

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
30 JUNE 2026

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY

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Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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

المركز الرئيسي في الرياض

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

To the Shareholders of Almarai Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of Almarai Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

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

Scope of Review

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

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

To the Shareholders of Almarai Company (A Saudi Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of Almarai Company ("the Company") and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

Fahad Mubark Aldossari

License No: 469



Riyadh on 6 July 2026 G

Corresponding to: 21 Muharram 1448 H

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

		30 June 2026	31 December 2025
	Notes	(Unaudited)	(Audited)
		'000	'000
		S	S
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		27,094,376	26,058,632
Long-term Prepayments		474,356	492,514
Right-of-Use Assets		542,279	551,614
Intangible Assets and Goodwill		1,620,328	1,612,427
Biological Assets		1,810,709	1,810,686
Derivative Financial Instruments		26,512	45,202
Deferred Tax Assets		7,952	4,215
		31,576,512	30,575,290
Current Assets			
Inventories		6,639,626	6,005,738
Biological Assets		174,767	160,737
Trade Receivables, Prepayments and Other Receivables		3,908,476	2,696,342
Derivative Financial Instruments		12,853	5,752
Cash and Cash Equivalents		496,078	523,039
		11,231,800	9,391,608
TOTAL ASSETS		42,808,312	39,966,898
EQUITY AND LIABILITIES			
Share Capital	5	10,000,000	10,000,000
Statutory Reserve	6	2,966,165	2,966,165
Treasury Shares		(475,726)	(509,663)
Other Reserves		(1,190,563)	(1,033,599)
Retained Earnings		9,329,209	9,104,577
Equity Attributable to Equity Holders of the Company		20,629,085	20,527,480
Non-Controlling Interests		495	(244)
TOTAL EQUITY		20,629,580	20,527,236
Non-Current Liabilities			
Loans and Borrowings	8	12,451,044	10,951,810
Lease Liabilities		433,249	442,476
Employee Retirement Benefits		1,656,494	1,584,310
Derivative Financial Instruments		97,860	3,986
Deferred Tax Liabilities		69,953	64,926
		14,708,600	13,047,508
Current Liabilities			
Bank Overdrafts		37,868	16,893
Loans and Borrowings	8	1,342,852	1,520,330
Lease Liabilities		104,466	107,750
Zakat		218,959	257,878
Income Tax Payable		71,643	68,089
Trade and Other Payables		5,666,437	4,414,793
Derivative Financial Instruments		27,907	6,421
		7,470,132	6,392,154
TOTAL LIABILITIES		22,178,732	19,439,662
TOTAL EQUITY AND LIABILITIES		42,808,312	39,966,898

The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:


 Ikram Ulhaque
 Chief Financial Officer


 Fawaz Bin Mohammed Al-Jasser
 Chief Executive Officer


 HH Prince Naif Bin Sultan Bin
 Mohammed Bin Saud Al Kabeer
 Chairman


ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

	Notes	April - June	April - June	January - June	January - June
		2026	2025	2026	2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		'000	'000	'000	'000
		ﷲ	ﷲ	ﷲ	ﷲ
Revenue	10	5,868,205	5,288,402	12,028,258	11,055,492
Cost of Sales		(4,044,312)	(3,575,223)	(8,338,456)	(7,573,658)
Gross Profit		1,823,893	1,713,179	3,689,802	3,481,834
Selling and Distribution Expenses		(820,024)	(766,224)	(1,638,416)	(1,520,319)
General and Administration Expenses		(140,879)	(130,036)	(278,866)	(259,329)
Other (Expenses) / Income, net		(30,302)	11,991	(56,511)	619
Impairment Loss on Financial Assets		(19,133)	(15,667)	(27,325)	(15,426)
Operating Profit		813,555	813,243	1,688,684	1,687,379
Finance Cost, net		(137,011)	(124,962)	(242,551)	(224,653)
Share of Results of Associate		-	(323)	-	(1,222)
Profit before Zakat and Income Tax		676,544	687,958	1,446,133	1,461,504
Zakat		(25,454)	(27,981)	(52,027)	(55,445)
Income Tax		(14,910)	(12,867)	(25,488)	(27,422)
Profit for the period		636,180	647,110	1,368,618	1,378,637
Profit for the period attributable to:					
Shareholders of the Company		635,657	646,866	1,367,879	1,378,060
Non-Controlling Interests		523	244	739	577
		636,180	647,110	1,368,618	1,378,637
Earnings per share (ﷲ), based on Profit for the period attributable to Shareholders of the Company					
- Basic	9	0.64	0.65	1.38	1.39
- Diluted	9	0.64	0.65	1.37	1.38

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 Ikram Ulhaque
 Chief Financial Officer

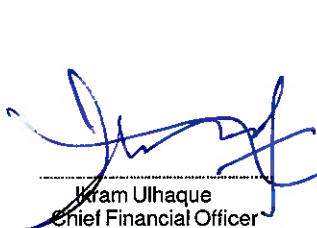

 Fawaz Bin Mohammed Al-Jasser
 Chief Executive Officer


 HH Prince Naif Bin Sultan Bin
 Mohammed Bin Saud Al Kabeer
 Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2026

	April - June 2026 (Unaudited)	April - June 2025 (Unaudited)	January - June 2026 (Unaudited)	January - June 2025 (Unaudited)
	'000	'000	'000	'000
	ﷲ	ﷲ	ﷲ	ﷲ
Profit for the period	636,180	647,110	1,368,618	1,378,637
Items that are or may be reclassified subsequently to profit or loss.				
Foreign Currency Translation Differences	25,349	4,977	(18,890)	3,478
Settlement of Cash Flow Hedges transferred to Profit or Loss	(4,564)	(2,770)	(7,947)	(5,187)
Movement in Fair Value on Cash Flow Hedges	13,053	8,472	(69,657)	184,634
Other Comprehensive Income/ (Loss) for the period	33,838	10,679	(96,494)	182,925
Total Comprehensive Income for the period	670,018	657,789	1,272,124	1,561,562
Total Comprehensive Income for the period attributable to:				
Shareholders of the Company	669,495	657,548	1,271,385	1,560,987
Non-Controlling Interests	523	241	739	575
	670,018	657,789	1,272,124	1,561,562

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 Irfam Ulhaque
 Chief Financial Officer


 Fawaz Bin Mohammed Al-Jasser
 Chief Executive Officer


 HH Prince Naif Bin Sultan Bin
 Mohammed Bin Saud Al Kabeer
 Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Share Capital	Statutory Reserve	Treasury Shares	Other Reserves	Retained Earnings	Equity Attributable to Equity Holders	Non-Controlling Interests	Total Equity
	'000							
	S							
Balance as at 1 January 2025 (Audited)	10,000,000	2,966,165	(538,024)	(1,311,377)	7,673,972	18,790,736	396	18,791,132
Profit for the period	-	-	-	-	1,378,060	1,378,060	577	1,378,637
Other Comprehensive Income / (Loss) for the period	-	-	-	182,927	-	182,927	(2)	182,925
Total Comprehensive Income	-	-	-	182,927	1,378,060	1,560,987	575	1,561,562
Settlement of Cash Flow Hedges transferred to Inventory / Property, Plant and Equipment	-	-	-	(23,205)	-	(23,205)	-	(23,205)
Directors' Remuneration	-	-	-	-	(7,390)	(7,390)	-	(7,390)
Transactions with Owners in their Capacity as Owners								
Dividend Declared S 1 per share	-	-	-	-	(989,366)	(989,366)	-	(989,366)
Share Based Payment Transactions	-	-	-	21,255	-	21,255	-	21,255
Settlement of Treasury Shares	-	-	9,446	(758)	1,572	10,260	-	10,260
Balance as at 30 June 2025 (Unaudited)	10,000,000	2,966,165	(528,578)	(1,131,158)	8,056,848	19,363,277	971	19,364,248
Balance as at 1 January 2026 (Audited)	10,000,000	2,966,165	(509,663)	(1,033,599)	9,104,577	20,527,480	(244)	20,527,236
Profit for the period	-	-	-	-	1,367,879	1,367,879	739	1,368,618
Other Comprehensive Loss for the period	-	-	-	(96,494)	-	(96,494)	-	(96,494)
Total Comprehensive (Loss) / Income	-	-	-	(96,494)	1,367,879	1,271,385	739	1,272,124
Settlement of Cash Flow Hedges transferred to Inventory / Property, Plant and Equipment	-	-	-	(49,345)	-	(49,345)	-	(49,345)
Directors' Remuneration	-	-	-	-	(7,682)	(7,682)	-	(7,682)
Transactions with Owners in their Capacity as Owners								
Dividend Declared S 1.15 per share (Refer Note 13)	-	-	-	-	(1,138,593)	(1,138,593)	-	(1,138,593)
Share Based Payment Transactions	-	-	-	25,840	-	25,840	-	25,840
Settlement of Treasury Shares	-	-	33,937	(36,965)	3,028	-	-	-
Balance as at 30 June 2026 (Unaudited)	10,000,000	2,966,165	(475,726)	(1,190,563)	9,329,209	20,629,085	495	20,629,580

The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:


 Ikram Ulhaque
 Chief Financial Officer


 Fawaz Bin Mohammed Al-Jasser
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 HH Prince Naif Bin Sultan Bin
 Mohammed Bin Saud Al Kabeer
 Chairman

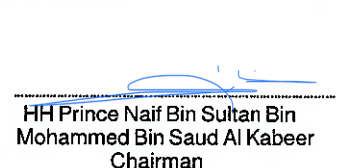
ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

Notes	January - June 2026 (Unaudited) '000 ﷲ	January - June 2025 (Unaudited) '000 ﷲ
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,368,618	1,378,637
Adjustments for non-cash items:		
Depreciation and Amortisation	1,256,307	1,201,634
Gain Arising from Changes in Fair Value less Cost to Sell of Crops	(16,187)	(23,580)
Provision for Employee Retirement Benefits	135,516	127,673
Provision for Inventories and Trade Receivables	67,298	60,589
Share Based Payment Expense	25,840	21,255
Finance Cost, net	242,551	224,653
Other Income / (Expenses), net	56,511	(619)
Share of Results of Associate	-	1,222
Zakat	52,027	55,445
Income Tax	25,488	27,422
	3,213,969	3,074,331
Changes in working capital:		
Inventories	(679,645)	28,631
Biological Assets	2,192	(1,487)
Trade Receivables, Prepayments and Other Receivables	(1,254,064)	(1,018,713)
Trade and Other Payables	1,254,427	650,611
Cash Used in Working Capital	(677,090)	(340,958)
Employee Retirement Benefits Paid	(63,512)	(37,667)
Zakat and Income Tax Paid	(101,007)	(142,633)
Net Cash from Operating Activities	2,372,360	2,553,073
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Disposal of Investment in Associate	-	88,529
Additions in Long-term Prepayments	-	(1,175)
Additions to Property, Plant and Equipment	(1,792,992)	(2,096,984)
Proceeds from the Disposal of Property, Plant and Equipment	42,411	39,850
Additions to Intangible Assets	(41,582)	(10,666)
Additions to Biological Assets	(535,797)	(512,951)
Proceeds from the Disposal of Biological Assets	170,621	158,193
Net Cash Used in Investing Activities	(2,157,339)	(2,335,204)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loans and Borrowings	10,693,768	12,523,157
Repayment of Loans and Borrowings	(9,341,641)	(11,428,674)
Finance Cost Paid	(369,762)	(326,216)
Dividend Paid	(1,137,003)	(985,446)
Settlement of Treasury Shares	-	10,260
Principal Element of Lease Payments	(77,085)	(71,584)
Interest Element of Lease Payments	(1,633)	(2,120)
Directors' Remuneration	(7,682)	(7,390)
Net Cash Used in Financing Activities	(241,038)	(288,013)
Net Change in Cash and Cash Equivalents	(26,017)	(70,144)
Cash and Cash Equivalents as at 1 January	523,039	528,214
Effect of Movements in Exchange Rates on Cash and Cash Equivalents	(944)	655
Cash and Cash Equivalents as at 30 June	496,078	458,725

The accompanying notes form an integral part of these Condensed Consolidated Interim Financial Statements, which have been authorised for issue by the Board of Directors on behalf of the Shareholders, and signed on its behalf by:


 Ikram Ulhaque
 Chief Financial Officer


 Fawaz Bin Mohammed Al-Jasser
 Chief Executive Officer


 HH Prince Naif Bin Sultan Bin
 Mohammed Bin Saud Al Kabeer
 Chairman

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION

Almarai Company (the “Company”) is a Saudi Joint Stock Company, which was converted from a limited liability company to a joint stock company on 2 Rajab 1426 A.H. (8 August 2005). The Company initially commenced trading on 19 Dul Hijjah 1411 A.H. (1 July 1991) and operates under Commercial Registration No. 1010084223 and issued unified number 7001360630. Prior to the consolidation of activities in 1991, the core business was conducted between 1977 and 1991 under the Almarai brand name.

The Company’s Head Office is located at Exit 7, North Ring Road, Al Izdihar District, P.O. Box 8524, Riyadh 11492, Kingdom of Saudi Arabia (“Saudi Arabia”).

The Company and its subsidiaries (together, the “Group”) are a major integrated consumer food and beverage Group in the Middle East with leading market share in Saudi Arabia. It also operates in Egypt, Jordan and other Gulf Cooperation Council (“GCC”) countries.

Dairy, fruit juices and related food business is operated under the “Almarai”, “Beyti” and “Teeba” brand names. All raw milk production, dairy and fruit juice product processing and related food product manufacturing activities are undertaken in Saudi Arabia, United Arab Emirates (“UAE”), Egypt and Jordan.

Dairy, fruit juices and related food business in Egypt and Jordan operates through a fully owned subsidiary International Dairy and Juice Limited (“IDJ”). The Group manages IDJ operations through the following key subsidiaries:

- Jordan - Teeba Investment for Developed Food Processing
- Egypt - International Company for Agricultural Industries Projects (Beyti) (SAE)

Bakery products are manufactured and traded by Western Bakeries Company Limited and Modern Food Industries Company Limited under the brand names “L’usine” and “7 Days”, respectively.

Poultry products are manufactured and traded by Hail Agricultural Development Company under the “Alyoum” and “AlBashayer” brand names.

Seafood products are traded under the “Seama” brand name.

Ice cream products are traded under the “Almarai” brand name.

Infant Nutrition products are manufactured by Almarai Baby Food Company Limited and traded by International Pediatric Nutrition Company under “Nuralac” and “Evolac” brand names.

Drinking water products are manufactured and traded by Pure Beverages Industries Company Limited under the “Oska” and “Ival” brand names

In territories where the Group has operations, final consumer packed products are distributed from manufacturing facilities to local distribution centres by the Group’s long haul distribution fleet. The distribution centres in GCC countries are managed through subsidiaries in UAE, Sultanate of Oman (“Oman”) and Kingdom of Bahrain (“Bahrain”) and an agency agreements in Kuwait and Qatar as follows:

- UAE - Almarai Emirates Company LLC
- Oman - Arabian Planets for Trading and Marketing LLC
- Bahrain - Almarai Company Bahrain W.L.L.
- Kuwait - Al Kharafi Brothers Dairy Products Company Limited
- Qatar - Khalid for Foodstuff and Trading Company

In other territories, where permissible by law, export sales are made through other subsidiaries.

The Group owns and operates arable farms in Argentina and in United States of America (USA), collectively referred to as “Fondomonte”, through the following key subsidiaries:

- USA - Fondomonte Holdings North America LLC
- Argentina - Fondomonte South America S.A

The Group’s non-GCC business operations under IDJ and Fondomonte are managed through Almarai Investment Holding Company W.L.L., a company incorporated in the Kingdom of Bahrain.

Poultry grandparent farming operations are conducted by Pure Breed Poultry (Taseel) Company.

Value-added meat and poultry for the Middle East food services industry are manufactured and distributed by Premier Foods Industries Company LLC.

Frozen bakery products are produced and sold in the UAE and Bahrain by Bakemart FZ LLC, Bakemart L.L.C (UAE), and Bakemart W.L.L (Bahrain).

Acquisitions

On 19 Dhul-Hijjah 1446 A.H (15 June 2025), the Group entered into a Share Purchase Agreement (“SPA”) to acquire 100% shares in Pure Beverages Industry Company Limited, a company based in the Kingdom of Saudi Arabia. The closure of the acquisition and determination of the date of control was subject to completion of certain conditions identified in the SPA. On 31 July 2025, the Group completed the acquisition and settled the consideration amounting to ~~1,012~~ 1,012 million.

Pure Beverages Industry Company Limited’s main operation is the production and distribution of bottled drinking water. This acquisition marks Group’s strategic entry into the bottled water segment and strengthens its position in the broader beverage market. Also refer note 7.

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

1. THE COMPANY, ITS SUBSIDIARIES AND ITS BUSINESS DESCRIPTION (Continued...)

Geopolitical Developments

The Group continues to monitor regional geopolitical developments and related supply chain conditions. During the period, certain disruptions to regional transportation networks resulted in inflationary pressures on transportation and logistics costs. The Group undertook appropriate operational measures, including the use of alternative transportation routes where necessary, to maintain continuity of supply and operations.

These developments did not have a material impact on the Group's operations for the period ended 30 June 2026. The Group will continue to assess the situation and monitor any potential future effects on its operating conditions, supply chain arrangements and cost structure at subsequent reporting dates.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA") and should be read in conjunction with the Group's last annual Consolidated Financial Statements for the year ended 31 December 2025. These do not include all of the information normally required for a complete set of Consolidated Financial Statements; however, accounting policies and selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 31 December 2025.

2.2 Preparation of the Financial Statements

These Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis except for the following material items in the Condensed Consolidated Statement of Financial Position:

- Derivative financial instruments are measured at fair value.
- The employee retirement benefit is recognised at the present value of future obligations using the Projected Unit Credit Method.
- Biological Assets, where fair value is reliably measurable, have been measured at fair value.

2.3 Use of Judgments and Estimates

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statement.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These Condensed Consolidated Interim Financial Statements are presented in Saudi Riyals ("ﷲ"), which is the Company's functional and Group's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. MATERIAL ACCOUNTING POLICIES

4.1 New Standards, Amendment to Standards and Interpretations

The new standards and amendments to standards disclosed in the Group's annual consolidated financial statements remain unchanged.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The Group has not early adopted the new accounting standard in preparing these interim financial statements; however, earlier application is permitted.

The Group is in the process of assessing the estimated impact that the initial application of IFRS 18 will have on its consolidated financial statements.

a) Structure of the Statement of Profit or Loss

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss – namely operating, investing, financing, zakat income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Group has determined that it does not have a specified main business activity of investing in assets and/or providing financing to customers.

Neither net profit nor net assets will change as a result of the Group's adoption of IFRS 18. The Group will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. However, operating profit subtotal differs from the current operating profit subtotal presented by the Group. Based on the information currently available, the Group expects changes to the current structure of the statement of profit or loss to result from the following.

ALMARAI COMPANY
A SAUDI JOINT STOCK COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

4. MATERIAL ACCOUNTING POLICIES (Continued..)

4.1 New Standards, Amendment to Standards and Interpretations (Continued..)

a) Structure of the Statement of Profit or Loss (Continued)

- Interest income and expenses are generally included in finance income and finance costs under the Group's current accounting policy and are presented in the 'net finance costs' subtotal. IFRS 18 provides specific guidance on the income and expenses classified in the investing and financing categories.
- Interest cost on employee benefit obligations, which is currently presented within employee costs, will be classified and presented within finance costs.
- Net foreign exchange losses are currently included in finance costs and presented in net finance costs. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Group has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.
- Gains and losses on certain designated cash flow hedging instruments are currently included in finance costs and presented in net finance costs. Under IFRS 18, gains and losses on designated hedging instruments are required to be classified in the same category as the income and expenses affected by the hedged risks. The Group has determined that gains or losses on these hedging instruments will be classified in the operating and financing categories.

b) Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate to users management's view of an aspect of the financial performance of the entity as a whole. The Group will be required to disclose specific information about MPMs in a single note in the financial statements.

The Group is in process to determine which public communications should be considered when identifying MPMs. MPMs relate to the same reporting period as the financial statements. Therefore, MPMs disclosed by the Group following adoption of IFRS 18 will be determined based on public communications issued by the Group relating to the 2027 interim reporting period.

c) Principles of aggregation and disaggregation

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing line items currently labelled as 'other' and will use more informative labels.

d) Consequential amendments

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. The Group will classify cash flows from interest paid as financing activities rather than operating activities under this guidance. Cash flows from interest and dividends received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

5. SHARE CAPITAL

The Company's share capital as at 30 June 2026 amounted to ~~ﷲ~~ 10,000 million (2025: ~~ﷲ~~ 10,000 million), consisting of 1,000 million (2025: 1,000 million) fully paid and issued shares of ~~ﷲ~~ 10 each.

6. STATUTORY RESERVE

The statutory reserve included in the condensed consolidated interim financial statements was required under the Company's previous by-laws. However, following amendments to the Company's by-laws during the year ended 31 December 2024, the requirement to set aside a statutory reserve has been removed.

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7. BUSINESS COMBINATION

As explained in note 1, Group effectively obtained control of Pure Beverages Industry Company Limited on 6 Safar 1447 A.H (31 July 2025).

During the period, the Group finalised the purchase price allocation (“PPA”) for the acquisition, which was previously reported as provisional. The finalisation of the PPA did not result in any measurement period adjustments, and accordingly, there have been no changes to the provisional amounts disclosed in the consolidated financial statements for the year ended 31 December 2025.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value on Acquisition
	'000
	ﷲ
Assets Acquired:	
<u>Non-Current Assets</u>	
Property, Plant and Equipment	417,284
Intangible Assets	2,181
Customer Relationships and Brands	155,800
Right of Use Assets	26,658
	601,923
<u>Current Assets</u>	
Cash and Cash Equivalents	11,129
Trade Receivables, Prepayments and Other Receivables	177,758
Inventories	40,238
	229,125
Total Assets	831,048
 Liabilities Assumed:	
<u>Non-Current Liabilities</u>	
Lease Liabilities	10,803
Employee Retirement Benefits	12,553
	23,356
<u>Current Liabilities</u>	
Lease Liabilities	9,491
Trade and Other Payables	114,086
	123,577
Total Liabilities	146,933
Total Purchase Consideration	1,012,223
Total Identifiable Net Assets	(684,115)
Goodwill Arising on Acquisition	328,108
 Cash Outflow on Acquisition:	
Net Cash Acquired with the Subsidiary	11,129
Cash Paid	(1,021,223)
Net Cash Outflow	(1,010,094)

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8. LOANS AND BORROWINGS

	Notes	30 June 2026 (Unaudited) '000 ﷲ	31 December 2025 (Audited) '000 ﷲ
Non-Current Liabilities			
Islamic Banking Facilities (Murabaha)	8.1	7,528,573	5,960,307
Saudi Industrial Development Fund ("SIDF")		47,141	128,143
Banking Facilities of Non-GCC Subsidiaries		185,119	128,588
Supranational (Murabaha)		-	47,277
Agricultural Development Fund ("ADF")		18,848	17,987
International Sukuk		4,671,363	4,669,508
		12,451,044	10,951,810
Current Liabilities			
Islamic Banking Facilities (Murabaha)	8.1	822,602	1,062,084
Saudi Industrial Development Fund ("SIDF")		177,505	197,499
Banking Facilities of Non-GCC Subsidiaries		155,214	68,408
Supranational (Murabaha)		71,745	72,137
Agricultural Development Fund ("ADF")		24,543	23,886
International Sukuk		91,243	96,316
		1,342,852	1,520,330
Total Loans and Borrowings		13,793,896	12,472,140

8.1 During the period ended 30 June 2026, ﷲ1,875 million were drawn down from existing Islamic banking facilities (Murabaha) (31 December 2025: Nil).

8.2 The loans contain certain covenants. A future breach of covenants may lead to renegotiation. The covenants are monitored on a monthly basis by management. In case of potential breach, actions are taken by management to ensure compliance. During the period ended 30 June 2026, there has been no non-compliance with any of the covenants.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	April - June 2026 (Unaudited) '000 ﷲ	April - June 2025 (Unaudited) '000 ﷲ	January - June 2026 (Unaudited) '000 ﷲ	January - June 2025 (Unaudited) '000 ﷲ
Profit for the period attributable to the Shareholders of the Company	635,657	646,866	1,367,879	1,378,060
Number of shares '000'				
Weighted average number of ordinary shares for the purpose of basic earnings	990,042	989,326	989,812	989,280
Weighted average number of ordinary shares repurchased	9,958	10,674	10,188	10,720
Weighted average number of ordinary shares for the purpose of diluted earnings	1,000,000	1,000,000	1,000,000	1,000,000

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9. EARNINGS PER SHARE (Continued..)

	April - June 2026 (Unaudited)	April - June 2025 (Unaudited)	January - June 2026 (Unaudited)	January - June 2025 (Unaudited)
Earnings per Share (ﷲ), based on Profit for the period attributable to Shareholders of the Company				
- Basic	0.64	0.65	1.38	1.39
- Diluted	0.64	0.65	1.37	1.38

Weighted average number of shares are retrospectively adjusted to reflect the effect of Bonus Shares and are adjusted to take account of Treasury Shares held under the Almarai Employee Equity Participation Program.

10. SEGMENT REPORTING

The Group's principal business activities involve manufacturing and trading of dairy and juice products under Almarai, Beyti and Teeba brands, bakery products under L'usine and 7 Days brands and poultry products under Alyoum and AlBashayer brands. Seafood and value-added meat products, together with poultry, are presented under protein segment. Other activities include arable, horticulture, infant nutrition and water. Selected financial information as at 30 June 2026 and 30 June 2025, and for the period then ended, categorised by these business segments, is as follows:

Dairy and Juice	Milk production, dairy, fruits juice, ice cream product processing and distribution
Bakery	Bakery products manufacturing and distribution
Protein*	Poultry products manufacturing and distribution, seafood and value added meat products.
Other Activities*	Arable, horticulture, infant nutrition and water.

	Dairy and Juice	Bakery	Protein*	Other Activities*	Total
	'000	'000	'000	'000	'000
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
30 June 2026					
Revenue	7,937,368	1,408,790	2,265,235	858,086	12,469,479
Third Party Revenue	7,895,271	1,408,790	2,265,235	458,962	12,028,258
Depreciation and Amortisation	(702,893)	(97,651)	(362,076)	(93,687)	(1,256,307)
Profit / (Loss) for the period	915,780	231,694	241,400	(20,256)	1,368,618
Profit / (Loss) attributable to Shareholders of the Company	915,041	231,694	241,400	(20,256)	1,367,879
Total Assets	23,726,722	1,960,260	13,105,460	4,015,870	42,808,312
Total Liabilities	15,475,327	408,751	5,491,271	803,383	22,178,732
31 December 2025					
Total Assets	22,267,954	1,866,423	12,004,313	3,828,208	39,966,898
Total Liabilities	13,200,048	381,699	5,195,665	662,250	19,439,662
30 June 2025					
Revenue	7,578,629	1,327,445	2,017,299	686,223	11,609,596
Third Party Revenue	7,533,771	1,327,445	2,017,299	176,977	11,055,492
Depreciation and Amortisation	(725,836)	(94,266)	(310,922)	(70,610)	(1,201,634)
Share of Results of Associate	-	-	-	(1,222)	(1,222)
Profit for the period	905,237	191,600	253,593	28,207	1,378,637
Profit attributable to Shareholders of the Company	904,660	191,600	253,593	28,207	1,378,060
Total Assets	21,277,872	2,024,637	11,325,368	3,127,320	37,755,197
Total Liabilities	12,957,944	434,581	4,310,292	688,132	18,390,949
31 December 2024					
Total Assets	21,120,578	1,982,800	9,557,661	2,906,921	35,567,960
Total Liabilities	12,799,436	427,890	2,957,078	592,424	16,776,828

The Group's revenue is derived from contracts with customers for sale of consumer products. Control of products is transferred at a point in time and directly sold to customers.

Segment assets are measured in the same way as in the Financial Statements. These assets are allocated and analysed based on the operations of the segment. The Group's management does not analyse total assets based on its geographical location and therefore country-wise total assets are not disclosed in these Condensed Consolidated Interim Financial Statements.

The revenue from business segments categorised by geographical region is as follows:

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10. SEGMENT REPORTING (Continued..)

	Dairy and Juice	Bakery	Protein*	Other Activities*	Total
	'000	'000	'000	'000	'000
	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
For the six-month period ended 30 June 2026					
Saudi Arabia	4,797,261	1,026,216	1,784,808	349,776	7,958,061
Other GCC Countries	1,660,082	366,820	405,899	-	2,432,801
Other Countries	1,437,928	15,754	74,528	109,186	1,637,396
Total Third Party Revenue	<u>7,895,271</u>	<u>1,408,790</u>	<u>2,265,235</u>	<u>458,962</u>	<u>12,028,258</u>
For the six-month period ended 30 June 2025					
Saudi Arabia	4,714,068	956,088	1,619,575	101,258	7,390,989
Other GCC Countries	1,623,283	356,389	341,108	689	2,321,469
Other Countries	1,196,420	14,968	56,616	75,030	1,343,034
Total Third Party Revenue	<u>7,533,771</u>	<u>1,327,445</u>	<u>2,017,299</u>	<u>176,977</u>	<u>11,055,492</u>

* Effective Q1 2026, the Group has expanded its 'Poultry' operating segment to a broader 'Protein' segment. This updated segment now encompasses poultry products, seafood, and value-added meat products (seafood and value-added products were previously reported under other activities), reflecting the revised internal reporting provided to the Chief Operating Decision Maker (CODM). To ensure consistency with the current period's presentation, comparative figures for the six-month period ended 30 June 2025 have been reclassified to align with this revised segment composition.

11. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value are derivative financial instruments that include forwards, commission rate swaps and commodity derivatives. These derivatives are classified as Level 2 fair value measurements, based on valuations provided by counterparties using widely recognised valuation models. The valuation techniques applied by the counterparties include the use of forward pricing standard models using present value calculations and mid-market valuations. Where applicable, these models project future cash flows and discount the future amounts to present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, and forward and spot prices.

The classification methodology used in line with the annual consolidated financial statements for the year ended 31 December 2025. No transfers were recorded between Level I, Level II or Level III during the period.

12. COMMITMENT AND CONTINGENCIES

12.1. The Contingent Liabilities against letters of credit are ﷲ 257 million at 30 June 2026 (31 December 2025: ﷲ 385 million).

12.2. The Contingent Liabilities against letters of outward guarantee and corporate guarantee are ﷲ 1,077 million at 30 June 2026 (31 December 2025: ﷲ 1,023 million).

12.3. The Group had capital commitments amounting to ﷲ 2,346 million at 30 June 2026 in respect of ongoing projects (31 December 2025: ﷲ 2,620 million).

13. DIVIDENDS

On 4 Dhul Qi'dah 1447 A.H (21 April 2026) the shareholders in their Extraordinary General Assembly Meeting approved dividends of ﷲ 1,150 million (ﷲ 1.15 per share) for the year ended 31 December 2025 out of which ﷲ 1,137 million was paid during the period.

14. SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the period-end that require adjustment of or disclosure in these Condensed Consolidated Interim Financial Statements.

15. BOARD OF DIRECTORS APPROVAL

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on behalf of the Shareholders on 20 Muharram 1448 A.H (5 July 2026).