

Almunajem Foods Company
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2025

Almunajem Foods Company
(A Saudi Joint Stock Company)

THE CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S
REPORT

For the year ended 31 December 2025

<i>INDEX</i>	<i>PAGES</i>
Independent Auditor's Report	1-5
Consolidated Statement of Financial Position	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	11-53



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

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No.: 1010383821
Unified No.: 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730

ey.ksa@sa.ey.com
ey.com

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>Revenue Recognition</p> <p>During the year ended 31 December 2025, the Group recognized total net revenue of ﷲ 3,341 million (2024: ﷲ 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"> • Evaluated the Group revenue recognition policy for compliance with IFRS 15; • 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; • Evaluated the design and implementation of the relevant Group’s internal controls over revenue recognition; • Tested, on a sample basis, revenue transactions recorded during the year and inspecting the supporting documents (including invoice, delivery evidence and approved sales price); • Tested and recalculated, on a sample basis, discounts and rebates according to customer contracts; • 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; • Performed analytical procedures by comparing revenue with prior year, identifying trends in revenue during the year and analyzing variances; and • Assessed the adequacy of the relevant disclosures in the Group’s consolidated financial statements.



**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
ASSETS			
NON-CURRENT ASSETS			
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
TOTAL NON-CURRENT ASSETS		841,288,012	727,324,583
CURRENT ASSETS			
Inventories, net	18	643,471,675	710,136,194
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
TOTAL CURRENT ASSETS		1,258,427,714	1,208,920,362
TOTAL ASSETS		2,099,715,726	1,936,244,945
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19-a	600,000,000	600,000,000
Reserve	19-b	96,818,580	96,818,580
Actuarial valuation reserve	20	(11,274,700)	(6,375,512)
Retained earnings		359,395,122	319,531,748
TOTAL EQUITY		1,044,939,002	1,009,974,816
LIABILITIES			
NON-CURRENT LIABILITIES			
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	-
TOTAL NON-CURRENT LIABILITIES		151,898,801	146,566,155
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		902,877,923	779,703,974
TOTAL LIABILITIES		1,054,776,724	926,270,129
TOTAL EQUITY AND LIABILITIES		2,099,715,726	1,936,244,945

Mohamed Salim Mahmoud
CEO

Ali Hasan El Zein
CEO

Saleh Abdullah Almunajem
Chairman


The attached notes 1 to 37 form an integral part of these consolidated financial statements.

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 س.م	2024 س.م
Revenue	24	3,341,156,789	3,346,984,084
Cost of revenue		(2,810,262,328)	(2,780,559,632)
Gross profit		530,894,461	566,424,452
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)
Operating profit		180,455,180	277,985,657
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
Profit before zakat		173,354,203	290,431,621
Zakat	23	(13,490,829)	(11,778,692)
Net profit for the year		159,863,374	278,652,929
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of employees' benefit obligations	20	(4,762,828)	(1,283,613)
Investment in associate - share of OCI	10	(136,360)	76,249
Total other comprehensive loss		(4,899,188)	(1,207,364)
Total comprehensive income for the year		154,964,186	277,445,565
Earnings per share			
Basic and diluted earnings per share from net profit	30	2.66	4.64


Mohamed Salman Mahmoud
CFO


Ali Hasan El Zein
CEO



Saleh Abdullah Almunajem
Chairman

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Almunajem Foods Company
(A Saudi Joint Stock Company)

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

	<i>Share capital</i> ﷲ	<i>Reserve</i> ﷲ	<i>Actuarial valuation reserve</i> ﷲ	<i>Retained earnings</i> ﷲ	<i>Total</i> ﷲ
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)
Total comprehensive income	-	-	(1,207,364)	278,652,929	277,445,565
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
Other comprehensive loss	-	-	(4,899,188)	-	(4,899,188)
Total comprehensive income	-	-	(4,899,188)	159,863,374	154,964,186
Dividends (note 31)	-	-		-(120,000,000)	(120,000,000)
As at 31 December 2025	<u>600,000,000</u>	<u>96,818,580</u>	<u>(11,274,700)</u>	<u>359,395,122</u>	<u>1,044,939,002</u>


Mohamed Salmar Mahmoud
CFO


Ali Hasan El Zein
CEO


Saleh Abdullah Almunajem
Chairman


Almunajem Foods Company
(A Saudi Joint Stock Company)

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

	Notes	2025 س.م	2024 س.م
OPERATING ACTIVITIES			
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	-
Unrealized gain on fair value investments		(114,552)	-
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
		<u>245,342,904</u>	<u>317,765,920</u>
Change in Working capital:			
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)
Trade payables, accruals, and other liabilities		(113,656,919)	141,173,713
VAT payable, net		(615,384)	2,964,196
		<u>160,998,028</u>	<u>292,496,186</u>
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)
		<u>Net cash generated from operating activities</u>	<u>262,800,682</u>
INVESTING ACTIVITIES			
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)	-
		<u>Net cash used in investing activities</u>	<u>(354,236,156)</u>


Mohamed Saliman Mahmoud
CFO


Ali Hasan El Zein
CEO



Saleh Abdullah Almunajem
Chairman

The attached notes 1 to 37 form an integral part of these consolidated financial statements.

Almunajem Foods Company
(A Saudi Joint Stock Company)

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

	Notes	2025 س.م	2024 س.م
FINANCING ACTIVITIES			
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)
Net cash from (used in) financing activities		103,387,489	(114,864,073)
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
Cash and cash equivalents at the end of the year	11	22,195,325	42,628,379
Non-cash transactions:			
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


Saleh Abdullah Almunajem
Chairman

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 1428H (corresponding to 24 April 2007). The registered address of the Company is located at Riyadh, P O Box 1544, Riyadh 11441, KSA.

The Company is a subsidiary of Abdullah Al Ali Almunajem Sons 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 1376H (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

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

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-Awwal1446 H), with a share capital of ~~1~~ 1,000,000.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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.

2.4 *Basis of consolidation*

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.

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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

2 BASIS OF PREPARATION (continued)

2.4 Basis of consolidation (continued)

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 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).

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

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

3. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated financial statements are presented in Saudi Riyals (ﷲ) 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:

- (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

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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Revenue from contracts with customers (continued)

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.

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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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:

<i>Category of property, plant, and equipment</i>	<i>Useful lives</i>
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	4-5 years
Motor vehicles	5 to 8 years

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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

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.

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:

<i>Category of lease</i>	<i>Lease term</i>
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.

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

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.

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

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.10 Financial instruments

i) 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 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).

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:

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

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.

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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 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.

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

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 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.

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

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 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 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.

Almunajem Foods Company

(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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

i) 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 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.

ii) 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 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.

i) 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

ii) 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.

iii) 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.

iv) 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.

v) 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.

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.

5. ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

vi) 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.

vii) 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.

viii) 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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, 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.

<u>Standard, Amendment or Interpretation</u>	<u>Effective date</u>
- 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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:

	<i>Buildings</i> ﷲ	<i>Land</i> ﷲ	<i>Motor vehicles</i> ﷲ	<i>Total</i> ﷲ
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)
Balance at 31 December 2025	38,912,176	32,770,375	14,367,265	86,049,816

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

	2025 ﷲ	2024 ﷲ
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)
As at 31 December	86,760,380	99,197,210
Current	14,736,353	12,218,281
Non-Current	72,024,027	86,978,929
	86,760,380	99,197,210

* During the year the Group reassessed lease term for one contract by reducing the non-cancellable period from 10 years to 5 years and updating the interest rate. As a result of this change, the lease liability and the related right-of-use asset were remeasured, resulting in a further reduction of ﷲ 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 ﷲ 5.3 million in both the right-of-use 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

7. LEASES (continued)

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

	2025 ﷲ	2024 ﷲ
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
Total amount recognized in profit or loss	26,376,090	15,471,707
Total cash outflow	29,864,359	14,980,084
Repayment of lease liability	21,212,511	11,864,073
Short-term leases (note 25)	8,256,827	3,116,011

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

8. PROPERTY, PLANT AND EQUIPMENT

	<i>Freehold Land</i> ﷲ	<i>Buildings</i> ﷲ	<i>Plant and equipment</i> ﷲ	<i>Furniture and fixtures</i> ﷲ	<i>Computers</i> ﷲ	<i>Motor Vehicles</i> ﷲ	<i>Capital work in progress*</i> ﷲ	<i>Total</i> ﷲ
<u>Cost:</u>								
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
<u>Accumulated Depreciation:</u>								
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
<u>Net book value:</u>								
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

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

8. PROPERTY, PLANT, AND EQUIPMENT (continued)

- a) Building with net book value amounting to ~~ﷲ~~19.5 million (31 December 2024: ~~ﷲ~~ 22.6 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: ~~ﷲ~~ 13.5 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 ~~ﷲ~~ 94.1 million (December 31, 2024: ~~ﷲ~~ 3.9 million) related to construction works for new meat factory located in Jeddah and borrowing cost capitalized during the period amounting to ~~ﷲ~~ 2 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
	<u>32,501,272</u>	<u>28,760,888</u>

9. INTANGIBLE ASSETS

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

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
	<u>615,921</u>	<u>544,391</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 ﷲ 120 per share with total amount of ﷲ 134.1 million including transaction costs of ﷲ 397.90 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 ﷲ 120 per share for a total of ﷲ 181.33 million including transaction costs of ﷲ 367.9 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)
At the end of the year	<u>347,147,544</u>	<u>335,008,358</u>

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

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

<u>As of 31 December</u>	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	<u>343,359,045</u>	<u>308,940,761</u>
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 31 December 2025	<u>347,147,544</u>	<u>335,008,358</u>
<u>Results for the year ended December 31, 2025</u>		
Revenues	850,738,485	887,117,339
Cost of sales	(782,217,104)	(742,671,443)
Gross profit	68,521,381	144,445,896
Selling and marketing expenses	(16,083,853)	(14,132,664)
General and administrative expenses	(18,371,437)	(14,699,004)
Impairment loss of financial assets	48,699	(256,326)
Other income, net	3,811,414	6,021,512
Net profit for the period from main operations	37,926,204	121,379,414
Finance income	325,272	240,906
Financing costs	(2,619,214)	(450,616)
Net profit for the period before zakat	35,632,262	121,169,704
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
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (100%)	33,809,284	118,430,064
Net profit for the year (from 6 March 2024 to 21 August 2024) (17%)	-	10,015,137
Net profit for the year (from 22 August 2024 to 31 December 2024) (40%)	-	12,141,873
Share of results for the year	12,275,546	22,157,010

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

11. CASH AND CASH EQUIVALENTS

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

12. TRADE RECEIVABLES

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

* 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.

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

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

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

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

13. PREPAYMENTS AND OTHER ASSETS

	2025 ﷲ	2024 ﷲ
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.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

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

The movement of the investments at FVTPL is as follows:

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

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 ﷲ 100 million (31 December 2024: Zero), and these deposits carry fixed income returns % 6.45.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 **ﷲ** 97.3 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, **ﷲ** 12.5 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.

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 ﷲ	2024 ﷲ
At the beginning of the year	-	-
Present value of amounts received during the year	<u>11,321,764</u>	-
At the end of the year	<u>11,321,764</u>	<u>-</u>

Current and non-current Saudi Industrial Development Fund' s loan are as follows:

	2025 ﷲ	2024 ﷲ
Current	-	-
Non-current	<u>11,321,764</u>	-
	<u>11,321,764</u>	<u>-</u>

16- B Movement in the amounts received from Saudi Industrial Development Fund's loan is as follows:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	-	-
Amount received during the year	<u>12,543,802</u>	-
At the end of the year	<u>12,543,802</u>	-
Less: present value of the amounts received (note 16 "a")	<u>(11,321,764)</u>	-
Add: charges during the year	<u>1,222,038</u>	-
Deferred financial charges (note 16 "C")	<u>1,222,038</u>	<u>-</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

16- C DEFERRED FINANCIAL CHARGES:

	2025 ﷲ	2024 ﷲ
At the beginning of the year	-	-
Additions during the year	1,222,038	-
Financial charges amortized during the year (note 16 “a”)	-	-
At end of the year (note 16 “b”)	<u>1,222,038</u>	<u>-</u>

Current and non-current deferred financial charges are as follows:

	2025 ﷲ	2024 ﷲ
Current	670,520	-
Non-current	551,518	-
	<u>1,222,038</u>	<u>-</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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:

<u>2025</u>	<u>Relationship</u>	<u>Sales</u> ﷲ	<u>Purchases</u> ﷲ	<u>Expenses*</u> ﷲ	<u>PPE purchase/ Selling</u> ﷲ
France Poultry	Subsidiary of ultimate Parent Company	-	386,835,372	-	-
Shawaya House Company	Subsidiary of ultimate Parent Company	17,379,832	-	48,153	-
Gulf Catering Company	Subsidiary of ultimate Parent Company	9,043,102	-	2,418,450	-
Nutrition and Diet Center Company	Subsidiary of ultimate Parent Company	7,028,809	4,871,098	294,729	-
Azzad Saudi Company	Subsidiary of ultimate Parent Company	1,778,245	-	95,992	-
Thati Limited Company	Subsidiary of ultimate Parent Company	29,000	-	145,368	-
Bureida Trading and Refrigeration Company	Subsidiary of ultimate Parent Company	-	-	233,956	11,190,900
Al-Kafa'a Real State Company	Subsidiary of ultimate Parent Company	-	-	3,240,962	-
Abdullah Al Ali Almunajem Sons Company**	The ultimate Parent Company	-	-	1,183,791	-
Four Steps International Company	Owned by a member of the BOD	-	-	13,000	-
Entertainment Mine Company Ltd	Owned by a closed family member	227,314	-	-	-
Balady Poultry Trading Company	Associate Company	-	93,136,300	-	-
Others	Shareholder in the ultimate Parent Company	-	-	27,000	-
<hr/>					
<u>2024</u>	<u>Relationship</u>	<u>Sales</u> ﷲ	<u>Purchases</u> ﷲ	<u>Expenses*</u> ﷲ	<u>PPE purchase/ Selling</u> 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

17. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

Land leases include a lease with the ultimate parent Company, Abdullah Al Ali Almunajem Sons Company. Right of use assets amounting to **ﷲ 29 million (31 December 2024: **ﷲ** 20 million) and lease liability amounting to **ﷲ** 28 million (31 December 2024: **ﷲ** 23 million) pertain to this lease (note 7). The payment of this land amounting to **ﷲ** 2.99 million (31 December 2024: **ﷲ** 1.99 million).

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
	<u>7,305,222</u>	<u>9,773,927</u>

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
	<u>7,301,665</u>	<u>124,029</u>

d) *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 ﷲ	2024 ﷲ
Short-term employee benefits *	9,970,176	11,384,429
Post-employment benefits	574,538	678,699
	<u>10,544,714</u>	<u>12,063,128</u>

* Key management remuneration includes **ﷲ** 2 million (2024: **ﷲ** 1.98 million) pertaining to the Board of Directors' remuneration.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

18. INVENTORIES

	2025 ﷲ	2024 ﷲ
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)
	<u>643,471,675</u>	<u>710,136,194</u>

The movement of inventory provision is as follows:

	2025 ﷲ	2024 ﷲ
Opening balance	2,093,264	1,778,476
Provided during the year*	550,603	314,788
Written off	(380,227)	-
Closing balance	<u>2,263,640</u>	<u>2,093,264</u>

* 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 ﷲ 545,703 (31 December 2024: ﷲ 243,258) and selling and distribution expenses by ﷲ 4,900 (31 December 2024: ﷲ 71,530)

During 2025, ﷲ 2,815,864,599 (2024: ﷲ 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 ﷲ 22,616,094 (2024: ﷲ 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 ﷲ10 each (31 December 2024: 60,000,000 shares of ﷲ10 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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

20. EMPLOYEES' BENEFITS OBLIGATIONS

	2025 ﷲ	2024 ﷲ
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	<u>67,399,487</u>	<u>59,587,226</u>

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	2025 ﷲ	2024 ﷲ
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 ﷲ	2024 ﷲ
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)
Closing balance	<u>11,274,700</u>	<u>6,375,512</u>

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 ﷲ	2024 ﷲ
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)

The following are the expected payments or contributions to the employees in future years:

	2025 ﷲ	2024 ﷲ
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
	<u>84,570,806</u>	<u>78,372,071</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

21. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

	2025 ﷲ	2024 ﷲ
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
	522,856,188	636,332,326

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 ﷲ 7.2 million (2024: ﷲ 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 ﷲ 71.5 million (31 December 2024: ﷲ 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.

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 also portion was used to finance the establishment of a factory the loans carry interest at commercial rates at SIBOR + 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)
	325,000,000	92,000,000

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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.

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)
	<u>13,490,829</u>	<u>11,778,692</u>
Total provided during the year	<u><u>13,490,829</u></u>	<u><u>11,778,692</u></u>

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
Deductions:		
Book value of long-term assets, net	(842,854,100)	(725,792,019)
Zakat base	<u>521,354,268</u>	<u>456,937,600</u>
Zakat charge for the year	<u><u>13,490,829</u></u>	<u><u>12,278,692</u></u>

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)
	<u>14,350,859</u>	<u>12,603,459</u>
Closing balance	<u><u>14,350,859</u></u>	<u><u>12,603,459</u></u>

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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
	<u>3,321,953,971</u>	<u>3,334,983,280</u>
Revenue recognized over-time		
Storage rent revenue	19,202,818	12,000,804
	<u>3,341,156,789</u>	<u>3,346,984,084</u>

All revenue is generated in the Kingdom of Saudi Arabia.

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
	<u>298,407,997</u>	<u>270,820,676</u>

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
	<u>42,491,694</u>	<u>30,601,587</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

27. OTHER (LOSS) INCOME, NET

	2025	2024
	ﷲ	ﷲ
(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	2024
	ﷲ	ﷲ
<u>Finance Cost</u>		
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
<u>Finance Income</u>		
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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

a. Financial assets

	2025 ﷲ	2024 ﷲ
Financial assets at amortised cost:		
Trade receivables	309,835,128	306,724,085
Prepayments and other assets	1,608,476	1,608,476
	<u>311,443,604</u>	<u>308,332,561</u>
Cash and cash equivalents	22,195,325	42,628,379
Total financial assets	<u><u>333,638,929</u></u>	<u><u>350,960,940</u></u>

b. Financial liabilities

	2025 ﷲ	2024 ﷲ
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
	<u>942,561,158</u>	<u>824,763,364</u>

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.

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		2024	
		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	-	-

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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.

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.

	<i>5% increase in exchange rate</i>	<i>5% decrease in exchange rate</i>
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.

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

29.2 Financial Instruments Risk Management Objectives And Policies (Continued)

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

	<u>Not past due</u>	<u><90</u>	<u>90-180</u>	<u>181-365</u>	<u>>365</u>	<u>Total</u>
31 December 2025						
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)
	<u>191,485,716</u>	<u>108,571,265</u>	<u>761,660</u>	<u>169,116</u>	<u>1,542,149</u>	<u>302,529,906</u>

Trade receivable – days past due

	<u>Not past due</u>	<u><90</u>	<u>90-180</u>	<u>181-365</u>	<u>>365</u>	<u>Total</u>
31 December 2024						
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)
	<u>199,058,854</u>	<u>96,170,542</u>	<u>573,984</u>	<u>492,377</u>	<u>654,401</u>	<u>296,950,158</u>

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	<i>Within 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
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
	<u>852,198,087</u>	<u>6,696,632</u>	<u>31,316,341</u>	<u>55,260,618</u>	<u>945,471,678</u>
31 December 2024	<i>Within 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
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
	<u>732,593,997</u>	<u>10,223,313</u>	<u>50,180,178</u>	<u>61,749,741</u>	<u>854,747,229</u>

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

30. EARNING PER SHARE (EPS)

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:

Basic and diluted earnings per share from net profit.

	2025 ﷲ	2024 ﷲ
Net profit for the year	<u>159,863,374</u>	<u>278,652,929</u>
Weighted average number of ordinary shares	<u>60,000,000</u>	<u>60,000,000</u>
Basic and diluted earnings per share	<u>2.66</u>	<u>4.64</u>

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 ﷲ 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 ﷲ 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 ﷲ 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 ﷲ 75 million to the Company’s shareholders at 1.25 riyal per share, or 12.5% of the capital.

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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:

<i>2025</i>	<i>Central region</i>	<i>Eastern & Northern regions</i>	<i>Western & Southern regions</i>	<i>Total</i>
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
Total assets	1,178,844,972	278,554,550	642,316,204	2,099,715,726
Total liabilities	957,000,620	29,461,462	68,314,642	1,054,776,724
<i>2024</i>	<i>Central region</i>	<i>Eastern & Northern regions</i>	<i>Western & Southern regions</i>	<i>Total</i>
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
Total assets	1,061,391,821	308,820,463	566,032,661	1,936,244,945
Total liabilities	844,757,419	25,761,263	55,751,447	926,270,129

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.

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

33. SEGMENT INFORMATION (continued)

2025	Central Region	Eastern & Northern Regions	Western & Southern Regions	Total
<u>Revenue</u>				
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
Total revenues	<u>1,402,704,722</u>	<u>670,338,826</u>	<u>1,268,113,241</u>	<u>3,341,156,789</u>
<u>Cost of revenues</u>				
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)
Total Cost of revenues	<u>(1,188,161,475)</u>	<u>(564,631,453)</u>	<u>(1,057,469,400)</u>	<u>(2,810,262,328)</u>
Total Gross profit	<u>214,543,247</u>	<u>105,707,373</u>	<u>210,643,841</u>	<u>530,894,461</u>

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

2024	Central Region	Eastern & Northern Regions	Western & Southern Regions	Total
<u>Revenue</u>				
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
Total revenues	<u>1,397,010,380</u>	<u>677,996,168</u>	<u>1,271,977,536</u>	<u>3,346,984,084</u>
<u>Cost of revenues</u>				
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)
Total Cost of revenues	<u>(1,163,284,252)</u>	<u>(567,425,831)</u>	<u>(1,049,849,549)</u>	<u>(2,780,559,632)</u>
Total Gross profit	<u>233,726,128</u>	<u>110,570,337</u>	<u>222,127,987</u>	<u>566,424,452</u>

Almunajem Foods Company
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 ~~ﷲ~~ 30 million (31 December 2024: ~~ﷲ~~ 14 million). There are capital commitments amounting to ~~ﷲ~~ 51 million as of 31 December 2025 (31 December 2024: ~~ﷲ~~ 30 million) related to property, plant, and equipment.

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:

<i>Consolidated statement of financial position</i>	<i>Balance as previously reported as at 31 December 2024</i>	<i>Reclassification</i>	<i>Balance as restated as at 31 December 2024</i>
	<i>ﷲ</i>	<i>ﷲ</i>	<i>ﷲ</i>
<i>Assets</i>			
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
TOTAL NON-CURRENT ASSETS	719,318,458	8,006,125	727,324,583
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
TOTAL CURRENT ASSETS	1,216,926,487	(8,006,125)	1,208,920,362
TOTAL ASSETS	1,936,244,945	-	1,936,244,945
<i>Liabilities</i>			
TOTAL NON-CURRENT LIABILITIES	146,566,155	-	146,566,155
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
TOTAL CURRENT LIABILITIES	779,703,974	-	779,703,974
TOTAL LIABILITIES	926,270,129	-	926,270,129

Almunajem Foods Company (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2025

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 Châteaulin), 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 27 Ramadhan 1447 H (corresponding to 16 March 2026).