible debt instruments into shares, and there are no option rights, subscription right memos, or similar rights issued or granted by the Company in **2025G**.
- There are no recoveries, purchases, or cancellations by the Company during **2025G** for any of the recoverable debt instruments.
- No arrangements or agreements have been concluded, according to which any of the Company's Board Members or Senior Executives have assigned any salaries, remunerations, or rewards in **2025G**.
- No arrangements or agreements have been concluded, according to which any of the Company's shareholders have assigned any of the rights in dividends.
- The Company is not a party to any agreement in which any of the Board Members, CEO, CFO, or any related person has or had a substantial interest, save for what has been already disclosed in the General Assembly meeting.
- The Company did not offer any cash loans whatsoever to any of its Board Members and did not serve as a guarantor for any loan to any third party.
- No option rights or subscription rights are held by any of the Board Members, Senior Executives, their spouses, or minor children.
- There are no investments or reserves established for the benefit of the Company's employees.
- There are no penalties, disciplinary actions, precautionary measures, or restrictions imposed on the Company in **2025**.
- The Company's Independent Auditor has expressed his opinion without reservations on the consolidated financial statements of **2025G**.
- No recommendations have been issued by the Audit Committee that conflict with the Board resolutions or which the Board did not accept regarding the Company's auditor appointment, dismissal, remuneration, performance appraisal, or the appointment of the Internal Auditor.
- None of the Board Members is/was exercising any business activities that are competitive to the Company business or any of the branches thereof.

## Financial statements

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## Development of the financial statements over five years

Almunajem Foods has experienced consistent revenue growth over the past five years, with sales increasing from SAR **2577.02** million in **2021** to SAR **3,341.16** million in **2025**. Over the past five years, Company gross profit have grown with a CAGR of **5%** while net profit have drop by **1%**.

The company's asset base has expanded significantly from SAR **1297.97** million in **2021** to SAR **2,099.72** million in **2025**. This growth is driven by both current and non-current assets.

The shareholders' equity have steadily grown to reach SAR **1,044.94** million, reflecting retained earnings growth and a stronger equity base.

### Summary of the Company's Financial Statements Development over the Past 5 Years

(All Amounts in SAR Min)

Statement/Fiscal Year	2021	2022	2023	2024	2025
<b>Business Results</b>					
Sales	<b>2577.02</b>	<b>2978.52</b>	<b>3314.4</b>	<b>3346.98</b>	<b>3,341.16</b>
Cost of sales	<b>(2,135.65)</b>	<b>(2,395.26)</b>	<b>(2,732.10)</b>	<b>(2,780.56)</b>	<b>(2,810.26)</b>
Gross profit	<b>441.37</b>	<b>583.26</b>	<b>582.31</b>	<b>566.42</b>	<b>530.89</b>
Operating profit	<b>184.52</b>	<b>311.15</b>	<b>301.64</b>	<b>277.99</b>	<b>180.46</b>
Net profit	<b>166.09</b>	<b>290.2</b>	<b>282.21</b>	<b>278.65</b>	<b>159.86</b>
Earing per share (SR)	<b>31</b>	<b>4.84</b>	<b>4.7</b>	<b>4.64</b>	<b>2.66</b>
<b>Financial Position Statement</b>					
Current assets	<b>959.89</b>	<b>1163.89</b>	<b>1255.53</b>	<b>1216.93</b>	<b>1,258.43</b>
Current liabilities	<b>404.95</b>	<b>494.82</b>	<b>546.87</b>	<b>779.7</b>	<b>902.88</b>
Non-current asset	<b>338.08</b>	<b>320.46</b>	<b>309.23</b>	<b>719.32</b>	<b>841.29</b>
Non-current liabilities	<b>88.29</b>	<b>89.01</b>	<b>90.36</b>	<b>146.57</b>	<b>151.90</b>
Total assets	<b>1297.97</b>	<b>1484.35</b>	<b>1564.76</b>	<b>1936.25</b>	<b>2,099.72</b>
Total liabilities	<b>493.23</b>	<b>583.84</b>	<b>637.23</b>	<b>926.27</b>	<b>1,054.78</b>
Shareholders' Equity	<b>804.74</b>	<b>900.51</b>	<b>927.53</b>	<b>1009.98</b>	<b>1,044.94</b>
Total liabilities and Equity	<b>1297.97</b>	<b>1484.35</b>	<b>1564.76</b>	<b>1936.25</b>	<b>2,099.72</b>
Cash and cash equivalents	<b>85.53</b>	<b>111.03</b>	<b>248.93</b>	<b>42.63</b>	<b>22.20</b>
Total loans	<b>0</b>	<b>0</b>	<b>-</b>	<b>92</b>	<b>336.32</b>

Statement/Fiscal Year	2021	2022	2023	2024	2025
<b>Cash Flow Statement</b>					
Net cash from operating activities	<b>230.88</b>	<b>241.03</b>	<b>422.76</b>	<b>261.01</b>	<b>126.84</b>
Net cash used at investing activities	<b>(28.9)</b>	<b>(11.93)</b>	<b>(21.42)</b>	<b>(354.24)</b>	<b>(250.66)</b>
Net cash using in financing activities	<b>(136.36)</b>	<b>(203.59)</b>	<b>(263.44)</b>	<b>(113.07)</b>	<b>103.39</b>

### Key Financial Ratios and Indicators

The table below presents the development of financial ratios related to the performance and financial position of Almunajem Foods over the past five years, reflecting key trends in its business growth and financial and operational efficiency.

Key Financail ratios	2021	2022	2023	2024	2025
<b>Liquidity Ratios</b>					
Working capital (SR Min)	<b>469.41</b>	<b>558.04</b>	<b>459.73</b>	<b>486.6</b>	<b>558.35</b>
Current Ratio %	<b>237.04</b>	<b>235.21</b>	<b>229.58</b>	<b>156.08</b>	<b>139.37</b>
Cash Ratio %	<b>21.12</b>	<b>22.44</b>	<b>45.52</b>	<b>5.47</b>	<b>13.53</b>
Equity ratio %	<b>62.00</b>	<b>60.67</b>	<b>59.28</b>	<b>52.16</b>	<b>49.76</b>
<b>Debt Ratios</b>					
Total debit ratio %	<b>38.00</b>	<b>39.33</b>	<b>40.72</b>	<b>47.84</b>	<b>50.23</b>
Total assets to Equity (time)	<b>1.61</b>	<b>1.65</b>	<b>1.69</b>	<b>1.92</b>	<b>2.01</b>
Total liabilities to Equity %	<b>61.29</b>	<b>64.83</b>	<b>68.70</b>	<b>91.71</b>	<b>100.94</b>
Loans to total assets %	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.75</b>	<b>16.02</b>
<b>Profitability Ratios</b>					
Gross profit margin %	<b>17.13</b>	<b>19.58</b>	<b>17.57</b>	<b>16.92</b>	<b>15.89</b>
Net Profit margin %	<b>6.45</b>	<b>9.74</b>	<b>8.51</b>	<b>8.33</b>	<b>4.78</b>
Return on assets %	<b>12.80</b>	<b>19.55</b>	<b>18.04</b>	<b>14.39</b>	<b>7.61</b>
Return on Equity %	<b>20.64</b>	<b>32.23</b>	<b>30.43</b>	<b>27.59</b>	<b>15.30</b>

## Financial Results Analysis in Brief

### Income Statement

Almunajem Foods recorded a slight decrease with **0.2%** in revenue by the end of the current year, reaching SAR **3,341.16** million, compared to SAR **3,346.98** million in the previous year. This decrease is due to selling prices mainly associated with Red & White Meat category which is impacted by Poultry due to price pressures in the market

Net profit during **2025** decreased by **42.6%** to reach SR **159.9** million compared to SR **278.65** million in previous year. This decline is due to drop in gross profits mainly by **6.3%** driven by a decrease in gross profit margins mainly related with Red & White Meat category due to pricing pressures in Poultry market. In addition to slight increase in operating expenses during **2025** compared with the last year as a result of increase in employees' cost and selling & distribution expenses due to the expenses of the subsidiary, the Optimal Solutions Company for Logistics Services and establishing a new of new fresh poultry line of business.

### Year-on-Year Changes in Key Income Statement Items

(All Amounts in SAR Min).

Key Income Statement Items	FY 2025	FY 2024	Change in %
Revenue	<b>3,341.16</b>	<b>3,346.98</b>	<b>-0.2%</b>
Cost of revenue	<b>(2,810.26)</b>	<b>(2,780.56)</b>	<b>1.1%</b>
<b>Gross profit</b>	<b>530.89</b>	<b>566.42</b>	<b>-6.3%</b>
Operating profit	<b>180.46</b>	<b>277.99</b>	<b>-35.1%</b>
Net profit	<b>159.86</b>	<b>278.65</b>	<b>-42.6%</b>
Earnings per share (SR)	<b>2.66</b>	<b>4.64</b>	<b>-42.7%</b>

### Financial Position Statement

The Company's total assets grew by **8.4%** at the end of the current year, reaching SAR **2,099.72** million, compared to SAR **1,936.24** million in the previous year. This increase is mainly due to investment in a new food factory.

Total liabilities increased by **13.9%**, reaching SAR **1,054.78** million, compared to SAR **926.27** million in the previous year. This rise is attributed to a **15.8%** increase in current liabilities due to recording short-term loans of SAR **233** million, in addition to a **3.6%** year-on-year rise in non-current liabilities.

Shareholders' equity grew by **3.5%**, reaching SAR **1,044.94** million, compared to SAR **1,009.97** million in the previous year, driven by a **12.5%** increase in retained earnings, which amounted to SAR **359.4** million at the end of the current year

### Year-on-Year Changes in Key Financial Position Statement Items

(All Amounts in SAR Min)

Key financial position statement	FY 2025	FY 2024	Change in %
Current assets	<b>1,258.43</b>	<b>1,208.92</b>	<b>4.1%</b>
Non-current assets	<b>841.29</b>	<b>727.32</b>	<b>15.7%</b>
<b>Total assets</b>	<b>2,099.72</b>	<b>1,936.24</b>	<b>8.4%</b>
Current liabilities	<b>902.88</b>	<b>779.70</b>	<b>15.8%</b>
Non-Current liabilities	<b>151.90</b>	<b>146.57</b>	<b>3.6%</b>
Total liabilities	<b>1,054.78</b>	<b>926.27</b>	<b>13.9%</b>
Shareholders' equity	<b>1,044.94</b>	<b>1,009.97</b>	<b>3.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,099.72</b>	<b>1,936.24</b>	<b>8.4%</b>

# Independent Auditor's Report



Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (ﷲ5,500,000 – Five million five hundred thousand Saudi Riyal)

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## Independent Auditor's Report To the Shareholders of Almunajem Foods Company (A Saudi Joint Stock Company)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Almunajem Foods Company, (the “Company”) and its subsidiary (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

#### Basis for Opinion

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

#### Other Matter

The consolidated financial statements of the Group as at, and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 20 Ramadan 1446H (corresponding to 20 March 2025).

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



**Independent Auditor’s Report  
To the Shareholders of Almunajem Foods Company  
(A Saudi Joint Stock Company) (Continued)**

**Key Audit Matters**

Key Audit Matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>During the year ended 31 December 2025, the Group recognized total net revenue of <b>ﷲ</b> 3,341 million (2024: <b>ﷲ</b> 3,347 million).</p> <p>For the sale of goods (which represent 99% of the total revenue), the Group recognizes revenue at a point in time, typically when control of the goods is transferred to the customers in accordance with contractual terms. Revenue is measured at the fair value of the consideration received or receivable, taking into account terms of payment and excluding applicable taxes and duties.</p> <p>The Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before control is transferred.</p> <p>Based on above factors and materiality of the amounts involved, we have considered revenue recognition as a key audit matter.</p> <p>The Group’s accounting policy for revenue is disclosed in note (4) to the accompanying consolidated financial statements. The significant accounting estimates, assumptions, and judgments relating to revenue are disclosed in note (5), and related disclosures about revenue are included in note (24) to the accompanying consolidated financial statements.</p>	<p>Our audit procedures in this area included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the Group revenue recognition policy for compliance with IFRS 15;</li> <li>• Inspected, on a sample basis, customer contracts to validate that revenue (including discounts and rebates) were recognized in accordance with the contractual terms and the Group’s accounting policies;</li> <li>• Evaluated the design and implementation of the relevant Group’s internal controls over revenue recognition;</li> <li>• Tested, on a sample basis, revenue transactions recorded during the year and inspecting the supporting documents (including invoice, delivery evidence and approved sales price);</li> <li>• Tested and recalculated, on a sample basis, discounts and rebates according to customer contracts;</li> <li>• Tested, on a sample basis, transactions taking place before and after the reporting date to evaluate whether revenue was recognized in the proper accounting period;</li> <li>• Performed analytical procedures by comparing revenue with prior year, identifying trends in revenue during the year and analyzing variances; and</li> <li>• Assessed the adequacy of the relevant disclosures in the Group’s consolidated financial statements.</li> </ul>



**Independent Auditor’s Report  
To the Shareholders of Almunajem Foods Company  
(A Saudi Joint Stock Company) (Continued)**

**Other information included in the Group’s 2025 Annual Report**

Other information consists of the information included in the Group’s 2025 annual report, other than the consolidated financial statements and our auditors’ report thereon. Management is responsible for the other information in its annual report. The Group’s 2025 annual report is expected to be available to us after the date of this auditor’s report.

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

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

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

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

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

Those charged with governance i.e. Audit Committee is responsible for overseeing the Group’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

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



**Independent Auditor's Report  
To the Shareholders of Almunajem Foods Company  
(A Saudi Joint Stock Company) (Continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

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

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



**Independent Auditor's Report  
To the Shareholders of Almunajem Foods Company  
(A Saudi Joint Stock Company) (Continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

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

For Ernst & Young Professional Services

Abdullah A. Alshenaibir  
Certified Public accountant  
License No. (583)



Riyadh: 10 Shawwal 1447H  
(29 March 2026)

Almunajem Foods Company  
(A Saudi Joint Stock Company)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2025

	Notes	31 December 2025 S	31 December 2024 S
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	383,801,624	286,900,691
Right-of-use assets	7	86,049,816	95,393,398
Intangible assets	9	1,765,942	2,016,011
Investment in an associate	10	347,147,544	335,008,358
Long-term trade receivables	12	2,814,280	-
Advances to suppliers and contractors	13	19,708,806	8,006,125
<b>TOTAL NON-CURRENT ASSETS</b>		<b>841,288,012</b>	<b>727,324,583</b>
<b>CURRENT ASSETS</b>			
<b>Inventories, net</b>	18	<b>643,471,675</b>	<b>710,136,194</b>
Trade receivables, net	12	309,835,128	306,724,085
Prepayments and other assets	13	174,785,248	149,431,704
Financial assets at fair value through profit or loss (FVTPL)	14	8,140,338	-
Short-term murabaha deposit – carried at amortised cost	15	100,000,000	-
Cash and cash equivalents	11	22,195,325	42,628,379
<b>TOTAL CURRENT ASSETS</b>		<b>1,258,427,714</b>	<b>1,208,920,362</b>
<b>TOTAL ASSETS</b>		<b>2,099,715,726</b>	<b>1,936,244,945</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	-19a	600,000,000	600,000,000
Reserve	19-b	96,818,580	96,818,580
Mohamed Salman Mahmoud	Ali Hasan El Zein	Mohamed Salman Mahmoud	
CFO	CEO	CFO	

Almunajem Foods Company  
(A Saudi Joint Stock Company)

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2025 (continued)

	Notes	31 December 2025 S	31 December 2024 S
Actuarial valuation reserve	20	(11,274,700)	(6,375,512)
Retained earnings		359,395,122	319,531,748
<b>TOTAL EQUITY</b>		<b>1,044,939,002</b>	<b>1,009,974,816</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	7	72,024,027	86,978,929
Employees' benefit obligations	20	67,399,487	59,587,226
Long term loans	16	11,321,764	-
Other long-term liabilities		1,153,523	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>151,898,801</b>	<b>146,566,155</b>
<b>CURRENT LIABILITIES</b>			
Short term loans	22	325,000,000	92,000,000
Trade payables, accruals, and other liabilities	21	522,856,188	636,332,326
VAT payable		25,934,523	26,549,908
Zakat payable	23	14,350,859	12,603,459
Lease liabilities	7	14,736,353	12,218,281
<b>TOTAL CURRENT LIABILITIES</b>		<b>902,877,923</b>	<b>779,703,974</b>
<b>TOTAL LIABILITIES</b>		<b>1,054,776,724</b>	<b>926,270,129</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,099,715,726</b>	<b>1,936,244,945</b>
Mohamed Salman Mahmoud	Ali Hasan El Zein	Mohamed Salman Mahmoud	
CFO	CEO	CFO	

Almunajem Foods Company  
(A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2025**

	Notes	2025 S	2024 S
Revenue	24	3,341,156,789	3,346,984,084
Cost of revenue		(2,810,262,328)	(2,780,559,632)
<b>Gross profit</b>		<b>530,894,461</b>	<b>566,424,452</b>
Other (loss) income, net	27	(4,631,969)	14,385,332
Selling and distribution expenses	25	(298,407,997)	(270,820,676)
General and administrative expenses	26	(42,491,694)	(30,601,587)
Allowance for expected credit losses	12	(4,907,621)	(1,401,864)
<b>Operating profit</b>		<b>180,455,180</b>	<b>277,985,657</b>
Finance income	28	2,548,016	3,280,711
Finance cost	28	(21,924,539)	(12,991,757)
Finance costs, net		(19,376,523)	(9,711,046)
Share in results of associate	10	12,275,546	22,157,010
<b>Profit before zakat</b>		<b>173,354,203</b>	<b>290,431,621</b>
Zakat	23	(13,490,829)	(11,778,692)
<b>Net profit for the year</b>		<b>159,863,374</b>	<b>278,652,929</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Remeasurement of employees' benefit obligations	20	(4,762,828)	(1,283,613)
Investment in associate - share of OCI	10	(136,360)	76,249
<b>Total other comprehensive loss</b>		<b>(4,899,188)</b>	<b>(1,207,364)</b>
<b>Total comprehensive income for the year</b>		<b>154,964,186</b>	<b>277,445,565</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share from net profit	30	2.66	4.64
Mohamed Salman Mahmoud CFO	Ali Hasan El Zein CEO	Mohamed Salman Mahmoud CFO	

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2025**

	Share capital S	Reserve S	Actuarial valuation reserve S	Retained earnings S	Total S
As at 1 January 2024	600,000,000	96,818,580	(5,168,148)	235,878,819	927,529,251
Profit for the year	-	-	-	278,652,929	278,652,929
Other comprehensive loss	-	-	(1,207,364)	-	(1,207,364)
<b>Total comprehensive income</b>	-	-	<b>(1,207,364)</b>	<b>278,652,929</b>	<b>277,445,565</b>
Dividends (note 31)	-	-	-	(195,000,000)	(195,000,000)
As at 31 December 2024	600,000,000	96,818,580	(6,375,512)	319,531,748	1,009,974,816
Profit for the year	-	-	-	159,863,374	159,863,374
<b>Other comprehensive loss</b>	-	-	<b>(4,899,188)</b>	-	<b>(4,899,188)</b>
<b>Total comprehensive income</b>	-	-	<b>(4,899,188)</b>	<b>159,863,374</b>	<b>154,964,186</b>
Dividends (note 31)	-	-	-	(120,000,000)	(120,000,000)
As at 31 December 2025	600,000,000	96,818,580	(11,274,700)	359,395,122	1,044,939,002
Mohamed Salman Mahmoud CFO	Ali Hasan El Zein CEO	Mohamed Salman Mahmoud CFO			

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**CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2025**

	Notes	2025 S	2024 S
<b>OPERATING ACTIVITIES</b>			
Profit before zakat		173,354,203	290,431,621
Adjustments:			
Depreciation of right-of-use assets	7	16,838,811	10,028,718
Depreciation of property, plant and equipment	8	32,501,272	28,760,888
Amortization of intangible assets	9	615,921	544,391
Interest on lease liabilities	28	1,280,452	2,326,978
Interest on employees' benefit obligations	28	2,680,310	2,371,593
Interest charged on short term loans	28	17,931,589	8,293,186
Allowance for expected credit losses	12	4,907,621	1,401,864
Inventory provision	18	550,603	314,788
Share in results of associate	10	(12,275,546)	(22,157,010)
Provision for decommissioning		602,005	-
<b>Unrealized gain on fair value investments</b>		<b>(114,552)</b>	<b>-</b>
Loss (Gain) on disposal of property, plant and equipment	27	1,159,572	(9,826,465)
Provision for employees' benefit obligations	20	5,310,643	5,275,368
		<b>245,342,904</b>	<b>317,765,920</b>
<b>Change in Working capital:</b>			
Trade receivables		(10,832,944)	(46,576,637)
Prepayments and other assets		(25,353,545)	18,463,516
Inventories		66,113,916	(141,294,522)
Mohamed Salman Mahmoud	Ali Hasan El Zein	Mohamed Salman Mahmoud	
CFO	CEO	CFO	

Almunajem Foods Company  
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**CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2025 (continued)**

	Notes	2025 S	2024 S
Trade payables, accruals, and other liabilities		(113,656,919)	141,173,713
VAT payable, net		(615,384)	2,964,196
		<b>160,998,028</b>	<b>292,496,186</b>
Finance costs paid		(17,477,525)	(8,293,186)
Employees' benefit obligations paid	20	(4,941,520)	(2,686,044)
Zakat paid	23	(11,743,429)	(18,716,274)
<b>Net cash generated from operating activities</b>		<b>126,835,554</b>	<b>262,800,682</b>
<b>INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant and equipment	8	(131,640,557)	(50,655,400)
Proceeds from disposal of property, plant and equipment		1,078,779	10,239,346
Payments for purchase of intangible assets	9	(365,852)	(1,045,003)
Payments for investment in associate	10	-	(316,125,799)
Dividends received from associate	10	-	3,350,700
Payments for purchase short- term murabaha deposit – carried at amortised cost	15	(100,000,000)	-
Payments for purchase of short-term investments at (FVTPL)	14	(8,025,786)	-
Advances to suppliers and contractors	13	(11,702,681)	-
<b>Net cash used in investing activities</b>		<b>(250,656,097)</b>	<b>(354,236,156)</b>
Mohamed Salman Mahmoud	Ali Hasan El Zein	Mohamed Salman Mahmoud	
CFO	CEO	CFO	

Almunajem Foods Company  
(A Saudi Joint Stock Company)

### CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2025 (continued)

	Notes	2025 S	2024 S
<b>FINANCING ACTIVITIES</b>			
Payments of lease liabilities	7	(21,212,511)	(11,864,073)
Proceeds from short-term loans	22	667,000,000	192,000,000
Repayment of short-term loans	22	(434,000,000)	(100,000,000)
Proceeds from long term loans		11,600,000	-
Dividends paid	31	(120,000,000)	(195,000,000)
<b>Net cash from (used in) financing activities</b>		<b>103,387,489</b>	<b>(114,864,073)</b>
Net change in cash and cash equivalents		(20,433,054)	(206,299,547)
Cash and cash equivalents at the beginning of the year	11	42,628,379	248,927,926
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>22,195,325</b>	<b>42,628,379</b>
<b>Non-cash transactions:</b>			
Right of use assets	7	54,473,153	63,128,286
Lease liability	7	54,473,153	63,128,286
Mohamed Salman Mahmoud CFO	Ali Hasan El Zein CEO	Mohamed Salman Mahmoud CFO	

Almunajem Foods Company  
(A Saudi Joint Stock Company)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025

## 1. ORGANISATION AND ACTIVITIES

Almunajem Foods Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia (KSA) under commercial registration numbered **1010231822** and unified number **7018062989**, dated **7** Rabie Al Thani **1428**H (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 Group (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 **1376**H (corresponding to **10** June **1957**). The registered address of the Company is located at Riyadh, P O Box **2395**, Riyadh **11451**, KSA.

Since **20** December **2021**, **30%** of the Company's shares are listed in Saudi Stock Exchange market (Tadawul). Currently, **69.3%** of the Company is owned by Abdullah Al Ali Almunajem Sons Group and **0.7%** by AlKafaa Real Estate Company.

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

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

Almunajem Foods Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 1. ORGANISATION AND ACTIVITIES (CONTINUED)

For the year ended 31 December, these consolidated financial statements include the Company and its subsidiary, "the Group".

Subsidiary	Year of incorporation	Ownership		Principal activity	Country of incorporation
		31 December 2025	31 December 2024		
The Optimal Solution Company for Logistics Services	2024	100%	100%	Activities of third-party logistics	Kingdom of Saudi Arabia

Optimal Solutions Company for logistics services is a limited liability Company registered in the Kingdom of Saudi Arabia under commercial registration number **1009107581** dated on **29** September **2024** (Corresponding/ to **26** Rabi' al-Awwal**1446** H), with a share capital of **ﷲ 1,000,000**.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia "KSA" and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (herein after referred to as "IFRS as endorsed in KSA").

### 2.2 Judgments and Estimates

The preparation of consolidated financial statements in conformity with the IFRS as endorsed in KSA requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Refer to (Note **4**).

### 2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for certain financial assets, such as investments carried at fair value through profit or loss, Employee defined benefit obligations are recognized at the present value of the future obligations using the projected unit credit method.

Almunajem Foods Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.4 Basis of consolidation (continued)

These consolidated financial statements include the assets, liabilities and the results of the operations of the Company and its subsidiary (the "Group") as set out in note (1) above.

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiary. The financial statements of the subsidiary are prepared for the same reporting year as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that gives the Parent Company the current ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

In general, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the shareholders' of the parent and according to the non-controlling interests, even if this resulted in the non-controlling interests having a deficit balance.

Almunajem Foods Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.4 Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of a subsidiary to bring their accounting policies into line with the Group's accounting policies. All assets and liabilities as well as equity, income, expenses and cash flows relating to intra-group transactions are eliminated in full when the financial statements are consolidated.

Changes in the controlling interest (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary that do not result in a loss of control) are accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the consolidated statement of income
- Reclassifies the Parent company's share of components previously recognized in OCI to statement profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

When the Group ceases to consolidate an investment because of a loss of control, joint control or material influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of income. This fair value becomes the carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had of the related assets or liabilities directly disposed. This may mean that amounts previously recognised in OCI are reclassified to the consolidated statement of comprehensive income.

Non-controlling interest represents the interest in subsidiary that are not owned by the Group. For each

Almunajem Foods Company  
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.4 Basis of consolidation (continued)

business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

### 2.5 Going concern

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

### 2.6 Fair Value Measurement

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values for financial assets and liabilities. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level **3** fair values, and reports directly to the chief financial officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of assets or liabilities, the Group uses market observable data as far as possible. Fair values are categorized 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 capital markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level **1** that are observable for the 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).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.6 Fair Value Measurement (continued)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Management assessed that the fair values of Cash and cash equivalents, trade receivables, prepayments and other assets, trade payables, accruals, and other liabilities, vat payable approximate their carrying values largely due to the short-term maturities of these financial instruments

## 3. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated financial statements are presented in Saudi Riyals (ﷻ) which is the functional currency of the Company and its subsidiary.

## 4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

### 4.1 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when:

- (a) It expects to realise the asset, or intends to sell or consume it, in the entity's normal operating cycle.
- (b) It holds the asset primarily for the purpose of trading.
- (c) It expects to realise the asset within twelve months after the reporting date; or
- (d) the asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.1 Current versus non-current classification (continued)

- (a) It expects to settle the liability in the entity's normal operating cycle.
- (b) It holds the liability primarily for the purpose of trading.
- (c) The liability is due to be settled within twelve months after the reporting date it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period; or

The Group classifies all other liabilities as non-current.

### 4.2 Operating Profit

Operating profit is the result generated from the continuing principal revenue- activities of the Group as well as other income and expenses to operating activities. Operating profit excludes net finance costs, and zakat.

### 4.3 Revenue from contracts with customers

The Group recognizes revenue based on a five-step model as set out in IFRS (15):

**Step 1.** Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.

**Step 2.** Identify the performance obligation(s) in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3.** Determine the transaction price; The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4.** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5.** Recognize revenue when (or as) the entity satisfies a performance obligation.

**Sale of goods**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.3 Revenue from contracts with customers (continued)

Revenue is income arising from the sale of goods in the ordinary course of the Group's activities, net of discounts and volume rebates and value added taxes. Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

#### Storage services

The entity is engaged in storage revenue, where customers rent a space in the warehouses of the company to store their own goods for a short period of time. These spaces are not specific spaces or locations inside the warehouses of the company and are usually for a period less than twelve months. Revenue from storage is recognized over time. The Group has selected input method as a basis to measure performance completed to date for its storage services contracts.

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide customers with a right to return the goods within a specified period. The rights of return give rise to variable consideration.

#### Rights of return

The Group uses the expected value method to estimate the variable consideration given the large number contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of revenue) is also recognised for the right to recover the goods from the customer.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.3 Revenue from contracts with customers (continued)

#### Volume rebates

The Group applies the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price). All volume rebates are treated as discounts and the customers pay the net amount after discount.

The disclosures of estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in (note 5).

#### Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section financial instruments.

Assets and liabilities arising from rights of return

#### Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.4 Segmental reporting

An operating segment is a component: i) engaged in business activities from which it may earn revenue and incur expenses including revenue and expenses that relate to transactions with any of the Group's other components; ii) the results of its operations are continuously analyzed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and iii) for which financial information is discretely available. Segment results that are reported to the chief operating decision maker and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 4.5 Property, plant, and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant, and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

Freehold lands is stated at cost, and capital work-in-progress is stated at cost net of accumulated impairment, if any and represents all costs relating directly or indirectly to the acquisition or construction of assets where acquisition or construction is in progress and will be transferred to relevant category of property, plant and equipment once completed.

The cost less estimated residual value of remaining property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, effective from the date when it was available for use, as follows:

Category of property, plant, and equipment	Useful lives
Buildings	33.3 years or lease term, whichever is shorter
Plant and equipment	5 to 15 years
Furniture and fixtures	2 to 10 years
Computers	4 to 5 years
Motor vehicles	5 to 8 years

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each reporting period end and adjusted prospectively, if appropriate.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

Assets in the course of construction are capitalized in the capital work in progress account. Capital work in progress are carried at cost less any recognised impairment loss. The cost of an item of capital work in progress comprises its purchase price, construction cost and any other directly attributable cost to the construction or acquisition of an item intended by management. When the assets are ready for its intended use, the capital work in progress is transferred to the appropriate property and equipment category and is accounted for in accordance with the Group's policies. Capital work in progress is measured at cost less any recognised impairment. Capital work in progress is not depreciated.

### 4.6 Leases

#### Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category of lease	Lease term
Land	20 years
Buildings	3 to 10 years
Motor vehicles	3 to 5 years

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) that depend on a rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Most of the storage contracts are short term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 4.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

The Group applies an annual rate of amortization of 5 years to its computers' software and accounted for on a straight-line basis.

An intangible asset is derecognized on disposal (i.e., at the date the recipient obtains control), or when no future economic benefits are expected from use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in other income.

### 4.9 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.9 Investments in Associates (continued)

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 recognized in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognize 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 recognizing its share of further losses. Additional losses are recognized 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 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 Group'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 Group'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 Consolidated Statement of Profit or Loss in the period in which the investment is acquired

### 4.10 Financial instruments

#### Financial Instruments

The Group has applied the following classification and measurement requirements for financial instruments.

#### Recognition of financial instruments

The financial asset and liability are recognized when the Group becomes a party to the contractual obligations of the instrument, and this generally occurs on the trade date. The Group derecognizes the financial assets when the contractual cash flows of those assets expire or when the Group transfers the right to obtain contractual cash flows from the financial asset in a transaction in which all the risks and rewards of ownership

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

of the financial assets are substantially transferred. Any interest arising from the transferred financial assets that the Group creates or retains is recognized as a separate asset or liability.

#### Derecognition

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in the consolidated statement of profit or loss. However, in respect of equity securities designated as at FVOCI, any cumulative gain / loss recognized in the consolidated statement of other comprehensive income is not recognized in the profit or loss on de-recognition.

The financial liability is derecognized from the statement of consolidated financial position when the Group pays the obligation arising, the contract is canceled or expired.

#### Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Classification of financial instruments

The Group classifies its financial assets in the following measurement categories:

1. Assets to be measured at amortized cost; or
2. Fair value through profit or loss (FVTPL).
3. Fair value through other comprehensive income (FVOCI).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model.

The Group classifies its financial assets under the following categories:

#### Classification

- Financial assets designated at amortised cost.
- Fair value through other comprehensive income (FVOCI).
- Financial assets designated at fair value through profit or loss (FVTPL).

Trade receivables are initially recognised when they are originated. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All other financial assets are initially recognised when the Group becomes party to the contractual provisions of the instrument at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

A financial asset shall be measured at fair value through consolidated other comprehensive income if both of the following conditions are met:

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

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, an entity may make an irrevocable election on initial recognition of certain investments in equity instruments that they will be measured at fair value unless otherwise made through profit or loss to present subsequent changes in fair value in other comprehensive income.

The Company reclassifies financial assets only when its business model for managing those financial assets change.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

#### Initial measurement

Except for trade receivables, at initial recognition, an entity shall measure a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS (15).

#### Subsequent measurement

##### Financial assets at amortized cost

The Group measures financial assets at amortized cost when the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows, and the contractual terms of the financial

asset give rise, on specified dates, to cash flows that are solely payments of the principal amount and interest on the principal amount outstanding. The Group has short term Murabaha deposit carried at amortized cost.

Financial assets carried at amortized cost are subsequently measured using the Effective Interest ("EIR") method and are subject to impairment testing. Interest received is recognised as part of finance income in profit or loss in the statement of comprehensive income. Gains and losses are recognised in profit or loss in the consolidated statement of comprehensive income when the asset is derecognized, modified or its value is impaired.

##### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group may irrevocably classify its equity investments as equity instruments carried at FVOCI when they meet the definition of equity under IAS (32) Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains or losses on these financial assets are never recycled back to profit or loss in the consolidated statement of comprehensive income. Dividends are recognised as other income in profit or loss in the statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are stated at fair value and included under non-current assets in the consolidated statement of financial position. Unrealised gains or losses are included in the consolidated statement of changes in equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment the cumulative gain or loss previously reported in equity is included in the consolidated statement of profit or loss and other comprehensive income for the period. Fair value is determined by reference to the market value if an open market exists, or by the use of other alternative valuation methods.

#### Derecognition

A financial asset (or, where applicable, any part of it or a group similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- Expiration of rights to receive cash flows from assets; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to fully pay it to a third party under a 'pass-through' arrangement and either:
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

#### Impairment

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information.

For trade receivables only, the Group recognizes expected credit losses for trade receivables based on the simplified approach under IFRS (9). The simplified approach to the recognition of expected losses does not require the Group

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable. The Group has recognized provisions based on historical credit losses, adjusted for forecast factors specific to the debtors and the economic environment.

Evidence that financial assets are impaired may include indications that a debtor (or a group of debtors) is experiencing significant financial difficulty, default or delinquency in profit or principal payments, the probability that they will enter bankruptcy or other financial restructuring and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes economic conditions that correlate with a default.

#### Accounts receivable

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments – initial recognition and subsequent measurement.

#### Financial liabilities

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### Trade payables and accruals

Trade payables and other payables are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. The Group derecognizes a financial liability (or part of the financial liability) from its consolidated statement of financial position when, and only when its contractual obligations are discharged or cancelled, or expired.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.10 Financial instruments (continued)

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 4.11 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and on hands and other high liquidity short-term investments with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 4.12 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, including other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### Goods in transit

Goods-in-transit are goods for resale or finished goods or raw materials that have been shipped by a supplier but have not yet been received by the buyer. The Group recognizes goods-in-transit when it has control over the goods. Goods-in-transit are recorded at landed cost included freight and insurance, if any.

### 4.13 Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.13 Impairment of non-financial assets (continued)

an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 4.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.14 Provisions (continued)

some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-zakat rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the consolidated statement of profit or loss and other comprehensive income.

### 4.15 Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable are recorded in the consolidated financial statements under accounts payable and accruals. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

### 4.16 Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations. The provision is recognised in the consolidated statement of profit or loss and other comprehensive income. Zakat liability is estimated in the consolidated financial statements which is finally calculated at year end. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

### 4.17 Withholding tax

The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.18 Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

### 4.19 Dividends distribution

The Company establishes the obligations related to paying the cash dividends to the Company's shareholders when approving the distribution and interim dividends are distributed in accordance with the authorization from the Shareholders' General Assembly to the Board of Directors. According to the Companies Law, dividends are approved upon approval by the shareholders. The corresponding amount is directly recognized in the consolidated statement of change in equity.

### 4.20 Employees' defined benefit obligations

#### Defined employees' benefits plans

According to the Saudi Labor Law in the Kingdom of Saudi Arabia, the Group is required to pay end-of-service benefits (a defined benefit plan), which are calculated based on the half of the last month's salary of each year of the first five years of service, including the fractions of the year plus the full last month's salary for each year of the next or remaining service includes fractions of the year. End-of-service benefit plan is unfunded.

#### Valuation technique and key assumptions for the actuarial study

Under requirements of IAS 19 "Employees' benefits", end-of-service benefits obligations are calculated using the actuarial valuation and using the projected unit credit method at the end of each fiscal year. Gains or

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.20 Employees' defined benefit obligations (continued)

Losses arising from the actuarial revaluation are recorded in the consolidated statement of comprehensive income for the period in which the revaluation occurred. The recognized remeasurement in OCI is immediately included under the retained earnings and is not included under profit or loss. Past service cost is calculated in profit or loss during the plan amendment period. The interest is calculated using the discount rate at the beginning of the period, on the employees' defined benefits obligations.

The current service cost of the defined benefit plan is recognized in the consolidated statement of profit or loss under employee's benefits expense, to reflect the increase in the liability resulting from employee services for the current year and cases of change, curtail or settlement of benefits. The cost of services for previous years is included immediately in the consolidated statement of profit or loss.

Actuarial gains and losses resulting from adjustments and changes in actuarial assumptions are charged and included in the equity in the consolidated statement of other comprehensive income in the period in which they arise. Defined benefit costs are classified as follows:

- Service cost (including current service costs and past service costs, in addition to gains and losses resulting from employees' promotions and reimbursements).
- Interest cost, and
- Re-measurement.

#### Short-term employees' benefits

The liability is recognized and measured for benefits related to wages, salaries, annual leave and sick leave in the period in which the service is provided on the undiscounted amounts of the benefits expected to be paid in exchange for those services.

### 4.21 Foreign currency transactions

Transactions in foreign currencies are recorded in Saudi Riyals at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. Differences arising on settlement

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 4.21 Foreign currency transactions (continued)

or translation of monetary items are recognised in cost of sales. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### 4.22 General and administrative and selling, disruption expenses

General and administrative and selling, disruption expenses include direct and indirect costs not specifically part of cost of revenues. Allocations between general and administrative and selling, disruption expenses and cost of revenues, when required, are made on a consistent basis.

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Revisions to accounting estimates are recognised in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

### (a.) Judgements

#### 1. Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

### (a.) Judgements (continued)

in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of two buildings. The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of land and buildings with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### 2. Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

### (b.) Assumptions and estimation uncertainties.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material difference in the carrying amounts of assets and liabilities

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

### (b.) Assumptions and estimation uncertainties (continued)

within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### 1. Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### 2. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

### 3. Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgment in estimating the expected cash outflows for severance payments and site closures or other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

### 4. Economic useful lives of property and equipment and intangible assets

The useful lives of property, plant and equipment and intangible assets are estimated based on its economic and intangible assets and on the collective assessment of industry practice and experience with similar assets. The estimated useful lives of the property, plant and equipment and intangible assets are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in any of the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

### 5. Revenue recognition - Estimating variable consideration for returns and volume rebates.

The Group estimates variable considerations to be included in the transaction price for the sale of the products with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)**

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

The Group applied the statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future.

### 6. Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for Saudi Arabia. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and increases are based on expected future inflation rates for Saudi Arabia.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (CONTINUED)

### 7. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

### 8. Going concern

These consolidated financial statements have been prepared under the going concern basis. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

## 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE AND OTHER AMENDMENTS

### New and amended standards and interpretations

Following are the standards and amendments effective on January 1, 2025, or after (unless otherwise stated) and do not have a material impact on the Group's consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### Amendments to IAS (21): Lack of exchangeability

The amendments to IAS (21) "The Effects of Changes in Foreign Exchange Rates" specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects,

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 6. STANDARDS ISSUED BUT NOT YET EFFECTIVE AND OTHER AMENDMENTS (CONTINUED)

or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's consolidated financial statements.

#### New and amended standards and interpretations not yet effective

The new amended, issued standards and interpretations, which are not effective yet have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date, except IFRS 18, which the Group is currently evaluating the impact of its adoption on the consolidated financial statements.

Standard, Amendment or Interpretation	Effective date
Amendments to IFRS (9) and IFRS (7): Classification and Measurement of Financial Instruments	January 1, 2026
IFRS (18): Presentation and Disclosure in Financial Statements – Replaces IAS (1) Presentation of Financial Statements.	January 1, 2027
IFRS (19) - Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date of this amendment is postponed indefinitely.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 7. LEASES

The Group has lease contracts for buildings, land and motor vehicles used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buildings S	Land S	Motor vehicles S	Total S
As at 1 January 2024:	9,364,602	21,971,122	10,958,106	42,293,830
Additions	52,119,623	4,366,056	6,642,607	63,128,286
Depreciation expense	(2,665,574)	(1,430,093)	(5,933,051)	(10,028,718)
At 31 December 2024	58,818,651	24,907,085	11,667,662	95,393,398
Additions	15,815,467	29,525,419	9,132,267	54,473,153
Adjustments	(21,181,942)	5,305,263	-	(15,876,679)
Disposals	(5,558,680)	(25,347,876)	(194,689)	(31,101,245)
Depreciation expense	(8,981,320)	(1,619,516)	(6,237,975)	(16,838,811)
<b>Balance at 31 December 2025</b>	<b>38,912,176</b>	<b>32,770,375</b>	<b>14,367,265</b>	<b>86,049,816</b>

Set out below are the carrying amounts of lease liabilities recognized and the movements during the year:

	2025 S	2024 S
As at 1 January	99,197,210	45,606,019
Adjustments *	(15,876,679)	-
Additions **	54,473,153	63,128,286
Termination	(31,101,245)	-
Interest (note 28)	1,280,452	2,326,978
Payments	(21,212,511)	(11,864,073)
<b>As at 31 December</b>	<b>86,760,380</b>	<b>99,197,210</b>
Current	14,736,353	12,218,281
Non-Current	72,024,027	86,978,929
	86,760,380	99,197,210

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 7. LEASES (CONTINUED)

\* During the year the Group reassessed lease term for one contract by reducing the noncancellable period from **10** years to **5** years and updating the interest rate. As a result of this change, the lease liability and the related rightofuse asset were remeasured, resulting in a further reduction of **21.1** million in the consolidated statement of financial position.

Further, during the year, the Group updated the rent payments for two other contracts, which resulted in an increase of **5.3** million in both the rightofuse assets and the related lease liabilities.

\*\* Building leased includes a lease from the Al-Kafa'a Real State Company, Subsidiary of ultimate Parent Company. Refer to (note 17) for further details on related parties' transactions and balances.

The following are the amounts recognized in the consolidated statement of profit or loss:

	2025 S	2024 S
Depreciation allocated to selling and distribution expenses (note 25)	9,777,449	8,339,799
Depreciation allocated to general & administrative expenses (note 26)	1,444,154	1,202,548
Depreciation allocated to cost of revenue	5,617,208	486,371
Interest expense on lease liabilities (note 28)	1,280,452	2,326,978
Short-term leases (note 25)	8,256,827	3,116,011
<b>Total amount recognized in profit or loss</b>	<b>26,376,090</b>	<b>15,471,707</b>
<b>Total cash outflow</b>	<b>29,864,359</b>	<b>14,980,084</b>
Repayment of lease liability	21,212,511	11,864,073
Short-term leases (note 25)	8,256,827	3,116,011

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land ﷲ	Buildings ﷲ	Plant and equipment ﷲ	Furniture and fixtures ﷲ	Computers ﷲ	Motor Vehicles ﷲ	Capital work in progress* ﷲ	Total ﷲ
<b>Cost:</b>								
At 1 January 2024	71,386,818	184,060,240	145,676,807	22,463,482	15,341,208	101,944,485	585,805	541,458,845
Additions	-	-	14,997,783	3,107,004	1,101,064	25,576,250	5,873,299	50,655,400
Transfers	-	-	585,805	-	-	-	(585,805)	-
Disposals	-	(10,628)	(1,710,873)	(141,693)	(887,721)	(19,985,663)	-	(22,736,578)
At 31 December 2024	71,386,818	184,049,612	159,549,522	25,428,793	15,554,551	107,535,072	5,873,299	569,377,667
Additions	-	425,038	3,253,703	4,517,436	1,833,120	27,961,800	93,649,460	131,640,557
Transfers	-	-	17,950	1,766,008	321,293	2,480,000	(4,585,251)	-
Disposals	-	(3,618,402)	(1,494,597)	(388,330)	(3,913,414)	(2,469,209)	-	(11,883,952)
At 31 December 2025	71,386,818	180,856,248	161,326,578	31,323,907	13,795,550	135,507,663	94,937,508	689,134,272
<b>Accumulated Depreciation:</b>								
At January 1, 2024	-	59,965,871	111,883,983	13,356,478	12,632,211	78,201,242	-	276,039,785
Charge for the year	-	5,519,111	8,464,858	1,962,986	1,015,802	11,798,131	-	28,760,888
Disposals	-	(1,700)	(1,706,610)	(135,653)	(864,116)	(19,615,618)	-	(22,323,697)
At 31 December 2024	-	65,483,282	118,642,231	15,183,811	12,783,897	70,383,755	-	282,476,976
Charge for the year	-	5,516,918	8,858,261	2,552,269	1,225,945	14,347,879	-	32,501,272
Disposals	-	(1,608,337)	(1,406,469)	(369,556)	(3,912,268)	(2,348,970)	-	(9,645,600)
At 31 December 2025	-	69,391,863	126,094,023	17,366,524	10,097,574	82,382,664	-	305,332,648
<b>Net book value:</b>								
At 31 December 2025	71,386,818	111,464,385	35,232,555	13,957,383	3,697,976	53,124,999	94,937,508	383,801,624
At 31 December 2024	71,386,818	118,566,330	40,907,291	10,244,982	2,770,654	37,151,317	5,873,299	286,900,691

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 8. PROPERTY, PLANT, AND EQUIPMENT (CONTINUED)

- (a) Building with net book value amounting to **ﷲ19.5 million** (31 December 2024: **ﷲ22.6 million**) are constructed on land leased from a related party under long-term lease for a period of **20 years** starting from January **1, 2020**.
- (b) Building with a net book value amounting to **13 million** (31 December 2024: **ﷲ13.5 million**) is constructed on land leased from Saudi Industrial Property Authority (Modon) for a period of **20 years** and the Group exercised an extension option for similar period starting from March **26, 2018** (corresponding to **9 Rajab 1439 H**). The Group has the option of renewing the lease agreement on the expiry of the initial lease term based on the new terms and conditions to be agreed on that time.
- (c) The capital work in progress included **ﷲ94.1 million** (December 31, 2024: **ﷲ3.9 million**) related to construction works for new meat factory located in Jeddah and borrowing cost capitalized during the period amounting to **ﷲ2 million** (December 31, 2024: nil).

Depreciation charge for the year is allocated as follows:

	2025 ﷲ	2024 ﷲ
Selling and distribution expenses (note 25)	26,448,929	24,362,912
Cost of revenue	5,620,073	3,985,413
General and administrative expenses (note 26)	432,270	412,563
	<b>32,501,272</b>	<b>28,760,888</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 9. INTANGIBLE ASSETS

	Computer software ﷲ
<b>Cost:w</b>	
At 1 January 2024	25,070,177
Additions	1,045,003
At 31 December 2024	26,115,180
Additions	365,852
At 31 December 2025	26,481,032
Accumulated amortization:	
At 1 January 2024	23,554,778
Charge for the year	544,391
At 31 December 2025	24,099,169
Charge for the year	615,921
At 31 December 2025	24,715,090
Net book value:	
At 31 December 2025	1,765,942
At 31 December 2024	2,016,011

Amortization charge for the year is allocated as follows:

	2025 ﷲ	2024 ﷲ
General and administrative expenses (note 26)	615,921	537,796
Selling and distribution expenses (note 25)	-	6,595
	<b>615,921</b>	<b>544,391</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 10. 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 investee's shares) from existing shareholders of Balady Poultry Trading Company through a private transactions, at a purchase price of **ﷲ120** per share with total amount of **ﷲ134.1** million including transaction costs of **ﷲ397.90** thousand, the Transaction was self-financed by the Company.

Subsequent to the above agreement, on **20 Shawwal 1445 H** (corresponding to April **29, 2024G**) the Company signed another binding share purchase agreement with the major shareholders of Balady Poultry Trading Company, under which the Company purchased an additional **1,511,100** shares, which represents an additional **23%** of the investee's shares at a purchase price of **ﷲ120** per share for a total of **ﷲ181.33** million including transaction costs of **ﷲ367.9** thousands. The transaction was partially self-financed, and the remaining was from external sources. The transaction was approved by the relevant authorities and completed on **18 Safar 1446 H** (Corresponding to **22 August 2024**), and the Company's ownership increased from **17%** to **40%** of the total shares of Balady Poultry Trading Company.

The investment in associate is as follows:	2025 ﷲ	2024 ﷲ
At the beginning of the year	335,008,358	-
Purchases during the year	-	316,125,799
Share of results *	12,275,546	22,157,010
Share of OCI	(136,360)	76,249
Dividends declared during the year	-	(3,350,700)
<b>At the end of the year</b>	<b>347,147,544</b>	<b>335,008,358</b>

\* The share in results of associate were calculated from the date of acquisition up to **31 December 2025**.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 10. INVESTMENT IN ASSOCIATE (CONTINUED)

The following table summarizes the financial information of Balady Poultry Trading Company.

As of 31 December	2025 ﷲ	2024 ﷲ
Percentage of ownership	40%	40%
Non-current assets	454,733,251	247,631,664
Current assets	104,037,051	122,419,363
Non-current liabilities	(180,267,416)	(27,172,229)
Current liabilities	(35,143,841)	(33,938,037)
Net assets of the associate	343,359,045	308,940,761
Share in the net assets of the associate (40%)	137,343,618	123,587,651
Amounts paid in excess of the share of the investee's net assets	209,803,926	211,432,054
Book value as of <b>31 December 2025</b>	347,147,544	335,008,358
Results for the year ended December <b>31, 2025</b>		
Revenues	850,738,485	887,117,339
Cost of sales	(782,217,104)	(742,671,443)
<b>Gross profit</b>	<b>68,521,381</b>	<b>144,445,896</b>
Selling and marketing expenses	(16,083,853)	(14,132,664)
General and administrative expenses	(18,371,437)	(14,699,004)
<b>Impairment loss of financial assets</b>	<b>48,699</b>	<b>(256,326)</b>
<b>Other income, net</b>	<b>3,811,414</b>	<b>6,021,512</b>
<b>Net profit for the period from main operations</b>	<b>37,926,204</b>	<b>121,379,414</b>
Finance income	325,272	240,906
Financing costs	(2,619,214)	(450,616)
<b>Net profit for the period before zakat</b>	<b>35,632,262</b>	<b>121,169,704</b>
Zakat	(1,482,078)	(3,056,152)
Net profit for the year	34,150,184	118,113,552
Remeasurement of employees' defined benefit liabilities	(340,900)	316,512
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (100%)</b>	<b>33,809,284</b>	<b>118,430,064</b>
Net profit for the year (from <b>6 March 2024</b> to <b>21 August 2024</b> ) (17%)	-	10,015,137
Net profit for the year (from <b>22 August 2024</b> to <b>31 December 2024</b> ) (40%)	-	12,141,873
<b>Share of results for the year</b>	<b>12,275,546</b>	<b>22,157,010</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 11. CASH AND CASH EQUIVALENTS

	2025 S	2024 S
Cash at banks	18,139,564	40,961,264
Cash on hand	2,073,068	1,667,115
Cash on investment	1,982,693	-
	22,195,325	42,628,379

## 12. TRADE RECEIVABLES

	2025 S	2024 S
Trade receivables *	2,814,280	-
TOTAL – Non current	2,814,280	-
Trade receivables	312,658,754	302,171,385
Other trade receivables - Due from related parties (note 17-a)	7,305,222	9,773,927
	319,963,976	311,945,312
Less: Allowance for expected credit losses	(10,128,848)	(5,221,227)
	309,835,128	306,724,085

\* Non-current portion of the trade receivables represented storage services sold to a customer by the subsidiary and will be settled during 2027 as agreed terms of payment

### Terms and conditions of the above financial assets:

Trade receivables are non-interest bearing and are generally on terms from 15 to 60 days. It is not the practice of the Group to obtain collateral over receivable balances.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 12. TRADE RECEIVABLES (CONTINUED)

The movement in the allowance for expected credit losses is as follows:

	2025 S	2024 S
Opening balance	5,221,227	3,819,363
Provided during the year	4,907,621	1,401,864
Closing balance	10,128,848	5,221,227

Please refer to (note 29.2) for information about the credit risk exposure on the Group's trade receivables using a provision matrix.

## 13. PREPAYMENTS AND OTHER ASSETS

	2025 S	2024 S
Advances to suppliers and contractors **	19,708,806	8,006,125
TOTAL – Non current	19,708,806	8,006,125
Advance to a related party *	146,933,032	127,647,019
Prepayments	17,173,852	16,389,962
Advances to suppliers and contractors	3,135,581	1,690,412
Right of return assets	1,192,351	1,253,863
Employee receivables	753,346	647,826
Others	5,597,086	1,802,622
TOTAL – Current	174,785,248	149,431,704

\* This amount represents advance payments to France Poultry (a subsidiary to the Parent Company) for future deliveries of goods (note 17).

\*\* Non-current portion of the advances to suppliers and contractors represented payments made to contractors for procurements of equipment and other items that will be subsequently classified under property, plant and equipment.

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## 14. Financial assets at fair value through Profit or Loss (FVTPL)

Company	Country of Incorporation	2025 S	2024 S
Rajhi Capital Portfolio	Kingdom of Saudi Arabia	8,140,338	-
		8,140,338	-

The movement of the investments at FVTPL is as follows:

	2025 S	2024 S
At the beginning of the year	-	-
Investments payments	8,025,786	-
Unrealized gain	114,552	-
Realized gain form sold investments at FVOCI	-	-
<b>At the end of the year</b>	<b>8,140,338</b>	<b>-</b>

## 15. Short- term murabaha deposit carried at amortised cost

The Group invested in short- term Murabaha deposits inside the Kingdom of Saudi Arabia with an amount of S100 million (31 December 2024: Zero), and these deposits carry fixed income returns %6.45.

## 16. LONG TERM LOANS

On 08 September 2025 corresponding to (3 Rabi' al-Awwal 1447), the Group signed a loan agreement with the Saudi Industrial Development Fund, where the value of credit facilities amounted to S97.3 million, in order to build the Factory to produce Marinated White Meat, Franks, Mozzarella Cheese, Breaded Chicken and Seafood, which is being built on the plot located on the plot of land located in Jeddah City, leased from the Saudi Authority for Industrial Cities and Technology Zones (MODON), under lease contract No. (12151).

The loan agreement is subject to all buildings constructed or to be built on the plot of land with all the project's property, equipment and accessories related to it or obtained for the project.

At the date of the consolidated financial statements, S12.5 million of the value of the credit facilities was used. The loan is due in unequal installments on a semi-annual basis starting from 15 August 2027 and the last installment is due on 15 February 2033.

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## 16. LONG TERM LOANS (CONTINUED)

The above facilities agreements include several commitments, including some conditions that stipulate the need to maintain some of the financial ratios committed by the Group until the preparation of these consolidated financial statements.

### 16- A Movement in the present value of Saudi Industrial Development Fund' s loan is as follows:

	2025 S	2024 S
At the beginning of the year	-	-
Present value of amounts received during the year	11,321,764	-
<b>At the end of the year</b>	<b>11,321,764</b>	<b>-</b>

Current and non-current Saudi Industrial Development Fund' s loan are as follows:

	2025 S	2024 S
Current	-	-
Non-current	11,321,764	-
	11,321,764	-

### 16- B Movement in the amounts received from Saudi Industrial Development Fund' s loan is as follows:

	2025 S	2024 S
At the beginning of the year	-	-
Amount received during the year	12,543,802	-
At the end of the year	12,543,802	-
Less: present value of the amounts received (note 16 "a")	(11,321,764)	-
Add: charges during the year	1,222,038	-
Deferred financial charges (note 16 "C")	1,222,038	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 16. LONG TERM LOANS (CONTINUED)

### 16- C DEFERRED FINANCIAL CHARGES:

	2025 S	2024 S
At the beginning of the year	-	-
Additions during the year	<b>1,222,038</b>	-
Financial charges amortized during the year (note 16 "a")	-	-
<b>At end of the year (note 16 "b")</b>	<b>1,222,038</b>	-

Current and non-current deferred financial charges are as follows:

	2025 S	2024 S
Current	<b>670,520</b>	-
Non-current	<b>551,518</b>	-
	<b>1,222,038</b>	-

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## 17. RELATED PARTIES TRANSACTIONS AND BALANCES

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

Transactions with related parties included in the consolidated financial statements are as follows:

2025	Relationship	Sales S	Purchases S	Expenses* S	PPE purchase/ Selling S
France Poultry	Subsidiary of ultimate Parent Company	-	<b>386,835,372</b>	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	<b>17,379,832</b>	-	<b>48,153</b>	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	<b>9,043,102</b>	-	<b>2,418,450</b>	-
Nutrition and Diet Center Company	Subsidiary of ultimate Parent Company	<b>7,028,809</b>	<b>4,871,098</b>	<b>294,729</b>	-
Azzad Saudi Company	Subsidiary of ultimate Parent Company	<b>1,778,245</b>	-	<b>95,992</b>	-
Thati Limited Company	Subsidiary of ultimate Parent Company	<b>29,000</b>	-	<b>145,368</b>	-
Bureida Trading and Refrigeration Company	Subsidiary of ultimate Parent Company	-	-	<b>233,956</b>	<b>11,190,900</b>
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	<b>3,240,962</b>	-
Abdullah Al Ali Almunajem Sons Company**	The ultimate Parent Company	-	-	<b>1,183,791</b>	-
Four Steps International Company	Owned by a member of the BOD	-	-	<b>13,000</b>	-
Entertainment Mine Company Ltd	Owned by a closed family member	<b>227,314</b>	-	-	-
Balady Poultry Trading Company	Associate Company	-	<b>93,136,300</b>	-	-
Others	Shareholder in the ultimate Parent Company	-	-	<b>27,000</b>	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 17. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

2024	Relationship	Sales ﷲ	Purchases ﷲ	Expenses* ﷲ	PPE purchase/ Selling ﷲ
France Poultry	Subsidiary of ultimate Parent Company	-	573,239,857	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	13,679,429	-	201,089	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	7,581,420	-	1,606,070	-
Nutrition and Diet Center Company	Subsidiary of ultimate Parent Company	6,335,654	5,186,001	960,602	25,765
Azzad Saudi Company	Subsidiary of ultimate Parent Company	348,815	-	194,729	-
Thati Limited Company	Subsidiary of ultimate Parent Company	33,950	-	21,536	-
Bureida Trading and Refrigeration Company	Subsidiary of ultimate Parent Company	-	-	223,375	15,657,905
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	1,253,950	-
Abdullah Al Ali Almunajem Sons Company**	The ultimate Parent Company	-	-	3,115,186	-
Four Steps International Company	Owned by a member of the BOD	-	-	129,000	-
Entertainment Mine Company Ltd	Owned by a closed family member	280,090	-	-	-
Balady Poultry Trading Company	Associate Company	-	15,505,362	-	-
Others	Shareholder in the ultimate Parent Company	-	-	23,300	-

\* These expenses generally include expenses paid on behalf of the entity or its related parties, shared services centers, leases and other expenses within the normal course of business.

\*\* Land leases include a lease with the ultimate parent Company, Abdullah Al Ali Almunajem Sons Company. Right of use assets amounting to ﷲ29 million (31 December 2024: ﷲ20 million) and lease liability amounting to ﷲ28 million (31 December 2024: ﷲ23 million) pertain to this lease (note 7). The payment of this land amounting to ﷲ2.99 million (31 December 2024: ﷲ1.99 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 17. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

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

### (a.) Due from related parties

	2025 ﷲ	2024 ﷲ
Shawaya House Company	5,682,367	5,519,489
Nutrition and Diet Center Company	732,738	2,374,561
Gulf Catering Company	551,085	1,832,701
Azzad Saudi Company	305,376	12,233
Entertainment Mine Company Ltd	19,579	32,325
Thati Limited Company	14,077	2,618
	7,305,222	9,773,927

The above balances are unsecured, interest-free, and having settlement terms within 30-90 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.

### (b.) Due to related parties

	2025 ﷲ	2024 ﷲ
Balady Poultry Company	7,206,493	-
Abdullah Al Ali Al Munajem Sons Company	51,436	29,788
Burieda Trading and Refrigeration Company	43,736	94,241
	7,301,665	124,029

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 17. RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

### (c.) Key management compensation

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

	2025 S	2024 S
Short-term employee benefits *	9,970,176	11,384,429
Post-employment benefits	574,538	678,699
	10,544,714	12,063,128

\* Key management remuneration includes S 2 million (2024: S 1.98 million) pertaining to the Board of Directors' remuneration.

## 18. INVENTORIES

	2025 S	2024 S
Goods for sale	384,627,052	385,465,396
Goods in transit	208,546,921	298,924,291
Raw materials and consumables	48,424,574	23,487,713
Spare parts and consumables	4,136,768	4,352,058
Less: Inventory provision	(2,263,640)	(2,093,264)
	643,471,675	710,136,194

The movement of inventory provision is as follows:

	2025 S	2024 S
Opening balance	1,778,476	2,093,264
Provided during the year*	314,788	550,603
Written off	-	(380,227)
Closing balance	2,093,264	2,263,640

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 18. INVENTORIES (CONTINUED)

\* The provision pertains to specifically identified spares that are no longer usable and slow-moving goods.

The provision for the year is allocated into cost of revenues by S 545,703 (31 December 2024: S 243,258) and selling and distribution expenses by S 4,900 (31 December 2024: S 71,530)

During 2025, S 2,815,864,599 (2024: S 2,797,857,533) of the Inventory was recognized as an expense in the cost of revenue. Other items included in the cost of revenue include suppliers' volume rebates with an amount of S 22,616,094 (2024: S 24,216,629).

## 19. SHARE CAPITAL AND RESERVE

### (a.) Share Capital

Authorized, issued and paid-up capital is divided into 60,000,000 shares of S 10 each (31 December 2024: 60,000,000 shares of S 10 each).

### (b.) Reserve

This balance represents the total amounts appropriated from net income for prior years, as statutory reserves in accordance with the requirements of the previous Companies Law and the company's By-Law prior to alignment with the new Companies Law. The utilization of these reserves is subject to the decisions of the shareholders' assembly. The Company updated its bylaws based on the new Regulations for the Company, the Company is currently studying and reviewing the balance of statutory reserve, and it will be raised to the Company's General Assembly with the recommendations.

## 20. EMPLOYEES' BENEFITS OBLIGATIONS

	2025 S	2024 S
Opening balance	59,587,226	53,342,696
Current service cost	5,310,643	5,275,368
Interest cost (note 28)	2,680,310	2,371,593
Benefits paid	(4,941,520)	(2,686,044)
Actuarial loss	4,762,828	1,283,613
Closing Balance	67,399,487	59,587,226

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 20. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2025 S	2024 S
Discount rate	4.35%	5.20%
Average duration of liability (in years)	5	5
Rate of salary increases	(3%-4.4)	(4%-4.2)

All movements in the employees' benefit obligations are recognized in the consolidated statement of profit or loss except for the actuarial (gain)/loss, which is recognized as other comprehensive income.

Movements in actuarial loss reserve recognized in OCI are as follows:

	2025 S	2024 S
Opening balance	6,375,512	5,168,148
Actuarial loss on the obligation	4,762,828	1,283,613
Share of actuarial gains(loss) in associate	136,360	(76,249)
<b>Closing balance</b>	<b>11,274,700</b>	<b>6,375,512</b>

### Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. A positive amount represents an increase in the liability, whilst a negative amount represents a decrease in the liability.

	2025 S	2024 S
Increase in the discount rate of 1%	(2,876,296)	(2,529,914)
Decrease in the discount rate of 1%	3,206,273	2,805,545
Decrease in the rate of a salary increase of 1%	3,334,688	2,942,031
Increase in the rate of a salary increase of 1%	(3,047,673)	(2,700,555)

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## 20. EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

The following are the expected payments or contributions to the employees in future years:

	2025 S	2024 S
Within the next 12 months (next annual reporting period)	20,097,573	16,028,149
Between 2 and 5 years	27,128,648	25,347,765
Beyond 5 years	37,344,585	36,996,157
	<b>84,570,806</b>	<b>78,372,071</b>

## 21. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	2025 S	2024 S
Trade payables *	450,210,304	579,705,900
Accrued expenses	50,125,486	44,437,263
Other trade payables- related parties (note 17-b)	7,301,665	124,029
Advances from customers	1,886,651	1,272,336
Other payables **	13,332,082	10,792,798
	<b>522,856,188</b>	<b>636,332,326</b>

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

\* Trade Payables include liability to Balady Poultry Company (Associate Company) by S 7.2 million (2024: S 2.19 million). refer (note 10).

\*\* Trade Payables include supply chain agreements compatible with Islamic Sharia granted from Saudi local bank during the year ended 31 December 2025, with an amount of S 71.5 million (31 December 2024: S 169.7 million).

The Group participates in a supplier finance arrangement referred to above, under which its suppliers may elect to receive early payment of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 21. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES (CONTINUED)

The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group has incurred interest towards the bank due to the suppliers with an amount of **ﷲ 10 million**, for the year ended **31 December 2025 (2024: ﷲ 7 million)**. The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables. All payables under the arrangement are classified as current as at **31 December 2025 and 2024**.

\*\* Other payables include deferred customs duties by **ﷲ 9.07 million (31 December 2024: ﷲ 7.2 million)**.

## 22. SHORT-TERM LOANS

The Group has obtained Murabaha loans from local banks to finance the Group's working capital requirements and carry interest at commercial rates at SIBOR more than **0.8%** and have a maturity of less than a month.

As at **31 December 2025**, the Group had total loan facilities amounting to **ﷲ 500,000,000 (2024: ﷲ 500,000,000)**.

The movement in short-term loans is as follows:

	2025 ﷲ	2024 ﷲ
Opening balance	92,000,000	-
Proceeds from short-term loans	667,000,000	192,000,000
Payments of short-term loans	(434,000,000)	(100,000,000)
<b>Closing balance</b>	<b>325,000,000</b>	<b>92,000,000</b>

## 23. ZAKAT PAYABLE

The Group obtained approval from the Zakat, Tax and Customs Authority (ZATCA) on **14th October 2024** (corresponding **10 2nd Rabi 1446 H**) to submit its zakat returns on a combined basis to include the Company and its subsidiary, The Optimal Solution Company for Logistics Services Company from **2024** and onwards.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 23. ZAKAT PAYABLE (CONTINUED)

### Zakat expense

The zakat charge for the year comprises of the following:

	2025 ﷲ	2024 ﷲ
Current year provision	13,490,829	12,278,692
Prior year adjustment	-	(500,000)
<b>Total provided during the year</b>	<b>13,490,829</b>	<b>11,778,692</b>

The principal elements of the zakat base attributable to Saudi Shareholders are as follows:

	2025 ﷲ	2024 ﷲ
Shareholders' equity	900,028,493	752,680,967
Long-term financing / Credit balances	303,658,470	149,360,595
Adjusted net income subject to zakat	160,521,405	280,688,057
<b>Deductions:</b>		
Book value of long-term assets, net	(842,854,100)	(725,792,019)
Zakat base	521,354,268	456,937,600
<b>Zakat charge for the year</b>	<b>13,490,829</b>	<b>12,278,692</b>

### Movement in the Zakat provision:

	2025 ﷲ	2024 ﷲ
Opening balance	12,603,459	19,541,041
Current year provision	13,490,829	12,278,692
Prior year adjustment	-	(500,000)
Payment during the year	(11,743,429)	(18,716,274)
<b>Closing balance</b>	<b>14,350,859</b>	<b>12,603,459</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 23. ZAKAT PAYABLE (CONTINUED)

### Status of assessments

The Company has submitted its zakat declarations up to the year **2024** and has paid the zakat due accordingly. The years **2021** and **2023** were subject to review by the Zakat, Tax and Customs Authority (ZATCA), and final assessments were issued. As a result, the Company was required to pay additional zakat liabilities amounting to **ﷲ 193** thousand for **2023**.

The Company has finalized its Value-added tax (VAT) inspections up to the year **2023** and paid all the differences.

VAT assessment for **2024** is still under processing till the date of the issuance of these consolidated financial statements.

## 24. REVENUE

	2025 ﷲ	2024 ﷲ
Revenue recognized at a point in time		
Non-retail - goods transferred	1,894,685,676	1,945,424,565
Retail - goods transferred	1,427,268,295	1,389,558,715
	3,321,953,971	3,334,983,280
Revenue recognized over-time		
Storage rent revenue	19,202,818	12,000,804
	3,341,156,789	3,346,984,084

All revenue is generated in the Kingdom of Saudi Arabia.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 25. SELLING AND DISTRIBUTION EXPENSES

	2025 ﷲ	2024 ﷲ
Employee costs	136,118,180	125,427,593
Marketing expenses	40,874,423	38,730,717
Depreciation of property, plant and equipment (note 8)	26,448,929	24,362,912
Sales commission	15,865,250	15,238,068
Utilities	15,060,892	14,536,696
Maintenance and car running expenses	20,869,068	17,002,448
Transportation and uploading expenses	9,349,811	8,878,790
Depreciation of right-use-assets (note 7)	9,777,449	8,339,799
Insurance	5,602,721	5,305,997
Rental expenses (short term lease) (note 7)	8,256,827	3,116,011
Amortization of intangible assets (note 9)	-	6,595
Other expenses	10,184,447	9,875,050
	298,407,997	270,820,676

## 26. GENERAL AND ADMINISTRATIVE EXPENSES

	2025 ﷲ	2024 ﷲ
Employee costs	24,737,888	22,511,352
Professional fees	9,684,961	1,394,148
Depreciation of right-of-use assets (note 7)	1,444,154	1,202,548
Bank charges	1,077,868	966,849
Repair and maintenance	1,156,456	897,017
Amortization of intangible assets (note 9)	615,921	537,796
Utilities	788,707	459,782
Depreciation of property, plant, and equipment (note 8)	432,270	412,563
Other expenses	2,553,469	2,219,532
	42,491,694	30,601,587

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 27. OTHER (LOSS) INCOME, NET

	2025 S	2024 S
(Loss) Gain on disposal of property, plant and equipment	(1,159,572)	9,826,465
Foreign currencies (loss) gain	(4,309,859)	3,786,265
Other income	722,910	772,602
Unrealized gain on short-term Investments at (FVTPL)	114,552	-
	(4,631,969)	14,385,332

## 28. FINANCE COSTS, NET

	2025 S	2024 S
Finance Cost		
Interest on short-term loans*	17,931,589	8,293,186
Interest on employees' benefit obligations (note 20)	2,680,310	2,371,593
Interest on lease liabilities (note 7)	1,280,452	2,326,978
Unwinding of Discount on provisions	32,188	-
	21,924,539	12,991,757
Finance Income		
Profit from short-term deposits**	(2,548,016)	(3,280,711)
	19,376,523	9,711,046

\* The interest on short-term loans is for Murabaha Islamic loans obtained from local banks for working capital requirements.

\*\* This relates to profits generated from Murabaha Islamic short-term deposits with a maturity period of less than three months.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### Financial assets

	2025 S	2024 S
Financial assets at amortised cost:		
Trade receivables	309,835,128	306,724,085
Prepayments and other assets	1,608,476	1,608,476
	311,443,604	308,332,561
Cash and cash equivalents	22,195,325	42,628,379
Total financial assets	333,638,929	350,960,940

### Financial liabilities

	2025 S	2024 S
Financial liabilities at amortised cost:		
Trade payables, accruals, and other liabilities	519,479,014	633,442,125
Short term loans	325,000,000	92,000,000
Lease liabilities	86,760,380	99,197,210
Long term loans	11,321,764	124,029
	942,561,158	824,763,364

The Group's financial liabilities include trade payables, certain other payables, lease liabilities, and due to related parties. At 31 December 2025, all the Group's financial liabilities are classified at amortised cost.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### 29.1 Fair Values 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. As such, differences can arise between carrying values and fair value estimates. Fair value is defined by the market-based measurement and assumptions used by market participants.

Management considers that the fair value of short-term financial assets and liabilities approximates their book value due to the short maturity of their maturities.

Management estimated that the fair value of long-term loans is close to their book value, because the commission rate on these loans changes periodically with the change in the market commission rate.

The following table shows the analysis of items recorded at fair value, according to the level of the fair value hierarchical measurement:

	Fair value measured as per hierarchy	2025 ﷲ		2024 ﷲ	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss (FVTPL)	Level 1	8,025,786	8,140,338	-	-

### 29.2 Financial Instruments Risk Management Objectives And Policies

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management monitors and manages of these risks. The Management regularly reviews and agrees policies and procedures to ensure that all financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives, which are summarized below.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to two types of market risk: interest rate risk, and foreign currency risk. Financial instruments affected by market risk include short term loans and payables denominated in foreign currency. There were no changes in these circumstances from the previous year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's short-term loans have a short tenure and carry a floating rate of interest and is carried at amortized cost. Accordingly, management believes that the Group is not subject to any significant interest rate risk because it is a practice of the Group to settle all short-term debt obligations at the time of maturity which is generally one months.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Other than Saudi Riyals, the Group undertakes transactions denominated in foreign currencies principally in United States Dollars, United Arab Emirates Dirhams and Euros; consequently, exposures to exchange rate fluctuations arise. The management believes that there is no currency risk arising from the transactions in currencies to which Saudi Riyal is pegged. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's purchases from outside suppliers mainly denominated in Euros. The foreign currency ﷲ equivalent of Euro exposure in 2025 is ﷲ 73,869,164 (2024 : ﷲ 73,544,033), represents trade payable balances.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in ﷲ and Euro exchange rates, with all other variables held constant.

The impact on the Group's profit before zakat is due to changes in the fair value of monetary assets and liabilities.

	5% increase in exchange rate	5% decrease in exchange rate
2025	(3,677,202)	3,677,202
2024	(3,677,202)	3,677,202

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables, other current financial assets and related parties' balances) and from its financing activities, including balances with banks.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### Trade receivables

The average credit period granted terms is from **15** to **60** days. No interest is charged on outstanding trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

#### Trade receivable – days past due

	Not past due	<90	90-180	181-365	>365	Total
<b>31 December 2025</b>						
Expected credit loss rate %	0.43%	1.13%	66.99%	73.99%	79.65%	
Total gross carrying amount at default	192,314,910	109,806,700	2,307,606	650,297	7,579,241	312,658,754
Expected credit losses	(829,194)	(1,235,435)	(1,545,946)	(481,181)	(6,037,092)	(10,128,848)
	191,485,716	108,571,265	761,660	169,116	1,542,149	302,529,906

#### Trade receivable – days past due

	Not past due	<90	90-180	181-365	>365	Total
<b>31 December 2024</b>						
Expected credit loss rate %	0.09 %	0.24 %	14.38 %	32.54 %	87.23%	
Total gross carrying amount at default	199,241,794	96,403,834	670,384	729,903	5,125,470	302,171,385
Expected credit losses	(182,940)	(233,292)	(96,400)	(237,526)	(4,471,069)	(5,221,227)
	199,058,854	96,170,542	573,984	492,377	654,401	296,950,158

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

## 29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

31 December 2025	Within 3 months	3 months to 1year	1 to 5 years	More than 5 years	Total
Trade payables, accruals, and other liabilities	520,674,695	-	-	-	520,674,695
Lease liabilities	6,523,392	6,696,632	31,316,341	43,938,854	88,475,219
Short- and long-term Loans	325,000,000	-	-	11,321,764	336,321,764
	852,198,087	6,696,632	31,316,341	55,260,618	945,471,678
31 December 2024	Within 3 months	3 months to 1year	1 to 5 years	More than 5 years	Total
Trade payables, accruals, and other liabilities	633,566,154	-	-	-	633,566,154
Lease liabilities	7,027,843	10,223,313	50,180,178	61,749,741	129,181,075
Short term Loans	92,000,000	-	-	-	92,000,000
	732,593,997	10,223,313	50,180,178	61,749,741	854,747,229

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are 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 year attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding during the period used in the basic and diluted EPS computations:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

### 30. EARNING PER SHARE (EPS) (CONTINUED)

Basic and diluted earnings per share from net profit.

	2025 S	2024 S
Net profit for the year	159,863,374	278,652,929
Weighted average number of ordinary shares	60,000,000	60,000,000
<b>Basic and diluted earnings per share</b>	<b>2.66</b>	<b>4.64</b>

### 31. DIVIDENDS

The Company's Board of Directors meeting held on November 18, 2025, (corresponding to 27 Jumada al-Awwal 1447H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 20, 2025G (corresponding to 22 Dhul-Qi'dah 1446 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2025, have approved to distribute dividends for the second half of the year 2025 amounting to S 60 million to the Company's shareholders at one riyal per share, or 10% of the capital.

The Company's Board of Directors meeting held on June 3, 2025G, (Corresponding/ to 7 Dhul-Hi'jah 1446 H), based on authority granted by shareholders during their extraordinary General Assembly meeting dated May 20, 2025G (corresponding to 22 Dhul-Qi'dah 1446 H) to authorize Board of Directors to approve payment of dividends during interim periods of 2025, have approved to distribute dividends for the first half of the year 2025 amounting to S 60 million to the Company's shareholders at one riyal per share, or 10% of the capital.

The Board of Directors meeting held on November 28, 2024G (Corresponding to 26 Jumada al-Awwal 1446 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, has approved to distribute dividends for the second half of the year 2024 amounting to S 120 million to the Company's shareholders at 2 riyal per share, or 20% of the capital.

The 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, has approved to distribute dividends for the first half of the year 2024 amounting to S 75 million to the Company's shareholders at 1.25 riyal per share, or 12.5% of the capital.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

### 32. CAPITAL MANAGEMENT

The Company's capital includes issued share capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize shareholders' value, maintain market confidence, and sustain the future development of its business by maintaining an efficient capital base. It manages its capital structure and makes adjustments in light of changes in economic conditions.

### 33. SEGMENT INFORMATION

The Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group 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 Group manages them separately. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

For management reporting purposes, the Group is divided into business units based on their geographical regions, as follows:

2025	Central region	Eastern & Northern regions	Western & Southern regions	Total
Revenue	1,402,704,722	670,338,826	1,268,113,241	3,341,156,789
Cost of revenue	1,188,161,475	564,631,453	1,057,469,400	2,810,262,328
Depreciation and amortization	12,588,976	5,663,628	14,864,589	33,117,193
Depreciation of right of use assets	11,374,704	1,676,017	3,788,090	16,838,811
Segment profit before Zakat	62,547,963	38,635,824	72,170,416	173,354,203
<b>Total assets</b>	<b>1,178,844,972</b>	<b>278,554,550</b>	<b>642,316,204</b>	<b>2,099,715,726</b>
<b>Total liabilities</b>	<b>957,000,620</b>	<b>29,461,462</b>	<b>68,314,642</b>	<b>1,054,776,724</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 December 2025 (continued)

### 33. SEGMENT INFORMATION (CONTINUED)

2024	Central region	Eastern & Northern regions	Western & Southern regions	Total
Revenue	1,397,010,380	677,996,168	1,271,977,536	3,346,984,084
Cost of revenue	1,163,284,252	567,425,831	1,049,849,549	2,780,559,632
Depreciation and amortization	11,252,865	5,465,567	12,586,847	29,305,279
Depreciation of right of use assets	5,286,588	1,560,709	3,181,421	10,028,718
Segment profit before Zakat	132,034,689	53,036,507	105,360,425	290,431,621
<b>Total assets</b>	<b>1,061,391,821</b>	<b>308,820,463</b>	<b>566,032,661</b>	<b>1,936,244,945</b>
<b>Total liabilities</b>	<b>844,757,419</b>	<b>25,761,263</b>	<b>55,751,447</b>	<b>926,270,129</b>

All the operating segments revenue and non-current assets are generated and based in the Kingdom of Saudi Arabia. There is no sole customer contributing 10% or more of the total revenue in both 2025 and 2024.

2025	Central region	Eastern & Northern regions	Western & Southern regions	Total
Revenue				
Non-retail	750,181,058	389,318,897	755,185,721	1,894,685,676
Retail	640,812,058	278,632,469	507,823,768	1,427,268,295
Storage rent revenue	11,711,606	2,387,460	5,103,752	19,202,818
<b>Total revenues</b>	<b>1,402,704,722</b>	<b>670,338,826</b>	<b>1,268,113,241</b>	<b>3,341,156,789</b>
Cost of revenues				
Non-retail	(641,825,774)	(335,660,962)	(638,625,995)	(1,616,112,731)
Retail	(532,033,699)	(228,483,593)	(416,810,629)	(1,177,327,921)
Storage rent revenue	(14,302,002)	(486,898)	(2,032,776)	(16,821,676)
<b>Total Cost of revenues</b>	<b>(1,188,161,475)</b>	<b>(564,631,453)</b>	<b>(1,057,469,400)</b>	<b>(2,810,262,328)</b>
<b>Total Gross profit</b>	<b>214,543,247</b>	<b>105,707,373</b>	<b>210,643,841</b>	<b>530,894,461</b>

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### 33. SEGMENT INFORMATION (CONTINUED)

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

2025	Central region	Eastern & Northern regions	Western & Southern regions	Total
<b>Revenue</b>				
Non-retail	771,525,191	406,493,402	767,405,972	1,945,424,565
Retail	621,091,697	268,768,427	499,698,591	1,389,558,715
Storage rent revenue	4,393,492	2,734,339	4,872,973	12,000,804
<b>Total revenues</b>	<b>1,397,010,380</b>	<b>677,996,168</b>	<b>1,271,977,536</b>	<b>3,346,984,084</b>
<b>Cost of revenues</b>				
Non-retail	(655,314,359)	(348,718,785)	(646,332,660)	(1,650,365,804)
Retail	(503,493,888)	(218,095,248)	(401,822,880)	(1,123,412,016)
Storage rent revenue	(4,476,005)	(611,798)	(1,694,009)	(6,781,812)
<b>Total Cost of revenues</b>	<b>(1,163,284,252)</b>	<b>(567,425,831)</b>	<b>(1,049,849,549)</b>	<b>(2,780,559,632)</b>
<b>Total Gross profit</b>	<b>233,726,128</b>	<b>110,570,337</b>	<b>222,127,987</b>	<b>566,424,452</b>

### 34. CONTINGENCIES AND COMMITMENTS

No outstanding letters of guarantee as of 31 December 2025 (31 December 2024: Nil), in respect of contract performance, and letters of credit amounting to 30 million (31 December 2024: 14 million). There are capital commitments amounting to 51 million as of 31 December 2025 (31 December 2024: 30 million) related to property, plant, and equipment.

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## 35. CHANGE IN COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform to the current presentation period.

The comparative figures for the fiscal year ending on 31 December 2024 have been reclassified as follows:

Consolidated statement of financial position	Balance as previously reported as at 31 December 2024	Reclassification	Balance as restated as at 31 December 2024
<b>Assets</b>			
Property, plant and equipment	287,224,511	(323,820)	286,900,691
Intangible assets	1,692,191	323,820	2,016,011
Advances to suppliers and contractors	-	8,006,125	8,006,125
Other items	430,401,756	-	430,401,756
<b>TOTAL NON-CURRENT ASSETS</b>	<b>719,318,458</b>	<b>8,006,125</b>	<b>727,324,583</b>
Trade receivables, net	296,950,158	9,773,927	306,724,085
Due from related parties	9,773,927	(9,773,927)	-
Prepayments and other assets	157,437,829	(8,006,125)	149,431,704
Other items	752,764,573	-	752,764,573
<b>TOTAL CURRENT ASSETS</b>	<b>1,216,926,487</b>	<b>(8,006,125)</b>	<b>1,208,920,362</b>
<b>TOTAL ASSETS</b>	<b>1,936,244,945</b>	<b>-</b>	<b>1,936,244,945</b>
<b>Liabilities</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>146,566,155</b>	<b>-</b>	<b>146,566,155</b>
Trade payables, accruals, and other liabilities	636,208,297	124,029	636,332,326
Due to related parties	124,029	(124,029)	-
Other items	143,371,648	-	143,371,648
<b>TOTAL CURRENT LIABILITIES</b>	<b>779,703,974</b>	<b>-</b>	<b>779,703,974</b>
<b>TOTAL LIABILITIES</b>	<b>926,270,129</b>	<b>-</b>	<b>926,270,129</b>

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## 36. SUBSEQUENT EVENTS DISCLOSURES

On February 2, 2026, (Corresponding/ to 14 Shabaan 1447 H) The group announced that it has received a consent letter from Al-Jouf Agricultural Development Company dated at 1st February 2026, to enter into preliminary, non-binding discussions to explore the possibility of Almunajem Foods Company becoming a strategic investor in Al-Jouf Agricultural Development Company. This would be achieved through the acquisition of a minority stake in Al-Jouf Agricultural Development Company via capital increase, with the suspension of preemptive rights for existing shareholders. The subscription price for Almunajem Foods Company would be SAR 52.5 per share, subject to the fulfillment of the following conditions:

The capital increase must not exceed 15% of the total capital of Al-Jouf Agricultural Development Company

A binding contract or contracts must be signed, including due diligence

Approval must be obtained from the Extraordinary General Assembly and all other regulatory approvals required from any relevant authority

On March 11, 2026 ( Corresponding/ to 22 Ramdan 1447 H), The group announced that it has signed a binding agreement with France Poultry (a French company headquartered in Ch teaulin), to acquire the intellectual property rights of the two globally recognized trademarks "Doux" and "Supreme" in the Kingdom of Saudi Arabia, the Gulf Cooperation Council (GCC) countries, and the Republic of Yemen, for the amount of EUR 20,500,000 (twenty million five hundred thousand euros). The group confirmed that the fairness of the evaluation has been verified based on independent valuation reports issued by two specialized and independent consulting firms. The group expects that this acquisition will positively contribute to its business growth, strengthen its asset base, and enhance the value of its investment in Balady Poultry Company. The trademark assignment agreement has been concluded in accordance with the applicable laws and regulations and without granting any preferential terms or advantages.

Management believes that there are no other material subsequent events, other than those mentioned above up to the date of the approval of these consolidated financial statements that could have a material effect on these consolidated financial statements and the related disclosures for the year ended 31 December 2025.

## 37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 December 2025, were approved for issuance by the Board of Directors on 13 March 2025G according to 13 Ramadan 1446H.



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