



# Growing Through Technology... Driven by Ambition

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## **Growing Through Technology, Driven by Ambition**

Today's Technology, Tomorrow's Ambition

In 2025, the National Agricultural Development Company **NADEC** continues to reinforce its position as a national pillar and a leading company in the agriculture and food sector, combining a legacy that spans decades of an ambitious vision enabled by modern technologies. **NADEC's** activities extend from fields and farms to manufacturing operations and the supply chain, reaching consumer markets within the Kingdom and beyond. Through innovation, Digital Transformation, and Sustainability, the Company is developing an integrated ecosystem that keeps pace with its ambitions and, in many areas, exceeds them.

**This approach is reflected in this year's theme, «Growing Through Technology, Driven by Ambition.» The theme serves as a practical framework for improving efficiency and product quality, maximizing environmental and social impact, and strengthening the Company's competitiveness.**



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**His Excellency Engineer**  
**Abdulrahman Abdulmohsen**  
**Alfadley**

## **Statement of H.E. the Minister of Environment, Water and Agriculture**

We have full confidence in the capabilities and leading role of our national companies in strengthening Saudi Arabia's food security, especially given the priority our wise leadership places on the comprehensive transformation of the agriculture and food systems under Vision 2030. The contributions of the agricultural sector to the GDP have reached SAR 118 billion, and 25 partnership agreements have been signed with the private sector. Total investment volume has reached SAR 100 billion, representing more than 60% of the total project costs. This has been accompanied by an increase in the quantities of food products, reaching 10 million tons, which has contributed to achieving self-sufficiency in many agricultural products.

In the field of sustainability and water consumption rationalization, we have successfully reduced water consumption in the agricultural sector from 19 billion cubic meters to 10 billion cubic meters, and we can reach 6 billion cubic meters according to the strategic target. Our goal is not to export water but agricultural and food products; as a result, we have exported various products to many countries around the world.

I extend my sincere thanks and appreciation to all Saudi companies operating in the agriculture and food sectors, including **NADEC**, for its active national role in promoting sustainable agricultural and food development.

## A vision that transcends the present...and a strategy that defines the future

I present to you the Annual Report of the National Agricultural Development Company **NADEC** for 2025, a milestone year in our journey. We successfully transformed over four decades of experience into strategic momentum, enabling us to build a robust and integrated ecosystem for enhancing food security in the Kingdom.

Inspired by the ambition of Saudi Vision 2030, we embraced the determination to explore new pioneering horizons, locally, regionally, and globally, supported by the unwavering commitment of our wise government to advancing food security in the Kingdom.

At **NADEC**, we see ourselves as an integral part of the food security ecosystem, particularly amidst the geopolitical and economic transformations the world is witnessing. We regard our role as a cornerstone in safeguarding food supply chains, prioritizing this responsibility above institutional objectives. In 2025, we aligned our strategies with the Kingdom's economic diversification goals, positioning Saudi Arabia as a regional and global hub for food innovation, while transforming environmental and climate challenges into opportunities that deliver added value.

In 2025, we focused on enhancing our sustainability strategy as a central pillar of **NADEC**'s corporate strategy and as a driver of business continuity. We directed our efforts towards a circular economy, increased reliance on renewable energy, and the conservation of natural resources, including the efficient use of water resources. This strategic decision strengthens **NADEC**'s resilience in the face of climate change and ensures a balance between economic growth and the protection of natural resources for our shareholders and future generations.

This year also marked continued progress in strengthening institutional trust, as the Board maintained its support for robust governance frameworks, adopting the highest global standards of transparency and disclosure. We recognize that attracting quality investments and building international partnerships requires an institutional environment characterized by integrity and clarity. As a result, we succeeded in opening new avenues for international cooperation and transferring advanced technologies and innovations to **NADEC**, enhancing the competitiveness of Saudi products in regional and global markets and reinforcing **NADEC**'s position as a national brand with global standards, whose products now reach 30 countries worldwide.

These achievements would not have been possible without God's grace and our fundamental belief at **NADEC** in our national talent. This conviction led the Board to establish an ambitious strategy to empower national talents and drive the adoption of digital transformation and artificial intelligence in the food sector. We are paving the way for a skilled national workforce to lead the future of food security, recognizing that investing in human capital is the cornerstone of sustainable leadership and our highest commitment to the society we proudly serve.

This year, we also succeeded in reaching further frontiers in technology and innovation, a national cornerstone aligned with Saudi Vision 2030. These efforts are driving transformation towards innovation and smarter digital solutions to empower capabilities and competencies. This has directly impacted resource sustainability and consumption rationalization through the adaptation of these technologies in agricultural and food projects, as well as implementing AI to improve the speed and accuracy of decision-making.

At **NADEC**, we look to the future with confidence and ambition. The strategic foundations we laid in 2025, coupled with our financial strength, enable us to explore new investment horizons in promising sectors that serve the Kingdom's Vision and meet our shareholders' aspirations. We remain committed to our leadership directions, steadfast in our values, and dedicated to mobilizing all our resources to stay at the forefront of national prosperity.

In conclusion, I extend my highest gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince and Prime Minister - may God protect them - for their unlimited support to the agriculture and food sectors within the food security program and Saudi Vision 2030. I would like to thank our shareholders for their great trust and all **NADEC** employees for their dedication, which has made this national entity a fundamental pillar of food security in the Kingdom.



Mr. Abdulaziz Saleh Alrebdi

"Inspired by the ambition of Saudi Vision 2030, we embraced the determination to explore new pioneering horizons, locally, regionally, and globally"

In line with **NADEC**'s corporate strategy, the Company identified six strategic pillars in 2025. These pillars guide the business and support a balance between sustainable growth and operational efficiency:

### 1- Agricultural Expansion

Scaling the cultivation of high-value crops, advancing smart agriculture practices, and improving water-use efficiency through precision farming and satellite mapping. These efforts enhance productivity and support the sustainability of agricultural assets.

### 2- Production Expansion

Increasing operating capacity across dairy, juices, and red meat (protein) sectors and improving manufacturing efficiency through automation and advanced Manufacturing Execution Systems (MES). Additionally, **NADEC** continuously works on improving product quality while reducing waste.

### 3- Geographic Expansion

**NADEC** continuously broadens the Company's presence within the Kingdom and pursues selective expansion into Gulf and other priority regional markets. This is supported by modern market-entry structures and international partnerships, including those in the red meat (protein) segment.

### 4- Distribution Network Expansion

Improving the efficiency of the distribution network and enhancing cold-chain logistics and refrigerated transportation capabilities. This is paired with improved service levels and faster access to customers by leveraging upgraded logistics and digital solutions.

### 5- Sector Expansion

**NADEC** has transitioned from a dairy-only company to a multi-sector food and agriculture company. This was achieved through strengthening the protein, agriculture, and seeds production sectors, alongside strategic initiatives such as the partnership with Hilton Food Group.

### 6- Financial Expansion

Building on a strong financial position and solid 2025 business results, the Company supported key growth initiatives. The focus was on improving financial leverage and maximizing return on shareholders' equity through selective, well-considered investments.

## Opportunity and Risk Management

In 2025, **NADEC** prioritized initiatives to maximize opportunities. These included afforestation initiatives, improving water and energy efficiency, accelerating digital transformation, and strengthening supply chain performance. **NADEC** is also advancing risk management; in doing so, the Company has adopted real-time monitoring dashboards, maintained updated risk registers, and deployed early-warning mechanisms aligned with market, climate, and operational developments.

## Alignment with Vision 2030

**NADEC** is advancing its contribution to the goals of Saudi Arabia's Vision 2030, with a focus on:

- Food security, strengthened through vertical integration and supply chain development.
- Sustainability and carbon neutrality, supported through improved resource management.
- Human capital, equipped with advanced digital skills to support the future readiness of the food sector.



### Afforestation Initiatives

**1.2 million drought-resilient seeds and seedlings planted to date.**



### Renewable Energy Percentage

**22% of overall energy production**



### Operational Waste Reduction

**-10% reduction achieved to date**

In 2025, **NADEC** aligned its established agricultural legacy with digital transformation across the value chain, from field to consumer. In doing so, the Company strengthened its operational efficiency, product quality, and environmental and social impact. Over the year, the Company pursued its corporate strategy under the 2025 theme, «Growing Through Technology, Driven by Ambition.» The theme establishes new operating foundations anchored in technology, innovation, sustainability, and a reinforced role for human capital.

## 1- Highlights of the Year

**Afforestation Initiatives:** **NADEC** completed Phase 1 with the planting of 600,000 seeds. Phase 2 was initiated to plant an additional 600,000 seeds for the production of drought-resistant seedlings irrigated with treated water, in support of the objectives of the Saudi Green Initiative.

### **Water Management – Operation of NADEC’s Circle Pond System to Maximize the Use of Renewable Water Sources:**

The Circle Pond system was fully brought into operation following a 60-day pilot trial. The trial showed stable results in improving water management and increasing the use of renewable water sources. The system’s circular design supports improved water flow and even distribution across treatment stages. Biological filtration and microorganism-based treatment are used to improve water quality and enable sustainable reuse of water resources.

**Digital Transformation in Sustainability:** **NADEC** launched the Environmental Performance Measurement Framework to measure water consumption, energy use, and environmental emissions across Scopes 1, 2, and 3. The framework is integrated with corporate performance reporting and internal and external auditing processes.

**Circular Economy:** A project was implemented in collaboration with the Saudi Investment Recycling Company (SIRC) to process 150,000 tons of cow manure and 55,000 tons of green waste annually. The project produces approximately 90,000 tons of organic fertilizer, supporting soil fertility and reducing emissions.

**Industrial Efficiency:** Waste in dairy plants decreased by 10% compared to the previous year. Milk production per cow increased by approximately 3%, supported by improvements in animal care, nutrition, and the operating environment.

**Red Meat (Protein) Sector:** In 2025, **NADEC** took a significant step towards achieving high food safety standards with the adoption of FSSC 22000 v6, marking a strategic shift within the red meat (protein) sector. The standard establishes a clear framework for food safety management and supports waste reduction as part of **NADEC**’s sustainability objectives. **NADEC** is now positioned among the leading companies in adopting best-in-class food safety systems across all facilities and products, ensuring the consistent delivery of high-quality products to consumers.

To support effective implementation, the Company established three dedicated laboratories covering microbiology, chemistry, and sensory evaluation. These facilities strengthen quality assurance and set a higher benchmark for product quality.

**Sales:** Under **NADEC**’s strategy for sustainable sales growth, the Company deployed route optimization tools to improve execution precision and strengthen distribution effectiveness. The tools addressed operational challenges related to sales efficiency and the need for faster and tighter distribution control, effective distribution became critically important, particularly amid the Company’s expansion into new markets. The tools enabled real-time measurement and analysis of sales and distribution data. This supported more consistent supply for stores and customers and facilitated the expansion of new sales channels.

**Human Capital:** **NADEC** enhanced talent acquisition through the use of AI-enabled recruitment tools, including CV screening and AI-supported interviews. These measures resulted in an estimated 40% improvement in the accuracy of initial candidate selection.





## 2- Strategy and Execution

**NADEC** continued the implementation of its corporate strategy launched in 2023, which translated into a significant qualitative and expansionary shift. The Company's 2025 operating model is built on a vertically integrated platform spanning the food and agriculture sectors, aligned with its core strategic direction. The strategy is delivered through six expansion pathways covering agriculture, production, geographic presence, distribution expansion, sector expansion, and financial expansion.

The execution of **NADEC's** strategic pillars follows a staged approach. The initial stage is anchored in large-scale farming operations, including livestock, dairy, feed, crops, plantations, and seed production. This is followed by a midstream stage comprising dairy and juice manufacturing, red meat (protein) manufacturing, seed production, and the manufacturing of high-quality food products. The final stage extends to the distribution processes and cold-chain logistics within the Kingdom and across priority regional markets. This is supported by strong brands and an established presence across traditional retail, modern trade, and the food service sector.

## 3- Key Performance Indicators (KPIs) for 2025 include

- Improved water-use efficiency across farms and manufacturing facilities.
- Reduced operational waste across production lines (dairy and juices).
- Afforestation initiatives exceeded one million planted seeds.
- Supporting **NADEC's** products across local and regional markets by expanding distribution and e-commerce channels.
- Diversified sourcing and strengthened strategic partnerships, including expanded local and international partnerships in the red meat (protein) sector.
- Financial results: Revenue grew by 9.5% compared to the previous year.

## 4- 2026 Outlook

In 2026, **NADEC** will concentrate on strengthening corporate growth by reinforcing its core businesses. Sustainability initiatives will continue as a complementary track, supporting efficiency improvements and long-term value creation. The Company's key priorities for next year include:

- Advancing product development across the dairy, red meat (protein) and agriculture sectors.
- Expanding into new sectors and product offerings.
- Completing the implementation of the Manufacturing Execution System (MES) to improve production line reliability, strengthen data integration, and increase productivity.
- Continuing Total Productive Maintenance (TPM) programs to reduce waste, minimize downtime, and improve operational stability.
- Expanding regional channels and presence in adjacent markets by leveraging improved supply chain performance and export readiness.
- Expanding renewable energy initiatives to enhance energy efficiency and reduce emissions.
- Applying the Environmental Performance Measurement Framework to link water, energy, and environmental emissions data with operating processes.





# At a Glance



At a Glance



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Sustainability & Social Responsibility



Digital and Technology Sector



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## About NADEC

The National Agricultural Development Company **NADEC** is one of the Kingdom's longest-standing national and regional companies operating in the agricultural and food manufacturing sectors. Founded in 1981, **NADEC** has delivered fresh food products directly from farm to consumer. Over the decades, **NADEC** expanded its portfolio across milk and dairy products, juices, agricultural products, olive oil, and red meat (protein) products. This expansion has positioned **NADEC's** name to be closely associated with quality and innovation in the food manufacturing industry.

**NADEC's** development has moved beyond portfolio expansion, and into vertical integration across its operations. This approach combines deep agricultural expertise with modern technologies to deliver solutions that embed quality and sustainability across all production stages.

**NADEC** has developed a smart operating model built on data automation and manufacturing system integration. This model strengthens efficiency, quality management, and food safety in line with ISO 9001, ISO 22000, and FSSC 22000 v6. The Company maintains compliance with Saudi Food and Drug Authority requirements, embedding food safety controls across its operations to achieve the highest food safety standards for its customers. Beyond operational integration, **NADEC** developed a data-driven sustainability governance system through the Environmental Performance Measurement Framework. The system tracks water, energy, and environmental emissions, informing sustainability-led strategic decision-making.

This integrated model supports food security in the Kingdom and enhances supply chain efficiency, aligned with Saudi Vision 2030 objectives. Today, **NADEC** stands as a clear example of sustainable innovation in food manufacturing, strengthening investors and stakeholders' confidence in the Company's ability to deliver sustainable growth over the long term.





## Vision

To deliver high-value nutritional products to consumers, while striving to achieve the highest levels of customer satisfaction and aiming for regional and international leadership in the food and beverage industry. This vision reflects positively on the image of the Kingdom of Saudi Arabia and its economic strength while contributing to the growth of the national GDP, in alignment with Saudi Vision 2030.

## Mission

To commit to providing high-quality and nutritionally beneficial products that meet the needs and aspirations of customers and stakeholders.

## Values

Our values are the fundamental pillar of our business and the principles that shape our corporate culture. They align with all our practices, orientations, and policies through which we seek to create value for everyone who interacts with **NADEC**.

### Care -Cultivating Trust, Harvesting Quality

At **NADEC**, care extends beyond the product to every aspect of our operations. From farms to consumers, we believe that attention to detail is what makes the difference. This approach guides our commitment to delivering food products of exceptional quality that meet the standards our customers expect. Care at **NADEC** goes beyond the product itself. It extends to the customer experience. We do not merely provide food; we deliver a food experience worthy of trust.

### Social Responsibility - A Core Asset of **NADEC**

At **NADEC**, social responsibility is not an initiative. It is a core asset of the Company and an integral part of its strategy. Our responsibility begins with the environment and extends to the communities we serve. From this perspective, our commitment is driven by a clear objective: achieving a balance between financial performance and social impact. We do not limit our role in delivering high-quality food products; we commit to sustainable practices that improve our environmental footprint across the supply chain, from sourcing through to packaging. At the same time, we work to be an active contributor to our communities, supporting quality of life and creating fair, sustainable employment opportunities.

### Drive- Ambition Without Limits

Drive is our primary engine. At **NADEC**, we recognize that passion and commitment are the foundation of success. For this reason, we actively cultivate inspiration across our teams.

At **NADEC**, ambition is not constrained by boundaries. Passion and commitment propel us toward success. We foster a motivating environment where new ideas and creativity push everyone to achieve the best outcomes. This energy fuels continuous improvement across our products and services and drives stronger performance at every stage.

### Excellence- We do not compete, we create distinction

We see excellence as more than a standard. It is a philosophy and a way of life that we bring to every step in our day-to-day operations. It is what sustains our leading position and places **NADEC** among the leading companies in the agriculture and food manufacturing industries.

For us, excellence is not confined to the product, It runs through our internal operations, from raw material selection to product distribution. We pursue high efficiency at every stage of the supply chain. We apply modern tools, including automation systems and data analytics, to maintain uncompromising quality. Looking ahead, we recognize that excellence demands more than maintaining today's position. It is a constant call to innovate. For this reason, we invest in new tools and technologies, including smart agriculture and digital transformation, to stay ahead and keep raising the bar.

### Collaboration- Together, We Shape the Future

Collaboration is one of **NADEC**'s core pillars. It is the force that moves us forward and brings the full value of teamwork to life as a key driver in achieving our strategic objectives and sustaining success year after year. In a dynamic and a continuously evolving market, collaboration enables us to adapt, innovate, and excel with agility. We are committed to building an environment that encourages creativity and innovation; one in which every individual can contribute meaningfully to our goals and bring their professional character into our institutional practices. In doing so, collaboration strengthens the individual and empowers the collective at the same time. At **NADEC**, collaboration extends beyond our internal teams to include our business partners and suppliers. This is because we recognize that success is only achieved when everyone works together. For this reason, we build relationships grounded in trust, transparency, and mutual respect, and we actively strengthen collaboration across the supply chain to improve operational efficiency and create shared value for all parties.



## Historical Background

### 1980

#### 1981

**NADEC's** journey began with a capital of 400 million riyals, establishing itself as a key player in the food and beverage market in the Kingdom.

#### 1982

**NADEC** took its first steps in the journey of agricultural development with the establishment of the Wadi Al-Dawasir Agricultural Project, signaling the start of a phase full of challenges, successes, and opportunities in the field of agricultural and food production at large.

#### 1984

Continuing the journey of growth and development, 1984 witnessed the opening of the first factory for fresh milk and dairy products, strengthening **NADEC's** position as a major supplier of dairy products in the Kingdom.

#### 1985

Hail Agricultural Project was launched, expanding **NADEC's** offerings in agricultural and food products.

#### 1986

**NADEC** began packaging milk and its derivatives on the Company's production line.

#### 1987

Al-Jouf agricultural project for olive production was inaugurated, adding momentum to the region's agricultural sector.

### 1990

#### 1993

**NADEC** became a publicly listed company, listing its shares on the Saudi Stock Exchange (Tadawul).

#### 1995

The Company opened its second factory for fresh milk and dairy products.

### 2000

#### 2006

**NADEC** started the concentrated olive production project, confirming the continuous development of its activities.

#### 2007

**NADEC** expanded its dairy facility and commenced the production of fresh juices as part of the new expansion.

### 2010

#### 2014

**NADEC's** scope of activity expanded with the Sudan Agricultural Project, adding a new canvas to the map of agriculture and development.

#### 2015

The model Al-Hazm Dairy Farm was inaugurated, enhancing **NADEC's** position as an integrated agricultural system.

#### 2016

In pursuit of sustainability and local industry growth, **NADEC** embarked on a new chapter by establishing its own plastic packaging factory.

#### 2019

**NADEC** made advancements towards renewable energy by signing a strategic solar power purchase agreement with ENGIE Company. This initiative, aligned with the Company's sustainability vision, saved 124,000 barrels of fuel annually and established **NADEC** as a leader in sustainability.

### 2020

#### 2020

A memorandum of understanding was signed with Pure Harvest for smart farming, bringing together traditional agricultural expertise with modern technology to create an innovative and smart agricultural environment. This partnership aims to build and operate high-tech agricultural greenhouses, allowing **NADEC** to utilize the latest technologies to improve its productivity and contribute to raising the quality of crops.

#### 2021

Commercial operations began for the solar energy project in collaboration with ENGIE Company in the Haradh industrial area.

#### 2022

**NADEC** began producing high-quality tomatoes using smart greenhouse technology, opened its olive oil factory in Al-Jouf, and transitioned to full automation across its operational and marketing processes.

#### 2023

The year 2023 marked a new dawn for **NADEC** through the launch of its new strategy, opening a new chapter in the Company's exceptional development and reinforcing its strategic direction for the future. The Company's capital was increased by SAR 2 billion through a rights issue. Additionally, agreements were signed with several partners, including Saudi Investment Recycling Company (SIRC), Elion Resources Group, Del Monte, and United Feed Company.

#### 2024

**NADEC** signed a partnership agreement with United Feed Company to establish a livestock company specializing in red meat (protein) production. **NADEC** expanded its protein footprint in the market of Saudi Arabia with SAR 180.3 Mn Revenue in its first year of operations.



## Historical Background

# 2025

### 2025: A Year of Technology, Delivery, and Sustained Advancement - From Execution to New Heights

In 2025, NADEC moved beyond delivering results. It proved its capacity to reach greater heights and create new frontiers for continuous renewal and long-term growth by driving innovation and strategic expansion in the following areas:



**Smart Manufacturing:** Throughout the year, NADEC delivered a major achievement toward smart manufacturing by automating production lines through advanced digital systems. These systems brought higher operational efficiency and lower operational waste across various production stages.



**Smart Agriculture:** NADEC began implementing smart agriculture technologies based on smart irrigation and remote sensing, enabling it to increase productivity and reduce climate-related risks. Through the active management of drought-resistant crops, NADEC strengthened its position in sustainable agriculture, establishing itself as a leading example in the field.



**Carbon Footprint Reduction:** Completing the emissions monitoring across Scopes 1, 2, and 3 marked a strategic milestone on NADEC's carbon-neutrality journey. In parallel, the Company assessed the feasibility of deploying solar energy across facility rooftops and pumping stations to reduce carbon footprint, reflecting firm alignment with sustainability priorities and Saudi Vision 2030.



**Risk Governance:** NADEC built a comprehensive risk governance framework to manage environmental and operational risks more effectively. With continuous updates to the risk register, the Company improved its readiness and responsiveness to emerging and future risks.



**Investment in Digital Innovation:** NADEC expanded its digital analytics toolkit, including the Environmental Performance Measurement Framework, thus enabling real-time monitoring of resource consumption such as water and energy. This ecosystem enables informed and sustainable decision-making in support of the Company's environmental and social governance objectives.



**Expansion into New Markets :** NADEC continued its geographic expansion across the Gulf and international markets, while broadening sales channels across e-commerce, discounted retails, and fuel station outlets. Together, these steps materially expanded consumer reach and supported additional revenue growth.



**A Bright Future in Sustainable Agriculture:** 2025 also witnessed unparalleled progress in smart agriculture through the deployment of innovative irrigation systems, which enhanced resource management and boosted agricultural productivity.



## NADEC Products

### A Diversified Portfolio Leading the Market through Quality and Innovation

NADEC's product journey begins in the farm, guided by the farmer's hand and honed through decades of expertise. In 2025, the Company continued to expand its portfolio, adding greater depth and value through a fully integrated operating model that spans from the farm to the consumer.

The portfolio embodies quality, innovation, and reliability, reflecting the character of a national company whose products are rooted in their environment and trusted by consumers across the Kingdom and beyond.

NADEC's products go beyond food choices; they embody stories of innovation and quality, shaped and refined day by day. NADEC is more than a brand; it is a trusted presence in the lives of its customers, evolving with their needs and supporting the realization of their aspirations.

### Key Product Portfolio



#### 1. Dairy: From Farm to Table

Milk, dairy, cheese and butter, and other dairy derivatives products

Every pack of NADEC's fresh dairy carries a story told in the small details, beginning in our farms. It starts with the cattle, cared for according to the highest standards of welfare and attention, and continues through a meticulously managed process that delivers a wide range of products to households across the Kingdom. From the outset, NADEC has positioned its dairy products as a benchmark, produced to the highest quality standards and supported by advanced technologies throughout the entire journey. Whether customers choose different products from milk, yogurt, or cheese, they can rely on consistent quality and authentic taste in their daily nutrition.

**Key Highlights: An integrated production process from farm to table, enhanced livestock nutrition, and daily quality testing that forms the backbone of trust built over decades.**



#### 2. Juices: The Taste of Nature in Every Pack

A variety of nectars and fresh juices

NADEC's juices come straight from nature and fresh fruit orchards. We carefully select the finest fruits and transform them into rich, natural flavors. With their rich flavor, NADEC's juices offer an authentic flavor experience that reflects our commitment to providing balanced, healthy food and beverage products that bring a sense of refreshment to every family, every time.

**Key Highlights: Careful fruit selection, high-efficiency production lines, and continuous flavor development.**



#### 3. Olive Oil: From the Blessings of our Farms to our Consumers

Olive oil, including organic extra virgin olive oil

In 2006, NADEC began a new chapter with olives through its intensive olive farming project in Al-Jouf region. Drawing on some of the finest olive varieties in the world, NADEC's olive oil has grown to become one of the Company's strongest products today. The product reflects an operating approach rooted in uncompromising quality and sustainable development, making it a staple ingredient in many Saudi and Gulf kitchens.

**Key Highlights: The intensive olive farming project in Al-Jouf, one of the region's leading initiatives, supported by early harvesting, cooling, and processing technologies that ensure the highest quality standards.**



#### 4. Agricultural Products: From the Riches of Our Land

Crop production

NADEC's agricultural products, including fresh fruits and vegetables, represent a central pillar of our strategy and a core part of our product portfolio. We began cultivating fresh produce using sustainable agricultural practices designed to deliver optimal results, positioning NADEC as a leader in smart and sustainable agriculture that applies rigorous environmental standards and delivers tangible value to society. This commitment places our agricultural products at the top of our customers' choices.

**Key Highlights: Smart farming based on precision irrigation, improved crop varieties, and sustainable practices that support national food security.**



#### 5. Red Meat Products (Protein): From our Farms to your Plate

A variety of locally sourced and imported meat cuts

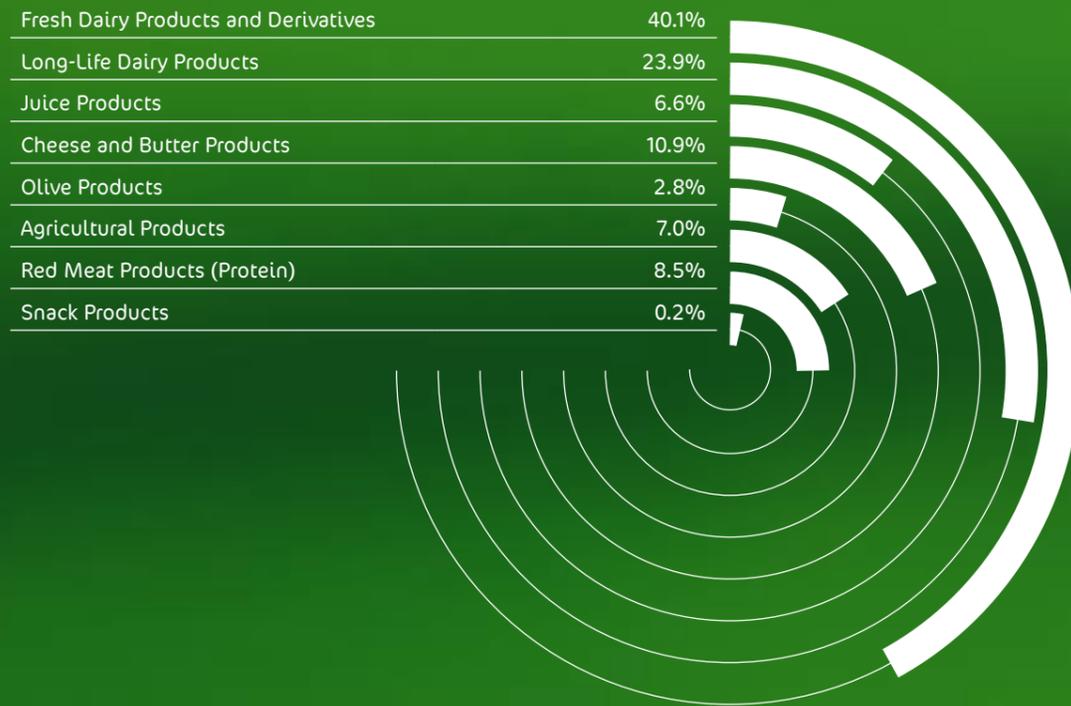
In 2023, NADEC entered the red meat (protein) sector as a major player in advancing the Kingdom's food security objectives under Vision 2030, while supporting the Company's strategy to broaden its portfolio and enter new sectors. NADEC's protein segment offers a diverse range of products produced using advanced livestock practices and the highest food safety standards. This product segment has recorded exceptional growth over the past two years and is positioned for further major expansion.

**Key Highlights: A production system aligned with leading global quality and food safety standards, offering a wide selection of locally sourced and imported red meat (protein) products.**



## Overview by Product Category and Key Performance Indicators

### NADEC Revenue by Key Product Categories



Product Category	2024 (SAR million)	2025 (SAR million)	Change (%)
Fresh Dairy Products and Derivatives	1,413.7	1,411.1	(0.18%)
Long-Life Dairy Products	836.3	843.4	0.85%
Juice Products	231.4	233.6	0.95%
Cheese and Butter Products	374.6	385.0	2.78%
Olive Products	115.1	100.0	(13.1%)
Agricultural Products	69.0	246.8	257.56%
Red Meat Products (Protein)	180.3	300.2	66.5%
Snack Products	-	6.9	100%
<b>Total Revenue</b>	<b>3,220.4</b>	<b>3,527.0</b>	<b>9.52%</b>

year	Sales (SAR billion)	Profit for the Year (SAR million)
2023	3.2	302.1
2024	3.2	774.6
2025	3.5	393.4

year	Assets (SAR billion)	Daily Dairy and Juice Production (million liters)
2023	5.1	1.5
2024	5.7	1.5
2025	6.3	1.5

year	Cattle Herd (Heads in Thousands)	Quality Tests Conducted (in Thousand)
2023	94.3	19.9
2024	105.1	20.0
2025	108.3	21.0



## Geographic Presence

### 1- Scope of Presence

**Within the Kingdom of Saudi Arabia:** NADEC operates through a network of branches and points of sale, covering multiple regions. This footprint supports broad availability of the Company's dairy products, juices, olive oil, agricultural products, and red meat (protein), ensuring ease of access for consumers.

**Regional and Global Reach:** Outside the Kingdom, the Company has two branches: in Dubai, United Arab Emirates, and the Kingdom of Bahrain. NADEC also markets and sells its products through accredited agents and distributors in Kuwait and the United Arab Emirates (Sharjah and Dubai), in addition to selected markets across the Middle East and North Africa and other international markets.

#### NADEC's Global Expansion Strategy



**International:**

NADEC's international presence extends through a global network of agents and distributors.



**Local:**

NADEC's local presence covers the entire Kingdom of Saudi Arabia.



**Regional:**

NADEC's regional presence extends across the Middle East.

### 2- Financial Indicators by Geographic Distribution (2025 revenues compared with 2024 and 2023)

Country	Revenues (SAR)			% of Company's Total Revenue		
	2023	2024	2025	2023	2024	2025
Kingdom of Saudi Arabia	2,684,987,241	2,782,176,789	3,058,389,948	83.99%	86.39%	86.71%
Other GCC Countries	367,609,565	304,414,749	323,278,092	11.50%	9.45%	9.17%
Other Countries	144,369,731	133,808,855	145,310,655	4.52%	4.16%	4.12%
<b>Total</b>	<b>3,196,966,537</b>	<b>3,220,400,393</b>	<b>3,526,978,695</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



## Awards, Recognitions and Certifications

During 2025, NADEC continued to strengthen its position as one of the Kingdom's leading national companies in food and agriculture, earning various distinguished awards to further reinforce its portfolio of international certifications in quality and food safety. These achievements reflect the confidence placed by consumers and regulatory authorities in NADEC's products, as well as the Company's continued commitment to compliance, governance, and sustainability standards.

### First: Awards and Recognitions (2025)

- In yet another achievement added to **NADEC's** long record of excellence, **NADEC's** Fresh Milk and **NADEC** Laban Plain Full Fat were awarded the «Product of the Year 2025» in the Kingdom of Saudi Arabia, based on consumer voting. This recognition underscores the strong consumer trust in the quality and distinctiveness of **NADEC's** products and reflects the Company's ongoing commitment to delivering high-quality food choices that meet consumer expectations. The award also recognizes **NADEC's** continued focus on quality, innovation, and sustained efforts to achieve excellence while adhering to global quality standards.
- In a significant milestone in **NADEC's** journey of excellence, the Company's organic olive oil project in Al-Jouf region was honored with Al-Jouf Award for Excellence and Innovation, in its third edition, in the Agriculture and Food Production category. The award recognizes the project's leadership in organic olive oil production and the high quality of its output. Al-Jouf olive oil project represents a model of sustainable innovation, applying advanced agricultural techniques to deliver a product recognized among the finest globally.
- **NADEC** received the Social Responsibility Badge 2025 from the Ministry of Human Resources and Social Development, achieving the Silver Category under the Ministry's Corporate Social Responsibility Awards for the year. This recognition reflects the impact of the Company's community programs and initiatives implemented over recent years.





## Second: NADEC's Accredited Certifications, Quality Assurance and Global Compliance

NADEC is committed to upholding the highest standards of quality and food safety, supported by a comprehensive portfolio of local and international certifications covering the dairy, juice, agriculture, and red meat (protein) sectors. These certifications are reviewed, renewed, and updated on a regular basis to ensure full compliance with applicable regulations and recognized standards:

- |  |  |
|--|--|
| 1- FSSC 22000 Food Safety Management System Certification  | 11- Saudi Quality Mark (SASO) - Juice Products   |
| 2- Saudi Good Agricultural Practices (GAP) - Hail (Potatoes, Wheat, Onions)  | 12- ISO 27001:2022 Information Security Management System  |
| 3- ISO 22000:2018 Food Safety Management System  | 13- Halal Certification - Confirming compliance with Islamic Shariah requirements for food production. |
| 4- Global (GAP) - Dates  | 14- Saudi (GAP) - AL-Ahsa (Wheat, Dates)   |
| 5- Saudi (GAP) - AL-Jouf (Olives, Wheat, Potatoes, Onions)   | 15- Saudi (GAP) - Dairy Operations   |
| 6- Saudi (GAP) - Wadi Al-Dawasir (Potatoes, Date Palms, Onions)  | 16- Saudi Quality Mark - Processed Cheese (Feta Cheese)  |
| 7- ISO 9001:2015 Quality Management System   | 17- CERES Organic Certification (CE-OS)  |
| 8- ISO 37301:2021 Compliance Management System   | 18- Saudi Quality Certification (SASO) - Feta Cheese   |
| 9- Saudi Quality Mark (SASO) - Dairy Products  | 19- CMMI Maturity Level 3 Certification  |
| 10- Organic Agriculture Compliance Certification - In accordance with Saudi Organic Agriculture Regulations (CERES Organic Standard) | 20- ISO 20000-1:2018 IT Service Management System Certification  |

## Third: Government and Sector Recognitions

During 2025, NADEC received a number of official honors and recognitions from government authorities and sector entities. These recognitions reflect the Company's national commitment and active role in advancing the food and agriculture ecosystem, strengthening food security, applying the highest standards of quality and sustainability, and enabling human capital development.

The recognitions further serve as a vote of confidence from public and sectoral stakeholders in NADEC's operational capability, leadership, and sustained ability to innovate and grow. They further establish the alignment of NADEC's efforts with the objectives of Saudi Vision 2030 and the company's corporate strategy through the following contributions:

- Strengthening national food security
- Enhancing operational efficiency and quality
- Adopting smart agriculture and advanced technologies
- Empowering Saudi talent
- Achieving long-term operational and environmental sustainability

### Key Governmental and Sectoral Recognitions in 2025

- Recognition from His Excellency the Minister of Environment, Water and Agriculture: in acknowledgment of NADEC's efforts in advancing smart agricultural practices, improving water-use efficiency, and NADEC's direct contributions to strengthening national food security.
- A commemorative award AL-Jouf in recognition of NADEC's afforestation initiatives and environmental sustainability projects that enhanced plantation coverage and contributed to improving quality of life.
- A certificate of appreciation from the Saudi Food and Drug Authority (SFDA) in recognition of the Company's commitment to implementing food safety protocols, enhancing product quality, and strengthening operational control procedures across its manufacturing facilities.
- Recognition from the Federation of Saudi Chambers in appreciation of NADEC's efforts to promote localization, empower local suppliers, and increase local content across the supply chain.





## 2025 at a Glance

### January

- To strengthen the Company's presence at major forums, the CEO of **NADEC** participated in the Global Retail Leaders Circle Forum 2025.
- **NADEC** and Al-Ahsa Municipality signed a cooperation agreement to promote environmental awareness and enhance the urban landscape.
- In recognition of its corporate governance, **NADEC's** Compliance Department obtained ISO 37301:2021 Compliance Management System certification.

### February

- **NADEC** served as the official hospitality sponsor of the King Saud University Hackathon 2025, supporting innovation and entrepreneurship.
- To raise awareness about sustainable agricultural practices **NADEC** organized the «Agriculture Learning» workshop in collaboration with Nawara Association.
- In order to develop future cooperation and expand the scope of participation, **NADEC** hosted its strategic partner, Al-Hilal Club.

### March

- In a step towards diversification and sector expansion, **NADEC** signed a partners' agreement with Hilton Foods to establish a joint venture for red meat (protein) processing and packaging.
- To enhance the values of generosity and social solidarity, **NADEC** distributed Ramadan food baskets in collaboration with school students, reinforcing values of social contribution.
- In line with its strategy to enhance agricultural innovation, **NADEC's** Chairman and Board Members were briefed on the latest sustainable food production and agricultural technologies at the Haradh Project.
- In recognition of its support for volunteer work and the national industry, "**NADEC**" was honored for its participation in the "Najoud Bi-Khairna" initiative.
- As part of its CSR initiatives, **NADEC** supported the blood donation campaign at King Saud University, reinforcing its social responsibility role.

### April

- **NADEC** supported the «Meal for an Orphan» initiative in collaboration with Ensan Association, as part of its social responsibility efforts.
- King Saud University honored **NADEC** for sponsoring the «Transformation Hackathon 2025.»
- His Royal Highness, the Governor of Riyadh, honored **NADEC** for sponsoring the Saudi Dairy Forum, attended by the Minister of Industry and the Governor of Al-Kharj.
- King Saud University honored **NADEC** for supporting the Oral and Dental Health Clinic at the College of Applied Medical Sciences.
- To bolster the Company's investments in livestock breeding and fattening, AlRaie signed a financing agreement exceeding SAR 1.1 billion with the Agricultural Development Fund.
- Continuing its charitable community initiatives, "**NADEC**" sponsors the "Ta'ayed" initiative to spread the joy of Eid.

### May

- **NADEC** sponsored the Inauguration of the Gary John Previts Library at King Saud University.
- To strengthen the Company's business growth and strategic expansion, **NADEC's** Chairman and Board Members inaugurated the main distribution center in Riyadh to support business growth.
- The Minister of Education and President of the Saudi Arabian Scouts honored **NADEC** for supporting Public Service Camps during Hajj season.
- Marked by a distinguished presence and strong visitor turnout, **NADEC** takes part in Saudi Food Expo 2025.
- For an urban landscape and a green environment, **NADEC** sponsored the «My Garden, My Responsibility» initiative by the Riyadh Municipality in cooperation with Al-Rawdah Municipality.
- The Saudi Esports Federation honored **NADEC** for sponsoring the Saudi Universities Esports League.

### June

- In appreciation of **NADEC's** outstanding efforts in supporting Saudization goals and providing technical jobs, The Minister of Education honored **NADEC** at the graduation ceremony of company trainees at the Food Industries Polytechnic in Al-Kharj.

### July

- The foundations were laid for AlRaie National Livestock Company, a **NADEC** subsidiary, as part of national initiatives to enhance meat production and reduce import dependency.
- Inauguration of the main distribution center in Al-Qassim, following comprehensive development works aimed at improving efficiency and operational capacity.
- The Governor of Al-Jouf Region honored **NADEC** for the organic olive oil project by awarding **NADEC** the Al-Jouf Award for Excellence and Innovation in the Agriculture and Food category.
- The Governor of Al-Kharj honored **NADEC** in recognition of its support for the Pilgrims' Services Center during Hajj season.

### August

- Advancing its operational excellence and digital transformation journey, **NADEC** obtained the CMMI certification for development and services.
- **NADEC** celebrated 44 years since its establishment, marking more than four decades of leadership and innovation and support of national food security.

### September

- **NADEC** celebrated the 95th Saudi National Day with Sanad Association, supporting children with cancer.
- Supporting education and innovation, **NADEC** sponsored the Gulf Educational Datathon Award.
- In participation with purposeful community and national activities, **NADEC** employees participated in the National Blood Donation Campaign.
- **NADEC** published its Sustainability and ESG Report.



## October

- The Governor of the Eastern Province honored **NADEC** in recognition of its Diamond Sponsorship of the 2025 Job Fair.
- **NADEC** organized an awareness lecture in collaboration with Tuwaiq office, promoting food awareness.
- **NADEC** received the Corporate Social Responsibility Badge 2025 from the Ministry of Human Resources and Social Development.
- The Minister of Environment, Water and Agriculture visited **NADEC**'s pavilion at the Agricultural Exhibition and witnessed the signing of an agreement with KUBO (Netherlands).
- **NADEC** launched a health awareness campaign for employees and their families to receive seasonal influenza vaccinations.
- As part of **NADEC**'s social responsibility efforts, **NADEC** and the Ministry of Human Resources and Social Development signed a strategic agreement to support and empower people with disabilities.
- The Minister of Environment, Water and Agriculture commended **NADEC**'s role in strengthening sustainable food security.

## November

- **NADEC** signed a Memorandum of Understanding with Imam Mohammad Ibn Saud Islamic University to enhance cooperation in graduate programs, cooperative training, research and development, consultations, and exchange of expertise.
- In recognition of the excellence and distinction of its national cadres, **NADEC**'s colleague Dr. Fatimah Abdulhakim received the L'Oreal-UNESCO For Women in Science Award 2025, in appreciation of her efforts and scientific research in the field of agriculture.

## December

- **NADEC** signed a cooperation agreement to enhance the partnership with the Social Development Bank, aiming to empower home-based businesses under the Yamam program, as an effort to support entrepreneurship and modern work patterns.
- **NADEC** participated in the "Wrth Camp" and was honored by the Royal Institute of Traditional Arts for its support of handicrafts and empowerment of national initiatives.
- **NADEC** launched a new brand identity for its products, reflecting its commitment to quality, development, and innovation, meeting its consumers' aspirations, and confirming its presence with a modern identity that enhances customer trust and supports **NADEC**'s sustainable growth.
- **NADEC** provided 19,000 seedlings for the "Riyadh Volunteers" initiative to increase and support vegetation cover, as part of the Saudi Green Initiative.
- **NADEC** participated in the Saudi HORECA exhibition with its diverse food products to serve the hospitality, hotel, and restaurant sectors, as part of its ambitious strategy to support the Kingdom's food security.
- **NADEC** held an educational workshop for visitors and guests of the King Abdulaziz Camel Festival, to raise awareness among professionals and consumers about how to read product nutrition labels.





## Company Performance

### Revenue and Profitability (Interim):

#### Q1 2025 Results:

Revenue reached

**1.01** SAR billion

Representing

**17.9%**

Increase compared to the previous year.

Net profit for Q1 2025 reached

**103.4** SAR million

Representing

**2%**

Increase compared to the previous year.

#### H1 2025 Results:

Revenue reached

**1.84** SAR billion

Representing

**11.8%**

Increase compared to the previous year.

Net profit for H1 2025 reached

**218.7** SAR million

Representing

**3%**

Increase compared to the previous year.

#### 9M 2025 Results:

Revenue for 9M 2025 reached

**2.69** SAR billion

Representing

**10.1%**

Increase compared to the previous year.

Net profit for 9M 2025 reached

**329.4** SAR million

Representing

**0.8%**

Increase compared to the previous year.

#### FY25 Results:

Revenue for FY 2025 reached

**3.53** SAR billion

Representing

**9.5%**

Increase compared to the previous year.

Net profit for FY 2025 reached

**393.4** SAR million

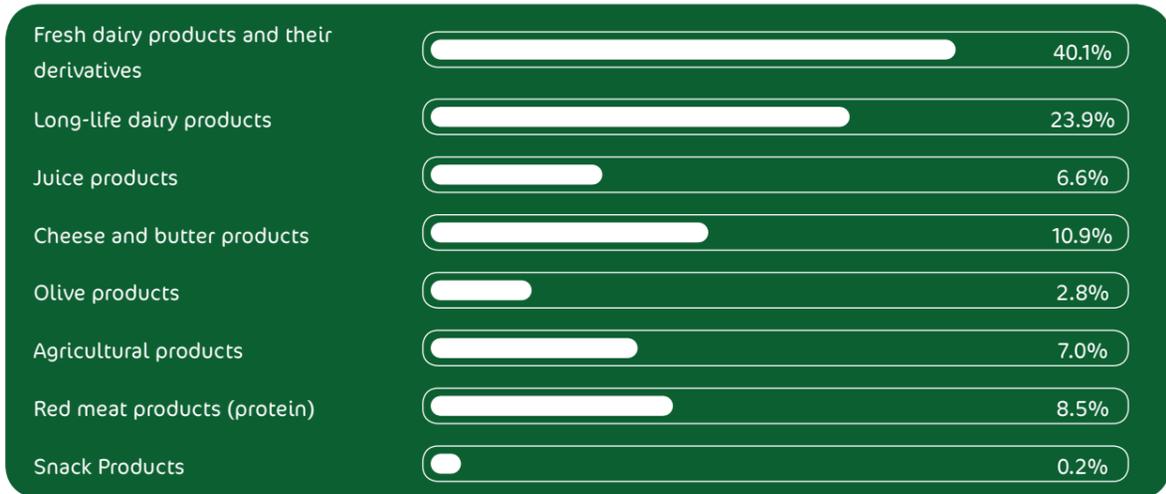
Representing

**49.2%**

Decrease compared to the previous year.\*

\*The decrease of net profit is mainly due to the non-recurrence of FY2024's one-off SAR 356.5 million gain from the Arabian Mills IPO-related reclassification/disposal of a JV investment (to FVOCI).

### Percentage of overall revenue for the product categories and sectors:





## Operational Efficiency and Digital Transformation

**In 2025, NADEC took a substantive step forward in advancing operational efficiency and sustainable innovation through the continued deployment of Total Productive Maintenance (TPM) programs. These programs remain central to reducing operational waste across dairy manufacturing facilities and achieving consistently high efficiency levels. However, what distinguishes 2025 is the Company's accelerated shift toward digital technologies, which have become a core enabler of day-to-day operations.**

### Effective Deployment of Total Productive Maintenance (TPM) Programs

Within NADEC's dairy operations, TPM programs extend beyond conventional maintenance practices. They represent a comprehensive operating discipline focused on improving productivity, reducing unplanned downtime, and limiting operational waste. Advanced technologies have been deployed to monitor equipment performance and analyze operating data in real time, enabling continuous optimization across production lines.

During 2025, NADEC continued to deliver measurable outcomes from TPM implementation, achieving a 10% reduction in operational waste across dairy manufacturing facilities compared to the previous year. Product quality was further enhanced through improvements of operating environments and the introduction of advanced equipment designed to raise efficiency and process reliability. In parallel, enhanced livestock care and optimized feeding practices contributed directly to a 3% increase in milk yield per cow, reinforcing productivity gains across the value chain.

### Digital Transformation: A Step Toward the Future

NADEC recognized that digital transformation is no longer an option. In 2025, it became a strategic requirement for advancing operational efficiency. As such, the Company expanded the use of digital technologies across production systems and real-time monitoring to strengthen decision-making.

The Environmental Performance Measurement Framework was launched to link water, energy, and environmental emissions data with operational indicators in real time. This integration enables teams to act quickly based on accurate, consolidated data, improving efficiency across production operations.

This intelligent dashboard evolved to become a central operating capability that helps NADEC identify improvement areas through real-time data analysis. It also enhanced transparency and alignment with sustainability standards, allowing management to track environmental and financial indicators on a single platform to take strategic decisions with greater speed and precision.



### Technology that Boosts Efficiency

Through smart technologies, performance monitoring across NADEC's manufacturing facilities was strengthened using artificial intelligence and Internet of Things (IoT) applications. Connected devices continuously track production processes, helping reduce unplanned downtime and improve production speed.

These technologies also enable real-time, high-accuracy data analysis. AI-driven systems generate detailed insights into machine and equipment performance, supporting predictive maintenance and contributing to lower operating costs.

### Enabling Digital Sustainability

Digital transformation at NADEC extends beyond efficiency improvements. It forms part of the Company's broader sustainability vision. Through a digital ESG platform, sustainability indicators are integrated with operational performance across the organization. This capability supports the monitoring of water and energy consumption and the reduction of environmental emissions, advancing NADEC's sustainability objectives for 2025.



## NADEC's Ownership in Other Companies

### 1. Subsidiaries (Kingdom of Saudi Arabia)

#### National Seeds Production Company for Agricultural Production (NSPC)

- Activity: Agricultural production
- Ownership: 100%
- Share capital: SAR 5,000,000
- Head Office: Riyadh.

#### NADEC Management Company

- Activity: Management and consultation services
- Ownership: 100%
- Share capital: SAR 500,000
- Head Office: Riyadh.

### 2. Joint Ventures

#### National Livestock Company (AlRaie)

- Activity: Livestock and meat production
- Ownership: 51%
- Share capital: SAR 38,250,000
- Head Office: Riyadh.

#### NADEC Hilton Company

- Activity: Food Manufacturing
- Ownership: 51%
- Share capital: SAR 6,120,000
- Head Office: Haradh.

### 3. Other Financial Investments

#### National Seed Production and Agriculture Services Company (BUTHOR)

- Activity: Seed production
- Ownership: 13.99%
- Share capital: SAR 29,515,200
- Head Office: Riyadh

#### Arabian Mills for Food Products Company (formerly «Second Milling Company»)

- Activity: Packaging and milling of wheat, cracked wheat, semolina, bulgur, and animal feed
- Ownership: 10.41%
- Share capital: SAR 513,150,060
- Head Office: Riyadh

#### Al-Mutahida United Dairy Farms Company

- Activity: Veterinary medicine warehouse
- Ownership: 8.26%
- Share capital: SAR 7,250,000
- Head Office: Riyadh





## Stakeholder Engagement



### Our People - Value in the Workplace

At **NADEC**, our people are not simply contributors to day-to-day operations, they are genuine partners in success. We focus on providing a safe, productive, and an enabling workplace where employees can bring forward ideas, develop their capabilities, and contribute with purpose.

In 2025, we continued to invest in workforce development through advanced training and capability-building programs aligned with emerging technologies. This commitment went beyond skills development; it strengthened sustainability within the workplace. We view investment in our people as an investment in the future. Each employee development initiative strengthens capability, improves execution, and supports shared success.

### Our Shareholders - Creating Sustainable Value

At **NADEC**, shareholders are not defined solely as investors. They are long-term partners in the Company's success. We work to earn and sustain their confidence through strong governance and transparency across all our businesses.

Guided by clear strategic priorities, **NADEC's** 2025 performance delivered healthy growth in revenue and profitability, reflecting a continued focus on sustainable shareholder returns. Our approach goes beyond periodic disclosures and engagement. It is anchored in capital discipline and effective working capital management, ensuring accelerated execution of growth initiatives. We value our shareholders and remain fully committed to building shared success that contributes to a sustainable future for all stakeholders.

### Our Suppliers - Partners in Success

At **NADEC**, suppliers are integral to our shared success. We foster long-term, resilient partnerships, combining efforts to optimize supply chain performance and support innovation.

In 2025, we strengthened our supplier qualification and periodic evaluation processes to improve supply reliability and maintain consistently high standards for raw materials. By diversifying sourcing channels and improving service terms, we promote strong partnerships that help reduce costs and enhance market competitiveness. With every supplier relationship, we invest in our shared future, where transparency and effective collaboration form the foundation of our success.

### Our Consumers - A Commitment to Satisfaction

At **NADEC**, consumers shape the decisions we make. We continuously seek to understand evolving preferences and expectations to deliver an experience that meets and exceeds their needs. Our focus extends beyond offering high-quality products, we continuously refine and develop our offerings in line with consumer needs and choices. Through initiatives such as environmentally responsible packaging and the expansion of distribution channels, including e-commerce platforms and discount retail outlets, we enhance accessibility to our products. We listen closely to our consumers, measure their satisfaction consistently, and work diligently to ensure that every new product introduced meets their expectations and delivers complete satisfaction.

### Our Farmers - The Foundation of Our Foods' Prosperity

Farmers are central to the success of **NADEC's** products. We work side by side with them to strengthen production quality and achieve higher agricultural efficiency.

In 2025, **NADEC** implemented an expanded afforestation program, planting 600,000 additional seeds to produce drought-resistant seedlings, which are irrigated using treated water. In parallel, the Circle Pond System was inaugurated, enhancing sustainable agricultural practices and contributing to higher farmer productivity. Through continuous collaboration and knowledge exchange, we empower our farmers to achieve optimal results in sustainable agricultural production.

### Our Community- Serving the Nation

At **NADEC**, food security is not simply an objective. It is a responsibility we uphold every day. We believe that food security is fundamental to community resilience and a prosperous future for generations to come. Accordingly, we remain committed to delivering high-quality food products while continuously investing in sustainable initiatives that reinforce our role in strengthening food security across the Kingdom.

Promoting Food Security Through Innovation and Collaboration: **NADEC** plays a vital role in enhancing national food security through sustained innovation across every stage of the food value chain. We invest in sustainable agriculture by adopting advanced technologies and smart farming practices that support responsible resource optimization and drive long-term productivity.

**NADEC's** Community Contributions – Serving Our Nation and Society: **NADEC** is not solely an agricultural and industrial company. It is an active partner in social contribution and development. We believe that supporting local communities is an integral part of our social responsibility strategy. In 2025, **NADEC** was awarded the Social Responsibility Badge by the Ministry of Human Resources and Social Development, in recognition of its impactful contributions. What distinguishes **NADEC** is its focus on delivering lasting value that supports the community's well-being through meaningful and sustainable social initiatives.



## NADEC'S Investment Highlights

### Building a Sustainable Investment Opportunity

#### 1- A Diversified and Balanced Portfolio Across the Agri-Food Value Chain

NADEC offers a diversified product portfolio including dairy products, juices, olive oil, agricultural products, and red meat (protein) products. This variety supports revenue sustainability and mitigates operational risks.

#### 2- A Vertically Integrated Model with Strategic Agricultural Assets in the Kingdom

NADEC benefits from a strong vertically integrated operating model, underpinned by strategic agricultural and production assets located in key regions such as Wadi Al-Dawasir, Haradh, Hail, and Al-Jouf. This integration enhances supply security, improves cost efficiency and supports consistent production quality.

The Company continues to expand its agricultural and manufacturing capabilities. NADEC is increasing cultivated areas for core crops such as olives and dates, reinforcing production efficiency and supporting sustainable growth within the agricultural sector.

#### 3- Supportive Shareholder Base and a Strategic National Partner

NADEC benefits from a strong shareholder base that includes strategic partners such as the Saudi Agricultural & Livestock Investment Company (SALIC), the largest shareholder in NADEC. This partnership significantly enhances the stability of the Company's ownership structure and provides NADEC with greater capacity to expand its investments and achieve national food security objectives.

As a long-term strategic partner, SALIC strengthens NADEC's ability to implement well-planned growth strategies that contribute to food security and increase local production. Through this partnership, NADEC can sustainably expand its market share while delivering high-quality food products.

#### 4- Brand Strength and Quality Backed by Testing and Consumer Trust

NADEC is widely recognized as one of the most trusted companies in the market, consistently earning a strong reputation through product quality that is tested daily in accordance with leading international standards. At NADEC, quality is not treated as a checkpoint, it is a strategic vision embedded across the entire production process, supported by continuous efforts to uphold excellence at every stage.

NADEC's strategy is anchored in the continuous development of its products to satisfy evolving consumer preferences. Consumer satisfaction remains the primary objective and a key indicator of market preferences. In support of this approach, the Company invests in digital systems and artificial intelligence to analyze consumer preferences and meet their needs, enabling a more responsive and informed product development cycle.

#### 5- Digital Transformation and Rigorous Performance Measurement- Where Innovation Meets Efficiency

At NADEC, digital transformation is a critical enabler of operational efficiency and sustainable innovation. The Company recognizes that advanced technologies form the foundation for achieving superior performance and long-term operational sustainability. Through advanced analytics platforms and intelligent performance measurement tools, NADEC has positioned itself among the leading adopters of digital transformation to deliver innovative solutions that enhance product quality and promote sustainable production. Investments in data analytics, including artificial intelligence and machine learning technologies, have strengthened operational decision-making. These capabilities allow NADEC to identify improvement opportunities with speed and precision, enhancing operational efficiency and enabling faster responses to market dynamics.

### Building a Sustainable Investment Opportunity

- Digital Transformation
- Trusted Brand
- Supportive Shareholder Base
- Diversified Portfolio
- Vertical Integration



## Shareholder Information

### Ownership Disclosure

The Saudi Agricultural and Livestock Investment Company (SALIC) is the largest shareholder in **NADEC**, holding 38.65% of the Company's share capital, equivalent to around 116,579,257 shares. Ownership data is updated in the event of any material change prior to the reporting cut-off date.

### NADEC Stock Information

Listing Date:

1993

Stock Exchange:

Saudi Exchange (Tadawul)

Stock Code:

6010

Issued Shares:

301,640,000

### Share Price Performance in 2025

Share price as of 31/12/2024

₹24.68

Share price as of 31/12/2025

₹18.39

Share price change in 2025

(21.34%)

Highest trading price in 2025

28

Lowest trading price in 2025

₹17.95

IR contact:

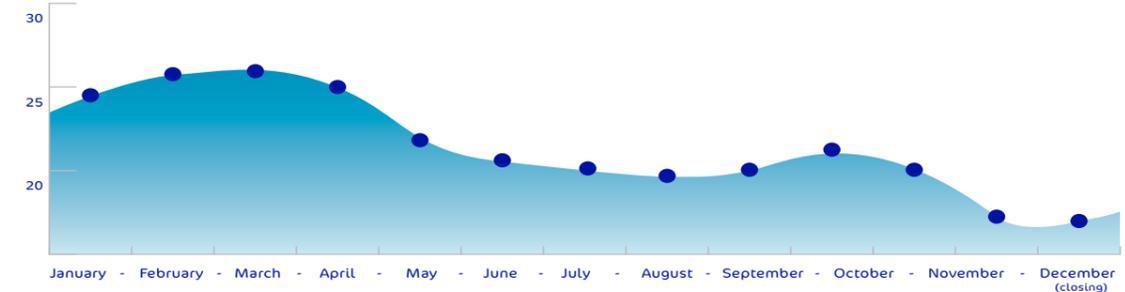
[nadec.com/ar/investors](https://nadec.com/ar/investors)

[IR@nadec.com.sa](mailto:IR@nadec.com.sa)

### Major Shareholders (Ownership ≥ 5%)

Shareholder	Previous Ownership (%)	Current Ownership (%)	Current Number of Shares
Saudi Agricultural and Livestock Investment Company (SALIC)	38.65%	38.65%	116,579,257

### Share Performance in 2025



### NADEC investors by Ownership Type- As of 31 December 2025

NADEC Investors by Ownership	Ownership (%)	Number of Investors	Number of Shares
Institutional Investments	68.38%	252	206,251,853
Individual Investments	31.62%	45,460	95,388,147
Total Investments	100.00%	45,712	301,640,000

### NADEC investors by Nationality- As of 31 December 2025

NADEC Investors by Nationality	Ownership (%)	Number of Investors	Number of Shares
Saudi Investors	92.92%	42,388	280,289,883
Foreign Investors	7.08%	3,324	21,350,117
Total Investments	100.00%	45,712	301,640,000



# Strategic and Operational Performance



At a Glance



Strategic and Operational Performance



Sustainability & Social Responsibility



Digital and Technology Sector



Governance



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Adaptive Strategy

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At a Glance



Strategic and Operational Performance



Sustainability & Social Responsibility



Digital and Technology Sector



Governance



Financial Statements

## CEO's Message

### Driving Growth through Innovation, Building Value through Responsibility

Guided by unwavering values and an ambitious strategy, at **NADEC** we reaffirm our essential role in driving growth, fostering innovation, and advancing sustainable food security across the Kingdom. Our performance in 2025 was not only about expansion into new food and agricultural sectors; it was also about cementing **NADEC's** position as an integrated national food system. We are shaping a company where innovation drives our approach, sustainability defines our actions, and growth sets the course for progress and development.

Despite challenges, which by the grace of Allah were converted into promising opportunities, 2025 was a year of profound achievements. We made significant strides in enhancing our operational and institutional processes, driven by the adoption of modern technology. The efficiency of all production sectors and the effectiveness of innovative business models have been elevated by a skilled national workforce and distinguished expertise. Over the years, these efforts have consistently delivered outstanding results across the operation, management, and leadership of agricultural and food projects.

### Results that Testify a Robust Performance

**NADEC's** financial results this year are a testament of the robustness and stability of our business model and operational capabilities. Such consistent growth was not coincidental; it resulted from a disciplined strategy in cost management, revenue optimization from new sectors, and efficient asset utilization, thereby enhancing our ability to generate sustainable added value for our shareholders.

### Harnessing Technology to Transform Food Production

A primary focus of our strategic direction in recent years has been to answer the question: "How can innovative operational solutions drive better production, ensure asset integrity, and promote resource conservation?" The answer to this question was laid in the adoption of multiple technological solutions, most notably "smart agriculture" and advanced greenhouse technologies developed in partnership with global technology leaders. We achieved record levels of production efficiency and waste reduction in our factories, driven by a comprehensive digital transformation that seamlessly connects the farm-to-table value chain. Projects like «**NADEC's** Artificial lake" exemplify our environmental projects and affirm that balance between industrial expansion and water conservation is a top priority for **NADEC**.



Dr. Solaiman Abdulaziz Altwaijri

" Our new identity communicates our unwavering commitment to innovation and exceptional quality "



At a Glance



Strategic and Operational Performance



Sustainability & Social Responsibility



Digital and Technology Sector



Governance



Financial Statements

Our technological ambition at **NADEC** was never limited to production; supply chain automation with real-time tracking systems has contributed to reducing operational costs and ensuring our products reach consumers fresh and in line with the highest global quality standards.

### A Renewed Brand Identity for a New Era

2025 marked a pivotal milestone in our transformation journey, with the launch of the renewed brand identity for **NADEC**'s dairy products. This transformation was far more than a visual redesign; it represents a forward-thinking vision that resonates with the evolving aspirations and behaviors of today's consumers.

Our new identity communicates our unwavering commitment to innovation and exceptional quality. It has achieved broad acceptance in the market, contributing to strengthening our competitive edge and the bonds of trust and loyalty between our brand and consumers across various sectors.

### A Pivotal Role and Significant Expansion

Recognizing our vital role in ensuring national food security, we intensified efforts throughout the year to broaden local supply chains, significantly boosting industrial localization and reliance on domestic suppliers.

Our strategic expansion in the red meat (protein) sector was not only a diversification of our portfolio but also a direct support to the Kingdom's food security goals, enabling us to create hundreds of jobs for the Saudi youth in technology and agricultural innovation. The focus on integrated national manufacturing and production remains a cornerstone of our strategy to reduce import dependency, achieve self-sufficiency, and build a more resilient national economy in the face of global uncertainties.

### Strategic Partnerships and Societal Development

The year 2025 was marked by the formation of strategic alliances that have cemented our industry leadership. An agreement was signed with Hilton Foods to establish a joint venture for red meat (protein) processing and packaging. Additionally, **NADEC** partnered with Vox Spectrum to develop automated sensors that monitor water and fertilizer usage in organic olive farms, aiming to cut water consumption by 20%.

In the same context, **NADEC** is cooperating with EF Polymer to develop soil treatments aimed at supporting water conservation strategies by improving soil water retention capacity and enhancing its quality, contributing to a measurable reduction in water consumption.

We are also collaborating with King Abdullah University of Science and Technology (KAUST) to achieve mutual benefits from the convergence of expertise in agriculture and technology. The collaboration aims to enhance precision farming and harvesting crops, and to boost sustainability efficiency and resource management.

Furthermore, «AlRaie National Livestock Company», a **NADEC** subsidiary, secured a financing agreement exceeding SAR 1.1 billion with the Agricultural Development Fund. **NADEC** has also continued to strengthen its partnerships with local suppliers, supporting supply chain sustainability in the Kingdom.

On the societal level, several agreements were signed, including a cooperation agreement with the "Al-Ahsa Municipality" to promote environmental awareness and improve the urban landscape. A strategic agreement was also signed with the Ministry of Human Resources to support and empower people with disabilities.

Today, as we move into the new year with a strong financial position and well-defined expansion plans, we aim to enhance our market share in core sectors and capture new growth opportunities in the red meat (protein) and food sectors. Moving forward with firm resolve and determination to execute our strategy, we keep our focus on maximizing added value for our shareholders and elevating the quality of life in our society. We will also remain focused on delivering high-quality products that satisfy consumers' needs while upholding the highest standards of environmental sustainability.



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## Our Corporate Strategy

In 2025, **NADEC** delivered a decisive transformation in its business model, guided by an advanced operating vision rooted in smart technology, precision farming, modern manufacturing, and integrated sustainability.

This year marks a pivotal milestone as **NADEC** builds on its capabilities to accelerate growth, enhance efficiency, and deliver enduring value for shareholders and society.

This vision reinforces **NADEC's** role in strengthening national food security, advancing supply chains, and improving productivity through advanced digital solutions. In doing so, it elevates product quality and introduces new offerings that meet the expectations of local and regional consumers.

### 1- Agricultural Expansion

Through the National Seeds Agricultural Production Company (NSPC), **NADEC** significantly expanded agricultural development this year across open-field cultivation, smart greenhouses, and Aeroponic Farming, a soilless method with very low water consumption. This forms part of **NADEC's** focus this year on strengthening sustainability practices and water-use efficiency. NSPC aims to support the future development of the Kingdom's seed sector and plant propagation. The Company has advanced facilities, including a tissue culture laboratory, high-tech growth rooms, and an advanced greenhouse with controlled-atmosphere technology to produce primary potato tubers using hydroponic farming systems. This contributes to the production of locally produced, virus-free seeds, and enables the Company to develop a seed certification program in collaboration with the Ministry of Environment, Water and Agriculture (MEWA), to raise the quality of potato seed in the Kingdom.



### 2- Production Expansion

In 2025, **NADEC** expanded production and improved efficiency across dairy, juices, and protein, supported by modern plants and increased automation. In 2025, dairy plants operated at higher utilization rates over the year, reinforcing operational performance. Building on this momentum, **NADEC** delivered strong growth in red meat (protein) output, and revenue from this business increased noticeably compared with 2024. Wheat production totaled 110,000 tons, and potato production 22,000 tons. The fruits and vegetables business expanded significantly following the reintroduction of new products. **NADEC** expanded olive oil production and continues to operate one of the world's largest integrated organic olive oil projects, with more than 5 million trees.

### 3- Geographic Expansion

During the year, **NADEC** broadened its footprint across the Kingdom and the GCC. It also continued its deliberate expansion into regional export markets across dairy and agriculture. The year saw **NADEC** activate new go-to-market structures and partnerships, including a joint venture in the red meat (protein) sector. These platforms supported entry into new channels and geographies and strengthened **NADEC's** presence where it already operates.

### 4- Expansion in Distribution Channels

**NADEC** has continued to reinforce its distribution platform, spanning the delivery fleet, supply chains, and market access plans. The focus is on improving coverage, availability, and service levels. During the year, **NADEC** progressed the rollout of digital and logistics upgrades to enable faster, more reliable deliveries and improved customer service. This included refining distribution mechanisms for dairy products and red meat (protein). In 2025, **NADEC** inaugurated its first central warehouse branch in the Riyadh Region. The facility serves all sectors, is operated in line with the highest standards of quality and operational professionalism, and offers substantial capacity.

### 5- Sectoral Expansion

**NADEC** has transitioned from a company focused solely on dairy and juice products to a multi-sector food and agriculture company, spanning protein, agriculture, seeds, and other areas. In 2025, **NADEC** underscored this direction through its joint venture with Hilton Foods in the red meat (protein) sector. The joint venture supports faster progress under the protein pillar and strengthens meat processing and packaging.

In 2025, **NADEC** successfully brought the first phase of its advanced plant propagation facilities into operation and activated Aeroponic Farming technologies at commercial scale. This achievement reduced water consumption by up to 90% compared with traditional methods. In parallel, **NADEC** produced and distributed high-quality, drought-resistant local seed and planting materials, supporting lower reliance on imports and more secure agricultural supply chains in the Kingdom.

### 6- Expansion in Financing

**NADEC** achieved significant financial expansion in 2025, marked by revenue growth of 9.5% to reach SAR 3.527 billion. This top-line strength fuels strong operating cash generation, which seamlessly supports both operational needs and strategic investments. **NADEC'S** robust balance sheet, featuring a current ratio of 2.3, a debt-to-equity ratio of 0.06, and comfortable liquidity headroom, positions **NADEC** to confidently pursue further growth.

This financial capacity supports progress across the business, including dairy, juices, agricultural products, and protein. It also underpins expansion in markets and modern sales channels, reinforcing **NADEC's** presence locally and across the region.



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## Strategic Business Model

**NADEC's** 2025 business model sets out an ambitious, integrated vision for food and agriculture. It covers the full value chain, from production to manufacturing and distribution, to deliver high-quality food products that meet consumer needs in the Kingdom of Saudi Arabia and regional markets. Through investment in modern technologies and the development of human capabilities, **NADEC** seeks to achieve sustainable growth and further cement its leadership in the food and agriculture sectors. The model is implemented through three stages.



## Strategic Initiatives and Achievements in 2025

**NADEC** has forged long-standing strategic partnerships with the Ministry of Environment, Water and Agriculture, the Ministry of Human Resources and Social Development, and a range of academic research centers. These partnerships support **NADEC's** sustainable agricultural innovation and its participation in social responsibility programs and initiatives. In 2025, **NADEC** converted this foundation into measurable progress, executing strategic initiatives and delivering significant milestones during the year, including:

### Building a Scalable Platform for Red Meat (Protein):

**NADEC** expanded the red meat (protein) sector through an integrated value chain covering sourcing, processing, packaging, and distribution.

#### Key Achievements:

- Hilton Foods Joint Venture Shareholders' Agreement: On 06 March 2025, **NADEC** signed a shareholders' agreement with Hilton Foods to establish a joint venture for red meat (protein) processing and packaging (**NADEC** stake: 51%).
- Red Meat (Protein) Revenue Growth: **NADEC** sustained strong growth in red meat (protein) sector revenue, recording an increase of 66.5% compared to last year's revenue.

### Protecting and Advancing the Dairy and Food Manufacturing Sector:

Strengthening core brands, sharpening the product mix, and launching higher-value products.

#### Key Achievements:

- Product of the Year 2025 Recognition: «**NADEC** Fresh Laban» and «Fresh Milk» received the Product of the Year 2025 award in the Kingdom, reflecting strong consumer preference and a higher level of innovation.
- Moderate Sales Growth: Dairy and beverage sales continued to grow at a moderate pace (approximately +2% in 2025).



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## Deepening Agricultural Expansion and Advancing the Seeds Sector:

Expanding high-tech farming (including potatoes, olives, and seeds) and adopting Regenerative Agriculture practices.

### Key Achievements:

- Recognition: **NADEC** received recognition for sustainable agriculture innovation and for the quality of its organic olive oil (Al-Jouf awards).
- KAUST Partnership: **NADEC** entered into a partnership with King Abdullah University of Science and Technology (KAUST), bringing together agriculture and technology expertise to strengthen Precision Farming productivity and crop performance, alongside sustainability and resource management.
- Collaboration with EF Polymer: **NADEC** is collaborating with EF Polymer to develop soil treatments aimed at supporting measures to reduce water consumption by improving the soil's water-retention capacity and enhancing soil quality. This contributes to reducing the volumes of extracted water and the associated costs.
- Vox Spectrum Sensing Technologies: **NADEC** partnered with Vox Spectrum to develop automated sensing technologies to monitor water and fertilizer consumption across organic olive farms, targeting a 20% reduction in water use.
- Hail AgriTech Park Launch: **NADEC** launched the Hail AgriTech Park project to accelerate the adoption of the latest agricultural technologies and increase seed production. The project also includes training centers to equip farmers and researchers with advanced skills and technology-enabled practices, including Smart Irrigation, drone-based monitoring, and agricultural data analysis.

## Leadership in Sustainability and Environmental, Social and Governance (ESG) Practices:

Solar energy, Resource Optimization, community programs, and Sustainability Reporting.

### Key Achievements:

- 2024 Sustainability and ESG Report: **NADEC** published its 2024 Sustainability and ESG Report on 28 September 2025, aligned with GRI standards and linked to Vision 2030. Social Responsibility Award 2025 (Silver Category): **NADEC** received the «Social Responsibility Award 2025» from the Ministry of Human Resources and Social Development, winning the «Silver Category» under the Ministry's corporate social responsibility awards for the year, in recognition of its community programs and initiatives over the past period.
- MEWA Recognition: **NADEC** received recognition from the Ministry of Environment, Water and Agriculture for sustainable agriculture innovations and excellence in organic olive oil.

## Digital Transformation and Operational Excellence:

Unifying Enterprise Resource Planning (ERP) systems, implementing SAP Signavio, advancing process automation, and deploying advanced analytics.

### Key Achievements:

- Farm Management Project (Vistex): **NADEC** implemented the farm management project (Vistex) to strengthen agricultural operations and enhance profitability by automating and simplifying agricultural activities, optimizing resource allocation, and integrating real-time field data to enable faster, more accurate decisions.
- AI Assistants (Microsoft Copilot and SAP Joule): **NADEC** implemented Microsoft Copilot and SAP Joule to automate analytics, streamline processes, and enhance the accuracy of decision-making.
- Enterprise Service Management Platform (ServiceNow): **NADEC** launched its enterprise service management platform on ServiceNow to strengthen corporate governance.
- CMMI Level 3 Certification and SAP Signavio Benefits: The Digital and Technology sector obtained CMMI Level 3 certification for development and services. **NADEC** also continued to realize benefits from SAP Signavio, including shorter process cycle times, improved cost accuracy, and more efficient inventory management.

## NADEC Strategy Results 2025



**A More Diversified Revenue Base**



**Resilient Profitability Despite Investments**



**Sustainability and Digital Capabilities Strengthen NADEC's Long-Term Investment Case**



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## NADEC and Saudi Vision 2030

### A Role in Progress and Goals Being Delivered

At the center of the Kingdom's major transformations, **NADEC** played an important role in 2025 through its leadership and scale of production. **NADEC** stepped forward as a national partner, strengthening the Kingdom's food security system, raising production efficiency, and investing in technology and innovation. This progress aligns with Saudi Vision 2030, which has established a new development model built on sustainability, empowering people, and diversifying the economy. Saudi Vision 2030 has inspired **NADEC's** direction and intersects with several Vision objectives. It has become a roadmap that guides **NADEC's** operating plans, aligns with its business models, and shapes the launch of initiatives connected to the Vision through five main pillars, namely:

### NADEC's contributions to Vision 2030

#### Contributing to National Food Security

Ensuring sustainable and reliable food supply

#### Environmental Sustainability

Adopting environment friendly practices to preserve resources

#### Empowering the National Economy and Building Human Capabilities

Supporting economic growth through human capability building

#### Digital Transformation

Leveraging innovative technologies to drive efficiency and innovation

#### Quality of Life

Promoting community well-being through nutritional and social programs





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## First: Contributing to National Food Security

In a country where food security depends on local production and diversification, **NADEC** sustains its vital role through:

- Raising levels of self-sufficiency across dairy, juices, olives, and red meat (protein).
- Strengthening vertical integration across farms, plants, and supply chains to secure availability and continuity
- Improving agricultural production efficiency through Smart Irrigation, soil management, and crop monitoring systems.
- Supporting national supply chains through advanced logistics that connect farms to consumers with high efficiency.

## Second: Environmental Sustainability

Since the Kingdom set its Net Zero ambition, **NADEC** has made sustainability an integral part of its business model:

- Reducing water and energy consumption through smart systems across farms and plants.
- Advancing Resource Optimization and reducing waste across production, processing, and packaging.
- Implementing measurement programs for Scope 1, 2, and 3 Emissions, in preparation for full compliance.
- Investing in Solar Energy, supported by studies ready for implementation in 2026.

## Third: Empowering the National Economy and Building Human Capabilities

**NADEC** contributes to maximizing the Kingdom's economic impact through:

- Raising Saudization and developing national talent skills, particularly in operations and technology.
- Strengthening local content by contracting with local suppliers and prioritizing national procurement.
- Creating quality jobs through smart agriculture, logistics, technology, and food innovation.

## Fourth: Digital Transformation

In alignment with the Kingdom's trajectory toward a digital economy, **NADEC's** Technology and Digital Transformation sector serves as a key driver of **NADEC's** contribution to Saudi Vision 2030 by advancing innovation, sustainability, and operational excellence across the business. Through an integrated digital agenda, the sector is positioning **NADEC** as a digitally ready enterprise. Among the year's most significant initiatives and projects are:

- Launching the AI assistant application Microsoft Copilot and SAP Joule to automate analytics, streamline processes, and enhance decision-making accuracy.
- Launching a fully AI-enabled digital HR project to embed AI across recruitment, workforce planning, and performance management.
- Launching the enterprise service management platform on ServiceNow to strengthen corporate governance and collaboration across departments.
- Developing digitally capable national talent by equipping Saudi professionals with advanced capabilities in analytics and automation, supporting Vision 2030's objectives for a thriving economy built on knowledge and competitiveness.

## Fifth: Quality of Life

**NADEC** contributes to improving quality of life through:

- Providing high-quality products.
- Delivering community initiatives across education, sustainable agriculture, and social responsibility.
- Supporting farming communities through afforestation programs and agricultural entrepreneurship.
- Supporting sustainability and Resource Optimization through advanced agricultural practices.
- Enhancing consumer experience by deepening insights into consumer behavior and needs, and improving on-shelf availability of high-quality products.
- Contributing to food security in the Kingdom of Saudi Arabia.



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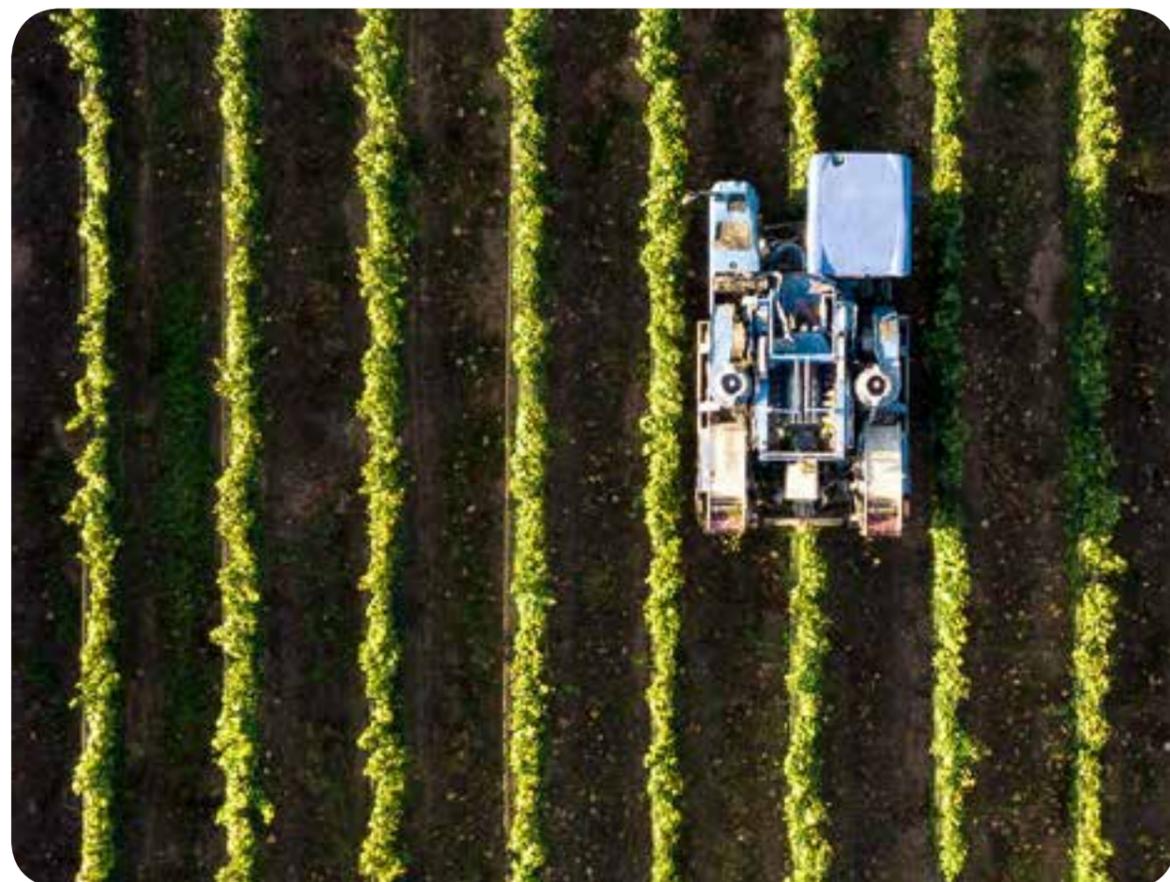
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## Market Overview

### Shifting Markets, Expanding Opportunities, and NADEC Continues to Lead the Transformation

In 2025, food and agriculture markets in the Kingdom and the region evolved rapidly. Three factors were particularly evident: Changing consumer behavior, wider use of digital channels, and stronger demand for healthier and more sustainable products. Against this backdrop, **NADEC** further cemented its position as a leading national player, supported by a diversified portfolio and vertical integration across farms, plants, and supply chains.

**NADEC** monitors market trends through detailed analytics and business intelligence systems, supporting timely responses to change and clear planning for expansion in differentiated products, particularly across dairy, juices, olives, and protein. As **NADEC** expands across domestic and GCC markets, its vision is increasingly anchored in «smart growth,» bringing together product quality, supply-chain speed, and environmental and social sustainability.



## First: Key Market Trends

Five structural shifts across markets relevant to **NADEC's** sectors are shaping **NADEC's** strategy in 2025:

### 1- Rising Demand for Healthy and Fresh Products

Saudi and GCC consumers are increasingly favoring healthier choices. Nutrition awareness is rising, active lifestyles are more common, and consumers are more attentive to sugar and saturated fats. These shifts are driving demand for natural and fresh products.

Euromonitor reports indicate that more than 65% of Saudi consumers prefer low-fat, natural dairy products, while the healthy-products market has grown by approximately 8% to 10% per year.

In this context, **NADEC** benefits from its quality standards and natural production practices. **NADEC** offers a broad range of dairy products and derivatives made with pure ingredients, alongside extra virgin olive oil produced from its farms in Al-Jouf. The same trend supports expansion into Functional Foods targeted at athletes and balanced diets. Consumer priorities are also shifting from taste alone toward nutrition and wellbeing, aligning **NADEC's** commercial focus with its role in supporting healthier lifestyles.

### 2- Expansion of Digital Commerce and Direct Sales

Saudi retail is moving rapidly toward digital channels, as e-commerce aligns with a growing consumer preference for purchasing through apps and smart platforms. Statista (2025) reports that online food and beverage sales in the Kingdom exceeded SAR 7 billion last year, supported by convenience and broader digital channel choice.

**NADEC** has responded by establishing a digital operating model that links inventory, sales, and distribution systems in real time, improving demand management and delivery speed. **NADEC** has also expanded partnerships with delivery platforms and online retailers to secure presence across modern sales channels. This shift enables closer consumer engagement and better insight into purchasing behavior, supporting smarter, more targeted marketing and informing future product development. Direct sales also reduce intermediaries and improve value-chain efficiency, supporting competitiveness and operating margins as digital performance dynamics continue to evolve.



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### 3- Rising Consumer Confidence in National Products

Since the launch of Saudi Vision 2030, confidence in national products has risen, which reflects a notable social and economic shift in the Kingdom. Food safety and quality standards in local industries have improved, and national initiatives such as «Made in KSA» have strengthened consumer attachment to locally produced goods.

As one of the Kingdom's established names in dairy and food, this trend represents a clear source of commercial and reputational leverage for **NADEC**. Local products are increasingly viewed not only as a value choice, but also as reliable and consistently high in quality. Sustainability initiatives and greater transparency have also supported customer confidence, as consumers place more weight on disclosure of milk sourcing, packaging practices, and compliance with specifications.

This link between national confidence and local quality reinforces brand loyalty and supports **NADEC's** regional expansion by positioning **NADEC** as a Saudi model for food security and sustainable quality.

### 5- Rising Consumer Awareness of Sustainability

As climate priorities gain prominence, «sustainable consumption» is increasingly shaping everyday purchasing decisions. Saudi consumers are showing a growing preference for brands that apply sustainable practices across agricultural production, as well as packaging and distribution. According to last year's GlobalData report, 70% of consumers in the region consider sustainability a factor in purchase decisions.

**NADEC** has responded through practical measures, including shifting to recyclable packaging materials, reducing water and energy consumption in plants, and adopting Solar Energy across agricultural facilities. **NADEC** has also enhanced supply-chain traceability, enabling consumers to understand product origin and production conditions, and supporting transparency and consumer confidence.

Through these measures, **NADEC** is meeting the expectations of a more sustainability-aware consumer and supporting the shift toward a greener food economy aligned with the Sustainable Development Goals (SDGs), while affirming **NADEC's** standing as an environmental and social leader in the Kingdom and the region.

### 4- Evolution of Logistics and Supply Chains

Modern transport and storage infrastructure has become a key enabler of growth in the Kingdom's food sector. Government investment in road networks, ports, and logistics hubs has shortened transport times and improved storage conditions. As a result, supply chains for perishable categories such as dairy and juices have become more resilient. Against this backdrop, **NADEC** has expanded into new regions and outlets, supported by refrigerated transport capabilities and smart distribution. Integrating transport operations with data systems enables **NADEC** to track products in real time and ensure availability across more than 35,000 points of sale in the Kingdom. This has improved operational efficiency and reduced loss, supporting market confidence in the reliable supply of fresh, high-quality products.

The National Industrial Development and Logistics Program (NIDLP), one of the Saudi Vision 2030 programs, highlights modern logistics as a core source of competitiveness for food industries. This gives **NADEC** a strong platform for future regional and international expansion.





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## Second: Market Challenges

Market conditions in 2025 brought several challenges to the fore, most notably:

### 1- Higher Raw Material Prices

Core inputs recorded successive increases during the year, driven by global factors including climate-related disruptions, lower output in certain exporting countries, and stronger global demand. These pressures fed directly into production costs across dairy, red meat (protein), and agriculture. Operating costs at farms and plants rose above prior-year levels, and maintaining pricing discipline without compromising quality became more difficult.

Energy-price volatility also raised the cost of key inputs, including fuel, electricity, and plastic materials used in packaging. At the same time, preserving an appropriate price balance for consumers became more challenging in a highly competitive market. Higher global financing costs and interest rates further increased the cost of inventory and working capital. This environment requires tighter value-chain efficiency, including broader reliance on locally produced feed and improved energy-use efficiency across **NADEC's** plants. In this regard, the Food and Agriculture Organization (FAO) reported that agricultural production input costs rose globally by more than 35% over two years, reflecting the structural impact of these pressures on profitability across the region's agrifood sector.

### 2- Global Supply Chain Volatility

Global supply chains remained unstable, most visibly in ocean freight and shipping costs, which made logistical planning for imported items more complex. With geopolitical disruption intensifying across key international shipping corridors, global ocean freight rates climbed sharply. World Bank reporting (2023) indicates increases of more than 200% between 2021 and 2023, and the effects are still evident today. At the same time, the gap between demand timing and material availability widened, placing pressure on sourcing plans and steady production. For **NADEC**, this meant raising strategic inventory levels to reduce the risk of supply interruption, with a corresponding increase in storage and management costs. It also increased the need for more capable digital tools to track the supply chain and assess risk. In response, **NADEC** adopted integrated management systems such as Enterprise Resource Planning (ERP) and supply chain management (SCM) systems to reduce loss and improve logistics flow. Collaboration with local suppliers and the development of local packaging and manufacturing alternatives helped soften the impact of global volatility. Even so, sensitivity remains given continuing challenges in global ocean freight and shifting international trade policies. Supply chain resilience and sustainability therefore remain central to **NADEC's** strategy for strengthening its ability to adapt to global change.

### 3- Intensifying Competition in the Dairy and Juice Segments

As the Saudi market expands, competition across the GCC dairy and juice segments has become sharper, particularly with the entry of local and international brands using dynamic pricing and targeted digital marketing. The rising expectations of the Saudi consumer, coupled with their growing health-consciousness about ingredient quality, have also played a role in elevating product standards. Competitors are differentiating through more compelling packaging, wider reach across e-commerce channels, and broader choice in flavors and pack sizes aimed at younger consumer segments. Euromonitor reports that the Saudi dairy market has grown by around 7% per year in recent years, alongside intensifying competition among major players. As a result, sustainability and corporate identity are increasingly central to customer loyalty. **NADEC** is responding through investment in social responsibility initiatives, comprehensive quality, and innovation, which now stands out as a clear feature of **NADEC's** proposition. This has also increased the focus on data analytics and more advanced marketing to sustain differentiation in a market defined by rapid shifts and volatility.

### 4- Climate Impacts on Agricultural Production

Climate pressures are rising and are increasingly affecting the sustainability of agriculture and dairy production globally. Higher temperatures, water scarcity, and more variable growing seasons can all affect feed output and the quality of raw milk.

For **NADEC**, as the operator of one of the largest integrated agricultural projects in the Central Region, climate risk is a real test of a production model built on agricultural efficiency and environmental sustainability. As these pressures intensify, **NADEC** has adopted solutions such as precision irrigation supported by remote sensing and artificial intelligence to assess crop needs and monitor soil health. **NADEC** has also expanded cultivation of drought-tolerant varieties, including sorghum, and continued to develop farming practices focused on reducing water consumption. These initiatives align with Saudi Vision 2030 objectives to strengthen national food security and reduce the Carbon Footprint. Reports by the General Authority of Meteorology and Environmental Protection indicate that drought levels in some areas of the Kingdom have increased by around 15% over the past decade. This makes climate-risk management essential to sustaining **NADEC's** long-term operations and protecting the quality of its core agricultural resource.



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## Operational Review

### Dairy Products

In 2025, **NADEC**'s dairy sector delivered strong performance across sales and revenue. Sector revenue amounted to approximately SAR 1.411 billion, broadly stable compared with approximately SAR 1.413 billion in 2024. This outcome reflects the sector's resilience and consistent contribution throughout the year.

The wider sales and distribution footprint, reaching 4,700 points of sale, supported net profit and increased sales. Dairy products represented 40.1% of **NADEC**'s total sales for the year. Performance was supported by demand for newly launched products, including a broader range of consumer pack sizes and new additions within dairy and dairy derivatives, which resonated with consumers and aligned with their preferences.

### Expansion of Dairy Products

With the aim of meeting customer expectations and continuing to introduce new products, **NADEC** expanded its dairy portfolio in 2025, offering consumers a wider set of choices. The expansion reflects **NADEC**'s continued focus on innovation and on delivering high-quality products that enhance the customer experience. Newly introduced products include:

- Fresh Flavoured Milk (Salted Caramel & Chocolate Coconut)
- Kefir Probiotic Drink
- UHT Milk Flavours (Toffee & Cotton Candy)
- Kashkaval Cheese
- Flavoured Labneh (Chilli, Olives, and Zaatar)
- Lactose Free Yoghurt

### Market Share of Dairy Products in 2025



**Fresh Milk**  
ranking second in the market



**Fresh Yoghurt**  
ranking second in the market



**Fresh Cream**  
ranking second in the market

## A New Look

With the Same Iconic Taste





# Strategic and Operational Performance



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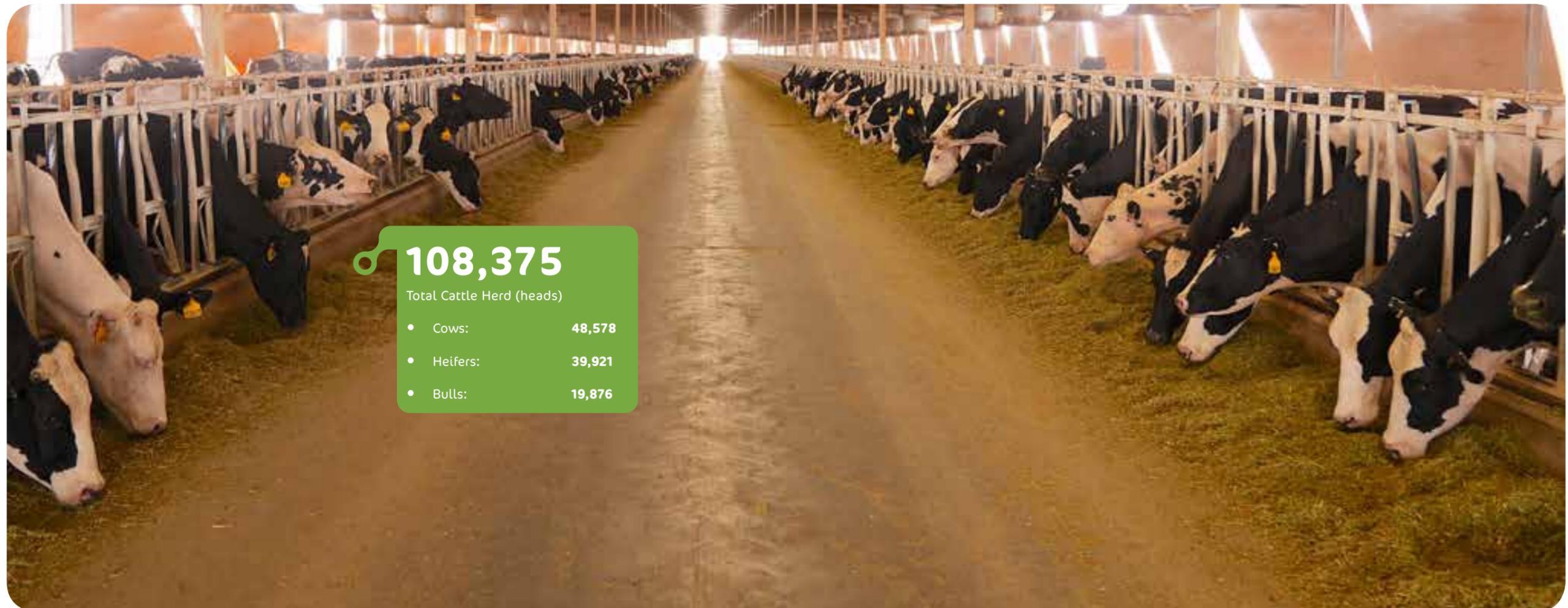
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## Top-Selling NADEC Dairy Products

### UHT Milk

NADEC's 1-liter full-fat long-life milk is among the sector's top-selling products. It is produced from 100% fresh cow's milk and treated using ultra-high temperature (UHT) processing to extend shelf life without preservatives. It is fortified with vitamins A and D3 to enhance nutritional value and contains a minimum fat content of 3%, making it a strong fit for families seeking nutritious, great-tasting milk.

## Dairy products revenues



**108,375**  
Total Cattle Herd (heads)

- Cows: 48,578
- Heifers: 39,921
- Bulls: 19,876



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## Juice Products

In 2025, **NADEC's** juice products segment delivered a standout performance, ranking second in local market share and generating revenue of approximately SAR 233.6 million. The segment maintained its position versus 2024 and demonstrated resilience in a highly competitive market. This supports **NADEC's** plans to expand reach and further develop its portfolio of distinctive juices.

Product innovation continued to support performance. **NADEC** introduced new pack designs for consumer formats, which were well received and complemented the segment's unique flavor offering.

The juice sector contributed 6.6% of **NADEC's** total profits in 2025, driven by strong demand for newly introduced products such as Strawberry Mojito Juice and Apricot Mixed Fruit Juice, both of which gained significant popularity among consumers. This success was further supported by the introduction of various consumer-friendly packaging sizes and the expansion of the juice portfolio with new product offerings, strengthening **NADEC's** presence in this dynamic sector.

### Top-Selling **NADEC** Juice Products

#### Mango with Mix Fruit Nectar

"Mango with Mix Fruit Nectar" is the top-selling juice in **NADEC's** juice sector. This product blends a rich, concentrated taste with natural nourishment, formulated with ingredients that harmonize flavor and nutritional value. The juice is crafted from mango pulp and mango pulp concentrate, providing the drink with its natural consistency and refreshing tropical flavor.

The taste of mango nectar is enhanced by a special blend of mixed fruits, containing apple, grape, and pear, which adds a variety of flavors without overpowering the essential mango taste.

Containing vitamin C and free from artificial colors and added sugars, this juice is an excellent choice for those seeking a well-balanced taste.

### Market Share of Juice Products in 2025



## Juice product revenues





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## Olive Oil Products

In 2025, **NADEC**'s olive oil sector maintained its strong market position in the Kingdom. Sector sales amounted to approximately SAR 100 million, in which **NADEC** placed 2nd in market share in the olive oil category. This result reflects the quality of **NADEC**'s olive oil products, supported by the awards the portfolio has received locally and internationally over the years. Looking ahead, **NADEC** remains committed to sustaining its leadership and expanding its consumer base.

**NADEC**'s share of the olive oil market stood at 13.3%, supporting **NADEC**'s position among the leading participants in the local sector. This success stems from **NADEC**'s strategic initiatives to strengthen its olive oil sector. These include the expansion of distribution channels and investment to increase production capacity from olive trees. **NADEC** also implements rigorous quality testing, conducted seasonally and throughout the year, to ensure consistent productivity and superior quality in the olives it cultivates. Olive oil represented 2.8% of **NADEC**'s total revenue in 2025. In addition, **NADEC**'s main product, Organic Extra Virgin Olive Oil, led the local market with a share exceeding 37%. This differentiation in exceptional quality has consolidated its standing as a first-choice product among consumers, alongside **NADEC**'s commitment to organic agriculture across the full production process.

## Olive oil product revenues



## New olive oil products

- Non-Organic Olive Oil in GCC markets

## Market Share of Olive Oil Products in 2025



## Top-Selling NADEC Olive Oil Product

Olive oil accounted for 2.8% of **NADEC**'s total revenue in 2025, reflecting its growing importance within **NADEC**'s product portfolio. **NADEC** Organic Extra Virgin Olive Oil 500ml is the top-selling product in this category.

**NADEC**'s organic olive oil contains a high level of oleic acid, a monounsaturated fatty acid that has been linked to a lower risk of heart disease, according to a report published by the World Health Organization (WHO). It is also distinguished by antioxidant levels more than 30% higher than conventional olive oils, supporting resistance to inflammation and premature ageing.





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## Red Meat (Protein) Products

In 2025, **NADEC**'s red meat (protein) sector recorded a marked increase in sales and revenue, delivering growth of 66.5% versus the prior year. The year's progress reflected the expansion steps implemented across the sector. These included the establishment of **NADEC**-dedicated local slaughterhouses, a strengthened distribution network, and investment to increase production capacity. Supply was also supported through the provision of high-quality imported meat from multiple countries. Consequently, revenue increased to SAR 300.2 million, compared with SAR 180.3 million in 2024, representing an uplift of approximately SAR 119.9 million, or 66.5%. red meat (protein) sales also accounted for 8.5% of **NADEC**'s total sales for the year.

During the year, **NADEC** launched a major livestock initiative, the Al-Raie Livestock Project, a joint venture with Al Muhaidib Group designed to support domestic red meat (protein) production in the Kingdom. The project forms part of wider national efforts to strengthen meat production and reduce reliance on imports. It is planned to reach a production capacity of approximately one million head of livestock per year by 2030, with total investment of around SAR 2 billion. The expansion is supported by financing agreements signed by Al-Raie with the Saudi Agricultural Development Fund, with a value of up to SAR 1.1 billion, to finance livestock breeding and multiplication, particularly in sheep and goats. The financing extends over 15 years, with a three-year grace period, providing a solid financial base for the project's development.

This progress reflects the impact of the expansion measures implemented during the year, as investment in distribution coverage and production capacity translated into strong momentum in the red meat (protein) business.

The partnership with Hilton Foods also supported product quality, drawing on its long-standing expertise, and helped attract highly qualified local and international talent to support the business.

### New Products in 2025

**NADEC** is committed to meeting customer expectations and offering a range of choices aligned with evolving needs. **NADEC** also monitors market trends and changing consumer habits. During 2025, the Company continued to expand its portfolio with innovative products to cater to different tastes. Examples include:

- Imported & Chilled Meat cuts from different origins such as Brazil, Australia, New Zealand, , and India.
- Locally sourced lamb, goat, and camel meat.

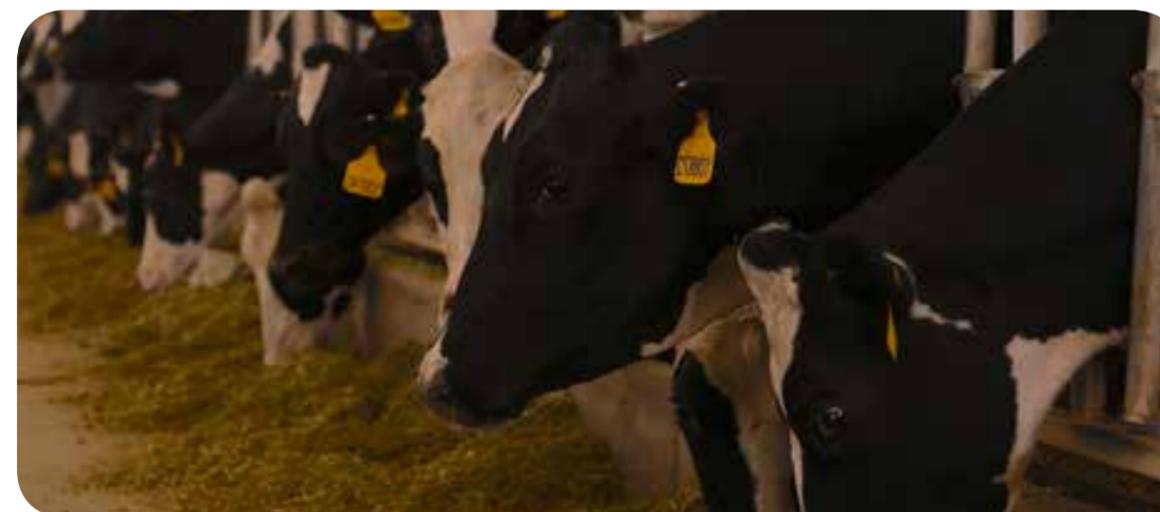
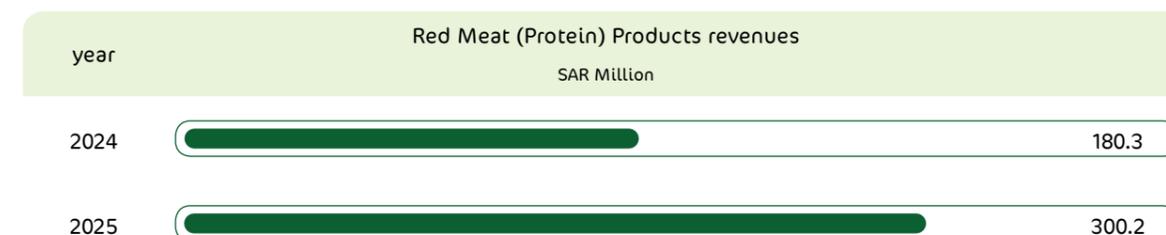
## Top-Selling **NADEC** Red Meat (Protein) Products

### Beef and Veal

This year, beef and veal carcasses were the top-selling products in **NADEC**'s red meat (protein) category, distinguished by their high quality and operational processing standards. **NADEC** adheres to Halal slaughtering standards alongside reliable quality and stringent hygiene protocols, which reassure consumers and drive sales. The Company provides a wide range of products, including fresh cuts of veal and beef, such as Holstein veal and Angus beef, along with various cuts like filet, ribeye, and ribs, in addition to lamb meat sourced from selected local and international suppliers.

The red meat (protein) sector contributed to strengthening **NADEC**'s role in reducing import dependency and enhancing self-sufficiency in red meat (protein), while providing reliable food options that meet the needs of Saudi households. **NADEC** continues to invest in this sector to achieve sustainable growth, supporting the ambitious vision of building an integrated and sustainable food system.

### Red Meat (Protein) Products revenues





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## Agricultural Sector

In 2025, **NADEC's** agricultural sector remained a central pillar of the business model, in alignment with the Kingdom's objectives to strengthen food security and self-sufficiency. The sector contributed to revenue growth during the year, with the financial results showing a notable uplift in **NADEC's** revenue. Revenue increased by 257.56% versus the prior year, with agriculture accounting for the largest share of the increase. The sector added approximately SAR 246.8 million to total sales, underscoring continued growth in this pillar.

**NADEC** established the National Seeds Agricultural Production Company (NSPC) to advance the development of the Kingdom's seed sector and plant propagation capabilities. NSPC is supported by advanced facilities, including a tissue culture laboratory, high-tech growth rooms, and a controlled-environment greenhouse for producing primary potato tubers through hydroponic farming systems.

This platform enables the production of locally produced, virus-free seeds. It also supports the development of a seed certification program, in collaboration with the Ministry of Environment, Water and Agriculture (MEWA), to raise the quality of potato seeds in the Saudi market.

In 2025, NSPC developed and commissioned the new TubAirtec Aeroponic Farming facility, which relies on ultra-fine water mist to generate primary tubers. Technology supports high-quality output while reducing water consumption by up to 90% compared with traditional methods, strengthening efficiency and the sustainability of production operations.

### Top-Selling Products:

#### Wheat:

Within **NADEC's** agricultural products portfolio, wheat has carved out a unique success story that reflects both consumer trust and product quality.

**NADEC** wheat is sourced from company-owned farms managed according to the highest precision agricultural standards. The process begins with the selection of premium seeds, followed by advanced cultivation and harvesting operations, and concludes with purification and packaging stages to ensure a pure and consistent final product.

**NADEC's** wheat delivers high nutritional value, serving as a key source of fiber and energy and as a staple ingredient in the daily diet of the Saudi community.

**NADEC** relies on modern, sustainable agricultural practices that prioritize resource efficiency and preserve crop quality. This approach is reflected in the wheat's nutritional value across various applications, whether for household or industrial use.

The strong market demand for **NADEC's** wheat this year underscores the Company's success in aligning quality with sustainability and in delivering a national product that meets the needs of the market and local consumers. It also reinforces confidence in local companies' roles in advancing the Kingdom's food security objectives.

### Agricultural products revenue





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## Success Story

**NADEC is driving transformation in the Red Meat (Protein) sector through global partnerships and exceptional returns.**

2025 marked a defining year for red meat (protein) as one of **NADEC's** key strategic growth engines. Through an international alliance-driven model, **NADEC** activated its joint venture with Hilton Foods to strengthen red meat (protein) processing and packaging. This supported the transfer and localization of leading global technologies through skilled local expertise.

In 2025, **NADEC** marked a pivotal turning point in the development of the red meat (protein) sector via the introduction of new primal cuts designed to meet the demands of both consumers and the foodservice industry.

These new additions have been instrumental in contributing to boosting the red meat (protein) sector's performance, diversifying product offerings, and setting new benchmarks for quality and consumer experience. This expansion has also successfully bolstered the local market share for the sector and stimulated demand for high-quality red meat (protein) products, validating the Company's strategy in innovation and meeting the consumers' needs.

By integrating cutting-edge technology and smart manufacturing to optimize production and minimize waste while expanding its local and international partnerships, **NADEC** continues to leverage these new cuts as a cornerstone for growth of the red meat (protein) sector and strengthening its market position.

### Market Leadership and Supply-Chain Resilience

The impact of this segment has extended beyond traditional production. The business has built an integrated digital supply chain that supports high standards of quality and food safety, as evidenced by FSSC 22000 certification. This operating capability enabled efficient fulfillment for retail customers and supported entry into the hotels, cafes, and restaurants (HORECA) channel. Products are supported by reliable sourcing and strong packaging quality, helping to build market share over a short period.

### Reliability in Numbers: Strong growth momentum supporting market capitalization

The 2025 results highlight the strength of this pillar. Revenue within the Protein sector surged by 66.5% year-over-year, accounting for 8.5% of total Group revenue in 2025. This performance reflects disciplined execution and management's ability to diversify the investment portfolio, delivering tangible returns that strengthen shareholder confidence and support the Company's market value.

### A National Commitment to Food Security

The progress achieved in the protein sector highlights the alignment of **NADEC's** plans with Saudi Vision 2030 objectives for sustainable food security. By providing high-quality local alternatives and leveraging technological innovation, **NADEC** is cementing its position as a national leader within an integrated food ecosystem, with the capacity to turn strategic challenges into promising economic opportunities for future generations.





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## VP of Finance Message

The 2025 financial year reflects **NADEC**'s continued focus on financial discipline, stability, and sustainable growth. **NADEC** delivered solid financial results while preserving balance sheet strength and liquidity.

Revenue for the year grew by 9.5% year-on-year, and net profit decreased by 49.2%, mainly due to the prior year's Arabian Mills IPO, which contributed a profit of SAR 380.6 Mn. Excluding this, we sustained profitability with a net profit margin of 11.2%, supported by margin discipline, operational efficiencies, and prudent cost management.

Cash flow generation remained strong, with operating cash flows sufficient to fund working capital requirements and strategic initiatives. The balance sheet continues to reflect a sound financial position, with a current ratio of 2.3, a debt-to-equity ratio of 0.06, and comfortable liquidity headroom.

A key strategic milestone during the year was the expansion into the Protein segment, strengthening our presence in high-growth and high-demand categories. Initial performance from this segment has been encouraging, contributing positively to revenue growth while enhancing portfolio balance and reducing reliance on any single category.

Looking forward, our financial priorities remain centered on sustaining revenue growth, protecting margins, and maintaining a strong and flexible balance sheet. With disciplined financial governance and continued investment in segments, **NADEC** is well-positioned to deliver consistent performance and long-term value.

The balance sheet continues to reflect a sound financial position with a current ratio of

**2.3**

Debt-to-equity ratio of

**0.06**



Mr. Hassan Aqrouq



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## Financial Performance

### Statement of Financial Position as at 31 December 2025

Figures are in (Million) SAR	2025	2024	Change %	2023	2022	2021	2020
Non-current asset	3,398.9	2,829.2	20.13%	2,694.9	2,706.8	2,744.5	2,775.0
Current assets	2,934.9	2,881.2	1.87%	2,357.5	1,114.7	1,145.2	1,100.6
<b>Total Assets</b>	<b>6,333.8</b>	<b>5,710.4</b>	<b>10.92%</b>	<b>5,052.5</b>	<b>3,821.5</b>	<b>3,889.7</b>	<b>3,875.6</b>
Non-current liabilities	471.2	162.2	190.51%	284.5	1,089.5	1,363.9	1,082.2
Current liabilities	1,254.4	1,251.3	0.25%	1,175.1	1,436.9	1,330.0	1,315.1
<b>Total liabilities</b>	<b>1,725.6</b>	<b>1,413.5</b>	<b>22.09%</b>	<b>1,459.6</b>	<b>2,526.4</b>	<b>2,693.9</b>	<b>2,397.3</b>
Shareholders' equity	4,608.2	4,296.9	7.24%	3,592.8	1,295.1	1,195.8	1,478.3
<b>Total Shareholders' equity and liabilities</b>	<b>6,333.8</b>	<b>5,710.4</b>	<b>10.92%</b>	<b>5,052.5</b>	<b>3,821.5</b>	<b>3,889.7</b>	<b>3,875.6</b>

### Statement of profit or loss for the year ended 31 December 2025

Figures are in (Million) SAR	2025	2024	Change %	2023	2022	2021	2020
Revenue	3,526.98	3,220.40	9.52%	3,196.97	2,694.2	2,272.3	2,303.1
Cost of Revenue	(2,345.50)	(2,028.08)	15.65%	(2,013.22)	(1,885.9)	(1,641.5)	(1,577.2)
Gross profit	1,181.48	1,192.32	-0.91%	1,183.74	808.30	630.80	725.90
Operating profit (loss)	376.94	389.40	-3.20%	340.64	147	(213.3)	84.6
Profit (loss) for the year	393.35	774.63	-49.22%	302.06	95.5	(285)	35.7
<b>Total comprehensive income for the year</b>	<b>336.22</b>	<b>705.89</b>	<b>-52.37%</b>	<b>312.00</b>	<b>99.3</b>	<b>(282.4)</b>	<b>37.7</b>

### The movement of Cash flows for the year ended 31 December 2025

Figures are in (Million) SAR	2025	2024	Change %	2023	2022	2021	2020
Profit before Zakat	437.13	827.13	-47.15%	290.26	101.5	-245.3	41.4
Cash flows from operating activities	837.00	798.58	4.81%	699.33	477.1	324.6	426.9
Net cash flows from operating activities	755.45	763.21	-1.02%	654.67	451.8	255.6	443.3
Net cash flows used in investing activities	(1,022.26)	(20.79)	4816.91%	(756.54)	-243	-324.8	-216.9
Net cash flows from (used in) financing activities	(18.20)	(211.83)	-91.41%	824.70	-177.5	82.4	-219.7
<b>Net change in cash and cash equivalent</b>	<b>(285.01)</b>	<b>530.59</b>	<b>-153.72%</b>	<b>722.83</b>	<b>31.2</b>	<b>13.2</b>	<b>6.7</b>
Cash and cash and cash equivalent at beginning of the year	1,365.36	834.69	63.58%	112.76	81.9	68.7	62
<b>Cash and cash and cash equivalent at end of the year</b>	<b>1,080.35</b>	<b>1,365.36</b>	<b>-20.87%</b>	<b>834.69</b>	<b>112.8</b>	<b>81.9</b>	<b>68.7</b>



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## Key performance indicators

Indicators	2025	2024	2023	2022	2021
Return on revenue	11.2%	24.1%	9.4%	3.5%	-12.5%
Return on equity	8.54%	18.03%	8.41%	7.37%	-23.83%
Loan-to-equity ratio	6.1%	4.8%	10.5%	118%	137%
Revenue growth rate	9.5%	0.7%	18.7%	18.6%	-1.3%
The ratio of operating profit to revenue	10.7%	12.1%	10.7%	5.5%	-9.4%
Number of shares (million)	301.6	301.6	301.6	101.6	101.6
Basic earnings per share (SAR)	1.31	2.57	1.77	0.94	-2.81

Revenue growth by sector	2025	2024	Change %
Dairy and food processing	0.30%	14.98%	-14.68%
Protein revenue	66.50%	100.00%	-33.50%
Agricultural products revenue	257.56%	-37.36%	294.92%

## Geographical Analysis of NADEC's Revenue

Year	Saudi Arabia	Other GCC Countries	Other Countries	Total Revenue
2025	3,058,389,948	323,278,092	145,310,655	3,526,978,695
2024	2,782,176,789	304,414,749	133,808,855	3,220,400,393

## Geographical Analysis of Affiliates' Revenue

- National Seeds Production Company for Agricultural Production: Start-up phase; no revenue generated.
- NADEC Management Company: Revenue represents intra-group service charges; no external revenue generated.
- National Livestock Company (AlRai'e): Development/start-up phase; no revenue generated.
- NADEC Hilton Company: Development/start-up phase; no revenue generated.





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## Operating expenses

Figures are in (Millions) SAR	2025	2024	2023	% on sales	% on total	Change %
Cost of Sales	2,345.50	2,028.08	2,013.22	66.5%	74.5%	15.65%
Selling and Marketing expenses	576.42	531.77	559.56	16.3%	18.3%	8.40%
General and administrative expenses	232.94	234.79	213.09	6.6%	7.4%	-0.79%
(Impairment losses) / reversal of impairment losses on trade receivables and other receivables, net	8.47	(2.87)	48.87	0.2%	0.3%	-395.48%
Other income	(36.83)	(25.56)	(54.96)	-1.0%	-1.2%	44.09%
Other gains / (losses), net	23.53	64.78	76.55	0.7%	0.7%	-63.67%
<b>Total operating expenses</b>	<b>3,150.04</b>	<b>2,831.00</b>	<b>2,856.33</b>	<b>89.3%</b>	<b>100.0%</b>	<b>11.27%</b>

Figures are in (Millions) SAR	2025	2024	2023	% on sales	% on total	Change %
Direct production costs	1,806.71	1,475.21	1,544.26	51.2%	57.4%	22.47%
Employees costs	578.08	522.68	502.24	16.4%	18.4%	10.60%
Marketing expenses	157.15	189.63	182.63	4.5%	5.0%	-17.13%
Operating and Administrative expenses	317.28	358.27	371.69	9.0%	10.1%	-11.44%
Depreciation of property and right-of-use assets	304.11	245.99	233.92	8.6%	9.7%	23.63%
Other income	(36.83)	(25.56)	(54.96)	-1.0%	-1.2%	44.09%
Other gains / (losses), net	23.53	64.78	76.55	0.7%	0.7%	-63.67%
<b>Total operating expense</b>	<b>3,150.04</b>	<b>2,831.00</b>	<b>2,856.33</b>	<b>89.3%</b>	<b>100.0%</b>	<b>11.27%</b>

	2025 SAR	2024 SAR	Change %	Change	% of total revenue 2025	% of total revenue 2024	2023 SAR
Dairy and beverages revenue	2,979,972,273	2,971,080,065	0.3%	8,892,208	84.5%	92.3%	2,995,241,048
Protein revenue	300,175,346	180,287,335	66.5%	119,888,011	8.5%	5.6%	84,861,349
Agricultural products revenue	246,831,076	69,032,993	257.6%	177,798,083	7.0%	2.1%	116,864,140
<b>Total</b>	<b>3,526,978,695</b>	<b>3,220,400,393</b>	-	-	-	-	<b>3,196,966,537</b>

Figures are in (Millions) SAR	2025	2024	2023	% on sales	% on total	Change %
Revenues	3,526.98	3,220.40	3,196.97	100.0%	100.0%	9.52%
<b>Operational costs</b>						
Cost of Sales	2,345.50	2,028.08	2,013.22	66.5%	66.5%	15.65%
Selling and Marketing expenses	576.42	531.77	559.56	16.3%	16.3%	8.40%
(Impairment losses) / reversal of impairment losses on trade receivables and other receivables, net	8.47	(2.87)	48.87	0.2%	0.2%	-395.48%
General and administrative expenses	232.94	234.79	213.09	6.6%	6.6%	-0.79%
Other income	(36.83)	(25.56)	(54.96)	-1.0%	-1.0%	44.09%
Other gains / (losses), net	23.53	64.78	76.55	0.7%	0.7%	-63.67%
<b>Total operating expenses</b>	<b>3,150.04</b>	<b>2,831.00</b>	<b>2,856.33</b>	<b>89.3%</b>	<b>100.0%</b>	<b>11.27%</b>
Operating profit	376.94	389.4	340.64	10.7%	12.0%	-3.20%



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## Working Capital Development

Figures are in (Millions) SAR	2025	2024	2023	2022	2021
Current Assets	2,934.9	2,881.2	2,357.5	1,116.3	1,145.2
Current liabilities	1,254.4	1,251.3	1,175.1	1,436.9	1,330.0
Working capital	1,680.5	1,629.9	1,182.4	(320.6)	(184.8)

## Statement of outstanding loans from local banks and their maturity dates

Figures are in (Millions) SAR	2025	2024	Change %
Less than 1 year	-	205.3	(100)
1-2 years	-	-	-
2-5 years	-	-	-
more than 5 years	-	-	-
<b>total balance</b>	<b>-</b>	<b>205.30</b>	<b>(100)</b>

## Details of loan movements from local banks with Murabaha contracts (deferred sale) and the balance as of 31 December 2025

Figures are in (Millions) SAR	Opening balance 2025				Closing balance 2025				Duration of loan	
	Credit limit	Loan principle	Interest accrued	Total opening balance	Addition during 2025	Paid during 2025	Loan principle	Interest accrued		Total Ending balance
SNB	150,000,000	-	-	-	146,259,825	(146,259,825)	-	-	-	-
Al Rajhi	310,000,000	60,000,000	102,043	60,102,043	51,676,331	(111,786,337)	-	-	-	-
SAB	275,000,000	65,000,000	68,877	65,068,877	279,046,388	(344,115,265)	-	-	-	-
Riyad	400,000,000	-	-	-	-	-	-	-	-	-
Banque Saudi Fransi	290,000,000	80,000,000	114,187	80,114,187	238,083,650	(318,197,837)	-	-	-	-
AlJazira	100,000,000	-	-	-	80,826,936	(80,826,936)	-	-	-	-
ANB	50,000,000	-	-	-	-	-	-	-	-	-
<b>Total balance</b>	<b>1,575,000,000</b>	<b>205,000,000</b>	<b>285,107</b>	<b>205,285,107</b>	<b>795,893,129</b>	<b>(1,001,186,199.41)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above table represents all loans granted to the Company by local banks in the Kingdom of Saudi Arabia and in accordance with the term sale agreements concluded with the Company and those banks, in accordance with Islamic law. And according to payment schedules that have been previously agreed upon with those banks and according to the loan term shown in the above table.



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## Agricultural Development Fund (ADF)

Figures are in (Millions) SAR	2025	2024	Change %
Opening balance	2.50	3.50	-28.5%
Additions during the year	193.51	-	100.0%
Paid during the year	(0.83)	(1)	-16.6%
<b>Total balance</b>	<b>195.18</b>	<b>2.50</b>	-

## Saudi Industrial Development Fund (SIDF)

Figures are in (Millions) SAR	2025	2024	Change %
Opening balance	-	-	-
Additions during the year	87.31	-	-
Paid during the year	-	-	-
<b>Total balance</b>	<b>87.31</b>	-	-

## Government Payments in 2025

A statement	Payment (Million SAR)	Due Balance (Million SAR)	Brief description	Reasons
Visas, passports, labor office and municipal fees	35.32	-	"Visas, employment office fees, residency renewal, and municipal fees"	-
Value added tax	194.64	8.08	"The value added tax paid during the year 2025"	"VAT in December 2025, to be paid in January 2026"
Zakat and withholding tax	61.32	61.37	Zakat and income tax paid during the year for previous years.	Zakat and income tax provision (note 36)
Social insurances	21.77	0.42	"Amounts of insurances paid during the year 2025"	"December 2025 Social insurance, to be paid in January 2026"
customs fees	18.20	-	"Customs duties paid during the year 2025"	Customs declaration 2025
<b>Total</b>	<b>331.26</b>	<b>69.87</b>	-	-





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## Workplace and Employees

### Human Capital: Where Every NADEC Success Story Begins

At **NADEC**, every meaningful achievement starts with people. From the first idea raised in a small room to the final product reaching consumers, capability and expertise stand behind each step. Talented teams cultivate quality, shape innovation, and protect the Company's progress through a work culture that is both deeply rooted and continually renewed.

For the **NADEC** team, 2025 was not an ordinary year. It was a year in which capabilities translated into energy, ambitions into programs, and challenges into opportunities for growth. Across our functions, farms, and plants, people's development has moved in step with technology advancement. Key features of the year included:

### Saudization: Empowerment, Expansion, and Leadership

**NADEC** continued to widen the participation of national talent across the organization, including operational roles that have historically had limited Saudi representation. The 2025 results reflected sustained progress in Saudization rates, alongside a stronger cohort of national leaders taking the lead across operations and production.

### Training: Turning Potential into Capability

Training in 2025 was one of **NADEC's** most effective levers for development. Technical tracks, professional certifications, practical workshops, and digital courses were designed with one purpose: converting capability into measurable skill, and skill into clearer, more ambitious career pathways.

### Women's Participation: Leading Change, Achievements with Global Reach

2025 marked a step-change in women's empowerment at **NADEC**. Participation shifted from supporting roles to leadership across core activities in quality, supply chains, digital transformation, and advanced laboratories.

A defining highlight was the achievement of **NADEC** researcher Dr. Fatimah Abdulhakim, who received the prestigious L'Oreal-UNESCO For Women in Science award, earning global recognition for her innovative research in sustainable solutions for public health and food safety. The award speaks to the strength of Saudi women talent and reflects **NADEC's** workplace as an innovation environment, supported by advanced technologies and accredited laboratories that convert scientific research into added value in support of national food security.

Dr. Fatimah was also honored by His Excellency Eng. Abdulrahman Abdulmohsen Alfadley, Minister of Environment, Water and Agriculture, in recognition of her efforts and scientific research, further reflecting our pride in our people at **NADEC**.

### Leadership Development:

**NADEC's** investment in its people extends beyond traditional training to the deliberate development of future leaders. In 2025, leadership programs focused on advanced capability in digital analytics, corporate governance, and data-driven decision-making. The objective is clear: prepare the next generation of leaders with the competencies and tools needed to sustain growth, adapt to an evolving global food landscape, and remain aligned with Saudi Vision 2030 objectives.





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## Health, Safety, and Environment

### Health and Safety

Sustaining Human Capital as the Highest Priority- For **NADEC**, safety is a responsibility that comes before operational targets. During the year, the Company strengthened its safety protocols and introduced early-warning monitoring to identify risk sooner. Expanded awareness programs across plants and farms helped embed safer day-to-day work practices, supporting productivity while protecting human capital and business continuity in line with leading international standards.

### ISO 45001

**NADEC** strengthened its Occupational Health and Safety Management System in line with ISO 45001 through a structured implementation program. **NADEC** conducted gap assessments, defined system scope and policies, established risk management and control procedures, and enhanced training and awareness initiatives. Regular audits, performance monitoring, and management reviews were carried out to ensure compliance, effectiveness, and continuous improvement, supporting **NADEC's** commitment to maintaining a safe and healthy working environment.

### Safety Training and Briefings

A structured safety awareness program is delivered, comprising four (4) training sessions per month and one (1) monthly safety briefing sent to all employees. These sessions cover critical topics, including fire safety, incident management, emergency response, and seasonal operational risks. This regular engagement ensures consistent awareness, reinforces safe working practices, and provides practical guidance to employees across all operations, supporting **NADEC's** commitment to maintaining a strong safety culture.

### Environmental Programs

**NADEC** has identified fuel leakage and unsafe handling practices as key environmental risks.

Corrective actions include systematic inspections, infrastructure repairs, contaminated soil removal, and the introduction of secondary containment systems to prevent future spillages.

### Firefighting

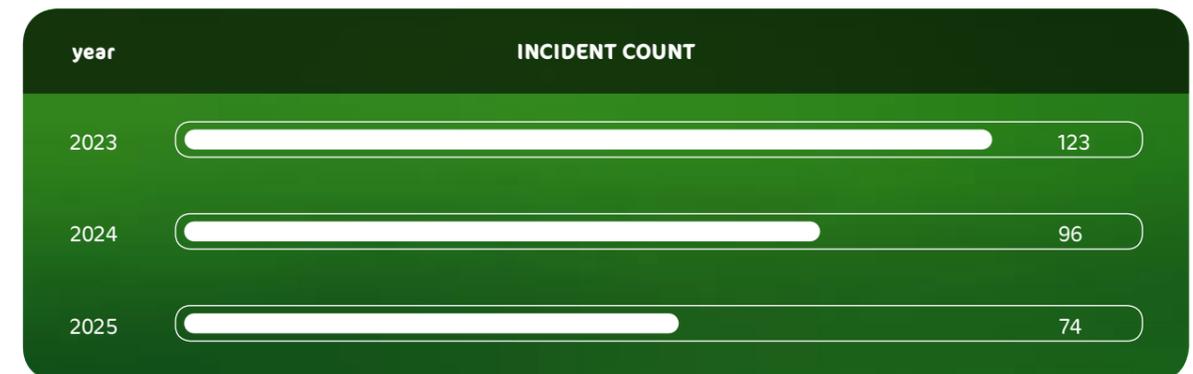
Significant investments have been allocated to strengthen fire safety infrastructure across **NADEC** locations, including SAR 13.5 million in Haradh, SAR 8 million in Hail, and SAR 5 million in Jouf. Priority projects focus on fire detection and protection systems in critical facilities, ensuring enhanced protection of personnel and assets.

## Security Incident Trends (2023–2025)

Over the past three years, Security department has demonstrated notable improvement in security performance. The total number of reported security incidents has steadily decreased from 123 in 2023 to 96 in 2024, and further down to 74 in 2025.

This consistent decline reflects the effectiveness of strengthened security controls, proactive risk management, and enhanced monitoring measures. It highlights our commitment to maintaining a secure environment and preventing incidents before they occur.

### Incidents per Year



## Security Training Program

Over the past three years, Security department has demonstrated notable improvement in security performance. The total number of reported security incidents has steadily decreased from 123 in 2023 to 96 in 2024, and further down to 74 in 2025.

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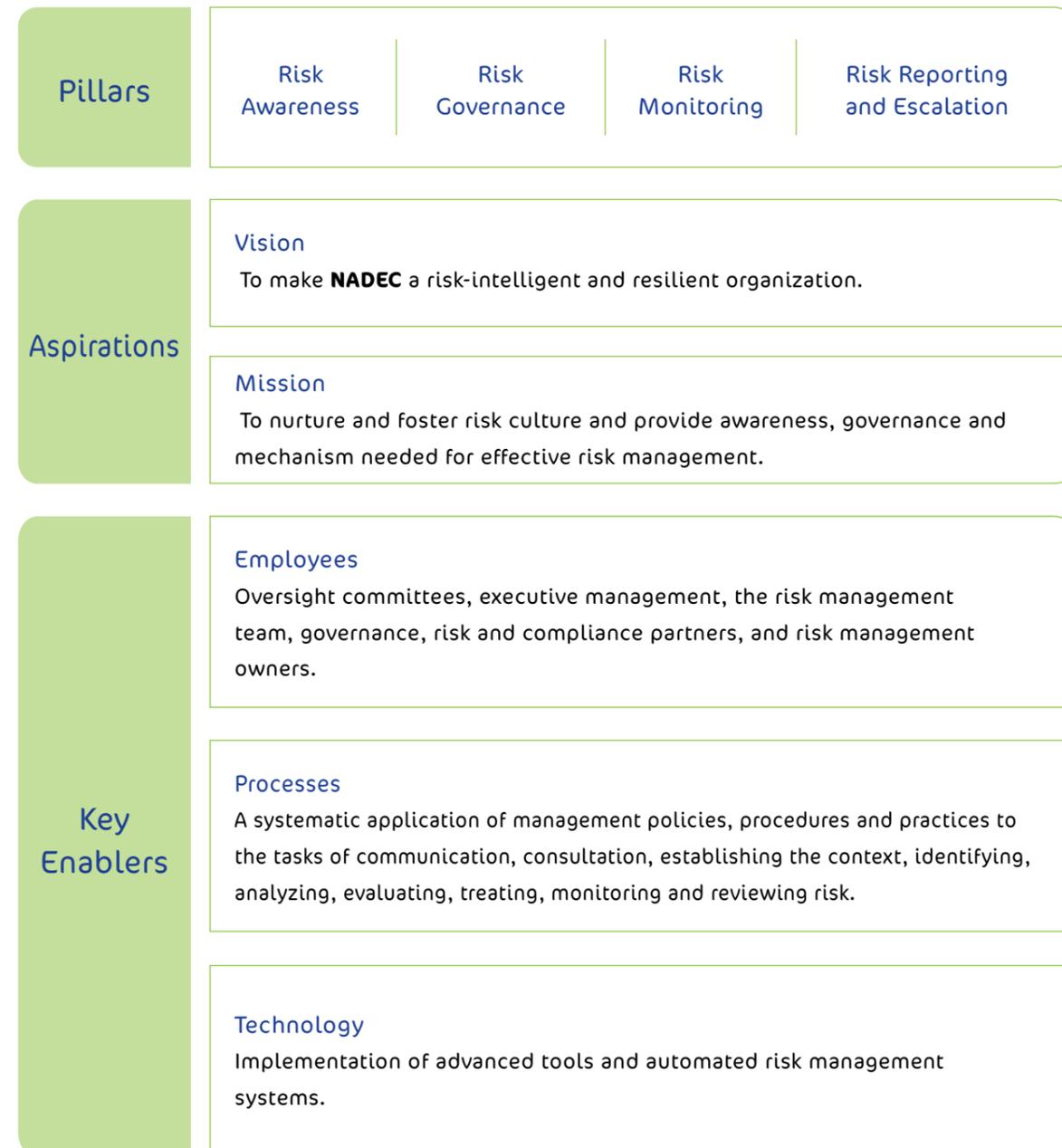
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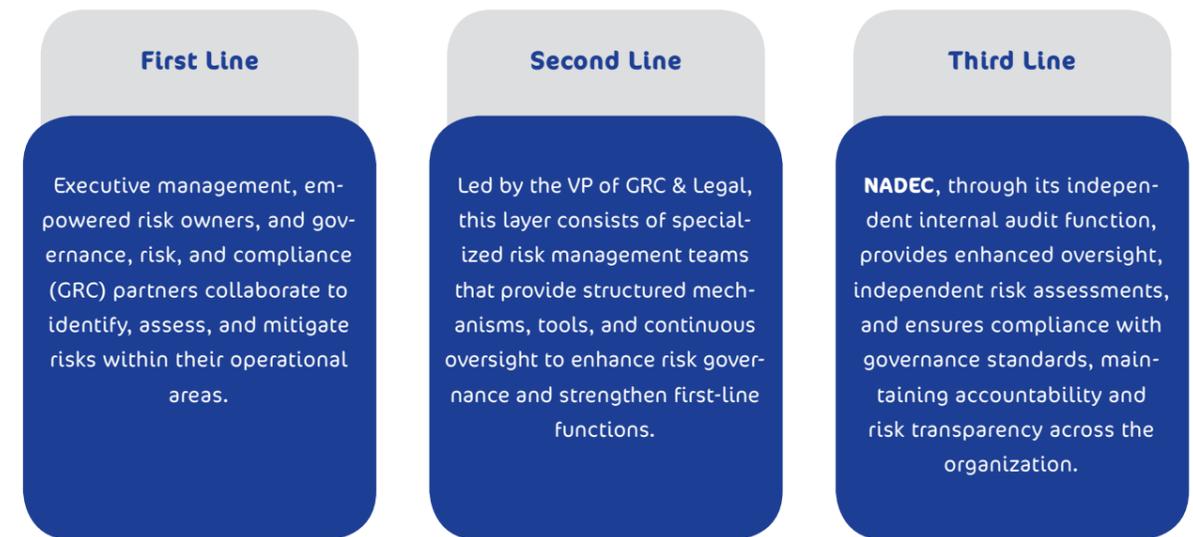
## Risk Management Methodology

NADEC's risk management methodology is built on four (4) fundamental pillars, activated through key enablers:



## Risk Governance

Aligned with industry best practices and global standards, **NADEC**'s risk governance model follows a structured three-tiered framework to promote a comprehensive and proactive approach to risk management.



By continuously enhancing risk awareness, governance structures, and digital risk management capabilities, **NADEC** is committed to building resilience, improving decision-making, and driving sustainable growth in an evolving business environment.

## Risk Management Methodology

**NADEC**'s risk management system is inspired by the ISO 31000 standard and the Enterprise Risk Management Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Building on these globally recognized frameworks, we have developed a specialized risk management system tailored to **NADEC**'s needs.

the Company adopts a dynamic approach to risk management, addressing risks across multiple levels, including strategic, operational, and specialized levels. **NADEC** aspires to become risk intelligent and resilient organization that employs an updated risk management methodology, ensuring that responsibilities for these risks are clearly defined.



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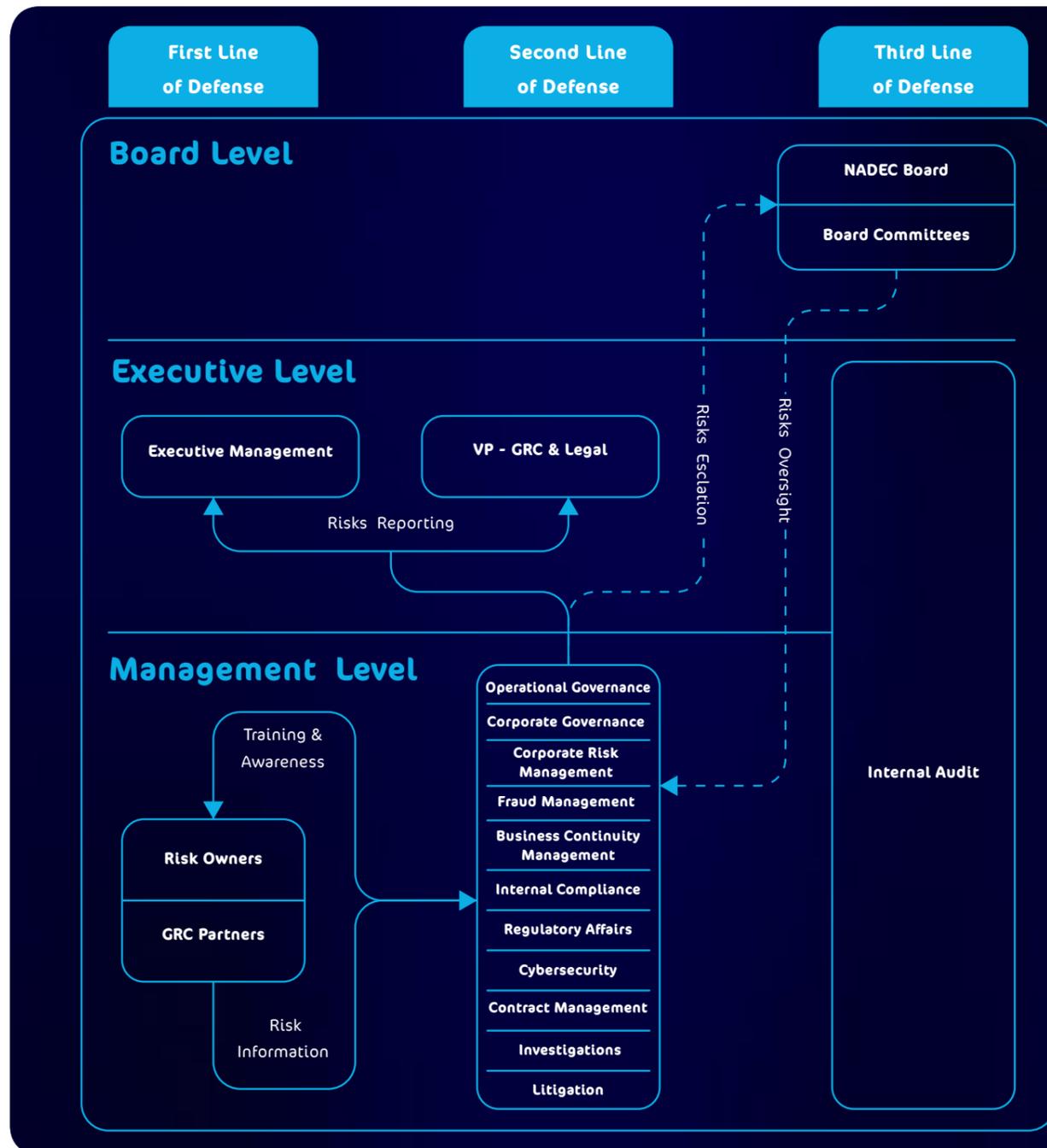


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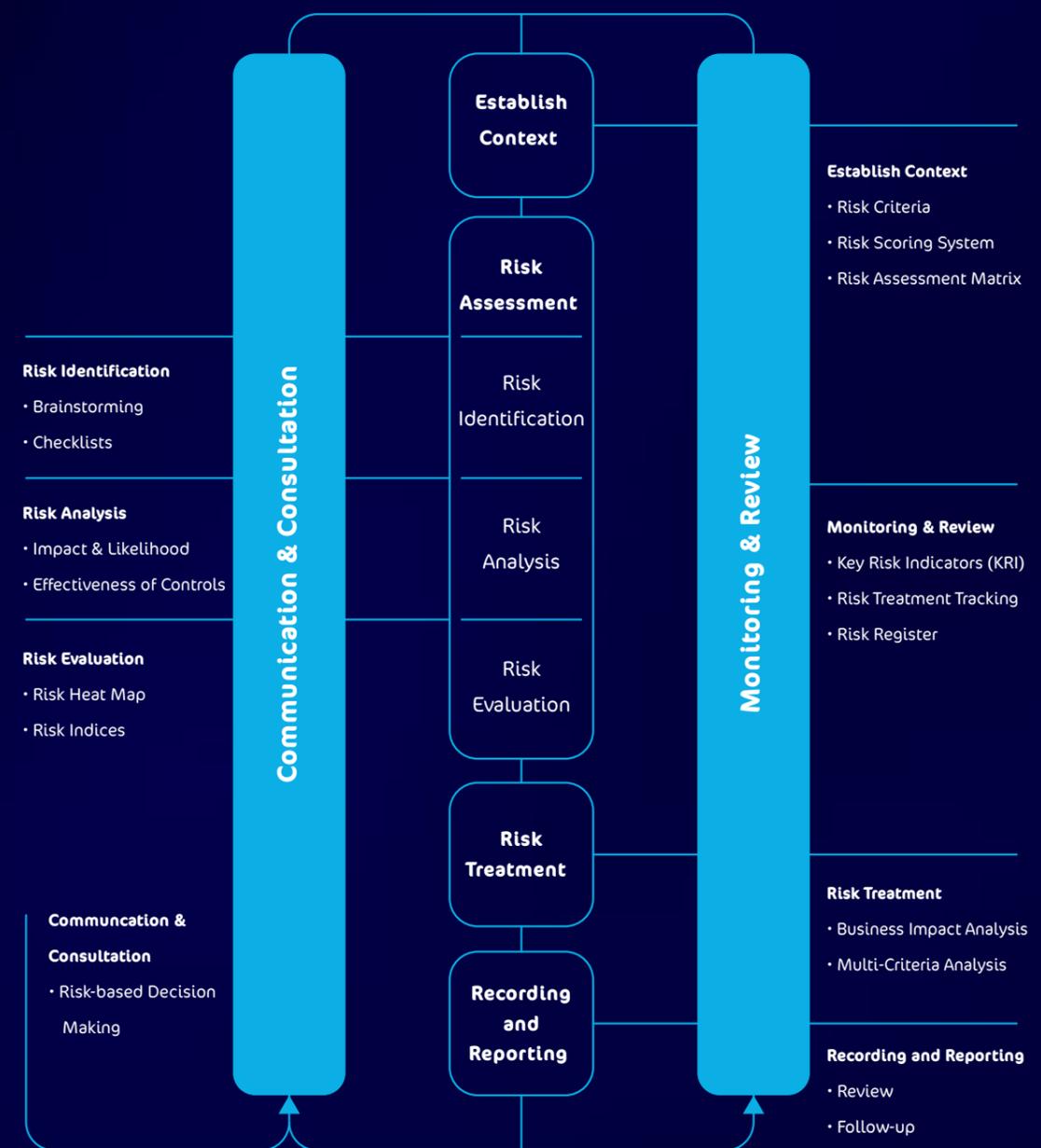


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## Risk Governance Framework



## Risk Management Process





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## Potential Risks

At **NADEC**, we continuously study this evolving landscape and business environment to enhance our readiness to better address potential challenges and opportunities that may arise in the future. Below are some of the challenges and risks faced by the Company:

### 1- Regional Conflicts and Supply Chain Disruptions

Ongoing regional and global conflicts continue to impact energy prices, feedstock availability, and raw material costs (key components in dairy and agricultural production). Adding to that, disruptions in global supply chains can lead to delays in procuring essential inputs such as animal feed, packaging materials, and specialized equipment, affecting production efficiency and cost management.

To mitigate these risks, **NADEC** actively diversifies sourcing strategies, strengthens local supplier partnerships, and enhances inventory management. The Company also monitors geopolitical developments and collaborates with industry stakeholders to ensure supply chain resilience and business continuity in the face of external disruptions.

### 2- Climate Change and Environmental Risks

The increasing effects of climate change pose a significant risk to agricultural sustainability and food production in Saudi Arabia. Rising temperatures, irregular rainfall patterns, and extreme weather events can negatively impact forage crop yields, livestock health, and milk production efficiency. Additionally, water scarcity and desertification present ongoing challenges to sustainable farming and dairy operations.

To address these risks, **NADEC** is actively investing in climate-resilient technologies, including advanced irrigation systems. The Company also focuses on sustainable livestock management, renewable energy integration, and eco-friendly farming practices to reduce its environmental footprint while ensuring long-term productivity and food security.

### 3- Food Security and Agricultural Productivity

With Saudi Arabia's growing population and increasing demand for locally produced food, ensuring agricultural efficiency and sustainability is a strategic priority for **NADEC**. The challenges of limited arable land, water scarcity, and reliance on imported feed and raw materials require innovative solutions to maintain stable production and supply chain resilience.

To strengthen domestic food security, **NADEC** continues to optimize land use, implement high-efficiency production systems, and invest in sustainable agricultural technologies. This includes smart farming and advanced dairy farming techniques to maximize output while minimizing environmental impact.

Additionally, with the support of the government, **NADEC** actively enters into agreements with local farmers to enhance local agricultural capabilities. These collaborations aim to promote sustainable farming practices, increase local food production, and support the economic empowerment of farmers. By fostering strong partnerships and investing in local agriculture, **NADEC** contributes to national food security and the development of a resilient and self-sufficient agricultural sector.

### 4- Keeping Pace with and Investing in Artificial Intelligence

Artificial Intelligence (AI) stands as a pivotal upside risk in today's rapidly evolving technological landscape, presenting unprecedented opportunities for innovation and growth. The latest trends in AI, such as generative AI, edge computing, and explainable AI, are redefining industries by enhancing decision-making, optimizing operations, and creating new business models. For **NADEC**, artificial intelligence can have a profound impact across all sectors through the adoption of technologies such as precision agriculture, predictive machine maintenance, smart supply chain management, and customer behavior analytics. By deploying AI-driven analytics to monitor crop health, optimize livestock management, demand forecasts, customer behavior and enhance product quality control,

**NADEC** can achieve greater efficiency, sustainability, and competitiveness in the global market. This strengthens **NADEC's** standing as a leading player in both the local and international markets. This investment in artificial intelligence represents a strategic step toward a future defined by innovation and operational excellence, in support of sustainable development.



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## 5- Market Volatility and Changing Consumer Preferences

Consumer preferences are rapidly shifting toward healthy, sustainable, and ethically sourced products, while ongoing market volatility, rising raw material costs, and economic uncertainty continue to influence pricing and production strategies. In addition, the growing demand for plant-based milk alternatives to dairy products represents a potential shift in consumption patterns, posing a challenge to traditional dairy markets.

To sustain its competitive edge, **NADEC** remains agile in product innovation, portfolio diversification, and market adaptability, ensuring it can respond effectively to evolving consumer demands while maintaining its leadership in the industry.

## 6- Regulatory, Reputational, and Ethical Risks

Frequent regulatory updates, evolving food safety standards, and compliance requirements pose operational challenges, while ethical sourcing, labor practices, and environmental impact can affect brand reputation and consumer trust.

**NADEC** proactively monitors policy changes, strengthens compliance frameworks, and engages with authorities, while reinforcing its commitment to corporate social responsibility, transparency, and sustainable business practices to uphold its reputation and ensure long-term business sustainability.



## 7- Cybersecurity and Data Protection Risks

Year after year, the prevalence of cyber threats increases, necessitating robust security measures to protect **NADEC's** data infrastructure, information systems, and operational safety. The escalating sophistication and frequency of cyberattacks require **NADEC** to place cybersecurity at the forefront of its priorities. This focus is essential to prevent potential operational shutdowns, financial losses, and reputational damage resulting from such attacks.

In addition to **NADEC's** commitment to rigorous standards, such as the cybersecurity controls issued by the National Cybersecurity Authority (NCA), **NADEC** fosters a culture of cybersecurity awareness among all employees. This approach stems from the recognition that cyber risks are interconnected and can extend across the entire business ecosystem, including external partners who handle sensitive data. Consequently, this commitment transcends technical safeguards to encompass a vital cultural and educational dimension, ensuring comprehensive resilience and data protection.

## 8- Workforce Challenges and Labor Market Risks

The availability, retention, and skill development of the workforce remain critical to maintaining operational efficiency. Stricter labor regulations, talent shortages, and competition for skilled agricultural and dairy professionals pose risks to productivity and cost management. Additionally, shifts in employment laws, localization policies, and evolving worker expectations could impact workforce planning.

To address these risks, **NADEC** enhances employee training programs, strengthens workforce planning, and invests in automation and digital tools to reduce dependency on manual labor while ensuring long-term operational sustainability.

## 9- Animal Health and Biosecurity Risks

**NADEC's** dairy operations are highly dependent on livestock health and biosecurity measures. Outbreaks of diseases such as Foot-and-Mouth Disease (FMD), or other livestock-related infections could severely impact milk production, animal welfare, and supply chain reliability. Additionally, antibiotic resistance concerns and regulatory pressures around veterinary medicine could challenge disease prevention efforts.

To mitigate these risks, **NADEC** implements stringent biosecurity protocols, invests in veterinary healthcare advancements, and collaborates with regulatory bodies to ensure early disease detection, containment, and sustainable herd management practices.

## 10- Financial and Economic Risks

Responding to Global Financial Landscape Volatility In light of the economic shifts witnessed throughout 2025, **NADEC** has placed financial risk management at the forefront of its priorities to safeguard the stability of its profit margins. Fluctuations in foreign exchange rates, inflation, and interest rates pose financial risks that can impact operational costs, profitability, and long-term financial planning. The Company also maintains rigorous oversight of changing global market conditions and geopolitical supply chain disruptions, which may impose additional pressure on procurement expenses and logistical services.



# Sustainability & Social Responsibility



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## Our Ambition and Values Towards Sustainability

In the face of rapidly evolving global trends toward sustainability standards, **NADEC** has confidently positioned itself as a leading model in Environmental, Social, and Governance (ESG) practices within its institutional strategy. **NADEC** has worked diligently to develop a strategic framework that integrates sustainability initiatives, strengthens its role as a key player in achieving food security, protecting the environment, and fostering sustainable development.

Supported by senior leadership committed to sustainability and active collaboration with all stakeholders, **NADEC** aims to achieve its aspiration of becoming «the most environmentally safe company in KSA.» **NADEC** focuses on enhancing operational efficiency, minimizing environmental impact, fostering a culture of pride and belonging among its employees, and creating innovative solutions to address operational and environmental challenges.

**NADEC's** sustainability ambitions are embodied in its pursuit of building an integrated system grounded in the values of responsibility, innovation, and transparency. By investing in national talents, advanced technology, and strategic partnerships, **NADEC** has solidified its role as a contributing force in sustainable development and as a leading company in the food and agriculture sectors.

**NADEC** sustainability strategy sets a clear vision for growth beyond traditional standards. By identifying key trends and opportunities, the strategy positions **NADEC** to lead the sustainability of the food sector.



## Sustainability Framework

To determine the sustainability framework at **NADEC**, standards were studied and the methodology was aligned with the strategic direction of relying on regenerative agriculture and sustainable resources, achieving health, wellness, and access to nutrition within the national food security framework, along with operational excellence to develop process efficiency at **NADEC**.

The commitment of the operational departments to sustainability standards reflects the success of **NADEC's** approach in achieving integration and continuous improvement, and it reflects its drive toward the highest levels of environmental performance.

Based on the strategic analysis regarding our internal assessment of ESG adoption stages, **NADEC's** sustainability framework and methodology were developed. This approach is centered around three key pillars, each with clearly defined social and environmental objectives aimed at driving progress:





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## 1- Regenerative Agriculture and Sustainable Resources:

As a leader in the food and agriculture sector, **NADEC** is dedicated to adopting a holistic and sustainable approach that enhances economic, social, and environmental values. By embracing regenerative agriculture and sustainable resources, **NADEC** reinforces its commitment to food security and sustainable practices as core components of its mission.

**Social Objective: Nurture resilient economies by partnering with suppliers:** At **NADEC**, we believe in the importance of building robust partnerships with local and international suppliers. These partnerships play a pivotal role in fostering resilient economies capable of adapting to economic challenges. Through collaboration, **NADEC** aims to create sustainable economic opportunities, enhance supplier capabilities, and empower them to adopt responsible practices that contribute to achieving sustainable development goals.

**Environmental Objective: Grow agricultural productivity and food security in KSA through regenerative agriculture:** **NADEC** is committed to enhancing agricultural productivity through the adoption of regenerative farming techniques. These techniques prioritize improving soil health, minimizing the depletion of natural resources, and increasing water-use efficiency. By implementing such sustainable practices, **NADEC** contributes to ensuring food security across KSA while maintaining a steadfast commitment to environmental protection and resource sustainability for future generations.

## 2- Operational Excellence and Resource Optimization:

At **NADEC**, we strive to achieve operational excellence and resource management as a core component of our comprehensive sustainability and innovation strategy. By aligning our social and environmental objectives with Saudi Vision 2030, **NADEC** is committed to enhancing its operations and fostering sustainability across all sectors.

**Social Objective: Create a safe, inclusive, nurturing culture that inspires excellence and enables all to excel:** At **NADEC**, we focus on creating a work environment that fosters excellence and supports the professional and personal development of employees. This objective is reflected in promoting safe work practices and ensuring inclusive policies that embrace diversity and innovation. We also strive to cultivate a positive environment that enables our employees to thrive and achieve success, which enhances employee loyalty and contributes to improved productivity and performance quality.

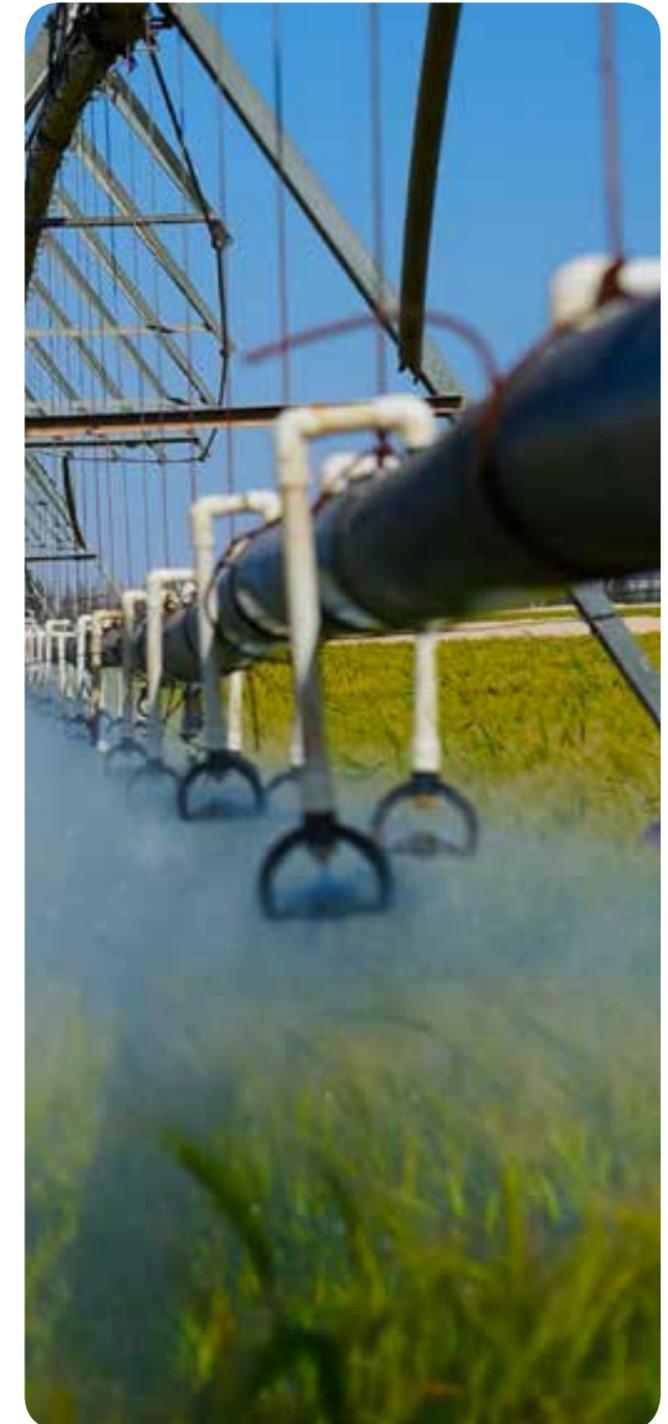
**Environmental Objective: Transform food production and distribution in KSA through resource optimization:** At **NADEC**, we are committed to driving a transformative approach to food production and distribution within KSA by implementing best environmental practices. This includes optimizing resource utilization such as water and energy, minimizing operational waste, and adopting advanced technologies to enhance supply chain processes. Our efforts aim to strengthen food security and ensure the sustainability of natural resources for future generations, aligning with our commitment to supporting Saudi Vision 2030.

## 3- Health, Wellbeing & Access to Nutrition:

This pillar stands as a cornerstone of **NADEC's** methodology, ensuring supply chains that reinforce food security by integrating both social and environmental aspects. Our objective is to provide high-quality food products that contribute to the health and well-being of individuals while safeguarding the environment and ecosystems.

**Social Objective: Empower balanced lifestyle choices by producing nourishing products people need through NADEC's diverse and sustainable product chains:** Through our diverse and sustainable product lines at **NADEC**, we cater to various age groups and specific dietary needs. Also, we actively encourage our consumers to adopt healthy habits and make informed choices from our range of nutritional products, continuously improving and enhancing them with essential nutrients to support their well-being.

**Environmental Objective: Achieve ecosystem health by operating within local and global environmental limits:** This objective ensures that food production and distribution processes are conducted sustainably, minimizing harm to the environment and ecosystems. This goal will be achieved by implementing measures to reduce greenhouse gas emissions, lower water and energy consumption, minimize waste and pollution from production activities, and responsibly manage natural resources. These efforts include efficient water use and maintaining soil health.





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## Materiality Assessment of the Core Sustainability-Related Areas

The materiality assessment process is a critical tool **NADEC** employs to identify and prioritize sustainability-related topics within the Environmental, Social, and Governance (ESG) framework. These topics are of significant importance to both our operations and our stakeholders. This process helps **NADEC** understand the potential impacts of these issues on its strategies and operational processes, while also identifying the associated opportunities and risks.



### Core Areas:

**At NADEC, we focus on 16 key areas to explore sustainability themes, each theme according to its importance as follows:**

#### 1- Water and Effluents:

Managing water use efficiently and treating wastewater to prevent pollution and conserve water resources. This includes the use of water-saving technologies, reuse of treated water, and prevention of pollution of water sources.

#### 2- Waste, Pollution, and Packaging:

Reducing waste generation and pollution throughout the product lifecycle, from production to consumption. This can be achieved through effective waste management practices and the use of environmentally friendly packaging solutions.

#### 3- Climate Change:

Processing, reduction, and management of greenhouse gas emissions from operations, rationalizing energy consumption, and relying on renewable energy sources.

#### 4- Sustainable Sourcing and Regenerative Agriculture:

Adopting the enablers of biodiversity, which are: The ability to adapt to climate change, soil health, water use and management, agricultural land management, ecosystem health, carbon sequestration (absorption of carbon from the atmosphere), pesticide and fertilizer use.

#### 5- Food Security, Health, and access to nutrition:

Ensuring a reliable and sustainable supply of affordable, nutritious, and high-quality food products to meet the needs of the population, while promoting public health and community prosperity.

#### 6- Human Capital:

Investing in employee development, attracting top talent, and retaining skilled workers through continuous training, diverse work environment, and career growth opportunities.

#### 7- Food Quality and Safety:

Maintaining high standards of food quality and safety throughout the production process to protect consumer health.

#### 8- Community/Social Impact:

Contributing positively to local communities addressing societal needs, including access to healthy and nutritious foods, skills building and development for the community and employees, and providing fair employment opportunities.

#### 9- Diversity, Inclusion, and Equal Opportunities:

Fostering a diverse and inclusive workplace where all employees have equal opportunities for growth and career development.

#### 10- Occupational Health and Safety:

Ensuring a safe and healthy work environment for all employees through robust health and safety practices.

#### 11- Governance and Business Ethics:

Upholding high standards of governance and ethical behavior in all business activities to ensure integrity and accountability in **NADEC**.

#### 12- Impact of Products and Services:

Evaluating and minimizing the environmental and social impacts of products and services in **NADEC** throughout their lifecycle.

#### 13- Nationalization:

Supporting national economic goals in KSA by prioritizing local talent and resources in business operations in **NADEC**.

#### 14- Animal Health and Welfare:

Ensuring the well-being of animals in farming operations through humane treatment and veterinary care within **NADEC** farms.

#### 15- Economic Inclusion:

Supporting economic development and inclusion in **NADEC** by providing fair employment opportunities, engaging with local suppliers, and developing effective partnerships with them.

#### 16- Human Rights:

Upholding human rights in **NADEC** in all operations and supply chains, ensuring fair treatment and ethical practices in **NADEC**, in alignment with local legislation and best practice.



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## Analysis of the Relative Importance of Sustainability Areas

After identifying the relevant issues, their potential impacts—both positive and negative—on **NADEC's** operational processes and strategic objectives are assessed. The levels of relative importance are categorized into very high importance, high importance, and moderate importance. This evaluation identifies the most impactful and significant issues that the Company should prioritize.

Key Sustainability Areas	Relative Importance	Main Work Pillars
1 Water and effluents	Very high	<ul style="list-style-type: none"> <li>Water withdrawal</li> <li>Water management</li> <li>Equitable access</li> <li>Pollution</li> <li>Nutrient loading</li> </ul>
2 Waste, pollution and packaging	Very high	<ul style="list-style-type: none"> <li>Circularity</li> <li>Food loss and waste</li> <li>Packaging</li> <li>Resource efficiency</li> </ul>
3 Climate Change	Very high	<ul style="list-style-type: none"> <li>Emissions</li> <li>Energy use</li> <li>Climate change challenges</li> </ul>
4 Sustainable sourcing and regenerative agriculture	Very high	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate resilience</li> <li>Soil health</li> <li>Water use</li> <li>Land-use</li> <li>Ecosystem health</li> <li>Carbon sequestration</li> <li>Pesticide and fertilizer use</li> <li>Living wage</li> </ul>
5 Food security, health and access to nutrition	Very high	<ul style="list-style-type: none"> <li>Nutrition</li> <li>Sustainable Agriculture</li> </ul>

Key Sustainability Areas	Relative Importance	Main Work Pillars
6 Human Capital	Very high	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Skills and employability</li> <li>Talent attraction</li> <li>Retention</li> </ul>
7 Food Quality and Safety	High	<ul style="list-style-type: none"> <li>Quality &amp; Safety</li> <li>Nutrition</li> </ul>
8 Community/Social Impact	High	<ul style="list-style-type: none"> <li>Regenerative Agriculture</li> <li>Health &amp; nutrition</li> <li>Economic empowerment</li> <li>Skills development</li> </ul>
9 Diversity, Inclusion, and Equal Opportunities	High	<ul style="list-style-type: none"> <li>Female empowerment</li> <li>Youth</li> </ul>
10 Occupational Health and Safety	High	<ul style="list-style-type: none"> <li>Employee health and wellbeing</li> </ul>
11 Governance and business ethics	Medium	<ul style="list-style-type: none"> <li>Transparency</li> </ul>
12 Impact of products and services	Medium	<ul style="list-style-type: none"> <li>Environmental footprint</li> <li>Transportation</li> <li>Marketing</li> <li>Consumption</li> </ul>
13 Nationalization	Medium	<ul style="list-style-type: none"> <li>Nurturing local talent</li> </ul>
14 Animal Health and Welfare	Medium	<ul style="list-style-type: none"> <li>Antibiotic use</li> </ul>
15 Economic Inclusion	Medium	<ul style="list-style-type: none"> <li>SME empowerment</li> <li>Local supply</li> </ul>
16 Human Rights	Medium	<ul style="list-style-type: none"> <li>Discrimination and exploitation</li> <li>Employee rights</li> <li>Compliance</li> <li>Transparency</li> </ul>



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## Alignment with the UN Sustainable Development Goals (SDGs)

**NADEC** has adopted an Environmental, Social, and Governance (ESG) roadmap to align its objectives with the UN Sustainable Development Goals (SDGs). **NADEC** has identified the following objectives, which are directly aligned with its food business and corporate social responsibility:



### Quality Education

#### KPI:

Training all Full Time Employee.

#### Strategic Objectives:

Develop internal ESG training program and Embed ESG training in all job roles and onboarding processes.

#### Projects and Initiatives to achieve the Strategic Objectives:

- ESG Academy
- Tracking ESG Training Hours
- ESG e-Learning Platform Development
- ESG Awareness Campaigns across Departments
- Mandatory ESG Onboarding Modules for New Hires

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Quality Education



### Gender equality

#### KPI:

Women in leadership and Diversity index.

#### Strategic Objectives:

Improve gender parity in hiring. Achieve gender equity in management roles.

#### Projects and Initiatives to achieve the Strategic Objectives:

- Leadership Mentoring for Women
- Gender Equity Audits

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Gender equality





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## Clean Water and Sanitation

### KPI:

100% wastewater treated and reused.

### Strategic Objectives:

Remove all wastewater lakes and achieve 90% water reuse across all operations.

### Projects and initiatives to achieve the Strategic Objectives:

- Wastewater treatment, Reduce water usage (sustainable farming).
- Slaughterhouse Wastewater Treatment Plant (Haradh).
- Photobiological Wastewater System (Dairy Factory, Haradh) Biological treatment and wastewater reuse via pond system with biological catalyst - Completed.
- Dairy Factory Industrial Wastewater Diverting.
- Sewage Water Treatment Facilities (Al-Jouf, Hail, Wadi, Haradh)
- Al-Jouf Smart Farming through Digital farming integration.

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Clean Water and Sanitation



## Affordable and Clean Energy

### KPI:

75% energy from renewables.

### Strategic Objectives:

Solar collectors at farms. 25% of energy from renewables by 2030; 75% ultimately.

### Projects and initiatives to achieve the Strategic Objectives:

- Solar Farms in Hail Jouf and Haradh
- Wind Energy Feasibility Study
- Solar electric cars/fleet

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Affordable and Clean Energy



## Decent Work and Economic Growth:

### KPI:

75% of suppliers audited for labor standards.

### Strategic Objectives:

Conduct baseline audit of labor conditions and achieve full SDG compliance across the supply chain.

### Projects and initiatives to achieve the Strategic Objectives:

- Decent Work Policy Development
- Grievance Mechanism Development
- Supplier Labor Rights Audit Program
- Worker Welfare and Safety Training Modules
- Anonymous Grievance Portal Implementation

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Decent Work and Economic Growth



## Sustainable Cities and Communities:

### KPI:

LEED-certified sites.

### Strategic Objectives:

Begin LEED certification for farms and buildings and certify all critical facilities by 2030.

### Projects and initiatives to achieve the Strategic Objectives:

- LEED Certification Program
- NADEC Sustainable Guidelines
- Green Building Assessment Framework for NADEC
- Facility Energy Efficiency Retrofitting Plan
- Sustainable Design Guidelines Implementation Toolkit

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Sustainable Cities and Communities





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## Climate Action

### KPI:

Achieve net-zero emissions by 2060.

### Strategic Objectives:

Establish carbon baseline and GHG tracking. Achieve net-zero by 2060.

### Projects and initiatives to achieve the Strategic Objectives:

- GHG Emissions Calculation
- Decarbonization
- Methane Capture
- Carbon Offset
- Carbon Credit

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Climate Action



## Life on Land

### KPI:

90% of waste generated is recycled by 2030.

### Strategic Objectives:

90% Recycling waste; 5 million trees planted.

### Projects and Initiatives to achieve the Strategic Objectives:

- Waste Management and Industrial Waste Segregation
- Landfill Clearance and offsite removal
- Organic Waste Composting
- 10,000 tons of humus stock - Completed
- Greening Initiatives «NADEC Forest (Haradh)» - Treated water irrigation for desert trees
- Desert Trees Nurseries and Native tree nurseries for restoration - Completed
- Wildlife Park
- Landscaping

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Life on Land



## Peace, Justice, and Strong Institutions:

### KPI:

- 100% of employees trained in ethics & anti-corruption.
- 100% of suppliers screened for ethical compliance.
- ESG score (regional rating).

### Strategic Objectives:

Publish ESG report aligned with annually and Launch grievance mechanisms for employees, suppliers, and communities. Ensure ethical sourcing and human rights protections across supply chains. Establish transparent, participatory stakeholder engagement systems.

### Projects and initiatives to achieve the Strategic Objectives:

- ESG Reporting (aligned with GRI). - Annually.
- ESG related Policies Development.

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Peace, Justice, and Strong Institutions



## Partnerships for the Goals

### KPI:

Partnerships mapped to SDGs. Participation in ESG-focused collaborations.

### Strategic Objectives:

Strengthen partnerships through ESG alignment. Lead regional collaboration on ESG innovation.

### Initiatives & Projects:

- Stakeholder roundtables related to ESG.
- ESG internal cross-functional committee - Completed
- Joint Sustainability Research Program with universities (KSU)
- Partnership Dashboard mapping all collaborations to specific SDGs

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Partnerships for the Goals





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## Sustainability Reporting Initiatives

### Advancing ESG Transparency: NADEC's Sustainability Reporting Journey (2023-2025)

NADEC has steadily enhanced its ESG reporting to strengthen transparency, accountability, and stakeholder engagement. The Company published its first Sustainability & ESG Report in 2023, establishing a structured foundation aligned with Saudi Vision 2030 and global standards.

This was further advanced in the 2024 report through expanded environmental and social performance disclosures and alignment with GRI standards, demonstrating measurable progress in energy, resource efficiency, emissions reduction, and community impact.

Currently, NADEC is preparing its 2025 ESG Report, with a strong focus on GHG measurement and decarbonization initiatives, reinforcing its commitment to climate action and long-term sustainable value creation.

### Establishing the GHG Baseline and 2025 Calculations

NADEC has established 2024 as the baseline year for GHG emissions, enabling consistent tracking, performance evaluation, and informed climate governance across Scope 1, 2, and priority Scope 3 categories. In 2025, the Company is enhancing data quality, expanding measurement coverage, and applying international methodologies to improve accuracy and continuity, strengthening the integration of climate considerations into business planning and decision-making.

### Carbon Credit Strategy & Market Enablement

In complement to direct emissions reduction, NADEC is advancing its carbon credit initiative as a strategic element of its climate response architecture. This initiative evaluates high-integrity carbon instruments and nature-based solutions that align with NADEC's values and sustainability commitments, ensuring that residual emissions are addressed responsibly and transparently.

By strengthening readiness for participation in voluntary carbon markets and linking carbon credits to verified climate benefits, NADEC enhances environmental performance while supporting the integrity and credibility of its climate portfolio.

## High-level Net Zero Roadmap

### TARGETS

### IMPLEMENTATION

### DISCLOSURE

#### 2025

Establish an accurate Scope 1, 2 and 3 baseline footprint and commit to set SBTi Net Zero targets

Implement processes, systems and data collection structures to enable performance tracking on an annual basis

Establish Scope 1, 2 and 3 emissions reporting in line with GHG protocol

Identify and prioritise efficiency and reduction opportunities linked to Scope 1, 2 and 3 emissions

#### 2030

Have approved SBTi targets aligned with 1.5°C and to achieve Net Zero by 2050

Develop processes to continuously monitor target feasibility, implement reduction activities and establish offsetting plan to achieve targets

Develop report in line with IFRS S2/ TCFD recommendations as well as become signatories of key Climate related initiatives

Engage with suppliers to encourage them to set SBTs and reduce their own emissions

#### 2035

Track performance against targets as well as recalculate and validate target every 5 years

Continue to Implement reduction initiatives and to identified further reduction potentials across value chain while offsetting residual emissions

Ensure further transparency by reporting on climate transition plan and performance against targets

Continuously improve emissions calculations accuracy aligned with international standard and for identifying and investing in emission reductions initiatives

#### 2050

NET ZERO



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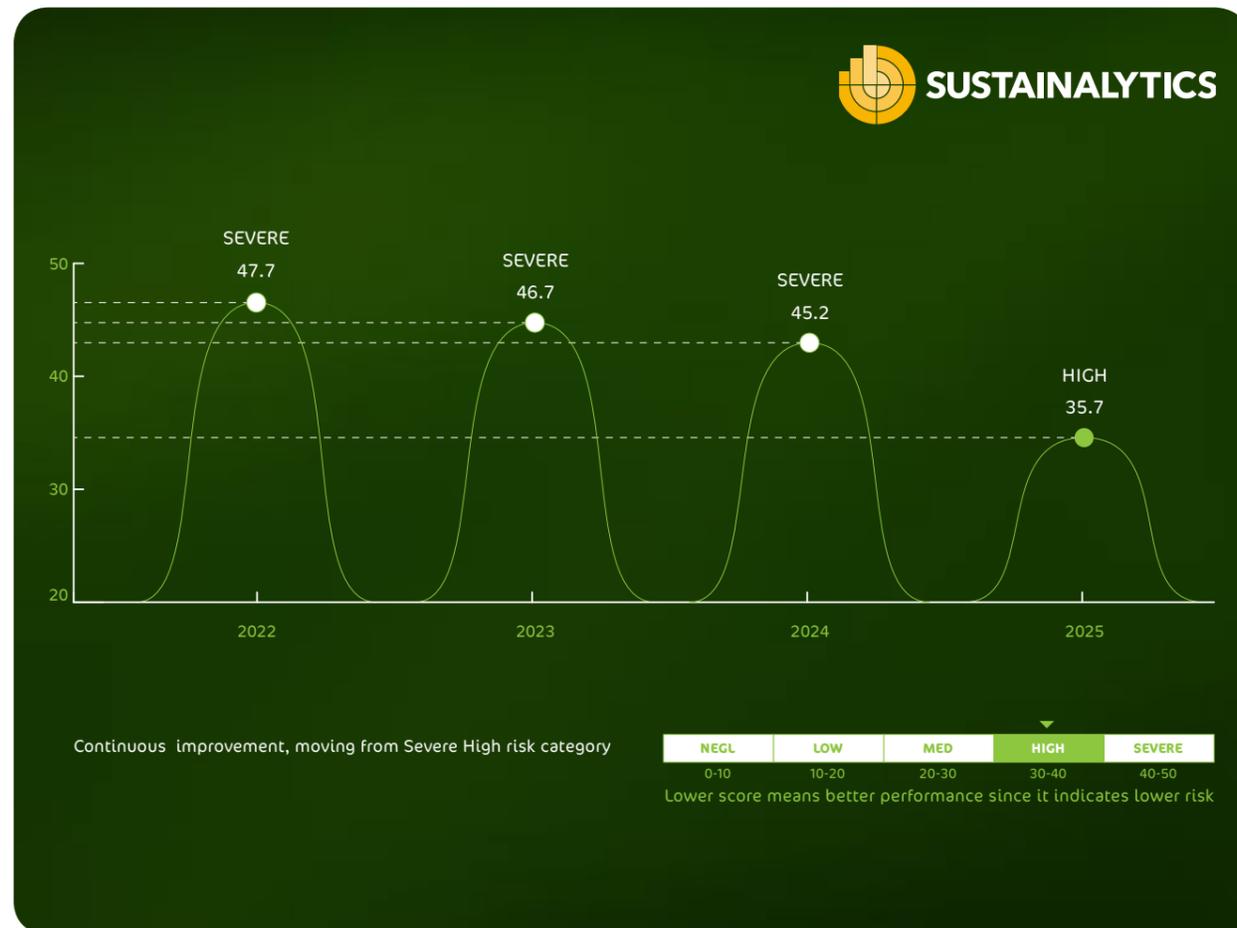


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## Sustained Improvement in ESG Performance and Independent Rating Recognition

NADEC's ESG performance is independently assessed by Sustainalytics, with the latest update in December 2025 reflecting a strong improvement in sustainability and risk management practices. The Company achieved an ESG Risk Rating of 35.7, improving from 46.7 in the previous year, demonstrating effective reduction of unmanaged ESG risks.

This progress highlights strengthened governance, climate and carbon management, and alignment with international standards, reinforcing NADEC's commitment to transparency, resilience, and long-term sustainable value creation.





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## Achievements in Sustainability and CSR

### NADEC 2025: Four Decades of leadership and innovation and a sustainable industry to support food security

In 2025, **NADEC** celebrated its 44th anniversary, marking a new chapter in the food security history in KSA. It showcased an ambitious strategy that successfully integrated its rich heritage with the latest sustainable agricultural technologies, solidifying its position as a cornerstone of the national agricultural transformation.

### Strategic Alliances: Engineering Sustainability through «Smart Agriculture»

In a move that reinforces the concept of «enclosed farms», **NADEC** signed a landmark agreement with the Dutch company «KUBO» to establish the largest sustainable protected agriculture project in KSA. The project utilizes advanced greenhouse technologies that ensure year-round sustainable production, reducing dependence on climatic conditions and maximizing resource efficiency.

To reinforce this trend, **NADEC** continued its partnership with «Pure Harvest» for smart farms, implementing technological innovation to significantly reduce water consumption to record levels, in parallel with cooperation with the Olive Producers Association to transfer technical knowledge and develop quality standards for farmers.

### Promoting Innovation and Scientific Research

Scientific research and development at **NADEC** has received considerable attention to enhance productivity. This field has witnessed remarkable development through the focus on encouraging the adoption of Artificial Intelligence (AI) and Internet of Things (IoT) technologies in agriculture.

This year, **NADEC** is proud to announce that Saudi scientist and researcher Dr. Fatimah Abdulhakim has been awarded the 2025 L’Oreal-UNESCO For Women in Science Awards as part of the Middle East Regional Young Talents Program. Moreover, this recognition highlights her significant scientific efforts and research contributions in the field of plant immunology, while also reflecting the remarkable progress of Saudi women in scientific and research fields, both locally and globally.

In this context, Dr. Fatimah Abdulhakim currently heads the tissue-culture laboratories at the National Seeds Agricultural Production Company (NSPC). Her research focuses on understanding the methods plants use to defend themselves against diseases and harsh environmental conditions, and how to utilize these natural mechanisms to protect agricultural crops. Her research centers on a protein that binds to ribonucleic acid (RNA), which is found in all eukaryotic organisms.

On another front, **NADEC** signed a Memorandum of Understanding with Imam Mohammad Ibn Saud Islamic University (IMSIU) to enhance cooperation in graduate programs, cooperative training, scientific research and development, consulting, and the exchange of expertise. This collaboration aims at contributing to achieving the strategic objectives and supporting joint efforts of both parties to empower national talents and human resources. The Memorandum stipulates strengthening cooperation in cooperative training programs for students at the College of Business, the development of joint training programs, and the enhancement of career opportunities for the university’s graduates within «**NADEC**», one of the leading national companies in the food and agriculture sectors.





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## Climate Change and Clean Energy

**NADEC** launched multiple initiatives for programs and yielding positive results in addressing climate change, including a collaboration with Pure Harvest to develop a resource-efficient food system while reducing carbon emissions.

As part of its pursuit of optimal environmental solutions, **NADEC** announced ownership of one of the largest solar arrays in the Middle East, continuing to produce clean energy and contribute to environmental sustainability.

In addition, **NADEC** launched a fleet optimization program to reduce environmental impact. Additionally, **NADEC** continues to implement innovative cooling technologies in its dairy farms, significantly lowering electricity consumption for cooling purposes.

## Supporting Food Awareness in the Community

At **NADEC**, we place great importance on supporting food awareness and encouraging the community to adopt balanced dietary habits. **NADEC** organized an awareness-raising workshop for visitors and guests of the King Abdulaziz Camel Festival, aimed at educating specialists and consumers on how to read and understand food labels, identify calorie content, and avoid common allergens.

**NADEC** also conducted a dedicated food safety awareness-raising workshop as part of its ongoing efforts to strengthen knowledge of healthy practices in handling food products. This initiative was carried out in collaboration with the Madīnaty Al-Mughrizat and Tuwaiq Office in Riyadh, reflecting **NADEC** extended role in raising community awareness of Food Safety Management, quality standards, and proper food preservation.

## Corporate Afforestation

This year, **NADEC** completed the planting of 1.2 million seeds. These efforts aim to produce drought-resilient seedlings irrigated with treated wastewater, supporting the objectives of the Saudi Green Initiative (SGI).

**NADEC** also took part in the Riyadh Volunteers Initiative launched by the Riyadh Region Municipality, acting as a partner in enhancing and expanding green cover in alignment with Saudi Vision 2030 targets. As part of these efforts, **NADEC** contributed more than 20,000 trees and seedlings, which were distributed and planted to improve the urban landscape and create a tangible environmental and social impact across the city of Riyadh.

## NADEC Artificial Lake

As a culmination of its strategy to preserve natural resources, **NADEC** launched the «Artificial Lake Project» in 2025 to maximize the use of renewable water resources. The project represents a major milestone in our environmental sustainability initiatives.

**NADEC** Artificial Lake is designed as an integrated ecosystem aimed at achieving zero water waste and enhancing resource optimization in agricultural operations, while ensuring the optimal utilization of renewable water sources. The ecosystem has been fully commissioned following a successful performance trial that demonstrated stable and effective results in improving water management.

This ecosystem is based on a circular design, contributing to improved water flow and even distribution across treatment stages, in line with circular economy principles. It utilizes biological filtration technologies and microorganism-based treatment to enhance water quality and enable its sustainable reuse. Treated water is reused in sustainable agricultural practices, reducing reliance on freshwater resources and reinforcing environmental sustainability. The ecosystem contributes to achieving sustainability and carbon neutrality goals by minimizing water loss and improving treatment efficiency.

The lake operates through an advanced biological filtration mechanism that employs eco-friendly biofilters and beneficial microorganisms to remove impurities and organic elements without harmful chemical interventions. This is complemented by digital control systems that enable real-time monitoring of water quality and flow through advanced technological platforms, ensuring that treated water meets the highest international agricultural standards. As a result, the ecosystem enables immediate recycling of treated water into sustainable irrigation systems, transforming waste into added value for soil health and crop productivity.

The Project delivers a clear impact in maximizing renewable resources and achieving optimal reuse of treated agricultural and industrial wastewater, supporting wastewater treatment and recycling efforts. It also contributes to carbon neutrality by reducing emissions associated with conventional water transport and treatment processes. In addition, the Project strengthens water security and significantly reduces dependence on non-renewable groundwater sources, supporting environmental sustainability and the creation of a balanced ecosystem that contributes to improving the local microclimate of the surrounding area.

Moreover, the Lake serves as a «sustainable loop» for the projects of **NADEC**, ensuring a continuous water supply for green spaces and forage crops without depleting natural resources. This enhances **NADEC**'s climate resilience while lowering operational costs. Looking ahead, **NADEC** aims at expanding water reuse solutions and further enhance wastewater treatment efficiency in the coming years, ensuring the highest standards of water resource management.



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## Industrial Efficiency and Circular Economy

In embodiment of circular economy principles, **NADEC** has activated its strategic project in partnership with the Saudi Investment Recycling Company (SIRC). The Project aims at processing 150,000 tons of cattle manure and 55,000 tons of green waste annually to produce 90,000 tons of organic fertilizers. This initiative contributes to reducing carbon emissions associated with conventional waste disposal, while enhancing soil fertility across **NADEC**'s farms through 100% sustainable organic solutions.

## Red Meat Sector (Protein)

As part of **NADEC** journey toward achieving the highest standards of Food Safety Management, the adoption of the FSSC 22000 v6 smart methodology marked a strategic turning point in the protein sector. This positions **NADEC** among the leading companies implementing best-in-class food safety systems, not only to comply with international standards, but also to ensure the delivery of safe and reliable food products to consumers.

The FSSC 22000 v6 standard has also been applied across new facilities and factories, driving continuous improvement in practices and operational processes.

To strengthen rigorous oversight, three advanced, specialized laboratories, covering microbiological analysis, chemical analysis, and sensory evaluation, have been equipped with state-of-the-art global technologies, ensuring that every product meets the highest quality standards before reaching the consumer. In addition, an immediate carcass chilling system has been adopted to rapidly reach a temperature of 4°C, placing **NADEC** at the forefront of companies applying GFSI global standards in the red meat sector. Alongside these initiatives, waste in dairy factories was reduced by 10% compared to the previous year, while milk productivity per cow increased by approximately 3%, supported by improvements in animal care, nutrition, and the operating environment.





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## Community Empowerment

Since its establishment, **NADEC** has embraced social responsibility as a cornerstone of **NADEC's** values. Over the years, the **NADEC** initiatives have evolved into a strategic commitment and a defining hallmark of its identity, aimed at creating long-term added value and generating a lasting positive impact for Saudi society. This approach was crowned by **NADEC's** receipt of the Silver Award for Corporate Social Responsibility 2025 from the Ministry of Human Resources and Social Development, reaffirming our leadership in empowerment and community-initiative innovation.

In the education sector, **NADEC** implemented several initiatives and projects this year to enhance learning, foster knowledge, and plant the seeds of the future in younger generations. Among these was the Haradh Educational Project, under which we fully funded the construction and equipping of two primary schools (for boys and girls) in the city of Haradh. **NADEC** also invested in educational innovation by designing an integrated learning environment that combines academic achievement with environmental and agricultural awareness, reinforcing the concept of «environmental stewardship» and positive societal perceptions. This approach has yielded tangible community benefits by providing equal access to high-quality education, increasing literacy rates, and strengthening social cohesion.

Within the broader scope of community empowerment, **NADEC** has signed a cooperation agreement with the Social Development Bank (SDB) aimed at empowering home-based businesses under the «Yamam» Program. This initiative reflects **NADEC's** commitment to social responsibility and its efforts to support and uplift local communities. The agreement was formalized during the DeveGo2025 Entrepreneurship and Future Work Models Forum, underscoring the shared dedication to advancing sustainable development initiatives and supporting projects with meaningful social impact. This partnership builds on **NADEC's** ongoing role in social responsibility through its participation in the «Yamam Program», which seeks to support and empower home-based businesses, enhance community sustainability, create new income opportunities, and encourage self-reliance in alignment with national development goals across different segments of society.

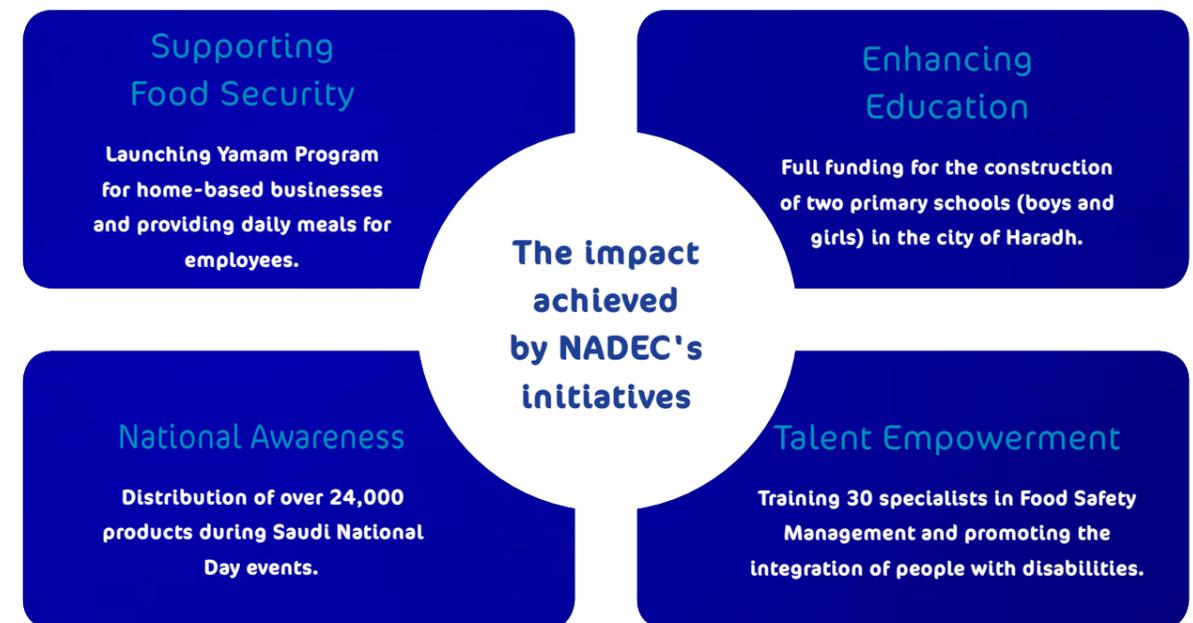
Throughout this year, **NADEC** continued to roll out impactful initiatives focused on food awareness, including the Grace Preservation Initiative, under which **NADEC** signed a memorandum of understanding with the Saudi Food Bank (Eta'am) to maximize the utilization of surplus food. This was complemented by a Food Safety initiative, through which **NADEC** covered the training costs of 30 trainees enrolled in the «Food Safety Prerequisites» course in cooperation with LEK Consulting.

As part of its awareness-raising campaigns, **NADEC** sustained school outreach initiatives by supporting schools with food products and organizing field visits to promote healthy nutrition culture. **NADEC** also actively participated in the World Childhood Cancer Day, supporting children and their families throughout their treatment journeys.

As 2025 was designated as the Year of Handicrafts in KSA, **NADEC** capitalized on this occasion by signing a partnership with the Royal Institute of Traditional Arts (Wrth) to support young talents and highlight national identity. In celebration of our nation, more than 24,000 food packages were distributed during Saudi National Day festivities, reinforcing the spirit of solidarity and social cohesion. **NADEC's** support extended beyond KSA's borders, as we contributed to the popular relief campaign for the Palestinian people through the King Salman Humanitarian Aid and Relief Center. In parallel, **NADEC** continued its support for charitable organizations, institutions serving people with disabilities, sports activities, and health-related events.

Through its community programs and initiatives, **NADEC** aims to create sustainable, long-term societal value by developing individuals and families, generating employment opportunities, supporting people with special needs, and assisting those in need. **NADEC** also seeks to promote positive values, spread a culture of cooperation, tolerance, respect, and social solidarity, raise awareness of volunteering, support economic empowerment programs for men and women, and nurture talent. In addition, **NADEC** is committed to raising awareness of sustainable development, health, the environment, education, and charitable work.

**NADEC** reaffirms its steadfast commitment to investing in people and building a sustainable future, where its educational, economic, food, and humanitarian efforts converge to form a leading model of corporate social responsibility across KSA.





# Digital and Technology Sector



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Digital Transformation



Automating Processes



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## Digital Transformation

The «Digital & Technology» Sector at **NADEC** continues to serve as the key pillar of **NADEC's** at 2025, as the business progressed, driven by these two pillars, in developing its agricultural and industrial business model, enhancing operational efficiency, product quality, and resource sustainability. Today, technology developed to become one of the major pillars in daily operations, and the strategic tool for improving data quality, enhancing the speed and accuracy of decision-making, and strengthening the ability to adapt to operational and organizational changes.

This trend towards unprecedented technological horizons comes as an extension of the institutional transformation path launched by **NADEC** within its core strategy, while advancing Saudi Vision 2030 objectives for food security, digital transformation, and sustainability.

The Digital and Technology Sector continued, through an integrated strategy, in transforming **NADEC** into a future-ready enterprise while advancing the KSA national objectives for food security, operational efficiency, and digital capability.

In 2025, **NADEC** has accelerated its Artificial Intelligence (AI) adoption, while SAP Joule and Microsoft Copilot have been implemented to automate analytics, streamline operations, and enhance operational decision accuracy.

Furthermore, the AI-powered Digital HR (DHR) Project has been fully launched, embedding AI into recruitment, workforce planning, and performance management, creating an intelligent talent ecosystem that aligns with Vision 2030's human-capital development goals.

To strengthen enterprise governance and cross-departmental collaboration, **NADEC** successfully rolled out the Enterprise Service Management (ESM) platform on ServiceNow. Currently, we live across HR, Governance & Risk, and D&T, with additional departments onboarding. Additionally, ESM standardizes service delivery, ensures accountability, and enables real-time visibility into organizational performance.





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## Technology and Efficiency Enhancement

In 2025, **NADEC** focused on leveraging available digital solutions to enhance environmental resource management and improve operational monitoring efficiency, as part of a phased approach aimed at supporting and strengthening sustainability initiatives.

This approach centered on using technology as an enabling tool to link environmental and operational data, improve information quality, and enhance governance and transparency. Among **NADEC**'s technology initiatives this year are:

### Enterprise Service Management (ESM)

The ServiceNow ESM platform, operational across D&T, HR, and GRC, integrates 91 automated workflows and 6 AI chatbots that manage key operational processes. These processes include managing daily ticketing, automating administrative approval workflows, and executing comprehensive onboarding procedures for new employees. It delivers faster service resolution, cross-departmental transparency, and measurable productivity gains, with expansion planned to other departments in 2026.

### AI Agents Empowering Daily Operations

Digital and Technology Sector developed a suite of AI Agents (independent software capable of making decisions and execution) that streamline repetitive and analytical tasks across all functions. Over 50 AI agents are operational, with 92 in progress.

### AI & Automations in D&T Project Management

**NADEC** now embedded AI and automation embedded in its Digital Transformation Strategy, enabling the D&T Team to project creation, milestone tracking, and executive dashboards management in minutes rather than hours. Across D&T projects, this includes the use of intelligent assistance tools (Copilot) to support the development of operational documents, automate internal programming tasks, and streamline daily reporting, which contributed directly to enhancing the productivity of **NADEC**'s departments and employees.

### AI in Analytics and Business Intelligence

The rollout of SAP Analytics Cloud «Just Ask» introduces natural language querying and analytics capabilities, allowing business users, from various disciplines, and suppliers to ask questions in plain language and receive instant analytical insights. This democratizes data access, accelerates decision-making, and boosts system adoption across commercial functions.

## AI-Driven GRC Policy & DOA Bot

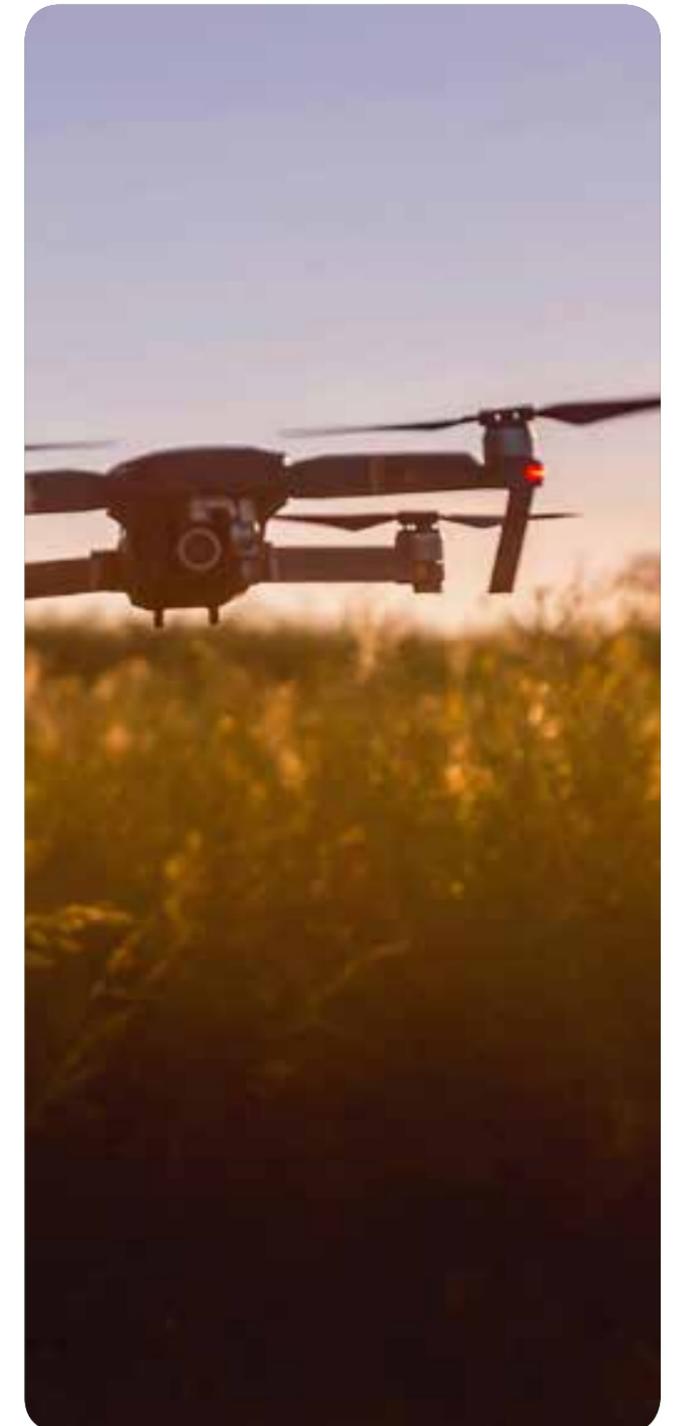
As part of the Governance, Risk & Compliance (GRC) modernization, Digital and Technology Sector launched an AI-powered Policy and Delegation of Authority (DOA) Chatbot. This system allows any employee to query **NADEC** policies, procedures, or approval hierarchies in real time.

Under GRC supervision, the AI engine instantly retrieves and verifies the relevant policy reference, section, and authority level, ensuring transparency, compliance, and rapid guidance across **NADEC**. It has significantly improved governance awareness and reduced policy-related delays across all functions.

## AI Engagement and Capacity Building

To ensure enterprise-wide readiness for AI adoption, «**NADEC**» launched the AI Enablement Program in 2025, designed to embed AI literacy and adoption across all organizational levels. The initiative targets senior executives, departmental leaders, and young Saudi talent through structured, hands-on workshops using real **NADEC** use cases.

So far, over 200 employees, including VPs, Directors, Managers, and emerging Saudi professionals, have been trained to integrate AI tools into their daily workflows. The program emphasizes practical application, decision-support insights, and maximizing automation opportunities, fostering a culture and values of innovation, digital confidence, and data-driven excellence across the enterprise.





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## Initiatives and Projects

In 2025, **NADEC**'s Digital and Technology Sector executed a record portfolio of over 110 digital transformation initiatives, establishing a fully integrated, data-driven enterprise. These initiatives spanned smart agriculture, automation, cloud modernization, AI enablement, and service excellence, all directly supporting Vision 2030's digital-economy objectives and **NADEC**'s Operational Strategy pillars of Efficiency, Sustainability, and Innovation. Among the most prominent initiatives and projects related to the operational aspect are:

### ERP and Automation Enhancements

**Project:** Continuous expansion of the SAP S/4HANA ecosystem integrated manufacturing, logistics, and procurement.

**Impact:** Real-time visibility into production, accelerated financial operations, and annual efficiency savings.

### Payment Collection and Financial Digitization

**Project:** Enabled digital payment collection (MADA, VISA, MasterCard, wire transfer, and cheques) directly within an application provides sales representatives with product visualizations, data, and contextual insights in a single interface, helping them manage opportunities and interact with customers efficiently.

**Impact:** Reduced cash handling risks and improved financial visibility.

### Paperless Operations & Workflow Automation

**Project:** Digitization of farm supervision, biosecurity, and work-permit forms.

**Impact:** Reduced paper usage and approval time, and increased audit traceability for HSE compliance.

## ESG Dashboard

Among the most prominent digital sustainability initiatives during the year was the development of the Environmental and Operational Governance ESG Dashboard, a central platform for collecting and analyzing environmental, social, and governance performance data. This dashboard allows for real-time monitoring of key indicators including water and energy consumption, carbon emissions, treated water quality, and recycling rates, which supports operational decision-making.

### This digital integration has contributed to:

Improving the accuracy of environmental data and directly linking it to operational processes.

Enhancing the efficiency of internal monitoring of sustainability initiatives.

Supporting the development of sustainability reports in accordance with GRI, IFRS, and regulatory disclosure requirements.

Strengthening **NADEC**'s readiness for internal and external audits of sustainability data.

In the field of water management, digital solutions supported the operation of the smart sustainability water treatment ecosystem following a successful performance trial that concluded with stable operational results. The ecosystem's digital integration contributed to improved monitoring of the quality of treated water used for irrigation, increased water use efficiency in high-consumption agricultural areas, and reduced reliance on water from natural sources.

Moreover, digital technologies supported waste management and circular economy initiatives, particularly in the waste treatment project, by tracking the quantities of waste entering the treatment process and the organic fertilizer output, thus enhancing the reliability of the environmental data associated with the project.

This approach reflects **NADEC**'s commitment to transitioning from traditional resource management to data-driven management, which contributes to maximizing positive environmental impact, increasing resource efficiency, and strengthening the integration between sustainability and operations.



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## Food Quality Technology and Supply Chains

Technology has contributed to enabling a framework for enhancing food quality and safety. In 2025, **NADEC** continued to develop the infrastructure supporting the red meat sector, focusing on raising the level of monitoring and laboratory verification in accordance with best practices and approved standards. This approach reflects **NADEC's** commitment to implementing best food safety practices and achieving excellent product quality.

During the year, **NADEC** implemented the FSSC 22000(v6) standard at its new red meat (protein) facilities and plants, in line with the requirements of the Global Food Safety Initiative (GFSI). This implementation contributed to standardizing procedures, enhancing risk control, and improving operational practices related to food safety across all production chains. To support this approach, **NADEC** equipped three specialized laboratories operating according to the highest technical standards, including:

Chemical Analyses Laboratory

Microorganism Analysis Laboratory

Sensory Evaluation Laboratory

These laboratories are a cornerstone of the quality system, enabling teams to conduct the necessary tests to verify that products meet quality and food safety requirements before reaching the consumer. This enhances the accuracy of control and reduces operational risks. **NADEC** has also supported its laboratory system by implementing rigorous operating procedures aligned with the FSSC 22000(v6) standard, including:

Enhancing internal product traceability

Raising the level of documentation and compliance

Supporting continuous improvement of production processes

In the context of enhancing product safety, an instant carcass cooling system has been adopted to achieve a temperature of (4°C) super fast, in accordance with global best practices in the Red Meat Sector. This contributes to maintaining product quality and safety during the initial processing phases.

This development in laboratory and quality control infrastructure reflects **NADEC's** commitment to building a more integrated quality system based on approved standards and rigorous monitoring, in line with best practices and the highest standards.





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## Supply Chain Engineering

In 2025, **NADEC** continued to develop its capabilities in supply chain and sales, advancing the digital transformation of its entire supply chain management and integrating it with Enterprise Resource Planning systems and the SAP SAC business intelligence and data analytics platform. This development aims to enhance distribution efficiency and improve the quality of field execution, thereby boosting supply effectiveness and ensuring alignment with evolving market demands. The transformation extended beyond field distribution within the supply chain, reaching the core of logistics operations through the adoption of AI Demand Forecasting tools that analyze market seasonal fluctuations and volatility.

In this context, the route optimization tool has been a key operational pillar supporting the sales and distribution sector, contributing to:

Improving route optimization and distribution planning

Identifying the optimal order of daily visits based on priority and geographic location

Enhancing the monitoring of sales teams' daily performance

Improving coverage across different markets and channels

This tool has enabled sales teams to access real-time operational data, helping to reduce operational errors and improve the speed of decision-making in the field, which positively impacts supply continuity and the quality of service provided to customers.

In HORECA sector, these digital tools have strengthened **NADEC's** ability to meet the demands of this specialized sector, which requires the highest quality standards in supply. This has directly contributed to increasing distribution reliability and improving product availability for consumers, such as long-life milk products specifically formulated for cafes, which boast high quality and specifications that meet the daily operational needs of HORECA sector.

The use of operational data linked to sales and distribution tools has also helped to:

- Improve demand pattern recognition
- Support better quantity planning
- Enhance coordination between warehouses and sales teams
- Reduced supply shortages and surpluses.

The main warehouses have also implemented a comprehensive Warehouse Management system, enabling organizations to track inventory, optimize storage, shipping, and traceability processes, and support accurate logistics analytics to enhance operations and reduce costs. This approach has supported various distribution channels, including traditional retail, the hospitality, restaurant, and cafe sectors, and modern channels.

This development in the sales intelligence system reflects **NADEC's** commitment to building more efficient and resilient supply chains, based on improving the quality of operational data and enhancing the integration between planning and execution. This supports stable operational performance, increases customer satisfaction, and strengthens competitiveness in a rapidly changing market.





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## Renewed and Achieved Certifications

In 2025, the Digital and Technology Sector of **NADEC** continued to uphold international excellence by renewing and expanding its portfolio of certifications and recognitions, reaffirming the organization's commitment to governance, quality, and cybersecurity.



**ISO 27001:2022**  
Information Security Management System (ISMS)

Successfully renewed, covering expanded scope across IT, OT, and cloud systems. This certification reinforces **NADEC's** leadership in data protection, privacy, and cybersecurity governance.



**ISO 9001:2015**  
Quality Management System (QMS)

Renewed for Digital and Technology Sector and related operational divisions, ensuring that all development, testing, and support processes follow globally recognized quality standards and continuous improvement methodologies.



**ISO 20000**  
IT Service Management (ITSM)

This certification formalizes Digital and Technology Sector's service delivery processes in alignment with ITIL best practices, enabling more efficient, measurable, and consistent service operations.



## CMMI Level 3 - Capability Maturity Model Integration

Achieving CMMI Level 3 marks a major milestone in **NADEC's** Digital and Technology Sector transformation journey. It reflects the Company's commitment to aligning all technological development and support processes with globally recognized quality and governance standards. From a strategic standpoint, this initiative was embedded in the Digital and Technology Sector roadmap to ensure that every system development, enhancement, and support activity at **NADEC** follows structured, measurable, and repeatable practices. The journey began with a clear objective — to institutionalize quality across projects and service delivery, ensuring consistency, predictability, and traceability across all digital initiatives. Through this program, the Digital and Technology Sector successfully:

- Standardized its end-to-end delivery model, covering all project phases: project initiation, requirement management, development, testing, deployment, and technical support.
- Enhanced the quality of deliverables and defined clear acceptance criteria for every project and change request.
- Built a unified governance framework, enabling cross-departmental collaboration and adherence to process excellence.
- Established data-driven performance monitoring, ensuring that all service measurement criteria, project completion, and business results are tracked.

This structured approach has strengthened **NADEC's** operational reliability and accelerated digital transformation by ensuring that all technology functions, from ERP enhancements to AI and automation initiatives, follow a process-based methodology.





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## Modern Agriculture

### Investment in Resource Sustainability

In line with the objectives of Saudi Vision 2030 to strengthen food security and agricultural sustainability, **NADEC** has adopted an integrated approach to modern agriculture that meets local market demand while maximizing the efficiency of productive resources. As a leader in the food security ecosystem through the integration of agriculture, livestock production, and advanced technologies, **NADEC** has established a fully integrated agricultural model that includes livestock breeding, milk and dairy production, and the expansion of livestock projects, based on an advanced production structure that starts from the farm to the factory and market shelves.

Within this framework, the Company has developed model cattle-breeding projects using the latest agricultural and veterinary technologies to enhance productivity and reduce waste. In addition, «smart cooling systems» and environmental control solutions have been deployed within barns to create more comfortable conditions for cattle, directly contributing to a 3% increase in milk production. These advancements align with **NADEC**'s objectives to improve livestock productivity through technology and advanced environmental care.

On the sustainability front, technology has played a key role in preserving natural resources by optimizing water and energy use and reducing waste across the production chain. As a result, **NADEC** achieved up to a 10% reduction in waste levels within its dairy factories, driven by quality monitoring systems and tighter control over processing, cooling, and production operations.



**Increase milk production per cow by 3%**



**Reduces waste rates in dairy plants by 10%**

### Hydroponic and Vertical Farming

In pursuit of greater sustainability, **NADEC** has adopted hydroponic and vertical farming solutions. Hydroponic farming relies on growing plants in nutrient-rich water solutions instead of soil, delivering nutrients directly to the roots. This method allows precise control over water and nutrient use, enables faster growth and higher yields in limited spaces, and can be used inside greenhouses or homes.

Vertical farming, on the other hand, involves cultivating crops in stacked or vertically arranged layers within controlled environments (such as greenhouses or enclosed facilities). Often soil-less, similar to hydroponics, this approach enables year-round production regardless of external climate conditions while maintaining high water-use efficiency.

These technologies have enabled **NADEC** to reduce water consumption by up to 90%, while doubling productivity per square meter. In this context, the Company commissioned its new TubAirtec aeroponic production facility, representing the pinnacle of agricultural innovation in 2025. The facility uses a fine water mist to produce local seed tubers, achieving a record 90% reduction in water consumption compared to conventional farming methods.

### Smart Irrigation Systems

**NADEC**'s irrigation systems have evolved from traditional methods to precise, intelligent control using satellite-connected sensors and AI to monitor soil conditions, plant health, and weather patterns. Based on this data, the system automatically determines when to activate or stop irrigation, delivering the right amount of water at the right time, significantly improving water-use efficiency and minimizing waste.





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## Vistex Farm Management System

A major achievement in 2025 was the launch of Vistex, a digital platform linking farm operations to financial management. The system automates the tracking of harvests and inputs to optimize agricultural processes, enhance profitability, ensure full operational and financial transparency, support subsidy programs, and connect field data directly through digital devices.

Vistex automates and streamlines farm activities, including crop cultivation and harvest tracking, resource allocation, and real-time integration of field data for faster, more accurate decision-making. Precise field devices collect operational data, enabling full digitization of farm processes.

Key objectives of the Vistex Farm Management System include:

- Enhanced visibility into performance and cost indicators
- Support for regulatory compliance and reporting
- Provides an integrated farm management platform that enhances operational efficiency and strengthens stakeholder relationships across the agricultural ecosystem.

## Smart Farming POC – Al-Jouf

NADEC implemented an advanced smart farming project in the Al-Jouf region, adopting precision farming solutions based on the Internet of Things (IoT), sensor-based irrigation systems, and advanced data analytics platforms. This system has contributed to increasing the efficiency of agricultural operations, improving water resource management, and enabling data-driven operational decisions.

The project has achieved an improvement in water consumption efficiency, along with more efficient fertilizer use and the provision of real-time monitoring dashboards for soil conditions and irrigation indicators. This initiative reflects NADEC's direct support for Saudi Vision 2030's targets in sustainable agriculture and resource preservation, cementing its position as a national leader in digital agriculture.

## Agricultural and Operational Digital Solutions

2025 witnessed a qualitative upgrade to agricultural and operational processes through an integrated suite of digital solutions. These solutions contributed to increased operational efficiency, enhanced data accuracy, and support for sustainability goals. Among the most prominent are:

- **Digital Weighing Scale (Al-Jouf):** Automated post-harvest weighing and with real-time data capture and eliminate manual errors and improved measurement reliability.
- **Integration and Analysis - SAP MII:** Linked external olive harvest scales to an integrated platform to provide continuous operational visibility into harvest indicators, ongoing crop monitoring, and improved decision-making.
- **Haradh Waste Management:** Digitized waste collection and recycling, supporting ESG goals.
- **Azizyah Distribution Center (DC):** A fully digitized supply-chain hub with 182 vans, 161 CCTV cameras, and 50 access points, integrated with SAP SalesPro for route and delivery optimization.
- **Quality Management Procedures in Dairy Farms and the Red Meat Sector (Protein):** Operating a system of preventive and operational procedures aimed at preventing the entry and spread of pathogens, pests, and harmful organisms, thus ensuring production safety, protecting public health, and sustaining resources. Developing 6 key operational reports to digitize procedures and receive data.
- **Feed Mill Integration:** Automating feed pellet manufacturing processes to enhance production efficiency and quality control.

These solutions reflect a systematic shift towards integrated, data-driven, and operationally and environmentally sustainable digital agriculture. This digital transformation is strengthened by strategic partnerships with leading scientific institutions, most notably King Abdullah University of Science and Technology (KAUST), to support applied research in precision agriculture and develop national solutions to address climate challenges.



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## Nationalizing Innovation

### Building National Digital Capabilities

**NADEC** believes that the success of technological transformation is not achieved through digital systems and infrastructure alone, but rather relies primarily on the readiness of human capital and its ability to interact with transformation tools, and to adopt an operational culture based on continuous improvement and operational discipline. From this perspective, in 2025, **NADEC** focused on strengthening the concept of digital technology as an integrated hub linking technology, operational efficiency, and performance sustainability.

Throughout the year, **NADEC** continued to invest in developing the skills of its national workforce, particularly in operational, agricultural, and industrial sites, through training programs aimed at:

- Enhancing readiness to work with digital systems.
- Strengthening understanding of operational data and performance indicators.
- Improving the efficiency of operators and technicians in industrial and agricultural environments.



### AI-Powered Recruitment

Artificial intelligence (AI) has become a cornerstone of **NADEC's** digital transformation strategy. AI technology enables data-driven decision-making, enhances operational efficiency, and supports innovation across all business functions. The Digital and Technology Sector has integrated AI into corporate, industrial, and human resources systems to achieve smart recruitment and AI-powered human resources. **NADEC** launched an AI-Powered Recruitment Project to automate the entire recruitment cycle, from job applications to screening and interviews, thus helping recruiters make the most appropriate decision.

This system is projected to enhance recruitment efficiency by up to 60%, significantly improving candidate quality and freeing HR teams to focus on strategic priorities.

Additionally, SAP Joule SF augments HR operations with natural-language intelligence — summarizing performance reviews, identifying high-potential employees, forecasting attrition risks, and guiding learning paths for staff. These tools reduce processing time, minimize errors, and elevate employee experience through AI-driven insights.

Artificial Intelligence has become a core enabler of **NADEC's** Smart HR transformation, revolutionizing the way **NADEC** attracts, evaluates, and onboard talent. The AI-Powered Recruitment System, launched in 2025, automates the full hiring lifecycle — from job requisition to final candidate recommendation — ensuring faster, more objective, and insight-driven decisions.

### The process follows a five-stage intelligent workflow

#### 1- Job Requisition & Description:

When a hiring manager raises a request, AI automatically drafts a compelling, competency-based job description aligned with organizational needs and benchmarking data.

#### 2- Automated Job Posting:

The system instantly publishes openings across multiple internal and external platforms, maximizing candidate reach and minimizing manual effort.

#### 3- AI Sourcing & Screening:

AI agents parse resumes, match skills, and automatically shortlist top candidates using pattern recognition and keyword intelligence, ensuring alignment with pre-defined job competencies.

#### 4- Automated Interviews:

**NADEC** is in the process of developing AI scheduling agents that conduct voice-based and video-enabled Q&A sessions, and perform sentiment and behavioral analysis to evaluate communication style, body language, and role qualification.

#### 5- Data-Driven Shortlisting & Final Recommendation:

The AI engine ranks candidates using structured criteria such as skills match, experience depth, education relevance, and sentiment score, updating the Applicant Tracking System (ATS) with the top talent pool for managerial review. To enable the hiring manager to make the most appropriate decision.



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## Attracting National Talent to Lead Innovation

In 2025, **NADEC** launched multiple initiatives that would attract national talent and lead innovation in the sector.

Key contributing factors include:

### Targeted Recruitment from Leading Universities

Digital and Technology Sector has successfully onboarded graduates and professionals from top Saudi institutions such as KAUST, Princess Nourah University, and King Fahd University of Petroleum & Minerals and many more, ensuring a strong technical foundation and exposure to advanced technologies.

### Balanced Workforce Structure

The department maintains a healthy blend of senior experts, mid-level professionals, and emerging young talent, creating an environment that encourages mentorship, knowledge transfer, and cross-generational collaboration.

Looking ahead, **NADEC** aims to further increase Saudization levels in the coming year, focusing on developing specialized digital competencies in areas such as AI, automation, cybersecurity, and data analytics.

By continuing to attract top local talent and investing in their career progression, Digital and Technology Sector is building a sustainable, nationally driven digital workforce that supports both corporate excellence and national priorities.

### Empowering Work Environment

Digital and Technology Sector promotes a culture of learning, ownership, and innovation through structured development programs, AI enablement workshops, and participation in strategic projects — allowing Saudi talent to contribute meaningfully from early stages.

### Digital Tools and Recognition Programs

Adoption of modern collaboration platforms, continuous performance tracking, and employee-recognition frameworks motivate Saudi professionals to grow within the organization and align with its transformation goals.



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## Digital Transformation in the Workplace

In support of operational transformation, **NADEC** has begun implementing a comprehensive Productive Maintenance (TPM) methodology to shift the maintenance concept to a proactive and integrated operational approach aimed at:

- Enhancing the operational reliability of equipment.
- Reducing unplanned downtime.
- Improving the efficiency of asset utilization.
- Engaging employees at operational sites in the responsibility for continuous improvement.

At **NADEC**, the Total Productive Maintenance (TPM) methodology is not viewed merely as a technical tool, but as an integrated approach that contributes to establishing a culture of operational discipline and enhances collaboration between maintenance and production teams, which is reflected in operational stability and output quality.

**NADEC** also continued to work on building a work environment that supports innovation and improvement through:

- Encouraging development initiatives within workplaces.
- Supporting knowledge sharing among teams.
- Promoting a culture of safety and quality as an integral part of daily operations.

By integrating artificial intelligence into talent management, **NADEC** has increased the accuracy of job selection by 60% by cutting paper usage and reducing approval time, ensuring that our investments in human capital are directed towards building a generation of «digital professionals» capable of leading **NADEC**'s future.



## The journey of the technology and digitalization sector at **NADEC**

The Digital and Technology Sector has evolved from a traditional IT support function into a strategic pillar driving **NADEC**'s enterprise-wide digital transformation. Over the past 5 years, this journey has been defined by innovation, governance, and alignment with **NADEC**'s business strategy and Vision 2030.

# 2021

### Foundation: Establishing the Single Source of Truth

- Centralized all business operations under the SAP S/4HANA ERP.
- Enabled real-time analytics and transparent decision-making across departments.
- Marked the transition from decentralized systems to a unified data-driven model.

# 2022

### Transformation: ERP Implementation and Data Transparency

- Launched SAP Phase 1, automating Finance, Procurement, and Supply Chain, and integrating 259 business processes.
- Introduced real-time analytics dashboards and data-driven reporting.
- Began adopting cloud and hybrid infrastructure for scalability and resilience.

# 2023

### Expansion: Operational Excellence and SCADA Modernization

- Rolled out SAP Phase 2 across manufacturing and field operations (237 business processes).
- Integrated SCADA and OT infrastructure, enhancing visibility and control in factories and farms.
- Laid the groundwork for Green IT initiatives and operational sustainability.



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## 2024

### Acceleration: Intelligent Technologies and Infrastructure Enhancement

- Enhanced **NADEC** City Infrastructure and Business Continuity Systems.
- Focused on customer engagement through intelligent platforms and AI-based analytics.
- - Earned ISO 27001 Certificate.
- - Earned ISO 9001 Certificate.

## 2025

### Strategic Digitalization and Smart Operations

- Implemented Vistex Farm Management, EWM Barcode Systems, Digital Weighing Scales, and AI-driven recruitment systems.
- Achieving CMMI Level 3 and ISO 20000
- Expanding automation, adopting AI, and covering the Enterprise Service Management (ESM) platform across HR, Governance, Risk, Compliance, and Technology departments.
- **NADEC** enhanced and expanded its Operations Technology (OT) infrastructure at two key operating locations by adding over 500 internet access points to support new hardware and operating systems.

### Operational Achievements

Implementing over 110 digital transformation projects across various business areas, including applications, infrastructure, digitalization, and cybersecurity.

99.6% operational readiness of systems across SAP, ServiceNow, and cloud services, ensuring uninterrupted business continuity.

Successfully achieving CMMI Level 3 maturity and ISO 20000 certificate for IT service management and renewing ISO 27001 and ISO 9001 certifications.

Expanding the scope of five enterprise platforms: SAP S/4HANA, ServiceNow ESM, Microsoft Copilot, SAP Joule, and Vistex Farm Management System.

### Capacity and Staff Development

## 64

Professional Certifications, including:

**18**  
SAP  
Certifications

**12**  
Microsoft  
Certifications

**12**  
Networking  
and Security  
Certifications  
(Cisco, Fortinet,  
Palo Alto)

**10**  
Project  
Management  
Certifications  
(PMP, PRINCE2)

**12**  
Other  
Professional  
Certifications  
(ITIL, TOGAF,  
Digital  
Transformation)



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## Board of Directors and Senior Executives

Board of Directors and Senior Executives The Board of Directors of **NADEC** comprises seven (7) members elected by the Ordinary General Assembly of Shareholders through cumulative voting, in accordance with the applicable laws, regulations, and the Company's Bylaws. The roles, responsibilities, and authorities of the Board are clearly defined in the Company's Bylaws and Internal Governance Regulations. Each Board member, including the Chairman, is appointed for a term of four (4) years, with eligibility for re-election in accordance with the provisions of the Bylaws. The current term of the Board commenced on April 11, 2024.

During 2025, the Board of Directors approved a recommendation to amend the Company's Articles of Association to increase the number of Board members from seven (7) to nine (9). The proposed expansion is intended to further strengthen the Board's collective expertise, diversity of skills, and governance capacity, in line with the Company's evolving strategic direction and long-term growth objectives. Subject to the completion of the required regulatory procedures and shareholder approval at an Extraordinary General Assembly, the nomination and appointment of the additional Board members will be conducted in accordance with the Companies Law, the Corporate Governance Regulations, and the Company's approved nomination policies.

Executive Management operates under the oversight and strategic direction of the Board of Directors. The Chief Executive Officer is responsible for managing the Company's day-to-day operations and is accountable for implementing the Board-approved strategy, policies, and directives, ensuring alignment with the Company's objectives and long-term strategic priorities.

## Evaluation of Board Performance

Board and committee performance is evaluated under **NADEC's** Board Performance Evaluation Policy, which provides for periodic assessment and requires an independent third-party evaluation every three (3) years. The Nomination & Remuneration Committee (NRC) proposes the evaluation model and recommends the external evaluator for Board approval.

## Term of Board Membership

The current Board term commenced on 11 April 2024 and will run until 10 April 2028.

During 2025, the Board received the resignation of Mr. Ahmed Saud Shahini, Vice Chairman (Non-Executive), effective 16 November 2025; he continued as a member of the Nomination and Remuneration Committee and the Executive Committee.

To fill the vacant seat, the Board-via circular resolution-approved the appointment of His Excellency Eng. Abdulrahman Abdulmohsen Alfadley (Non-Executive), effective 17 November 2025, to complete the current term ending 10 April 2028. The Company disclosed this on the Saudi Exchange (Tadawul), and the appointment will be presented to the next General Assembly for approval.





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## Resumes of the Board of Directors



### Mr. Abdulaziz Saleh Alrebdi

Chairman of the Board of Directors

#### Membership Type:

- Non-Executive

#### Member Appointment Date (Current Term):

- Commencement of current term: 11 April 2024.
- Date of Appointment: 11 April 2024.

#### Committee Membership:

- Chairman of the Executive Committee

#### Professional Experience and Qualifications (Current):

- Founder and Chairman of the Board - ASR Consulting
- Deputy Chairman of the Board, Member of the Nomination and Remuneration Committee and Chairman of the Audit Committee - The Family Office International Investment Company.
- Board member - Al-Obeikan Glass Company.
- Chairman OF The Board - Tartib Alhadath For Arranging And Managing Exhibitions.

#### Professional Experience and Qualifications (Previous):

- Vice Chairman of the Board - Minerva Foods Company.
- Board Member and Member of the Nomination and Remuneration Committee - Seera Holding Group.
- Managing Director - National Agricultural Development Company (NADEC).
- General Director - Lazurde Industrial Investment Group.
- Project Manager - Saudi Industrial Development Fund.
- Project Analyst - Saudi Industrial Development Fund.
- Board Member and Member of the Audit Committee - Al Hammadi Development and Investment Company.
- Board Member - Walaa Cooperative Insurance Company.
- Board Member - Takween Advanced Industries Company.
- Board Member - Abdullah Al-Othaim Markets.
- Board Member - Abdulmohsen Al-Hokair Group for Tourism and Development Company.
- Board Member - Saudi Agricultural and Livestock Investment Company (SALIC).
- Board Member - Al-Obeikan Industrial Group.
- Board Member - Saline Water Conversion Corporation.
- Board Member - Social Development Bank.
- Board Member and Executive Committee Member - Saudi Investment Recycling Company (SIRC).
- Chairman of the Board - Naseej for Communications and Information Technology.

#### Education:

- Bachelor's degree in industrial management from King Fahd University of Petroleum and Minerals



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## Memberships of the board outside of NADEC:

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Obeikan Glass Company	Inside the kingdom	Listed Joint-Stock Company	Al Hammadi Development and Investment Company	Inside the kingdom	Listed Joint-Stock Company
The Family Office International Investment Company	Inside the kingdom	Closed Joint-Stock Company	Walaa Cooperative Insurance Company	Inside the kingdom	Listed Joint-Stock Company
ASR Consulting	Inside the kingdom	Other	Takween Advanced Industries Company	Inside the kingdom	Listed Joint-Stock Company
Tartib Alhadath For Arranging And Managing Exhibitions	Inside the kingdom	Other	Abdullah Al-Othaim Markets	Inside the kingdom	Listed Joint-Stock Company
-	-	-	Abdulmohsen Al-Hokair Group for Tourism and Development Company	Inside the kingdom	Listed Joint-Stock Company
-	-	-	Saudi Agricultural and Livestock Investment Company (SALIC)	Inside the kingdom	Saudi Governmental Organization
-	-	-	Al-Obeikan Industrial Group	Inside the kingdom	Unlisted
-	-	-	Social Development Bank	Inside the kingdom	Financial Institution
-	-	-	Saudi Investment Recycling Company (SIRC)	Inside the kingdom	Unlisted
-	-	-	Naseej for Communication and Information Technology Company	Inside the kingdom	Listed Joint-Stock Company
-	-	-	Minerva Foods Company	Outside the kingdom	Listed Joint-Stock (Brazil)
-	-	-	Seera Holding Group	Inside the kingdom	Listed Joint-Stock Company



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## His Excellency Eng. Abdulrahman Abdulmohsen Alfadley

### Board Member

#### Membership Type:

- Non-Executive

#### Appointment Date:

- His membership as a Board Member commenced on 17 November 2025

#### Committee Memberships:

- Non-Committee Member

#### Professional Experience & Skills (Current):

- Minister of Environment, Water and Agriculture
- Chairman of the Board – General Food Security Authority
- Chairman of the Board – Saudi Water Authority
- Chairman of the Board – Saudi Agricultural and Livestock Investment Company (SALIC)
- Chairman of the Board – General Authority for Coral Reef Conservation and Red Sea Turtles (SHAMS)
- Chairman of the Board – General Authority for Irrigation
- Chairman of the Board – National Water Company (NWC)
- Chairman of the Board – Water Solutions Company (WSM)
- Chairman of the Board – Saudi Water Partnerships Company (SWPC)
- Chairman of the Board – National Agricultural Services Company
- Chairman of the Board – Agricultural Development Fund
- Chairman of the Board – King Abdulaziz Center for Purebred Arabian Horses

- Chairman of the Board – National Research and Development Center for Sustainable Agriculture
- Chairman of the Board – National Center for Wildlife
- Chairman of the Board – National Center for the Prevention and Control of Plant Pests and Animal Diseases
- Chairman of the Board – National Center for Vegetation Cover Development and Combating Desertification
- Chairman of the Board – National Center for Meteorology
- Chairman of the Board – National Center for Environmental Compliance
- Chairman of the Board – National Center for Waste Management
- Chairman of the Board – National Center for Palms and Dates
- Chairman of the Board – National Center for Water Efficiency and Conservation
- Chairman of the Board – Environment Fund
- Chairman of the Board – National Livestock and Fisheries Development Program
- Chairman of the Board – Sustainable Rural Agricultural Development Program (Reef Saudi)
- Chairman of the Board – National Aquaculture Group (NAQUA)
- Board Member and Chairman of the Nomination and Remuneration Committee, and Member of the Corporate Governance Committee – Red Sea Global
- Board Member – Almarai Company
- Member of the Board of Trustees – King Abdullah University of Science and Technology (KAUST)
- Board Member and Member of the Executive Committee – Riyadh Island Development Company
- Board Member – Economic Cities and Special Zones Authority (ECZA)
- Board Member and Member of the General Committee – Royal Reserves Council
- Board Member – National Risk Council
- Board Member – Council of Economic and Development Affairs
- Board Member – Board of Directors of the Imam Abdulaziz bin Mohammed Royal Reserve Development Authority and King Khalid Royal Reserve
- Board Member – Board of Directors of the Imam Turki bin Abdullah Royal Reserve Development Authority
- Board Member – Board of Directors of the King Abdulaziz Royal Reserve Development Authority
- Board Member – Board of Directors of the King Salman bin Abdulaziz Royal Reserve Development Authority
- Board Member – Saudi Equestrian Authority
- Board Member – General Authority for Survey and Geospatial Information
- Board Member – General Authority for Emergency Management
- Board Member – High Commission for Industrial Security
- Board Member – Royal Commission for Riyadh City
- Board Member – Royal Commission for Makkah City and Holy Sites
- Board Member – Board of Trustees of the Saudi Green Initiative Foundation
- Board Member – National Development Fund
- Board Member – National Privatization Center
- Board Member – Saudi Center for International Strategic Partnerships (SCISP)



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### Professional Experiences and Qualifications (Previous):

- Engineer / Supervisor in Petroleum Industries (Petrolube – Petromin)
- Plant Manager – Almarai Company, AL-Kharj
- Chief Executive Officer (CEO) – Almarai Company
- Chairman of the Board – Saudi Investment Recycling Company (SIRC)
- Board Member – NEOM Company

### Education:

- Bachelor's Degree in Chemical Engineering from King Saud University

### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Saudi Agricultural and Livestock Investment Company (SALIC)	Inside the kingdom	Closed Joint Stock Company	Saudi Investment Recycling Company (SIRC)	Inside the kingdom	Closed Joint Stock Company
National Water Company (NWC)	Inside the kingdom	Joint Stock Company	NEOM Company	Inside the kingdom	Closed Joint Stock Company
Saudi Water Partnerships Company (SWPC)	Inside the kingdom	Limited Liability Company	NEOM'S Energy and Water (ENOWA)	Inside the kingdom	Closed Joint Stock Company
National Agricultural Services Company	Inside the kingdom	Closed Joint Stock Company	Marine Operations For Environmental Services (SAIL)	Inside the kingdom	Limited Liability Company
National Aquaculture Group (NAQUA)	Inside the kingdom	Closed Joint Stock Company	Topian Company	Inside the kingdom	Limited Liability Company
Red Sea International Company	Inside the kingdom	Closed Joint Stock Company	-	-	-
Water Solutions Company	Inside the kingdom	Closed Joint Stock Company	-	-	-
Riyadh Island Development Company	Inside the kingdom	Closed Joint Stock Company	-	-	-
Almarai Company	Inside the kingdom	Public Joint Stock Company	-	-	-



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## Mr. Alaa Abdullah Alhashem

### Board Member

#### Membership Type:

- Non-Executive

#### Member Appointment Date (Current Term):

- Commencement of Current Term: 11 April 2024
- Date of Appointment: 11 April 2024

#### Committee Memberships:

- Member of the Nomination and Remuneration Committee

#### Professional Experience and Qualifications (Current):

- Vice Chairman of the Board - Arabian Mills for Food Products
- Board Member - Center for Governance (subsidiary of the PIF)

#### Professional Experience and Qualifications (Previous):

- Chairman of the Board - Sulaiman Al Rajhi Real Estate Investment Company
- Board Member - Alwatania for Industries
- Board Member - Alwatania Poultry
- Board Member - Alwatania Poultry Egypt
- Board Member - Sulaiman Abdulaziz Al Rajhi Holding Company
- Chief Executive Officer - Sulaiman Abdulaziz Al Rajhi Holding Company

- Managing Director - Governance Center - Under the Public Investment Fund
- Managing Director - Al Malaz Financial
- Head of Business Development in Saudi Arabia - Deloitte Middle East
- Chief Executive Officer - Gulf Real Estate Development Company
- Member of the Audit Committee - Al Balad Development Company

#### Education:

- Master's degree in business administration, Lancaster University, United Kingdom
- Bachelor's degree in accounting, King Fahd University of Petroleum and Minerals
- Professional Chartered Degree and Fellowship, Institute of Directors, United Kingdom

#### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Arabian Mills Company	Inside the Kingdom	Public Shareholding Company	Sulaiman Al Rajhi Real Estate Investment Company	Inside the Kingdom	Limited Liability Company
Center for Governance (subsidiary of the PIF)	Inside the Kingdom	Limited Liability Company	Alwatania for Industries	Inside the Kingdom	Closed Joint-Stock Company
-	-	-	Alwatania Poultry	Inside the Kingdom	Closed Joint-Stock Company
-	-	-	Alwatania Poultry Egypt	Outside the Kingdom	Limited Liability Company
-	-	-	Sulaiman Abdulaziz Al Rajhi Holding Company	Inside the Kingdom	Limited Liability Company
-	-	-	Al Balad Development Company (Audit Committee)	Inside the Kingdom	Limited Liability Company



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## Mr. Khalid Salem Alrowais

### Board Member

#### Membership Type:

- Independent

#### Member Appointment Date (Current Term):

- Start of the current board term: 11 April 2024
- Date of Appointment :11 April 2024

#### Committee Memberships:

- Chairman of the Audit Committee

#### Professional Experience and Qualifications (Current):

- Board Member, Member of the Risk Committee, and Member of the Audit Committee – Hassana Investment Company
- Board Member, Chairman of the Audit Committee, and Vice Chairman of the Risk and Compliance Committee – Saudi Electricity Company
- Member of the Audit Committee – TAQA (The Industrialization and Energy Services Company)
- Board Member and Member of the Nomination and Remuneration Committee – Saudi Mining Services Company
- Member of the Audit Committee – Saudi Geophysical and Surveying Company
- Board Member, Chairman of the Audit Committee and Member of the Governance Committee – The Saudi Investment Bank
- Board Member – Aluminium Bahrain (Alba), Kingdom of Bahrain

#### Professional Experience and Qualifications (Previous):

- Board Member and Chairman of the Nomination and Remuneration Committee – SABIC Agri-Nutrients Company
- Chairman of the Board – Ma’aden Wa’ad Al Shamal Phosphate Company
- Chairman of the Board – Ma’aden Phosphate Company
- Chairman of the Board – Ma’aden Aluminium Company
- Chairman of the Board – Ma’aden Barrick Copper Company
- Chairman of the Board – Ma’aden Gold and Base Metals Company
- Board Member – Aljazira Capital
- Member of the Audit Committee – National Petrochemical Company (Petrochem)
- Board Member, Chairman of the Audit Committee, and Member of the Strategy Committee – Middle East Paper Company (MEPCO)
- Member of the Audit Committee – The Company for Cooperative Insurance (Tawuniya)
- Chairman of the Audit Committee – Power Projects Development Company
- Board Member – Al-Razi Company (Saudi Methanol Company – Ar-Razi)
- Board Member – Ibn Rushd (Arabian Industrial Fibers Company – Ibn Rushd)
- Senior Executive Advisor – Saudi Arabian Mining Company (Ma’aden)
- Senior Vice President of Phosphates – Saudi Arabian Mining Company (Ma’aden)
- Vice President of Finance – Saudi Arabian Mining Company (Ma’aden)
- Executive Director and Vice President of Strategy and Planning – Saudi Arabian Mining Company (Ma’aden)
- Treasury Manager – Saudi Arabian Mining Company (Ma’aden)
- Finance Manager – Saudi Basic Industries Corporation (SABIC)
- Director, Islamic Banking Supervision Department – Saudi Central Bank (SAMA)

#### Education:

- Bachelor’s degree in accounting, King Saud University
- Certified as an AICPA – American Institute of Certified Public Accountants (AICPA).



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## Memberships of the board outside of NADEC:

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Hassana Investment Company	Inside The Kingdom	closed joint stock company	SABIC Agri-Nutrients Company	Inside The Kingdom	joint stock company
Saudi Electricity Company	Inside The Kingdom	joint stock company	Ma'aden Wa'ad Al Shamal Phosphate Company	Inside The Kingdom	Limited liability company
Saudi Mining Services Company (ESNAD)	Inside The Kingdom	closed joint stock company	Ma'aden Phosphate Company	Inside The Kingdom	Limited liability company
The Saudi Investment Bank	Inside The Kingdom	joint stock company	Ma'aden Aluminium Company	Inside The Kingdom	Limited liability company
Aluminium Bahrain (Alba), Kingdom of Bahrain	Outside The Kingdom	listed on Bahrain Bourse under symbol ALBH	Ma'aden Barrick Copper Company	Inside The Kingdom	Limited liability company
-	-	-	Ma'aden Gold and Base Metals Company	Inside The Kingdom	Limited liability company
-	-	-	Aljazira Capital	Inside The Kingdom	Closed Joint Stock Company
-	-	-	Middle East Paper Company (MEPCO)	Inside The Kingdom	Joint Stock Company
-	-	-	Al-Razi Company (Saudi Methanol Company - Ar-Razi)	Inside The Kingdom	Joint Venture (SABIC Mitsubishi Gas Chemical Company)
-	-	-	Ibn Rushd (Arabian Industrial Fibers Company - Ibn Rushd)	Inside The Kingdom	Closed Joint Stock Company



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## Mr. Issa Saleh Alhurimnees

### Board Member

#### Membership Type:

- Independent

#### Member Appointment Date (Current Term):

- Start of the current board term: 11 April 2024
- Date of Appointment: 11 April 2024

#### Committee Memberships:

- Member of the Audit Committee

#### Professional Experience and Qualifications (Current):

- Credit Committee Member, Chairman of Audit Committee - Turkiye Finans Katalim Bankasi
- GRC Committee Member - Social Development Bank

#### Professional Experience and Qualifications (Previous):

- Head of Strategy Execution - Al Rajhi Bank
- Head of Small and Medium Enterprises (SME) Banking in the Kingdom - Al Rajhi Bank
- Head of Retail Banking Risks - Credit & Risk Group - Al Rajhi Bank
- Head of Large Corporate Banking Group in the Kingdom - Al Rajhi Bank
- Head of Corporate Banking in the Central Region - Al Rajhi Bank
- Team Leader - Corporate Banking in the Central Region - Al Rajhi Bank

- Senior Corporate Relations Manager - Corporate Banking - Arab National Bank
- Corporate Credit Officer - Zahid Tractor & Heavy Equipment Co
- Executive Vice President - Head of Retail Banking Risks - The National Commercial Bank (NCB)
- Board Member - SIMAH Credit Rating Agency
- Chairman of Tawtheeq Co for Financial Lease Registration - Licensed by The Saudi Central Bank (SAMA)

#### Education:

- Master's degree in business administration with a focus on International Finance from Al Yamamah University
- Master's degree in international business administration from INSEEC Business School in Paris, France
- Advanced Diploma in International Financial Management from Washington State University, USA
- Bachelor's degree in business administration with a focus on Economics from the Arab Open University in Riyadh
- Diploma in Business Administration from the Riyadh Chamber of Commerce and Industry, Saudi Arabia
- Completed an Executive Leadership Program focusing on Organizational Leadership and Innovation from Bain & Company Academy in London, UK
- Diploma in Organizational Leadership from London Business School, London, UK
- Completed the Master Class Program in Change Leadership and Strategy Execution from INSEAD Business School
- Completion of the leadership development program at Darden School of Business in Virginia, USA.

#### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Turkiye Finans Participation Bank	Outside The kingdom	Closed Joint Stock Company	SIMAH Credit Rating Agency	Inside The kingdom	Limited Liability Company
Social Development Bank	Inside The kingdom	Government Institution	Tawtheeq Co for Financial Lease Registration	Inside The kingdom	Limited Liability Company



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## Dr. Nasser Zaid Almeshary

### Board Member

#### Membership Type:

- Independent

#### Member Appointment Date (Current Term):

- Start of the current board term: 11 April 2024
- Date of Appointment: 11 April 2024

#### Committee Memberships:

- Member of the Executive Committee

#### Professional Experience and Qualifications (Current):

- Board Member – Sahl AlMadar Logistics Company
- Board Member - Jamal Jaroudi Group
- Vice President of Strategic Partnerships and Alliances - Elm Company

#### Professional Experience and Qualifications (Previous):

- Vice President of Business Sectors (Commercial Officer) - Elm Company.
- Vice President, Training Solutions - Elm Company.
- Consultant, Privacy and Security Officer - Elm Company.
- Executive Advisor to the Chief Information Officer (CIO) / Chief Information Security Officer (CISO), Deputy Minister for Information and Technology - Ministry of Foreign Affairs, Riyadh.

- Project Manager C4I / Advisory Team Leader, Al Diriyah Project, Ministry of Defense and Aviation, Kingdom of Saudi Arabia - Sysorex Arabia United Company.
- Assistant Professor in Computer Networks / Information Security, Public Administration Institute, Riyadh.
- Network Officer / Information Security Officer, F.I.T University, Melbourne, Florida, USA.
- Network Officer and Lecturer, Public Administration Institute, Riyadh, Saudi Arabia.
- Teaching Assistant, King Saud University, College of Computer and Information Science, Computer Engineering, Riyadh, Saudi Arabia.
- Data Operator, Schlumberger, Alexandria, Egypt.
- Board Member - Emdad Company
- Board Member - National Solutions Company

#### Education:

- Certificate in Company Direction (Partial), Institute of Directors (IoD), London, UK: «Role of the Director & the Board», «Strategy for Directors».
- Completed an Executive Training Program in Leadership from the Oxford Advanced Management and Leadership Program,.
- Earned a Ph.D. with Honors in Information Security Engineering from Florida Institute of Technology.
- Master's Degree with Honors in Computer Network Engineering, King Saud University.
- Bachelor's Degree with Honors in Computer Engineering, King Saud University.

#### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Madar Logistics	Inside The kingdom	Limited Liability Company	Emdad Company	Inside The kingdom	JV (Alobeikan & Elm)
Jamal Jaroudi Group	Inside The kingdom	Limited Liability Company	National Solutions Company	Inside The kingdom	Private Company



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## Mr. Amr Abdulaziz Aljallal

### Board Member

#### Membership Type:

- Independent

#### Member Appointment Date (Current Term):

- Commencement of Current Term: 11 April 2024
- Appointment Date: 11 April 2024

#### Committee Memberships:

- Chairman of the Nomination and Remuneration Committee
- Member of the Executive Committee

#### Professional Experience and Qualifications (Current):

- Managing Director and Chief Executive Officer – Namara Investments Company and all its subsidiaries
- Chairman of the Board; Chairman of the Executive Committee; Member of the Nominations & Remuneration Committee – Nice One Beauty Digital Marketing Company
- Board Member; Chairman of the Audit Committee; Member of the Compliance Committee – Morgan Stanley Saudi Arabia
- Board Member – International Healthcare Company (Whites & Kunooz Pharmacies)
- Board Member; Chairman of the Nominations & Remuneration Committee – Hamad Mohammed Al-Raqeeb & Sons Trading Company
- Board Member; Member of the Nominations & Remuneration Committee; Member of the Executive Committee – Saudi Investment Recycling Company (SIRC)

- Board Member; Chairman of the Investment Committee – Saudi Egyptian Company for Industrial Investments
- Board Member – October Pharma
- Board Member – Hamat Holding Company
- Board Member – Merak Capital Company
- Member of the Board of Managers – Tadweer Environmental Services Company

#### Professional Experiences and Qualifications (Previous):

- Head of Private Equity and Investment Banking – Jadwa Investment Company
- Vice President, Investment Banking – Saudi Fransi Capital
- Director, Registration and Listing Unit (Industry & Services Sector) – Capital Market Authority
- Credit Officer, Services Department – Commercial Banking Services Department – The Saudi British Bank (SABB) (formerly SAB Financial Group)
- Member of the Investment Committee – Saudi Agricultural and Livestock Investment Company (SALIC)
- Board Member; Member of the Investment Committee – Jada Fund of Funds Company
- Board Member – Abdulmohsen Al Hokair Group for Tourism and Development
- Board Member; Member of the Audit Committee; Member of the Executive and Risk Committees – Power and Water Utility Company for Jubail and Yanbu (Marafiq)

#### Education:

- Master's degree in business administration from Rice University in Houston, USA,
- Bachelor's degree in management information systems from King Fahd University of Petroleum and Minerals



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Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Nice One Beauty Digital Marketing Company	Inside the Kingdom	Listed Company	Saudi Agricultural and Livestock Investment Company (SALIC)	Inside The kingdom	Closed Joint Stock Company
Saudi Morgan Stanley Company	Inside the Kingdom	Closed Joint Stock company	JADA Fund of Funds Company	Inside The kingdom	Closed Joint Stock Company
The International Healthcare Company (Whites and Kunooz Pharmacies)	Inside the Kingdom	Closed Joint Stock Company	Abdulmohsen Alhokair Group for Tourism and Development	Inside The kingdom	Listed Company
Hamad M. Al Rugaib and Sons Trading Company	Inside the Kingdom	Closed Joint Stock Company	Power and Water Utility Company for Jubail and Yanbu (MARAFIQ)	Inside the Kingdom	Listed Company
Saudi Investment Recycling Company (SIRC)	Inside the Kingdom	Closed Joint Stock Company			
Saudi Egyptian Industrial Investments	Outside the Kingdom - Egypt	Listed Foreign Company in Egypt			
October Pharma Company	Outside the Kingdom	Listed Foreign Company in Egypt			
Hamat Holding Company	Inside The Kingdom	Closed Joint Stock Company			
Merak Capital Company	Inside The Kingdom	Closed Joint Stock Company			
Tadweer Environmental Services Company	Inside the Kingdom	Limited Liability Company			



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## Mr. Ahmed Saud Shahini

### Non-Board Member

#### Membership Type:

- Executive / Nomination and Remuneration committees Member

#### Member Appointment Date (Current Term):

- Commencement of Current Term: 11 April 2024
- Date of Appointment: 11 April 2024
- His board membership ended on 16 November 2025

#### Committee Membership:

- Member of the Executive Committee
- Member of the Nomination and Remuneration Committee.

#### Professional Experience and Qualifications (Current):

- Chief Local Investments Officer and Acting Chief Strategy Officer - Saudi Agricultural and Livestock Investment Company (SALIC)
- Board Member and Chairman of the Nomination and Remuneration Committee - Khair Inorganic Chemical Industries (InoChem)
- Board Member - National Aquaculture Group (NAQUA)
- Board Member and Chairman of Executive Committee - National Grain Supplies Company (SABIL)

#### Professional Experience and Qualifications (Previous):

- Board Member - Naba Al Saha Medical Services Company
- Board Member - Bloomio AG, Zug, Switzerland
- Board Member - Saudi Boxing Federation
- Board Member - Shahini Holding Group
- Advisor to the GCEO - Saudi Agricultural and Livestock Investment Company (SALIC)
- Chief Business Development Officer - Shahini Holding Group
- General Manager - Shahini Distribution Company
- Logistics Manager - Procter & Gamble
- Several Positions within Private Sector Companies

#### Education:

- Executive MBA in business administration from IMD Business School, Switzerland.
- Bachelor's degree in industrial management from King Fahd University of Petroleum and Minerals, Dhahran.

#### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
National Aquaculture Group (NAQUA)	Inside the Kingdom	Closed Joint Stock Company	Naba Al Saha Medical Services Company	Inside the Kingdom	Listed Joint Stock Company
InoChem – Al Khair Inorganic Chemicals	Inside the Kingdom	Closed Joint Stock Company	Bloomio AG, Zug, Switzerland	Inside the Kingdom	Limited Liability Company
National Grain Supply Company (SABIL)	Inside the Kingdom	Limited Liability Company	Saudi Boxing Federation	Inside the Kingdom	Other
-	-	-	Shahini Holding Group	Inside the Kingdom	Limited Liability Company



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## Mr. Khalid Muhammad Alsolai (Audit Committee Member)

Non-Board Member

### Membership Type:

- Independent

### Appointment Date:

- 13 April 2024

### Committee Memberships:

- Audit Committee Member

### Professional Experience & Skills (Current):

- Board Member - Afaq Al Arabya
- Board Member – Chairman of the Audit Committee - AlRajhi United Real Estate

### Professional Experiences and Qualifications (Previous):

- Board Member – Capital Market Authority (CMA)
- Supervisor, Professional Performance Quality Control Program – Saudi Organization for Chartered and Professional Accountants (SOCPA)
- Chief Internal Audit – STC (Saudi Telecom Company)
- Secondment to Ernst & Young (EY), USA – Audit and Accounting
- Director, Audit & Financial Consulting – Saudi Industrial Development Fund (SIDF)
- Audit Committee Member – Dallah Healthcare Company

### Education:

- Bachelor's Degree in Accounting from King Saud University
- Diploma in Economics and Management from the American Institute of Economics
- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certification in Risk Management Assurance (CRMA)

### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Afaq Al Arabya	Inside the kingdom	Closed Joint Stock Company	Capital Market Authority (CMA)	Inside the kingdom	Governmental Entity
AlRajhi United Real Estate	Inside the kingdom	Closed Joint Stock Company	-	-	-



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## Eng. Saeed Abdullah Almoeather (Audit Committee Member)

### Non-Board Member

#### Membership Type:

- Independent

#### Appointment Date:

- 13 April 2024

#### Committee Memberships:

- Audit Committee Member

#### Professional Experience & Skills (Current):

- Board Member – Member of the Audit Committee - Obeikan Company
- Member of the Audit Committee - Ayyan Investment Company
- Member of the Nomination and Remuneration Committee and Member of the Audit Committee – Naseej for Technology

#### Professional Experiences and Qualifications (Previous):

- Board Member and Managing Director - Member of the Audit and Investment Committees - Saudi Fisheries Company
- Chief Executive Officer – Saudi Advanced Industries Company (SAIC) – Publicly Listed Company
- Deputy Chief Executive Officer – Saudi Advanced Industries Company (SAIC)
- Member of the Executive Committee and Member of the Investment Committee – Saudi Advanced Industries Company (SAIC)
- Various Leadership Roles – Saudi Basic Industries Corporation (SABIC)

- Project Engineer – BAE Systems Saudi Arabia
- Manufacturing Operations Engineer – Arabian Agricultural Services Company (ARASCO)
- Board Member - Member of the Nomination and Remuneration Committee, and Member of the Executive Committee – Deutsche Gulf Finance
- Board Member - Member of the Nomination and Remuneration Committee, and Member of the Supreme Governance and Listing Committee – Obeikan Glass Company
- Board Member – AGC Obeikan Glass
- Board Member - Member of the Nomination and Remuneration Committee, and Member of the Audit Committee – Alsalam Aerospace Industries

#### Education:

- Bachelor's Degree with Honors in Chemical Engineering from King Saud University
- Master's Degree with Honors in Chemical Engineering from Dalhousie University

#### Memberships of the board outside of NADEC:

Current Board Memberships	Inside/ Outside the Kingdom	Company Legal Form	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Obeikan Company	Inside the kingdom	Listed Joint Stock Company	Deutsche Gulf Finance	Inside the Kingdom	Closed Joint Stock Company
-	-	-	AGC Obeikan Glass	Inside the Kingdom	Limited Liability Company
-	-	-	Alsalam Aerospace Industries	Inside the Kingdom	Limited Liability Company
-	-	-	Obeikan Glass Company	Inside the Kingdom	Listed Joint Stock Company
-	-	-	Saudi Advanced Industries Company (SAIC)	Inside the Kingdom	Public Joint Stock Company
-	-	-	Saudi Fisheries Company	Inside the kingdom	Listed Joint Stock Company



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## Investor Relations

### Company Announcements on Tadawul

**NADEC** announced a number of strategic events and activities carried out throughout the year, which have been listed on the official website of the Saudi Stock Exchange (Tadawul). Below is a brief overview of each of these events and activities, categorized by announcement date, type, and subject:

#	Announcement Date	Announcement Type	Explanation
1	02/01/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces receiving a notification regarding the adjustment of fuel prices used in the Company's operational activities
2	24/02/2025	Financial Results	The National Agricultural Development Company <b>NADEC</b> announces its consolidated financial results for the year ended 31 December 2024 (Twelve Months)
3	04/03/2025	Phone Interview	The National Agricultural Development Company <b>NADEC</b> announces that it has conducted an Earnings Conference Call to discuss the annual financial results for the fiscal year 2024 with investors and financial analysts
4	06/03/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the signing of a shareholders' agreement with Hilton Foods to establish a joint venture for processing and packaging of red meat
5	09/03/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces its intention to purchase a number of its own shares to allocate them to the employees' Long Term Incentive Program
6	24/03/2025	Notice to Shareholders	National Agricultural Development Co The National Agricultural Development Company <b>NADEC</b> announces that one of its subsidiaries has signed a financing agreement with the Agricultural Development Fund to establish an intensive livestock farming project (sheep and goats) for breeding and meat production
7	26/03/2025	Invitation of the Extraordinary General Assembly Meeting	The National Agricultural Development Company <b>NADEC</b> announces inviting the Company's shareholders to attend the 39th Extraordinary General Assembly Meeting (First Meeting) via modern technology means
8	10/04/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the start of electronic voting on the Agenda of the 39th Extraordinary General Assembly Meeting (First Meeting)
9	17/04/2025	Results of the Extraordinary General Assembly Meeting	The National Agricultural Development Company <b>NADEC</b> Announces the Results of the 39th Extraordinary General Assembly Meeting (First Meeting)

#	Announcement Date	Announcement Type	Explanation
10	04/05/2025	Financial Results	The National Agricultural Development Company <b>NADEC</b> announces its consolidated financial results for the period ended 31 March 2025 (Three Months)
11	15/05/2025	Phone Interview	The National Agricultural Development Company <b>NADEC</b> announces that it has conducted an Earnings Conference Call to discuss the financial results for the first quarter of 2025 with Investors and Financial Analysts
12	03/06/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> Announces the Completion of its Share Buyback for the Employee Long-Term Incentive Program
13	06/07/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the foundation laying ceremony for the Al Raie National Livestock Company Project (a Subsidiary)
14	27/07/2025	Financial Results	The National Agricultural Development Company <b>NADEC</b> announces its consolidated financial results for the period ended 30 June 2025 (Six Months)
15	06/08/2025	Phone Interview	The National Agricultural Development Company <b>NADEC</b> announces that it has conducted an Earnings Conference Call to discuss the financial results for the second quarter of 2025 with Investors and Financial Analysts
16	28/09/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the publication of its Sustainability and ESG Report
17	26/10/2025	Financial Results	The National Agricultural Development Company <b>NADEC</b> announces its condensed consolidated financial results for the period ended 30 September 2025 (Nine Months)
18	05/11/2025	Phone Interview	The National Agricultural Development Company <b>NADEC</b> announces that it has conducted an Earnings Conference Call to discuss the financial results for the third quarter of 2025 with Investors and Financial Analysts
19	17/11/2025	Notice to Shareholders	National Agricultural Development Co. Announces Resignation of a Board Member
20	18/11/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the appointment of a Board Member
21	23/11/2025	Notice to Shareholders	The National Agricultural Development Company <b>NADEC</b> announces the Board of Directors' recommendation to increase the number of Board members
22	16/12/2025	Notice to Shareholders	The National Agricultural Development Co. <b>NADEC</b> Announces Calling Candidature for Board Members Elections



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## NADEC Treasury Shares

Number of treasury shares maintained by the Company	Value	Maintenance date	Utilization details
1 million shares	20,984,510	May 1, 2025 – May 29, 2025	-
	228,756	June 1, 2025 – June 2, 2025	-
Transaction fees	200,000		
Total	21,413,267		

## Investor Relations Management

NADEC is committed to implementing disclosure policies and procedures in accordance with relevant laws, regulations, and guidelines. The Company strives to enhance communication channels with both local and foreign investors. Throughout 2025 NADEC actively participated in local and international conferences and regular meetings through its Investor Relations Department, reflecting its commitment to the principles of transparency and fairness in providing timely information.

This aims to assist investors in making informed investment decisions based on accurate information provided by the Company, including comprehensive details about the Company's performance and activities through its annual Board of Directors report. Additionally, NADEC ensures continuous updates on any significant developments that may impact the Company's financial position and operations, without compromising its competitive standing.

## Shareholder Rights

In its commitment to strengthening relationships with its shareholders, investors, and stakeholders, and in safeguarding their rights, NADEC firmly believes in the importance of corporate governance. This approach aims to protect shareholders' rights and enhance internal controls by activating the role of the Board of Directors and its sub-committees, while adhering to the principles of disclosure and transparency. Throughout 2025 NADEC maintained its commitment to the Corporate Governance Regulations issued by the Capital Market Authority, as well as other relevant regulations.

Accordingly, in addition to disclosing its performance and financial results in this report, NADEC provides information relevant to its shareholders, the investor community, and stakeholders, in compliance with applicable regulations and international best practices. This reflects NADEC's dedication to governance and transparency as outlined below:

# 1.

### First: Shareholders' Rights and Communication Mechanism:

In line with its unwavering commitment to upholding shareholders' rights and in compliance with applicable regulations, NADEC has incorporated shareholder rights into its Bylaws and Corporate Governance Regulations, both of which are available on the Company's official website.

# 2.

### Second: Enhancing Shareholders' and Investors' Access to Information

NADEC ensures that shareholders and investors have access to information by publishing financial reports, announcements, and material decisions on the Saudi Stock Exchange (Tadawul) website and in daily newspapers. Additionally, the Company publishes the annual Board of Directors report. NADEC also has a dedicated department responsible for managing shareholder affairs and responding to their inquiries.

# 3.

### Third: Procedures for Informing Board Members of Shareholders' suggestions and Feedback on the Company and Its Performance

the Company ensures that Board members are informed of shareholders' suggestions and feedback regarding the Company and its performance through the following procedures:

- 1- Shareholders' suggestions and feedback (if any) are regularly presented to Board members during the upcoming Board meeting or through any other communication channels that facilitate this process.
- 2- The Company holds regular meetings with investors (earnings calls), and the Board is informed of any significant suggestions submitted during these sessions.
- 3- Board members attend shareholders' general meetings, where shareholders can present their suggestions and feedback directly to the Board. The Board responds to these suggestions during the meeting. Additionally, the Chairman of the Board may discuss certain shareholder-related topics and suggestions concerning the Company's performance in closed sessions without the presence of executive members, if necessary

# 4.

### Fourth: Shareholder Register Requests

In 2025, the Company's shareholder register was requested eight (8) times through the Securities Depository Center (Edaa), and the following is a statement of the request dates and reasons:

Number	Request date	Reasons for request
1	13/01/2025	Company procedures
2	13/01/2025	Company procedures
3	13/04/2025	General Assembly
4	13/04/2025	Company procedures
5	14/05/2025	Company procedures
6	25/08/2025	Company procedures
7	03/09/2025	Other



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## 5.

### Fifth: Dividend Distribution Policy

The Board of Directors' recommendations regarding dividend distribution are presented to the Company's shareholders at the General Assembly meeting (held annually) for review and approval in accordance with the following provisions:

- 1- The resolution specifies the entitlement and distribution dates. Dividends are entitled to shareholders registered in the shareholders' registry at the end of the specified entitlement date.
- 2- The Ordinary General Assembly, based on the Board's recommendation, may allocate a certain percentage of net profits to form a statutory reserve designated for purposes determined by the Assembly.
- 3- The Ordinary General Assembly may approve the formation of other reserves as needed to serve the Company's interests or to ensure the distribution of stable dividends to shareholders. Additionally, the Assembly may allocate a portion of the net profits to establish a social organization for the Company's employees.
- 4- The remaining profits, after the aforementioned allocations, will be distributed to shareholders as a dividend representing 5% of the Company's paid-up capital, in accordance with the Company's Bylaws, the Companies Law, and relevant regulations. The General Assembly may also allocate a specific percentage of the remaining net profits as remuneration for Board members, provided that the entitlement is proportionate to the number of meetings attended by each member.
- 5- If no dividends are distributed for any fiscal year, dividends for subsequent years cannot be distributed until the specified percentage is paid to preferred shareholders (if any) for that year, in line with applicable regulations.

If the Company's General Assembly authorizes the Board to distribute interim dividends, the Board if it deems appropriate shall distribute dividends periodically during that year after fulfilling the requirements stipulated in regulations issued by relevant authorities and the Company's Bylaws. These include:

- 1- The Ordinary General Assembly must annually renew the resolution authorizing the Board to distribute interim dividends.
- 2- The Company should demonstrate consistent profitability.
- 3- The Company must maintain reasonable liquidity and have a reliable forecast of its profit levels.
- 4- The Company must have distributable profits, as per the latest audited financial statements, sufficient to cover the proposed dividends after deducting any previously distributed profits since the date of those financial statements.





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## Board of Directors

The Board of Directors held eight (8) meetings in 2025, including six (6) in-person meetings and two (2) meetings conducted by circulation, as detailed in the table below. No Board member delegated another member to attend on their behalf during 2025. The Board dedicated sufficient time to fulfilling its responsibilities towards the Company, including preparing for Board and committee meetings and ensuring active participation. The following table sets forth the attendance record of each member of the Board of Directors at these meetings: Attendance Record for Members of the Board of Directors for the year 2025.



The following table sets forth the attendance record of each member of the Board of Directors at these meetings

### Attendance Record for Members of the Board of Directors for the year 2025

Attendance Record for Members of the Board of Directors for the year 2025									
#	Member Name	1st meeting 23 January	2nd meeting 06 March	3rd meeting (by circulation) 06 March	4th meeting 20 May	5th meeting 26 August	6th meeting (by circulation) 17 November	7th Meeting 20 November	8th Meeting 15 December
1	Mr. Abdulaziz Saleh Alrebbdi - Chairman	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Ahmed Saud Shahini *	✓	✓	✓	✓	✓	Not Applicable	Not Applicable	Not Applicable
3	Mr. Amr Abdulaziz Aljallal	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Khalid Salem Alrowais	✓	✓	✓	✓	✓	✓	✓	✓
5	Mr. Alaa Abdullah Alhashem	✗**	✓	✓	✓	✓	✓	✓	✓
6	Mr. Issa Saleh Alhurimmees	✓	✓	✓	✓	✓	✓	✓	✓
7	Dr. Nasser Zaid Almeshary	✓	✓	✓	✓	✓	✓	✓	✓
8	His Excellency Eng. Abdulrahman Abdulmohsen Alfadley ***	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	✗	✓

\*His board membership ended on 16 November 2025

\*\* The Board member did not attend the meeting as he is a related party to the agenda item under consideration.

\*\*\* His board membership commenced on 17 November 2025



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## Measures Taken by the Board of Directors to Keep Members, Particularly Non-Executives, Informed About Shareholder Suggestions and Feedback on the Company and Its Performance:

The Chairman of the Board of Directors informs its members, particularly non-executives, about any suggestions and feedback received from shareholders regarding the Company and its performance at the first Board meeting of the year. The Board of Directors has delegated the Company to take the necessary measures to facilitate the shareholders in submitting their suggestions and feedback through the available communication channels of the Investor Relations Department, which are as follows: Main Phone: 0112027777 Email: IR@NADEC.COM.SA

## Annual Extraordinary General Assembly Meeting:

In accordance with the Board of Directors' regulations, which stipulate the obligation of Board members to attend Extraordinary General Assembly Meeting, the Company convened a single Annual Extraordinary General Assembly Meeting on April 16, 2025. This underscores the Board's commitment to interacting with shareholders, receiving their suggestions, and gathering feedback on the Company and its performance.

Number	Member names	Extraordinary General Assembly Meeting 16/04/2025
1	Mr. Abdulaziz Saleh Alrebdi - Chairman	✓
2	Mr. Ahmed Saud Shahini - Vice Chairman*	✓
3	Dr. Nasser Zaid Almeshary	✓
4	Mr. Amr Abdulaziz Aljallal	✓
5	Mr. Khalid Salem Alrowais	✓
6	Mr. Alaa Abdullah Alhashem	✓
7	Mr. Issa Saleh Alhurimmes	✓
8	His Excellency Eng. Abdulrahman Abdulmohsen Alfadley**	Not Applicable

\* His board membership ended on 16 November 2025

\*\* His board membership commenced on 17 November 2025





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## Committees and Their Main Responsibilities

### Board Committees

the Company's Board of Directors has established several committees based on the Company's needs, circumstances, and conditions, enabling them to perform their duties effectively and meet relevant regulatory requirements. These committees include the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee. Below is a summary of each committee's structure, responsibilities, and members:

### Audit Committee

#### A. Composition of the Audit Committee

The Audit Committee consists of four (4) members appointed by a resolution of the Board of Directors, in accordance with the Corporate Governance Regulations issued by the Capital Market Authority (CMA) and the Company's Audit Committee Charter. The Audit Committee Charter, approved by the General Assembly, defines the committee's roles, operating procedures, and the remuneration of its members to ensure effective oversight of the Company's financial reporting, internal controls, and audit processes. The following members were appointed for the current term by the Board of Directors on 13 April 2024:

- 1- Mr. Khalid Salem Alrowais – Chairman and Independent Member
- 2- Mr. Issa Saleh Alhurimmes – Independent Member
- 3- Mr. Khalid Muhammad Alsolai – Non-Board Member
- 4- Eng. Saeed Abdullah Almoether – Non-Board Member

#### B. Audit Committee Meetings for the Year 2025

Audit Committee Meetings 2025							
#	Member Names	Membership Status	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting
			05 January	18 February	30 April	23 July	22 October
1	Mr. Khalid Salem Alrowais	Chair of the Committee - Independent	✓	✓	✓	✓	✓
2	Mr. Issa Saleh Alhurimmes	Independent Member -	✓	✓	✓	✓	✓
3	Mr. Khalid Muhammad Alsolai	Independent Member – External	✓	✓	✓	✓	✓
4	Eng. Saeed Abdullah Almoether	Independent Member – External	✓	✓	✓	✓	✓





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## C. Responsibilities of the Audit Committee

The responsibilities and duties of the Audit Committee include the following:

### 1- External Auditors

- Providing recommendations to the Board to nominate external auditors, dismiss them, determine their Remuneration, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence of the external auditors, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
- Reviewing the plan of the Company's external auditor and its activities ensuring that they do not provide any technical or administrative services that fall outside the scope of audit work and providing its observations and recommendations regarding this.
- Responding to queries of the Company's external auditor.
- Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.
- Reviewing the auditor's proposed audit scope and approach, including coordination of Audit efforts with internal audit department.
- The Committee shall meet periodically in independent sessions with the External auditor to discuss any issues that the Committee or the External Auditor may deem necessary to be discussed in private meetings as needed.
- The Committee has the right, at the request of its members, to meet with the External Auditor without the presence of the Vice President of Finance.

### 2- Financial Reports

- Review the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness, and transparency.
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy. Review any important or non-familiar issues contained in the financial reports. Accurately investigating any issues raised by the Company's Vice President of Finance or any person assuming their duties or the department responsible for compliance or external auditor.
- Examining the financial and accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.
- Examining accounting estimates for material issues contained in the financial reports, including the review of accounting issues, preparing significant reports, complex or unusual transactions and discretionary issues, as well as recent professional and regulatory issues and noting their impact on the financial statements.
- Reviewing the results of the audit work with management and External Auditor, including any difficulties encountered.
- Reviewing the other parts of the annual report and any relevant publications before publication and take into consideration the accuracy and completeness of the information contained therein.
- Studying any significant or irregular matters contained in the financial reports.
- Investigating thoroughly any matters raised by the Company's Vice President of Finance (or their delegate), or the corporate compliance management, or the external auditor.

### 3- Internal Control

- Examining and reviewing the effectiveness of Company's internal and financial control systems and risk management system, which include information technology control and security systems.
- Understanding the scope of work of External and Internal Auditors in the internal control review of financial reports and obtaining reports of significant observations and recommendations with responses from management.
- Ensuring the establishment of systems and internal control measures, including:
  - Investigating the integrity of the financial and accounting systems, including financial reporting systems.
  - Investigating that appropriate control systems are in place to measure and manage risks, by developing a general perception of the risks that the Company may face, creating an environment familiar with the culture of risk management at the Company level, and presenting it transparently with stakeholders and related parties.
- Preparing a report for the Board that includes its opinion on the effectiveness and efficiency of these systems, its recommendations to address the significant issues, and any other recommendations for developing these systems, and the other work it has done that fall within the scope of its competence.
- Providing advice and expressing opinion on issues related to the control aspects before being approved by the Board.
- Examining the issues referred to by the Board and advising the Board in light of the role of the supervisory commit.





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## 4- Internal Audit

- Examining and reviewing the Company's internal and financial control systems and risk management system.
- Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company, if any, to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
- Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports.
- Approving the internal audit policies and procedures, and a comprehensive internal audit plan.
- Nominating the Chief Internal Audit (CIA) and recommending to the Board regarding their entitlements and any decisions regarding their appointment, replacement, or dismissal of CIA.
- Reviewing and approving the budget of the internal audit department, the resource plan, activities, and the organizational structure of the internal audit activity.
- Evaluating CIA performance at least once per year and approving their annual remuneration and salary adjustment.
- Evaluate and ensure the independence of the internal auditors periodically.
- Reviewing the effectiveness of the internal audit activity, including compliance with the International Professional Practices Framework, internal audit mission and core principles issued by the Institute of Internal Auditors.
- The Committee shall periodically meet individually with the CIA to discuss any matters that the Committee or the CIA may think should be discussed in particular.
- Supervising cases of internal financial investigations such as fraud, etc., if deemed necessary provided that the Committee submits a report on these cases to the Board.

## 5- Compliance Assurance

- Reviewing the findings of the reports of regulatory authorities and verifying that the Company has taken necessary measures in this regard.
- Ensuring the Company's compliance with the relevant laws, regulations, policies, and instructions.
- Reporting to the Board any issues in connection with what it deems necessary to take action on and providing recommendations as to the steps that should be taken.
- Reviewing the effectiveness of the compliance management system and the results of any investigation carried out by the administration and follow up on disciplinary action in case of non-compliance.
- Reviewing the process of communicating the Code of Conduct to Company employees and monitoring compliance and implementation thereof.
- Obtaining regular updates from the Company's management and the legal advisor regarding compliance matters.
- Reviewing the contracts and transactions proposed to be conducted by the Company with related parties, and provide recommendations in this regard to the Board.

## 6- Reporting

- Periodically reporting to the Board on the activities of the Committee and related observations and recommendations.
- Advising the Board on development of necessary policies or procedures followed by stakeholders to submit complaints or report the violations.
- Providing open channels of communication between Internal Audit, External Auditor, and the Board.
- Prepare an annual report for the Board members and the shareholders showing the adequacy of the Company's internal control system and the other work it has carried out within the scope of its competence.
- The Board shall file sufficient copies of this report at the Company's head office at the time of inviting the General Assembly to provide each of the shareholders who wish with a copy of it. Such a report shall be discussed at the General Assembly, provided that the Committee reports are kept at the Company's head office for a period of no less than ten (10) years.
- Reviewing any reports issued by the Company related to the responsibilities of the Committee.



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## 7- Other Responsibilities

- The Committee shall review the establishment of a mechanism that allows employees of the Company to submit their feedback anonymously regarding any abuse in financial or other reports. The Committee shall verify the application of this mechanism by conducting an independent investigation commensurate with the extent of the error or transgression, and it shall adopt appropriate follow-up actions.
- Carrying out any other activities related to this Charter at the request of the Board.
- Conducting and supervising any special investigations as needed.
- Reviewing and evaluating the adequacy of the Committee's Charter annually, requesting the approval of the Board for any proposed changes, and ensuring appropriate disclosure in accordance with laws and regulations.
- Ensure that all responsibilities described herein are carried out on an annual basis.
- Evaluate the performance of the Committee and its members on an annual basis.

### D. Additional Oversight Responsibilities (Risk & Compliance)

- Oversee the Company's risk management strategy and policies, including reviewing their adequacy, alignment with the nature and volume of activities, and monitoring their periodic updates in light of internal and external changes.
- Oversee the Company's framework for determining acceptable risk levels and review management's processes to ensure the Company operates within such levels.
- Review management's assessment of the Company's ability to continue its operations and maintain business continuity, including key risks that may threaten its existence over the coming twelve months.
- Oversee periodic reassessments of the Company's risk profile and capacity, including management's use of stress testing and other forward-looking risk tools.
- Review reports submitted by management on the Company's exposure to risks and the proposed measures for managing or mitigating such risks and provide oversight on the effectiveness of such measures.
- Provide oversight and recommendations to the Board regarding risk management matters submitted by management.
- Review the proposed organizational structure of the risk management function and provide recommendations before it is submitted to the Board for approval.
- Oversee the independence of risk management personnel, ensuring the function operates free from undue influence arising from activities that may expose the Company to risk.
- Oversee efforts to ensure risk management staff understand the risks facing the Company and review initiatives that aim to strengthen the Company's risk-aware culture.
- Oversee the Company's culture of ethics and compliance, including reviewing efforts to promote ethical conduct and ensure employees understand compliance expectations.

### E. Audit Committee Recommendation on Appointment of Chief Internal Audit

During the year, the Audit Committee recommended the appointment of Mr. Mohammed Alfadheel as Chief Internal Audit, effective 9 February 2025

## Nomination and Remuneration Committee

### A. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three (3) members appointed by a resolution of the Board of Directors on April 13, 2024. Below is the list of the Committee members:

- 1- Mr. Amr Abdulaziz Aljallal (Independent) – Chairman of the Committee
- 2- Mr. Ahmed Saud Shahini (Non-Board Member)\*
- 3- Mr. Alaa Abdullah Alhashem (Non-Executive – Member).

### B. Meetings of the Nomination and Remuneration Committee in 2025

Nomination and Remuneration Committee 2025						
#	Member Name	Status	1st meeting	2nd meeting	3rd meeting	4th meeting
			21 January	14 July	22 October	11 December
1	Mr. Amr Abdulaziz Aljallal	Committee Chair - Independent	✓	✓	✓	✓
2	Mr. Ahmed Saud Shahini*	Non-Board Member	✓	✓	✓	✓
3	Mr. Alaa Abdullah Alhashem	Member -non-executive	✓	✓	✓	✓

\* His board membership ended on 16 November 2025



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## C. Responsibilities of the Nomination and Remuneration Committee

The responsibilities and duties of the Nomination and Remuneration Committee include the following:

### 1- Remunerations

- Preparing a clear policy for the remunerations of the Board members, its committees and the Executive Management, and submitting it to the Board for consideration in preparation for its approval by the General Assembly, provided that such policy shall be based on key performance indicators and provide a mechanism for disclosure and its implementation.
- Reviewing the relationship between the rewards granted and the applicable rewards policy and highlighting any material deviation from such policy.
- Reviewing the remunerations policy periodically to ensure its alignment with the changes that may occur in the relevant laws and regulations, the Company's strategic goals and the skills necessary to achieve them, and assessing its effectiveness in achieving the desired objectives, and recommending to the Board regarding the proposed changes to this policy.
- Advising to the Board regarding the remunerations of its members and its committees in accordance with the policy approved by the Company's General Assembly.
- Recommending to the Board the remunerations of the executive management of the Company in accordance with the policy approved by the Board.
- Approving the bonuses payment of the Company's employees in accordance with the Company's internal policies.
- Reviewing the CEO's recommendations regarding the general guidelines and standards for financial rewards and other benefits for the executive management and their approval, which the CEO implements in accordance with the approved policy.
- Preparing annual report on the remunerations granted to members of the Board, its committees, and the executive management.
- Preparing criteria for evaluating the performance of the Board, its members and its committees, and submitting such criteria to the Board for approval.
- The committee is responsible for conducting the evaluation or overseeing it if performed by a third party. Additionally, the committee is tasked with proposing mechanisms to enhance the functioning of the board and its committees.

### 2- Nominations

- Recommend to the Board appropriate policies and criteria for membership in the Board and the Executive Management to determine the required capabilities and skills and review them periodically to ensure their alignment with the changes that may occur in the Company's strategic objectives and the skills and qualifications necessary to achieve them, taking into account not to nominate any person previously convicted of a crime of dishonesty.
- Review the Board Nomination and Selection Policy periodically to ensure its alignment with the changes that may occur in relevant legislation and regulations, the Company's strategic goals and the skills and qualifications necessary to achieve it and recommend to the board of directors regarding proposed changes to this policy.
- Recommend nominees for Board membership to the Board in accordance with the approved Board Nomination and Selection Policy.
- Prepare the job description of the capabilities and qualifications required for membership of the Board and its Board Committees as well as occupying executive management positions.
- Reviewing the organizational structure of the Company and making recommendations regarding changes that can be made.
- Develop job descriptions for executives, non-executive, and independent members.
- Determine the time that the member should dedicate for the work of the Board.
- Review and recommend conflicts of interest cases for those wishing to run for membership in the Board.
- Establish procedures to fill the vacancy of a position in the Board or its committees. And provide recommendation.
- Verify the independence of the independent members, and the absence of any conflicts of interest if the member is a member of the Board of another company
- Verify whether a Board member is competing with the Company's business, activities, or any of its business sectors, and provide recommendations to the Board in this regard after receiving a notification from the member regarding the competitive activities they intend to engage in, based on the concept of competitive activities and in accordance with the following process:
  - Reviewing the notification of the Board member of the competing work that the member wishes to practice from a technical point of view.
  - Reviewing the market(s) in which the competing business exists or any of the products related to it.
  - Reviewing the relationship of the competing business with the Company's strategy and future directions.
- Reviewing the nature of the Board member's competition with the Company's business (approved by the General Assembly) on an annual basis and obtain the information necessary to conduct the aforementioned review.
- Recommending to the Board, re-nomination, or dismissal of a member of the Board or its committees.
- Determining the weaknesses and strengths in the Board and proposing solutions in line with the Company's interest.
- Carrying out the tasks assigned to it by the Board related to its work.
- Providing an appropriate level of training and orientation to the new Board members about the Company's tasks and achievements so that they can perform their work efficiently.
- Reviewing and studying the succession plans for the Company in general, for the Board, the CEO and the executive management, in particular.



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## D. Additional Oversight Responsibilities (Governance & ESG)

- Review and update the Company's Corporate Governance Charter, including verifying compliance with its provisions, ensuring alignment with statutory and regulatory requirements, and confirming that corrective actions are taken when deviations are identified.
- Review the Company's codes of professional conduct and related internal governance policies, including ensuring they reflect the Company's values and remain aligned with best governance practices.
- Ensure that Board members are regularly informed of developments in corporate governance and leading practices, including receiving periodic updates through the relevant committee or department.
- Review the Company's internal governance-related policies and procedures, including ensuring such policies remain consistent with statutory requirements and governance best practices.
- Review the Company's ESG policies, including assessing their alignment with applicable regulations, governance expectations, and the Company's strategic objectives.
- Provide oversight on the Company's ESG roadmap and its implementation, including reviewing its structure, priorities, timelines, and monitoring progress updates and management's plans to address identified gaps.
- Review ESG reporting submitted by management, including ensuring transparency, completeness, and consistency with applicable disclosure requirements and the overall governance framework.



## The Executive Committee

### A. Composition of the Executive Committee

The Executive Committee consists of five (5) members appointed by a resolution of the Board of Directors on 13 April, 2024 , Below is the list of the Executive Committee members:

- 1- Mr. Abdulaziz Saleh Alrebdi (Non-Executive Member) - Chairman of the Committee.
- 2- Mr. Ahmed Saud Shahini (Non-Board Member)\*
- 3- Mr. Amr Abdulaziz Aljallal (Independent)
- 4- Dr. Nasser Zaid Almeshary (Independent Member).
- 5- Dr. Solaiman Abdulaziz Altwaijri (Executive- Member)

### B. Executive Committee Meetings for the year 2025:

Executive Committee meetings 2025													
#	Member names	Membership Status	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th
			meet-										
			ing										
			03	03	20	27	12	06	21	08	02	17	20
			Jan	Feb	Feb	April	May	Aug	Aug	Sep	Oct	Nov	Nov
1	Mr. Abdulaziz Saleh Alrebdi	Committee Chair Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Ahmed Saud Shahini*	Non-Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Amr Abdulaziz Aljallal	Member - Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Dr. Nasser Zaid Almeshary	Member - Independent	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Dr. Solaiman Abdulaziz Altwaijri	Member, Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* His board membership ended on 16 November 2025



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## C. Responsibilities of the Executive Committee

The responsibilities of the Executive Committee include the following:

### 1- Executive Committee Duties

- Recommending the amendment of any provision in the Company's bylaws.
- Recommending the vision and objectives of the Company's strategy.
- Reviewing the system, regulations, policies and programs and making the necessary amendments or additions thereto.
- Reviewing the annual budget objectives before submitting them to the Board for approval as well as monitoring its execution.
- Recommending to the Board regarding the profit's allocation.
- Overseeing the development of economic and advisory studies.
- Following up the implementation of the Company's integrated information systems programs.
- Supervising the review of the financing position and managing the Company's financial needs.
- Recommending to the Board regarding loan and mortgage operations.
- Recommending to the Board regarding strategic plans, long, medium, and short-term goals, updating and reviewing them from time to time and submitting them to the Board for approval.
- Supervising the review of plans related to the Company's current activities and its financial and competitive position and following up and evaluating these plans.
- Supervising the review of all business and topics that could affect the Company's image and reputation.
- Supervising the review of new projects and investments and making recommendations thereon to the Board.
- Following up the implementation of the decisions issued by the Board and the Executive Committee.
- Following up the Company's financial situation and its operational and marketing policy.
- Presenting reports to the Board about the work accomplished by the Committee and the approved decisions and recommendations.
- Executing any tasks or responsibilities assigned by the Board.
- Reviewing the social responsibility policy and media plan, reviewing social work initiatives, and submitting what the committee deems necessary to the Board.
- Representing the Board in General Assemblies of the Company and its Subsidiary.

### 2- Investment Committee Duties

- Reviewing and approving the Company's general investment policy, which includes (the investment concept and strategy etc.).
- Reviewing investment offers and opportunities and ranking them in order of priority according to specific investment evaluation criteria and approving new investments to be made, with a maximum value of (50) Fifty Million Saudi Riyals. As for any investments greater than this value, the committee shall submit its recommendations to the Company's Board.
- Reviewing and approving acquisitions and investment offers in accordance with the Company's general strategy.
- Monitoring financial results and the integration of the Company's investments, in addition to all investment transactions such as acquisitions, joint ventures, and liquidation works.
- Reviewing and recommending any strategic alliances the Company may make.
- Reviewing and approving the Company's investment plan.
- Reviewing the Company's financial derivatives policy, as well as all hedging transactions, to provide a framework for the Company's use of derivative and hedging transactions, as well as to monitor these transactions and the investment risks to which the Company may be exposed.
- Submit periodic reports to the Board on the Investment Committee's activities, as well as related issues and recommendations
- Direct supervision of the Company's investments internally and externally and submitting periodic reports to the Board.
- Making recommendations to the Board about exiting or liquidating an existing investment.
- Adopting the corporate governance framework and management mechanisms for subsidiaries and affiliated Companies.
- Adopting policies for nominating Board members and representatives for subsidiaries and affiliated Companies, including the mechanisms for selecting Board members and representatives for such companies.
- Submitting the necessary recommendations to appoint members of the Board and representatives for subsidiaries and affiliated Companies to the Board for approval.
- Ensuring the soundness of investment procedures and setting the controls to guarantee the interests of the Company and supervising the stages of merger or acquisition for any investment opportunity.
- Reviewing the performance evaluation and work progress periodically in accordance with the plans approved by the boards of subsidiaries and affiliated companies and submit recommendations to the board.



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## D. Additional Oversight Responsibilities (Investment)

- Review the Company's investment strategy and policy, ensuring they remain aligned with the Company's business nature, activities, and risk profile, and providing recommendations to the Board on updates required.
- Oversee the Company's overall investment activities, including assessing the effectiveness of procedures for measuring and evaluating investment performance and monitoring adherence to those procedures.
- Evaluate investment opportunities proposed by management, including mergers, acquisitions, divestments, joint ventures, new projects, expansions, and other initiatives, and assess the supporting assumptions, risks, and strategic rationale.
- Review proposed acquisitions and investment offers, ensuring alignment with the Company's strategy before any recommendation for approval is made.
- Ensure that proposed investment opportunities comply with relevant laws, regulations, and instructions, including reviewing management's regulatory confirmations.
- Review and confirm the prioritization of proposed investments, assessing whether the ranking reflects the Company's strategic and financial priorities.
- Review the annual and long-term budgets from an investment perspective, including assessing proposed capital allocations, deviation reports, and overall implications for the Company's financial position.
- Monitor the implementation and integration of approved investments, including tracking progress of acquisitions, joint ventures, divestments, and liquidation processes against approved plans.
- Assess strategic alliance proposals, reviewing their feasibility, expected benefits, and alignment with the Company's objectives before issuing recommendations.
- Review the Company's investment plan, including its underlying assumptions, financial projections, and consistency with the Company's strategic direction.
- Examine the Company's derivatives and hedging framework, including reviewing policy adequacy, monitoring exposure levels, and overseeing risks arising from hedging activities.
- Review periodic reports submitted to the Board on investment activities, ensuring clarity, completeness, and timely escalation of issues or recommendations.
- Monitor the performance of the Company's investment portfolio internally and externally, including reviewing periodic updates on asset performance and value realization.
- Review the governance and management framework of subsidiaries and affiliates, ensuring its adequacy and alignment with the Company's investment strategy.
- Review policies for nominating Board members and executives of subsidiaries and affiliates, including examining selection criteria and alignment with investment oversight needs.
- Review recommendations regarding the appointment of subsidiary Board members and executives, considering qualifications and alignment with governance expectations before elevating them to the Board.
- Ensure the soundness of investment procedures and controls, including overseeing compliance with investment governance processes and reviewing how management executes M&A stages.
- Review the performance and progress of subsidiaries, including evaluating periodic reports submitted by subsidiary boards and monitoring adherence to approved plans.
- Review recommendations related to exiting or liquidating existing investments, including assessing strategic justification, financial impact, and execution feasibility.
- Review any additional reports related to investment matters, including evaluating insights, risks, and recommendations submitted by management in relation to investment activities.





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## Executive Management

No.	Name	Current Position	Previous Position	Qualifications (bullet points)	Years of Experience
1	Dr. Solaiman Abdulaziz AlTwaijri	Chief Executive Officer	CEO of Saudi Arabian Amiantit Company	<ul style="list-style-type: none"> <li>Ph.D. in Accounting – Case Western Reserve University, Cleveland, Ohio, USA.</li> <li>Master's in Accounting – Illinois State University, USA.</li> <li>Bachelor's Degree in Industrial Management King Fahd University of Petroleum and Minerals.</li> <li>Winner of the Prince Mohammed Bin Fahd Award for Scientific Excellence in 1989.</li> <li>Holds many positions and memberships in prestigious international and local companies.</li> <li>Expert in finance and accounting.</li> </ul>	More than 28 years
2	Mr. Abdullah Ibrahim ALDehimi	Vice President of Governance, Risk, Compliance and Legal	Executive Director of Corporate Communications & Board Secretary	<ul style="list-style-type: none"> <li>Diploma in Management.</li> <li>Bachelor's Degree in Business Administration.</li> </ul>	More than 18 years
3	Mr. Mohammed Alfadheel	Chief Internal Audit	Chief Internal Audit	<ul style="list-style-type: none"> <li>Bachelors of science in Business Administration, King Abdul-Aziz University.</li> <li>CFE- Certified Fraud Examiner. Association of Certified Fraud Examiners.</li> <li>CISA-Certified information system auditor, Information System Audit and Control Association- ISACA.</li> <li>Internal Audit leadership program, Harvard Business School organized by IIA- KSA.</li> <li>CIA-Certified Internal Auditor, The Saudi Authority of Internal Auditors.</li> </ul>	More than 20 years
4	Mr. Saad S. Alhowaimel	Vice President of Digital & Technology	Vice President of information Technology	<ul style="list-style-type: none"> <li>Master's Degree in Computer Science.</li> <li>Bachelor's Degree in Computer Engineering.</li> </ul>	More than 22 years

No.	Name	Current Position	Previous Position	Qualifications (bullet points)	Years of Experience
5	Mr. Hassan Khalil Aqrouq	Vice President of Finance	Chief Financial Officer	<ul style="list-style-type: none"> <li>MSc in Finance.</li> <li>Bachelor's Degree in Science in Finance and Accounting.</li> <li>CPA Certification</li> </ul>	More than 25 years
6	Mr. Fadhil Fawzan Alsaadi	Chief Growth Officer	Group CEO - Middle East Specialized Cables	<ul style="list-style-type: none"> <li>Bachelor's Degree of Engineering in the field of Chemical Engineering.</li> <li>Diploma in Food Industry.</li> <li>Executive Education: Leading For Results «INSEAD School France».</li> </ul>	More than 25 years
7	Mr. Mohammed AlRajhi	Vice President Supply Chain	CEO of Mubarrad Company	<ul style="list-style-type: none"> <li>Bachelor's in Computer Science.</li> <li>Master's in information systems.</li> </ul>	More than 20 years
8	Mr. Ian Michell	Vice President Agriculture	Group Technical, Procurement, and ESG Director for Flamingo	<ul style="list-style-type: none"> <li>Higher Diploma in Agriculture.</li> <li>Master's in Business Administration (MBA).</li> </ul>	More than 29 years
9	Mr. Terrence Allan Denton	Vice President Operations	Head of the Manufacturing Department	<ul style="list-style-type: none"> <li>Higher Diploma in Manufacturing Management.</li> <li>Diploma in Dairy Technology.</li> </ul>	More than 38 years
10	Mr. Zakaria Abou Zahr	Vice President Sales & Distribution	Vice President of Sales and Marketing at Beraïn Company	<ul style="list-style-type: none"> <li>Bachelor's in Finance.</li> <li>Master's in Information Systems.</li> </ul>	More than 25 years
11	Mr. Marwan Yassin	Vice President Marketing & Development	Marketing Director of Unilever	<ul style="list-style-type: none"> <li>Bachelor of Science in Commerce.</li> </ul>	More than 26 years



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## Remuneration

### Board, Committee, and Executive Management Remuneration Policy

The Policy applies to the Board of Directors, its subcommittees, and the executive management of the Company. The Nomination and Remuneration Committee is responsible for preparing, reviewing, and updating the policy and evaluating its effectiveness to ensure it remains fit and responsive to changes in the market and business needs. The policy is therefore designed to:

- Incentivize the Board of Directors, its subcommittees, and the executive management through the provision of Remuneration to promote the long-term success and growth, while aligning remuneration with the Company's strategy, objectives, and risk profile.
- Observe market and industry practices in determining remuneration, while prudently avoiding unjustified increases, and ensuring remuneration remains sufficient to attract, retain, and motivate qualified talent.
- Ensure remuneration arrangements and governance comply with applicable laws/regulations and the Company's internal policies and bylaws.
- Consider suspension and reimbursement of remuneration in cases where individuals have provided inaccurate information to prevent the exploitation of job positions for unwarranted gain.

The Board of Directors is responsible for approving the remuneration mechanism for Board and committee members and for ensuring accurate, transparent and detailed disclosure in the Board report regarding remunerations granted to Board members and executive management (directly or indirectly), including whether remuneration is cash or any other benefit; and if remuneration is in shares, the disclosed value is the market value at the due date.

The Board of Directors also clarifies the relationship between remunerations granted and this policy and discloses any material deviations (if any). In addition, the Board report includes the necessary remuneration details for each of the following categories separately: (i) Board members, (ii) committee members, and (iii) five senior executives who received the highest remuneration.

### Board Members Remuneration

- The Company's bylaws and this policy set out the mechanism for disbursing Board members' remuneration, which may include a fixed amount, meeting attendance allowances, in-kind benefits, or a percentage of net profits (or a combination thereof), subject to applicable legal and regulatory requirements.
- The Nomination and Remuneration Committee, when studying proposed remuneration for the Board and its committees, considers the Company's annual plans, achieved objectives, and the efforts made by Board and committee members during the year, and provides recommendations to the Board accordingly.

During the year, when recommending remuneration, the Nomination and Remuneration Committee reviewed the relationship between the remuneration granted and the remuneration policy approved by the Company's shareholders in the General Assembly on 16/04/2025, and did not identify any material deviations from the approved policy.

### Number of Meetings of Board Members and its Subcommittees

#	Member Name	Membership Type	Board Meetings		Audit Committee		Nomination & Remuneration Committee		Executive Committee		Total
			In-person	By circulation	In-person	By circulation	In-person	By circulation	In-person	By circulation	
1	Mr. Abdulaziz Saleh Alrebbdi	Non-Executive	6	2	-	-	-	-	11	0	19
	His Excellency Eng. Abdulrahman Abdulmohsen Alfadley*	Non-Executive	1	0	-	-	-	-	-	-	1
3	Mr. Ahmed Saud Shahini**	Non-Board Member	4	1	-	-	4	0	11	0	20
4	Mr. Amr Abdulaziz Aljallal	Independent	6	2	-	-	4	0	11	0	23
5	Mr. Khalid Salem Alrowais	Independent	6	2	5	0	-	-	-	-	13
6	Dr. Nasser Zaid Almeshary	Independent	6	2	-	-	-	-	11	0	19
7	Mr. Issa Saleh Althurimnees	Independent	6	2	5	0	-	-	-	-	13
8	Mr. Alaa Abdullah Alhashem	Non-Executive	5	2	-	-	4	0	-	-	11
9	Mr. Khalid Muhammad Alsolai	Non-Board Member	-	-	5	0	-	-	-	-	5
10	Eng. Saeed Abdullah Almoether	Non-Board Member	-	-	5	0	-	-	-	-	5
11	Dr. Solaiman Abdulaziz AlTwajiri	Executive	-	-	-	-	-	-	11	0	11

\* His board membership commenced on 17 November 2025

\*\* His board membership ended on 16 November 2025



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## Remuneration of the Board of Directors

Member Name	Membership fee	Attendance Allowance	Allowance for Attending Committee Sessions	Total (Fixed)	Percentage from Profits	Periodic Remuneration	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares	Total	End of Service Award	Total Summation	Expense Allowance
<b>Independent Members</b>													
Mr. Amr Abdulaziz Aljallal	800,000	30,000	60,000	890,000	0	0	0	0	0	0	0	890,000	3,500
Mr. Khalid Salem Alrowais	600,000	30,000	20,000	650,000	0	0	0	0	0	0	0	650,000	3,500
Dr. Nasser Zaid Almeshary	550,000	30,000	44,000	624,000	0	0	0	0	0	0	0	624,000	3,500
Mr. Issa Saleh Alhurimmes	550,000	30,000	20,000	600,000	0	0	0	0	0	0	0	600,000	3,500
<b>Non-Executive Members</b>													
Mr. Abdulaziz Saleh Alrebdi	750,000	30,000	44,000	824,000	0	0	0	0	0	0	0	824,000	3,500
Mr. Ahmed Saud Shahini*	706,849	20,000	60,000	786,849	0	0	0	0	0	0	0	786,849	3,500
Mr. Alaa Abdullah Alhashem	550,000	30,000	16,000	596,000	0	0	0	0	0	0	0	596,000	3,500
H.E. Eng. Abdulrahman Abdul-mohsen Alfadley**	43,151	5,000	-	48,151	0	0	0	0	0	0	0	48,151	-
<b>Total</b>	<b>4,550,000</b>	<b>205,000</b>	<b>264,000</b>	<b>5,019,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,019,000</b>	<b>24,500</b>

\* His board membership ended on 16 November 2025

\*\* His board membership commenced on 17 November 2025



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## Statement of Total Remuneration Received by Each Member of the Board and Committees Membership

Statement	Executive Members	Non-Executive Members	Independent Members	Committee Members	Total
Attendance Allowance	0	115,000	90,000	0	205,000
Travel Allowance	0	14,000	10,500	0	24,500
Board Remuneration	0	1,550,000	1,050,000	0	2,600,000
Committee Remuneration	200,000	1,300,000	650,000	400,000	2,550,000
Allowance for Attendance of Committee Meeting	44,000	180,000	84,000	40,000	348,000
<b>Total</b>	<b>244,000</b>	<b>3,159,000</b>	<b>1,884,500</b>	<b>440,000</b>	<b>5,727,500</b>

## Executive Management Remuneration

- In determining remuneration for the executive management, due consideration must be given to the internal policies of the Company to ensure alignment with the intended objectives.
- The allocation of specific remuneration to individual members of the executive management may vary depending on the results achieved during the performance period.
- The maximum limit for executive management remuneration is reviewed annually, and any proposed revisions are submitted to the Board of Directors for review and subsequently to the General Assembly for approval.
- These policies are tightly woven into the fabric of the Company's strategy and objectives, with due regard to the existing executive management evaluation policy. It is imperative to emphasize that should any discrepancies arise in the stated Remuneration of the executive management as a result of inaccurate information or erroneous results, regardless of the underlying reasons, such matters will be escalated to the Board for prudent decision making, while ensuring compliance with relevant regulations to safeguard the rights of the Company's shareholders.

The entitlements and remuneration of top five members of the Company's executive management, including in particular the CEO and CFO, who received the highest remuneration for the fiscal year 2025, are set out below:

Interest	Description	Total
	Salaries	7,107,333
Fixed Benefits	Allowances	3,062,055
	In-cash benefits	452,926
	<b>Total</b>	<b>10,622,314</b>
Variable benefits	Periodic Remuneration	-
	Profits	-
	Short-term incentive plans	6,200,095
	Long-term incentive plans	-
	Offered Shares	-
	<b>Total</b>	<b>6,200,095</b>
Total Remuneration	End of Service Award (Provision for 2025)	398,559
	<b>Total Executive Remuneration if any</b>	<b>-</b>
	<b>Total</b>	<b>398,559</b>
<b>Grand Total</b>	<b>Grand Total</b>	<b>17,220,968</b>

**Clarification:** The Company has committed itself to disclose the details of executive management remuneration in total, in line with the statutory requirements contained in subparagraph (b) of paragraph (4) of Article (90) stipulated in the Corporate Governance Regulations, to protect the interest of the Company, its shareholders, and its employees to avoid any harm to the Company that may result in a competitive result of human capital.



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## Members of Board of Directors Committees

#	Member Name	Fixed Remunerations			Total
		Fixed Remuneration	Total Attendance Allowance	Total Expense Allowance	
<b>Audit Committee</b>					
1	Mr. Khalid Salem Alrowais	250,000	20,000	0	270,000
2	Mr. Issa Saleh Alhurimnees	200,000	20,000	0	220,000
3	Mr. Khalid Muhammad Alsolai	200,000	20,000	0	220,000
4	Eng. Saeed Abdullah Almoeather	200,000	20,000	0	220,000
<b>Nominations &amp; Remuneration Committee</b>					
1	Mr. Amr Abdulaziz Aljallal	250,000	16,000	0	266,000
2	Mr. Ahmed Saud Shahini*	200,000	16,000	0	216,000
3	Mr. Alaa Abdullah Alhashem	200,000	16,000	0	216,000
<b>Executive Committee</b>					
1	Mr. Abdulaziz Saleh Alrebdi	250,000	44,000	0	294,000
2	Mr. Ahmed Saud Shahini*	200,000	44,000	0	244,000
3	Mr. Amr Abdulaziz Aljallal	200,000	44,000	0	244,000
4	Dr. Nasser Zaid Almeshary	200,000	44,000	0	244,000
5	Dr. Solaiman Abdulaziz Altwaijri	200,000	44,000	0	244,000

\*His board membership ended on 16 November 2025

## Relationship between the Remuneration granted and the applicable Remuneration policy

When recommending remuneration, the Nominations & Remuneration Committee reviews the relationship between the remuneration granted and the Remuneration Policy adopted by the General Assembly of the Company's shareholders on April 16, 2025. The Committee has not identified any significant deviations from the Remuneration Policy, except for as disclosed in this section.

## Ownership of Members of the Board of Directors and Executive Management

Name of the person with the interest	Start of year		End of year		Net change	Percentage change
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
Dr. Nasser Zaid Almeshary	24	-	24	-	-	-
Mr. Khalid Salem Alrowais	10	-	10	-	-	-
Mr. Issa Saleh Alhurimnees	1000	-	1000	-	-	-
Mr. Alaa Abdullah Alhashem	-	-	10000	-	-	-

## Executive Management Interest, Spouses And Minor Children In The Company's Shares, And Any Changes In Ownership During 2025G

Name of the person with the interest	Start of year		End of year		Net change	Percentage change
	Number of Shares	Debt instruments	Number of Shares	Debt instruments		
None	-	-	-	-	-	-



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## Transactions with Related Parties and Competing Businesses

**NADEC** is committed to maintaining the highest standards of corporate governance, transparency, and integrity in managing actual and potential conflicts of interest involving members of the Board of Directors and executive management. The Company applies the requirements of the Capital Market Authority's Corporate Governance Regulations, applicable laws, and its internally approved policies and procedures to ensure that all related party relationships, interest transactions, and competing business matters are properly identified, reviewed, and disclosed. These disclosures aim to safeguard shareholders' interests, ensure fairness, and promote confidence in the Company's governance framework.

### First: Other Interest Transactions

**NADEC** may enter into certain transactions where a member of the Board of Directors or executive management has an interest that does not constitute a related party relationship under applicable regulations. These transactions arise from professional roles, board memberships, or senior executive positions held by relevant individuals in other entities, without ownership, control, or affiliate relationships. Such transactions are assessed individually to identify potential conflicts of interest, reviewed in accordance with the Company's governance controls, and disclosed to ensure transparency.

The table below summarizes the transactions involving Board Members or Senior Executive having vested interest:



Related Party	Related Party's Relationship Type with the Company	Contract / Purchase Order Party	Nature of transaction/ Contract	Transaction/ Contract Amount	Duration of the deal/ contract	Terms of deal/ contract
Mr. Ahmed Saud Shahini Ex-Board Member	Chief Executive Officer of Local Investments and Acting Chief Executive Officer of Strategy - Saudi Agricultural and Livestock Investment Company (SALIC)	Saudi Agricultural and Livestock Investment Company (SALIC)	Secondment fee + Reimbursement of consolidation fees to external auditor (KPMG)	573,034 86,250	Annual	In accordance with generally accepted contract terms
H.E. Eng. Abdulrahman Abdulmohsen Alfadley* Board Member	Chairman of the Board - Saudi Agricultural and Livestock Investment Company (SALIC)	Minerva Foods	Purchase of Meat	45,696,138	Annual	In accordance with generally accepted contract terms
Mr. Abdulaziz Saleh Alrebdi** Chairman of the Board	Previous Vice Chairman of the Board - Minerva Foods Company	Arabian Mills for Food Products Company	Purchase of Raw Material	41,559,095	Annual	In accordance with generally accepted contract terms
H.E. Eng. Abdulrahman Abdulmohsen Alfadley* Board Member	Chairman of the Board - Saudi Agricultural and Livestock Investment Company (SALIC) which has controlling interest in Minerva Foods	Topian Limited Company	Purchase of products	15,000,000	2 years	In accordance with generally accepted contract terms
Mr. Alaa Abdullah Alhashem Board Member	Vice Chairman of the Board - Arabian Mills for Food Products					
H.E. Eng. Abdulrahman Abdulmohsen Alfadley* Board Member	Previous Chairman of the Board - Topian Limited Company					

\* The related party interest commenced following the appointment of the relevant Board member to the Board of Directors of **NADEC** on 17 November 2025

\*\* The related party interest ceased following the resignation of the relevant Board member from the Board of Directors of Minerva Foods on 2 July 2025.



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## Second: Transactions with Related Parties

Transactions with related parties include contracts, arrangements, and dealings entered into with members of the Board of Directors, executive management, their affiliates, joint ventures, or other parties meeting the definition of a related party under applicable regulations. All related party transactions are conducted on arm's length terms and in the ordinary course of business. Such transactions are subject to review in accordance with the Company's approved governance framework and are disclosed transparently to ensure compliance with regulatory requirements and the avoidance of conflicts of interest.

The table below summarizes the Company's related party transactions for the year.

Company	Nature of relationship with the Company	Nature of transaction/ contract	Transaction/ Contract Amount	Duration of the deal/ contract	Terms of deal/ contract
AlRai National Livestock Company	Joint Venture	Expenses paid on behalf	825,173	Annual	In accordance with generally accepted contract terms
NADEC Hilton Company	Joint Venture	Expenses paid on behalf	49,125	Annual	In accordance with generally accepted contract terms

## Third: The Competing Business

Competing business situations arise when a member of the Board of Directors engages in activities that fall within the scope of competing with the Company's business, as defined under the Corporate Governance Regulations issued by the Capital Market Authority. Such cases are identified and assessed to determine their applicability, reviewed through the appropriate governance channels, and disclosed in accordance with the relevant regulatory requirements. Where applicable, competing business matters are reviewed by the Nomination and Remuneration Committee, considered by the Board of Directors, and submitted to the General Assembly for approval, ensuring transparency and regulatory compliance.

In this context, His Excellency Eng. Abdulrahman Abdulmohsen Alfadley joined the **NADEC** Board of Directors as a Non-Executive Board Member on 17 November 2025.

His Excellency holds board-level positions in companies operating in sectors that overlap with, or compete with, **NADEC's** activities: he serves as Chairman of the Board of Saudi Agricultural and Livestock Investment Company (SALIC), and National Aquaculture Group (NAQUA), and as a Board Member of Almarai Company.

SALIC owns or controls entities active in sectors potentially competing with **NADEC**, including Minerva Foods (meat), National Grain Company (grain import and feed supply supporting livestock and dairy production), and SABIL - National Grain Supply Co. (grain sourcing and logistics within the agri-supply chain), as well as aquaculture/seafood activities. Almarai operates in dairy, juice, and food manufacturing sectors competing directly with **NADEC**, and NAQUA operates in aquaculture and seafood, indirectly overlapping with **NADEC's** food sector.

This competing business situation falls within the scope of the applicable Corporate Governance Regulations and has been reviewed in accordance with the Company's governance framework. The matter has been presented through the relevant governance channels and is subject to approval by the General Assembly within the relevant agenda items.



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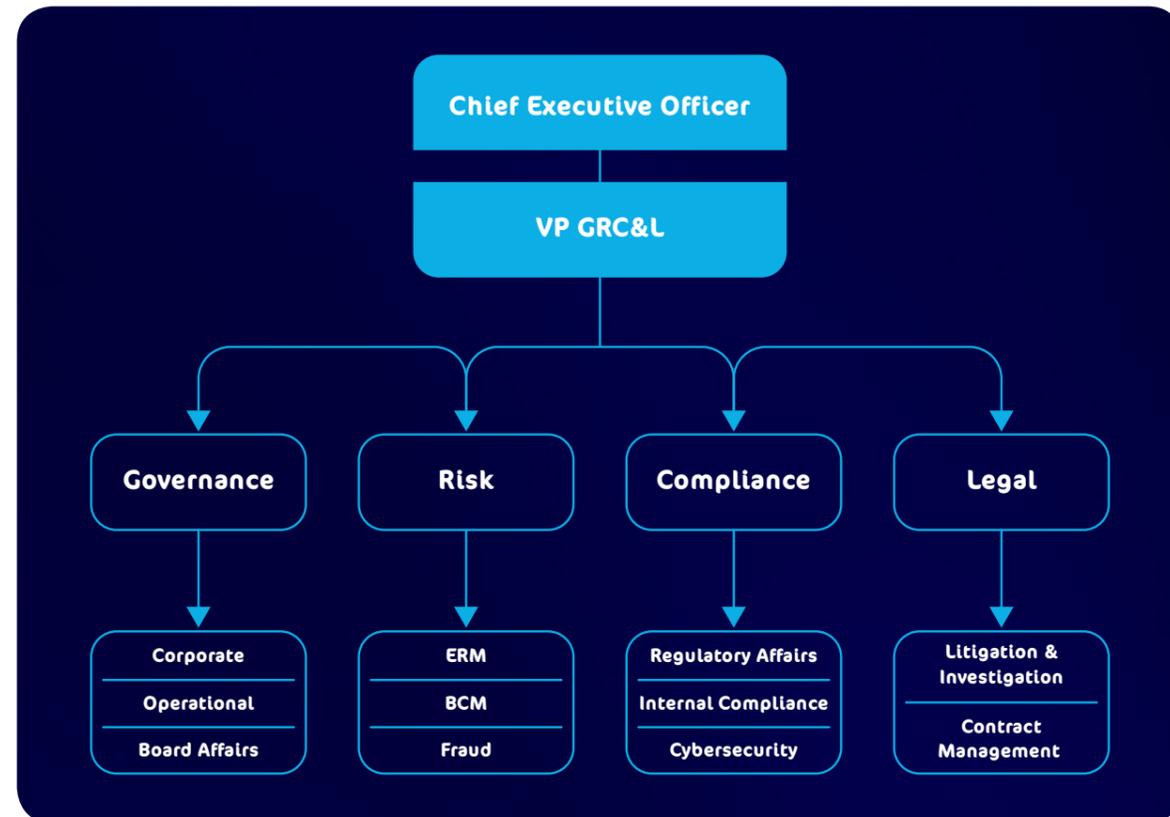
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## Governance, Risks, and Compliance

### GRC Structure



**Corporate Governance** – Oversees corporate affairs, policies, and compliance tools.

**ERM** – Drives sector-level risk management and mitigation strategies.

**Regulatory Affairs** – Ensures compliance with external laws and regulations.

**Litigation** – Defends and represents **NADEC** in legal disputes and provides legal advisory.

**Operational Governance** – Manages operational and sector-level policies and procedures.

**BCM** – Builds resilience and ensures continuity in core and support functions.

**Internal Compliance** – Enforces adherence to internal policies, procedures, and charters.

**Investigation** – Conducts internal investigations into misconduct or breaches.

**Board Affairs** – Handles board/committee meetings, minutes, and governance records.

**Fraud** – Prevents, detects, and manages fraud risks. Whistleblowing mechanism

**Cybersecurity** – Safeguards **NADEC**'s digital assets and infrastructure.

**Contract Management** – Protects **NADEC**'s interests in all contractual engagements.

### GRC Overview

Governance, Risk Management, and Compliance (GRC) at **NADEC** operate as a unified framework designed to safeguard organizational integrity, enable informed decision-making, and ensure resilience. This integrated approach aligns corporate governance principles, risk intelligence, and compliance obligations under a common strategy, supported by Legal advisory for comprehensive protection.

- Governance:**

Provides structure and oversight through corporate, operational, and board-level governance, ensuring policies and procedures are consistently applied across all functions.

- Risk Management:**

Embeds Enterprise Risk Management (ERM), Business Continuity Management (BCM), and Fraud prevention into operations, enabling proactive identification and mitigation of threats while supporting opportunity.

- Compliance:**

Maintains adherence to internal and external requirements through regulatory affairs, internal compliance enforcement, and cybersecurity safeguards.

- Legal Affairs:**

Offers strategic legal support, contract management, and dispute resolution, reinforcing the GRC framework with foresight and precision.

### Core Principles

- Balance and Flexibility:**

Governance ensures order without stifling agility.

- Risk Intelligence:**

Anticipating and managing risks while enabling growth.

- Culture of Integrity:**

Embedding compliance and ethical conduct at every level.

- Protection and Foresight:**

Legal safeguards for **NADEC**'s interests and reputation.

The GRC framework is not a collection of separate functions it is an interconnected system that strengthens **NADEC**'s ability to operate responsibly, adapt to change, and deliver sustainable value to stakeholders



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## Governance Department

In 2025, the Governance Department remained committed to the highest standards of governance to maximize long-term shareholder value and ensure operational excellence. This commitment is reflected in a robust governance framework, disciplined risk-mitigation practices, enhanced transparency, and a steadfast focus on social and environmental responsibility. By adhering to corporate regulatory directives and fostering enduring partnerships with stakeholders, **NADEC** strengthened its operational resilience and further enhanced its market position. Throughout 2025, the department elevated the governance framework, streamlined processes, and embedded a culture of accountability and transparency across the organization. Key 2025 actions included a comprehensive DOA review aligned with SAP and company policies, activation of the Management Committee, governance process automation, and company-wide awareness sessions.

### 1.

#### Policy Development and Updates

- Conducted a comprehensive review and update of governance and operational policies to ensure alignment with strategic goals and evolving regulatory requirements.
- Developed a Policy Outline Tracker to monitor policy development and updates, ensuring adherence to timelines and maintaining compliance.
- Published updated public versions of key policies on the Company website, enhancing stakeholder trust and transparency.

### 2.

#### Streamlined Decision-Making Processes

- Strengthened and simplified the Authority Matrices to ensure flexibility, efficiency, and accountability in decision-making.
- Designed and implemented Delegation of Authorities (DOAs) for subsidiaries, improving decision-making transparency and accountability.
- Updated and aligned DOA documents with the Company's current organizational structure and best practices.

### 3.

#### Employee and Vendor Compliance

- Developed and implemented an Employee Disclosure Form to ensure timely and accurate conflict-of-interest disclosures, boosting transparency.
- Introduced a Code of Conduct (COC) for employees and vendors, achieving majority submission compliance through an automated declaration process.
- Conducted awareness sessions to educate employees on governance policies and procedures, fostering a culture of compliance.

### 4.

#### Innovative Tools and Automation

- Launched an AI-based Policy Chatbot to provide employees with 24/7 access to governance policies, reducing response times by 50%.
- Automated regulatory declarations and forms, including Code of Conduct, Employee Disclosures, and Gift Declarations, enhancing efficiency and accuracy.
- Established a GRCTicketing System to address Governance, Risk, and Compliance-related queries efficiently, significantly reducing turnaround times.
- Automate mechanism of issuing the receiving gifts from/to third part.

### 5.

#### Enhanced Governance Infrastructure

- Developed Subsidiary Governance Framework.
- Developed a BOD and Committee Action Tracker to streamline follow-ups and enhance the efficiency of board and committee decision-making processes.



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## Risk Management

In 2025, **NADEC's** Risk Management Department focused on strengthening the Company's risk framework through strategic initiatives that enhance resilience, promote a robust risk culture, and align with enterprise risk management best practices. The department prioritized the identification, assessment, mitigation, and monitoring of risks across all sectors and functions, ensuring **NADEC** remains well-prepared to navigate a complex and dynamic business environment.

## key Achievements in Risk Management in 2025

### 1- Risk Policy & Methodology Update

We have updated the Risk Policy and Methodology to strengthen the risk management framework and ensure consistency across all departments. The update introduces a new reporting mechanism with a defined schedule and enhances the assessment methodology by adjusting inherent risk scoring levels, refining control effectiveness evaluation for greater objectivity (both qualitative and quantitative methods), and improving residual risk calculation to ensure clearer linkage between inherent risk and control effectiveness.

### 2- Enhanced Risk Registers

Starting at the beginning of this year, we worked with our Risk Champions to conduct a detailed review and revamping of major risk registers, resulting in a more accurate and holistic view of operations, risks, controls, and adjustments to mitigation plans. In addition, the updated methodology was reflected across all registers and risk reports, providing a clearer assessment of the Risk Department regarding the effectiveness of existing controls and the current status of each department.

### 3- Periodic Reporting Framework

We have followed the predefined schedules in the policy to issue quarterly risk reports, continuing the progress made in 2024. These reports provide stakeholders with clear and timely insights into the Company's risk profile and mitigation efforts.

### 4- Business Continuity Management (BCM)

Building on our previous efforts in Business Continuity, we have initiated the process of acquiring ISO 22301 certification, which is expected to be achieved by the first half of 2026. In parallel, a control gap assessment process has been launched to identify existing gaps in controls and develop a corrective action plan to strengthen overall business resilience and alignment with international standards.

### 5- Promoting a Strong Risk Culture

Organization-wide awareness initiatives on Risk Management and BCM were delivered, including targeted messages, toolkits, and briefings to reinforce roles and responsibilities.

### 6- Fraud Management Function

We have developed detailed fraud scenarios to identify potential red flags and establish both preventive and detective measures. Additionally, we launched an external reporting channel to ensure confidentiality and strengthen the process of receiving, assessing, and investigating reported cases.

### 7- Strategic Risk

In collaboration with the Strategy Sector, we initiated the development of a Level One Strategic Risk Register to capture and prioritize enterprise-level risks, opportunities, and emerging threats based on their impact and likelihood, ensuring full alignment with the Company's strategic objectives.

### 8- Cybersecurity Risk Management

Enhanced cybersecurity protocols and implemented advanced threat detection systems to protect sensitive data and critical infrastructure. The Cybersecurity department also places a high value on the privacy of its employees, ensuring compliance with the PDPL Law to safeguard personal information. Additionally, developed incident response plans to ensure a rapid and effective response to any cybersecurity breaches.



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## Compliance Department

**NADEC** is committed to applying the highest standards of compliance to ensure that its operations align with applicable legal and regulatory requirements while fostering a strong corporate culture of integrity. The Compliance Department develops and maintains a comprehensive framework that promotes sustainable compliance, mitigates legal and operational risks, and enhances transparency and accountability across all corporate activities.

During 2025, the department focused on further strengthening the compliance environment by consolidating the Compliance Management System (CMS), supporting business units in implementing effective compliance measures, and enhancing compliance monitoring and evaluation of existing controls. Proactive steps were taken to identify and manage non-compliance risks and to enhance regulatory controls in line with leading practices.

### Enhancing Compliance Maturity

As part of **NADEC's** commitment to compliance excellence, the Company maintained its ISO 37301 certification through ongoing implementation and surveillance activities. This international standard provides an integrated framework that enables **NADEC** to:

- identify and document regulatory obligations,
- manage and reduce non-compliance risks,
- analyze the effectiveness of existing controls, and develop improvement plans to ensure sustainable compliance and elevate compliance maturity.

In 2025, the Compliance Department continued to design and deliver compliance training programs and awareness workshops, conducting multiple sessions to reinforce employees' understanding of internal policies and external regulatory requirements and to support a robust culture of compliance and ethics.

### Technology-Driven Compliance

Operational efficiency and response times continued to improve through the use of the «Etimad» platform, launched in November 2023. In 2025, the platform became the primary channel for submitting and tracking compliance-related requests, enabling the Compliance Department to handle hundreds of requests from various departments through a single, standardized workflow. This has significantly enhanced the consistency of compliance procedures and provided a centralized mechanism for submission, follow-up, and performance tracking.



ISO 37301:2021  
Compliance Management Systems



### On-Site Audits and Operational Sustainability

The Compliance Department continued to perform on-site verification of compliance, conducting field visits to distribution centers, depots, and major projects such as the Haradh and Al-Jouf projects. These visits help ensure the implementation of corrective action plans, support operational sustainability, and provide clear insight into the level of adherence to legal and regulatory requirements across **NADEC's** operations.

### Enhanced Transparency and Monitoring

In 2025, the department further developed and integrated compliance dashboards to improve transparency and provide management with timely insights that support data-driven decision-making. These tools include the Compliance Monitoring Dashboard, the Project Compliance Tracking Dashboard, and the Self-Assessment Results Dashboard, which are increasingly used in executive and committee reporting. The Compliance Department will continue to refine and expand these dashboards to achieve broader integration and higher levels of corporate transparency and accountability in 2026.

### Commitment to Cybersecurity and Data Protection

In light of rapidly evolving digital threats, **NADEC** recognizes the strategic importance of a robust cybersecurity framework to protect its digital assets and maintain stakeholder trust. During 2025, comprehensive cybersecurity policies and procedures were developed to address regulatory requirements as well as risks specific to **NADEC's** operational, technical, and cloud environments. The Company continues to work closely with the National Cybersecurity Authority (NCA) to implement a proactive cybersecurity approach across technical, manufacturing, and digital communication platforms, thereby strengthening preparedness for potential future crises.

**NADEC** has also prioritized cybersecurity awareness programs and training initiatives to foster a culture of security and enhance employees' ability to identify and respond to potential threats. Furthermore, **NADEC** is committed to safeguarding personal data, as evidenced by its inclusion in the National Register for the Protection of Personal Data, underscoring the Company's dedication to protecting stakeholders' information and promoting transparency in all interactions.



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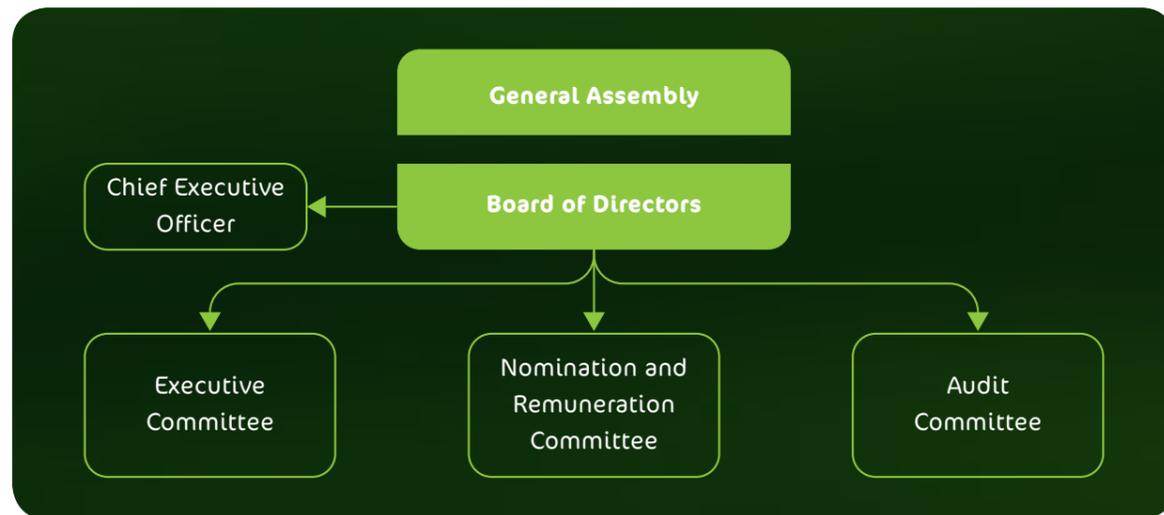
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## Governance Structure

The Board of Directors holds ultimate responsibility for establishing and maintaining **NADEC's** governance framework, ensuring that the Company operates with integrity, transparency and accountability. To support the Board in carrying out its oversight duties, **NADEC** has implemented a robust governance structure that clearly defines roles, authorities, decision-making processes and control mechanisms across the organization.

In discharging its responsibilities, the Board is supported by three specialized committees: the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee. Each committee operates under an approved charter and provides focused oversight within its respective mandate, enabling the Board to maintain effective governance and ensure comprehensive supervision of critical areas.

To promote continuous improvement and alignment with regulatory requirements and best practices, **NADEC** conducts regular evaluations of the Board and its committees. These assessments help enhance performance, strengthen decision-making processes, and reinforce the Company's commitment to high standards of corporate governance.



## Corporate Governance Policies

the Company's governance policies are binding for all executives, employees, and stakeholders, with any modifications subject to the approval of the Board of Directors. These policies encompass shareholder rights and describe mechanisms to facilitate their exercise in accordance with regulatory standards and global best practices. Measures are taken to improve shareholder communication through effective shareholder management and the provision of tools aimed at enhancing the effectiveness of communication.

In pursuit of effective corporate governance, the executive management, represented by the Governance, Risk, and Compliance Department, diligently update and develop the governance regulations and policies. These updates are in line with regulations issued by the Ministry of Commerce and the Capital Market Authority, as well as prevailing best practices.

## Commitment to Implementing Governance Policies and Rules

With an unwavering commitment to upholding the rights of its shareholders and stakeholders, the Board of Directors prioritizes the implementation of the provisions outlined in the Corporate Governance Regulations issued by the Capital Market Authority. The Company strictly complies with all mandatory provisions, with the following exceptions:

Article / Paragraph	Article / Paragraph Provision	Reasons for Non-Implementation
Article (37) – Training	Establishing necessary mechanisms for members of the Board of Directors and executive management to continuously participate in programs and courses aimed at developing their skills and knowledge in areas relevant to the Company's activities.	Guiding Article
Article (67) Formation of the Risk Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the Risk Management Committee Chairman and majority of its members shall be Non-Executive Directors. The members of that committee shall possess an adequate level of knowledge in risk management and finance	Guiding Article The board has assigned these responsibilities to audit committee on a temporary basis, pending the establishment of dedicated committees either in response to future regulatory requirements or at the Board's discretion in accordance with applicable laws.
Article (90), Paragraph (B) of Clause Four, Disclosure of Remuneration	Providing the necessary details regarding the remuneration and compensation paid to each individual separately: B) Five senior executives who received the highest remuneration from the Company, including the CEO and CFO.	Partially implemented
Article (92) Formation of a Corporate Governance Committee	If the Board forms a corporate governance committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Guiding Article The board has assigned these responsibilities to nomination and nomination committee on a temporary basis, pending the establishment of dedicated committees either in response to future regulatory requirements or at the Board's discretion in accordance with applicable laws.

Some paragraphs of the regulations remain advisory and may be implemented in the future or upon mandate by the Capital Market Authority, the Ministry of Commerce, or other regulatory and supervisory bodies.



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## Transparency and Disclosure

**NADEC** is committed to providing accurate and timely information to all relevant stakeholders on a regular basis by accurately and promptly disclosing all material matters. This includes the Company's financial position, performance, and governance practices, as well as compliance with rules regarding the disclosure of information, methods of classifying information, and timing of disclosure. These endeavors are consistent with the provisions outlined in the Companies Law, the Sixth Regulation of Listed Companies Governance issued by the Capital Market Authority, and other relevant regulations and laws, as well as sound corporate governance principles and practices.

### Information Disclosed by the Company

- 1- When the Company is confidentially provided with such information, disclosure thereof may result in filing a lawsuit for breach of confidentiality.
- 2- The conditions in which disclosure leads or may lead to harm the commercial interests of the Company, its commercial partners or other third parties, and in the conditions in which public interest of disclosure has priority over the public interest of non-disclosure.
- 3- The disclosure of such information results in breach of the principles of personal information protection.
- 4- Personal information about company employees and members of the Board and its committees.
- 5- When such information has legal immunity.
- 6- If disclosure will lead or probably lead to harm a crime investigation procedure or prevent occurrence or detection thereof or realizing justice.



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Membership of Board Committees



Main Activities



Auditors' Report

## Details of shares and debt instruments issued by each affiliate company

Details related to issued shares have been reflected in the previous table on page (201). No affiliated entity issued any debt instruments during the year 2025.

### Declarations of the BOD

- All accounting records are prepared appropriately.
- The Internal Audit system is designed accurately and it is effective.
- There is no doubt on the Company's ability to continue its activity in the foreseeable future.

## Opinion of the Committee on the adequacy of internal control systems

The Committee acknowledges that absolute assurance regarding the adequacy and effectiveness of any internal control system is inherently unattainable. However, based on the periodic reports submitted by the Company's Management, the Committee's supervisory role in monitoring the activities and reports of the Internal Audit Department, and the evaluation conducted by the External Auditor, the Committee has not identified any material weaknesses in the internal control systems that require disclosure. The Committee remains committed to working with Executive Management to continuously improve the internal control framework and address areas that may require enhancement.

### Penalties and Fines

No penalties or fines were imposed on the Company by the Capital Market Authority or other regulatory and supervisory bodies during the year 2025.

## Audit Committee's Recommendations that Conflict with Decisions of the Board of Directors

There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors or that have been rejected by the Board with respect to the appointment or removal of the Company's auditors, determination of their fees, the evaluation of their performance, or the appointment of the internal auditor.

### Future plans

**NADEC** is committed to implementing its strategic plan, which seeks to fortify its position as a leading company in the local and regional food and consumer goods markets. This endeavor will enable the Company to expand its current business and broaden the scope of its products by engaging in new activities. The Company is striving to become an integrated food company with a sales target of SAR6 billion by 2027. To realize this objective, a financial restructuring plan will be formulated to enhance the Company's financial resilience to facilitate the implementation of its strategic and operational plans and support its future endeavors.

## Cases of Bankruptcy and Insolvency of the Board of Directors and Executive Management

As of the date of this publication, there have been no cases of bankruptcy of members of the Board of Directors, the executive management, or the Board Secretary. Additionally, there have been no cases of insolvency in the past five years in which any of the members of the Board of Directors, the executive management, or the Board Secretary was appointed by the insolvent company to a management or supervisory position.



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## Internal Audit

The Internal Audit sector at **NADEC** was established to provide independent and objective assurance and advisory services intended to add value, enhance operational effectiveness, and support the achievement of the Company's strategic objectives through a systematic and disciplined evaluation of governance, risk management, and internal control frameworks.

The sector reports functionally to the Audit Committee and administratively to the CEO, while ensuring appropriate organizational authority, unrestricted access to information, and adequate resourcing. This dual reporting structure reinforces objectivity, transparency, and the integrity of audit activities.

Internal Audit performs its responsibilities in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), including the IIA Global Internal Audit Standards and the Code of Ethics, in addition to recognized leading practices in governance, risk management, and internal control. Adherence to these professional standards ensures methodological rigor, consistency of approach, and reliability of assurance outcomes.

The sector's activities are governed by an annual risk-based audit plan approved by the Audit Committee, which prioritizes areas of highest risk exposure and strategic significance. Audit work encompasses assurance engagements, advisory reviews, thematic assessments, and structured follow-up procedures to evaluate the adequacy and effectiveness of management action plans. Results are communicated through formal reporting channels to executive management and the Audit Committee to support informed oversight, accountability, and decision-making.

During the year, Internal Audit executed its approved audit plan and delivered a range of assurance and advisory engagements across key corporate, financial, operational, and compliance domains. These activities contributed to strengthening governance practices, identifying control enhancement opportunities, improving process efficiencies, reinforcing regulatory compliance, and elevating enterprise-wide risk awareness. Follow-up reviews were undertaken to monitor the status and effectiveness of corrective actions, promoting sustained improvement and organizational accountability.

Through its independent evaluations and constructive recommendations, Internal Audit plays a critical role in safeguarding organizational assets, enhancing the effectiveness of internal controls, promoting ethical conduct, and fostering a culture of transparency and continuous improvement across the organization.





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Financial Discipline

THE NATIONAL AGRICULTURAL DEV. CO.  
HEAD OFFICE



الشركة الوطنية للتنمية الزراعية  
البحرّة العامة



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## Independent Auditor's Report



### KPMG Professional Services Company

Roshn Front, Airport Road  
P.O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
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

To the Shareholders of The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Opinion

We have audited the consolidated financial statements of **The National Agricultural Development Company (NADEC)** ("the Company") and its subsidiaries ("the Group"), which comprise of the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory 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 International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued 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 International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 our opinion thereon, and we do not provide a separate opinion on these matters.



## Independent Auditor's Report

To the Shareholders of The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company) (continued)

### Key Audit Matter

#### Revenue recognition

Revenue recognition – refer to note (4. Q) to the consolidated financial statements for the accounting policy relating to revenue recognition and note (7) to the consolidated financial statements for the related disclosures.

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 December 2025, the Group has recognized total revenues of <b>ﷲ</b> 3.527 billion (2024: <b>ﷲ</b> 3.220 billion).</p> <p>The Group's sales arrangements are on a point-in-time basis with the right of return provided to customers in case of expiry of products sold.</p> <p>Revenue recognition is considered as a key audit matter since revenue is a key measure of the Group's performance, and the Group may overstate its revenues by underestimating the expected sales returns given contractual right available to the Group's customers.</p>	<p>Amongst the other, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the process followed by management for recognition of revenue, and assessed the design and implementation and tested the operating effectiveness of management's key internal controls over the revenue recognition process;</li> <li>We evaluated the Group's revenue recognition accounting policy, including method of estimating the sales return;</li> <li>We evaluated key contractual arrangements with customers, including customer's right to return products sold by considering relevant documentation and agreements with the customers;</li> <li>We tested a sample of sales transactions during the year and inspected the underlying goods delivery and acceptance documents to assess compliance with Group's revenue recognition policy;</li> <li>We tested a sample of actual sales return during the year and sales return provisions at the year end and assessed compliance with the Group's policy for sales returns and terms agreed with the Group's customers;</li> <li>We inspected the sales returns subsequent to the year end and assessed if the sales returns were in line with the estimates and as per the terms of the contracts with the Group's customers; and</li> <li>We evaluated the adequacy and appropriateness of disclosures relating to revenue and the relevant accounting policies.</li> </ul>



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## Independent Auditor's Report

To the Shareholders of The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company) (continued)

### 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 2<sup>nd</sup> Ramadan 1446H (corresponding to 2<sup>nd</sup> March 2025).

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made 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.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements 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, the Audit Committee, are responsible for overseeing the Group's financial reporting process.



## Independent Auditor's Report

To the Shareholders of The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company) (continued)

### 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 used 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, then 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



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## Independent Auditor's Report

To the Shareholders of The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company) (continued)

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

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 of **The National Agricultural Development Company (NADEC)** ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 auditor's 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.

### KPMG Professional Services Company

**Naif Abdulrahman Edrees**  
License No: 457



Al Riyadh, 16 Sha'ban 1447 AH  
Corresponding to: 4 February 2026





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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Consolidated Financial Statements for the Year Ended 31 December 2025

	Note	31 December 2025 س.ع	31 December 2024 س.ع
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	1,976,764,487	1,774,053,525
Right-of-use assets	16	281,304,185	45,911,025
Biological assets	17	678,660,652	695,858,509
Long term prepayments	23.2	102,087,292	11,151,641
Intangible assets	18	22,990,847	26,657,322
Investment in joint venture	19.1	124,628,841	2,550,000
Equity investments at FVOCI	19.2	212,423,335	273,026,552
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,398,859,639</b>	<b>2,829,208,574</b>
<b>CURRENT ASSETS</b>			
Biological assets	20	103,242,588	85,273,609
Inventories	21	638,182,320	662,169,811
Trade receivables and other receivables	22	318,147,130	378,551,058
Prepayments and other current assets	23.1	145,005,796	89,822,456
Term deposits	24	650,000,000	300,000,000
Cash and cash equivalents	25	1,080,353,087	1,365,364,080
<b>TOTAL CURRENT ASSETS</b>		<b>2,934,930,921</b>	<b>2,881,181,014</b>
<b>TOTAL ASSETS</b>		<b>6,333,790,560</b>	<b>5,710,389,588</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	26	3,016,400,000	3,016,400,000
Share premium		78,719	78,719
Treasury shares	27	(21,413,267)	-
Statutory reserve	28	-	193,787,812
Other reserves	29	(90,462,463)	(29,760,699)
Retained earnings		1,703,560,535	1,116,424,086

## National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

	Note	31 December 2025 س.ع	31 December 2024 س.ع
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4,608,163,524</b>	<b>4,296,929,918</b>
<b>NON-CURRENT LIABILITIES</b>			
Murabaha loans and borrowings	30	46,938,707	1,667,414
Lease liabilities	16	221,690,743	25,636,302
Deferred income		2,934,109	3,475,813
Financial guarantee liability - non-current	35	77,332,296	-
Employee' defined benefits obligation	31	122,314,269	131,422,371
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>471,210,124</b>	<b>162,201,900</b>
<b>CURRENT LIABILITIES</b>			
Trade payables, accrued expenses and other payables	32	771,662,065	829,645,657
Murabaha loans and borrowings - short term	30	193,508,956	205,285,107
Murabaha loans and borrowings - current portion	30	42,034,186	833,707
Lease liabilities - current portion	16	67,156,611	13,411,899
Financial guarantee liability	35	4,803,248	-
Undistributed rights issue compensation	33	82,132,712	82,980,982
Dividend payables	34	31,752,299	31,946,723
Provision for Zakat	36	61,366,835	87,153,695
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,254,416,912</b>	<b>1,251,257,770</b>
<b>TOTAL LIABILITIES</b>		<b>1,725,627,036</b>	<b>1,413,459,670</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>6,333,790,560</b>	<b>5,710,389,588</b>

The accompanying notes 1 to 44 are an integral part of these Consolidated Financial Statements

These Consolidated Financial Statements appearing on pages (6) to (43) were approved by the Board of Directors and were signed on its behalf by

**Hassan Aqrouq**  
Chief Financial Officer

**Solaiman Abdulaziz Altwaijri**  
Chief Executive Officer

**Abdulaziz Saleh Alrebdī**  
Chairman



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Consolidated Statement of Profit or Loss for the Year Ended 31 December 2025

	Note	31 December 2025 SAR	31 December 2024 SAR
Revenue	7	3,526,978,695	3,220,400,393
Cost of revenue	8	(2,345,503,498)	(2,028,078,279)
<b>GROSS PROFIT</b>		<b>1,181,475,197</b>	<b>1,192,322,114</b>
Selling and marketing expenses	9	(576,421,560)	(531,774,710)
General and administrative expenses	10	(232,942,445)	(234,790,471)
(Impairment losses) / reversal of impairment losses on trade receivables and other receivables, net	22	(8,468,456)	2,866,041
Other income	11	36,828,659	25,560,340
Other gains / (losses), net	12	(23,532,983)	(64,778,454)
<b>OPERATING PROFIT</b>		<b>376,938,412</b>	<b>389,404,860</b>
Financing income	13.1	101,077,129	91,415,685
Financing cost	13.2	(36,131,004)	(34,241,422)
Gain from the reclassification of a joint venture to an investment at FVOCI	19.1	-	356,513,453
Share of results of joint venture	19.1	(4,758,652)	24,039,392
<b>PROFIT BEFORE ZAKAT AND TAX</b>		<b>437,125,885</b>	<b>827,131,968</b>
Zakat for current year	36.1	(47,200,000)	(52,500,000)
Zakat reversal related to previous years	36.1	3,700,000	-
Income Tax	36.2	(277,248)	-
<b>PROFIT FOR THE YEAR</b>		<b>393,348,637</b>	<b>774,631,968</b>
<b>EARNINGS PER SHARE, BASED ON THE PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY</b>			
Basic	14	1.31	2.57
Diluted	14	1.30	2.57

The accompanying notes 1 to 44 are an integral part of these Consolidated Financial Statements

These Consolidated Financial Statements appearing on pages (6) to (43) were approved by the Board of Directors and were signed on its behalf by

<b>Hassan Aqrouq</b> Chief Financial Officer	<b>Solaiman Abdulaziz Altwaijri</b> Chief Executive Officer	<b>Abdulaziz Saleh Alrebdī</b> Chairman
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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2025

	Note	31 December 2025 SAR	31 December 2024 SAR
<b>PROFIT FOR THE YEAR</b>		<b>393,348,637</b>	<b>774,631,968</b>
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>			
Actuarial gain on re-measurement of employees' defined benefit obligation	31	3,359,355	16,560,981
Movement in equity investment at fair value through other comprehensive income (FVOCI)	19.2	(60,603,217)	(87,429,338)
<b>TOTAL ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS</b>		<b>(57,243,862)</b>	<b>(70,868,357)</b>
<b>ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>			
Foreign operations – foreign currency translation differences		112,569	2,122,202
<b>TOTAL ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS</b>		<b>112,569</b>	<b>2,122,202</b>
<b>TOTAL OTHER COMPREHENSIVE LOSS</b>		<b>(57,131,293)</b>	<b>(68,746,155)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>336,217,344</b>	<b>705,885,813</b>

The accompanying notes 1 to 44 are an integral part of these Consolidated Financial Statements

These Consolidated Financial Statements appearing on pages (6) to (43) were approved by the Board of Directors and were signed on its behalf by

<b>Hassan Aqrouq</b> Chief Financial Officer	<b>Solaiman Abdulaziz Altwaijri</b> Chief Executive Officer	<b>Abdulaziz Saleh Alrebdī</b> Chairman
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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December 2025

	Share capital ﷲ	Share premium ﷲ	Treasury Shares ﷲ	Statutory reserve ﷲ	Other reserves ﷲ	Retained earnings ﷲ	Total shareholders' equity ﷲ
Balance as at 1 January 2025	3,016,400,000	78,719	-	193,787,812	(29,760,699)	1,116,424,086	4,296,929,918
Profit for the year	-	-	-	-	-	393,348,637	393,348,637
Other comprehensive loss for the year	-	-	-	-	(57,131,293)	-	(57,131,293)
Total comprehensive (loss)/income for the year	-	-	-	-	(57,131,293)	393,348,637	336,217,344
Transfer from statutory reserve (note 28)	-	-	-	(193,787,812)	-	193,787,812	-
Purchase of treasury Shares (note 27)	-	-	(21,413,267)	-	-	-	(21,413,267)
Reclassification of currency translation on closure of foreign operations	-	-	-	-	(3,570,471)	-	(3,570,471)
Balance as at 31 December 2025	3,016,400,000	78,719	(21,413,267)	-	(90,462,463)	1,703,560,535	4,608,163,524
Balance as at 1 January 2024	3,016,400,000	78,719	-	193,787,812	38,985,456	343,592,118	3,592,844,105
Profit for the year	-	-	-	-	-	774,631,968	774,631,968
Other comprehensive loss for the year	-	-	-	-	(68,746,155)	-	(68,746,155)
Total comprehensive (loss)/income for the year	-	-	-	-	(68,746,155)	774,631,968	705,885,813
Expenses relating to the issuance of new shares	-	-	-	-	-	(1,800,000)	(1,800,000)
Balance as at 31 December 2024	3,016,400,000	78,719	-	193,787,812	(29,760,699)	1,116,424,086	4,296,929,918

The accompanying notes 1 to 44 are an integral part of these Consolidated Financial Statements

These Consolidated Financial Statements appearing on pages (6) to (43) were approved by the Board of Directors and were signed on its behalf by

<b>Hassan Aqrouq</b>	<b>Solaiman Abdulaziz Altwaijri</b>	<b>Abdulaziz Saleh Alrebdī</b>
<b>Chief Financial Officer</b>	<b>Chief Executive Officer</b>	<b>Chairman</b>



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**The National Agricultural Development Company (NADEC)  
(A Saudi Joint Stock Company)**

**Consolidated Statement of Cash Flows for the Year Ended 31 December 2025**

	Note	31 December 2025 ﷲ	31 December 2024 ﷲ
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year		393,348,637	774,631,968
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	15	171,998,990	154,094,300
Depreciation of right-of-use assets	16	56,460,647	14,361,535
Depreciation of biological assets	17	63,946,544	67,298,643
Amortization of intangible assets	18	12,249,732	10,776,726
Amortization of deferred grants income		(541,703)	(541,474)
Provision for employee benefits obligation	31	14,546,577	24,927,575
Impairment losses / (reversal of impairment losses) on trade receivables and other receivables, net	22	8,468,456	(2,866,041)
Allowance for Inventories	21	30,075,097	37,341,265
Zakat provision	36.1	47,200,000	52,500,000
Zakat reversal	36.1	(3,700,000)	-
Income Tax		277,248	-
Finance income on term deposit		(5,512,500)	(16,171,667)
Interest on lease liabilities	13.2	14,500,341	1,755,963
Interest on loans	13.2	13,900,743	23,194,837
Financial Guarantee income	35	(2,881,949)	-
Share of results from joint venture	19.1	4,758,652	(24,039,392)
Dividend received from investments	11	(4,333,810)	(300,000)
Gain from the reclassification of joint venture to investment at FVOCI	19	-	(356,513,453)
Reclassification of currency translation on closure of foreign operations		(3,570,471)	-
Loss on sale of biological assets	12	42,465,435	53,022,256
(Gain) / loss on sale of property, plant and equipment	12	(14,564,248)	6,577,794

**The National Agricultural Development Company (NADEC)  
(A Saudi Joint Stock Company)**

**Consolidated Statement of Cash Flows for the Year Ended 31 December 2025 (Continued)**

	Note	31 December 2025 ﷲ	31 December 2024 ﷲ
		839,092,418	820,050,835
<b>Changes in:</b>			
Inventories		(6,091,053)	(139,160,848)
Biological assets – current		73,441,576	62,928,784
Trade receivables and other receivables		43,693,001	(54,997,620)
Prepayments and other current assets		(55,185,266)	3,328,548
Trade payable, accrued expenses and other payables		(57,947,609)	106,428,465
		837,003,067	798,578,164
Zakat paid	36.1	(61,046,138)	(11,039,826)
Income Tax paid	36.2	(277,248)	-
Employee benefits paid	31	(20,226,103)	(24,329,052)
<b>Net cash generated from operating activities</b>		<b>755,453,578</b>	<b>763,209,286</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment	15	(376,763,890)	(183,256,681)
Additions to long term prepayments	23.2	(90,935,651)	(11,151,641)
Additions to biological assets – non current	17	(184,126,177)	(184,870,737)
Additions to intangible assets	18	(8,583,257)	(7,836,115)
Proceeds from sales of property, plant and equipment		16,618,233	1,856,695
Proceeds from sales of biological assets		3,501,500	5,278,100
Interest proceeds from investment in term deposits		5,512,500	16,171,667
Proceeds from investment in term deposits	24	300,000,000	900,000,000
Investment in term deposit	24	(650,000,000)	(700,000,000)
Dividend received from investments	11	4,333,810	300,000
Proceed from sale of investment		-	145,267,969



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**The National Agricultural Development Company (NADEC)  
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**Consolidated Statement of Cash Flows for the Year Ended 31 December 2025 (Continued)**

	Note	31 December 2025 س.م	31 December 2024 س.م
Investment in joint venture	19.1	(41,820,000)	(2,550,000)
<b>Net cash used in investing activities</b>		<b>(1,022,262,932)</b>	<b>(20,790,743)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Expenses relating to issue of new shares		-	(1,800,000)
Proceeds from Murabaha loans and borrowings	30	1,062,798,806	1,875,000,000
Repayment of Murabaha loans and borrowings	30	(990,833,707)	(2,037,726,903)
Interest paid	30	(11,170,221)	(29,075,007)
Principal elements of Lease payments		(42,036,139)	(15,824,239)
Interest elements of Lease payments	16	(14,500,341)	(1,755,963)
Purchases of treasury shares	27	(21,413,267)	-
Undistributed rights issue compensation	33	(848,270)	(257,221)
Dividend paid	34	(194,424)	(393,469)
<b>Net cash used in financing activities</b>		<b>(18,197,563)</b>	<b>(211,832,802)</b>
<b>Net change in cash and cash equivalent</b>		<b>(285,006,917)</b>	<b>530,585,741</b>
Cash and cash and cash equivalent at beginning of the year	25	1,365,364,080	834,686,320
Effect of exchange rates fluctuations on cash held		(4,076)	92,019
<b>CASH AND CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>25</b>	<b>1,080,353,087</b>	<b>1,365,364,080</b>
<b>SIGNIFICANT NON-CASH TRANSACTIONS:</b>			
Financial Guarantee liability	35	82,135,544	-
Conversion of non-current biological assets into current		91,410,555	91,045,747

The accompanying notes 1 to 44 are an integral part of these Consolidated Financial Statements

These Consolidated Financial Statements appearing on pages (6) to (43) were approved by the Board of Directors and were signed on its behalf by

<b>Hassan Aqrouq</b>	<b>Solaiman Abdulaziz Altwaijri</b>	<b>Abdulaziz Saleh Alrebbi</b>
<b>Chief Financial Officer</b>	<b>Chief Executive Officer</b>	<b>Chairman</b>





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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

#### 1- THE COMPANY, ITS SUBSIDIARIES AND ITS OPERATIONS

The National Agricultural Development Company (**NADEC**) (the «Company») is a Saudi Joint Stock Company formed under the Royal Decree No. M/41 dated 17 Shawwal 1401H (corresponding to 17 August 1981). **NADEC** was formerly known as Haradh Agriculture and Livestock Company which was registered in Riyadh under Commercial Registration No. 1010018795 dated 26 Dhul-Hijjah 1398H (corresponding to 26 November 1978).

The Company and its subsidiaries (together, the «Group») are engaged in agricultural and livestock production, reclamation of agricultural land, food processing and marketing and distribution of its products.

The Group's financial year begins on January 1 and ends at the end of December of the same year.

The Company's Head office is located at the following address:

**Building No. 7049**

**Sub No. 2467**

**Prince Abdulrahman Bin Abdulaziz Road, Al Murabba District,**

**Riyadh 11461 – Kingdom of Saudi Arabia.**

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

Details of subsidiary companies are as follows:

Name of the subsidiary	Country of incorporation	Business activity	Effective ownership interest		Share capital ﷲ	Number of shares issued
			2025	2024		
The National Seeds Agricultural Production Company (NSPC)*	Saudi Arabia	Agricultural Seeds and production	100%	100%	5,000,000	500,000
<b>NADEC</b> Management Company**	Saudi Arabia	Management services and consultation	100%	100%	500,000	50,000

\* The National Seeds Agricultural Production Company («NSPC») was officially established in 2023, with **NADEC** initially proposing to hold a 51% ownership stake in the NSPC's capital. Later during 2024, **NADEC** decided for 100% shareholding. However, as of balance sheet date, the NSPC did not commence any operational activities.

\*\*During 2024, the Group established **NADEC** Management Company as a fully owned subsidiary, to provide management services and consultation.



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

## 2- BASIS OF PREPARATION

### 2-1 Statement of Compliance

These annual Consolidated Financial Statements of the Group have been prepared in accordance with the International Financial Reporting Standards («IFRS») as 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»). Collectively referred as (International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia).

### 2-2 Basis of Measurement

These annual Consolidated Financial Statements have been prepared in accordance with historical cost except for the following significant items included in the Consolidated Statement of Financial Position:

- Equity Investments at FVOCI are valued at fair value in accordance with the requirements of IFRS 13 Level 1 and level 2 of valuation method wherever applicable.
- Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably. In case the fair value of biological assets cannot be measured reliably, it is measured at historical cost less accumulated depreciation and accumulated impairment losses.
- The employee retirement benefit is recognized at the present value of future obligations using the Projected Unit Credit Method.
- Financial guarantee liability measured at fair value.

### 2-3 Functional and Presentation Currency

These annual Consolidated Financial Statements have been presented in Saudi Riyal («ر.س») unless otherwise stated, which is also the functional currency of the Company.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

## 3- BASIS OF CONSOLIDATION

These Consolidated Financial Statements comprising the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Consolidated Financial Statements of the Group include assets, liabilities and the results of the operations of the Company and its subsidiaries, as set out in note (1). The Company and its subsidiaries are collectively referred to as the «Group». Subsidiaries are entities controlled by the Group. Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired and fair value of pre-existing equity interest in the subsidiary

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group. The Company and its subsidiaries have the same reporting periods.

## 4- MATERIAL ACCOUNTING POLICIES

The material accounting policies applied by the Group in the preparation of these Consolidated Financial Statements are set out below:

### 4-1 Term Deposits

Term Deposits include placements with banks and other short-term highly liquid investments, with original maturities of more than three months but not more than one year from the date of placement. Time deposits are placed with financial institutions with investment grade rating which are considered to have low credit risk.

Investment income in time deposits is accrued on a timely basis by reference to the principal outstanding and at the applicable effective interest rate.



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-2 Cash and cash equivalents

Cash and cash equivalents consist of Cash on hand, Cash with banks and other short-term liquid investments/ deposits with original maturities of three months or less and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

##### 4-3 Trade Receivable and Other Receivables

Trade receivables are classified as financial assets at amortised cost. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

##### 4-4 Inventories

Inventories are measured at the lower of cost and net realisable value («NRV»). Cost is determined using the weighted average method. Cost comprises all direct manufacturing expenditure based on the normal level of activity and transportation and handling costs. NRV comprises estimated selling price less further production costs to completion and appropriate selling and distribution costs. Cost of inventories is recognised as an expense and included in cost of sales. Agriculture produce harvested from biological assets are measured at fair value less cost to sell at the point of harvest.

##### 4-5 Property, Plant and Equipment

Property, Plant and Equipment are recognized as assets if, and only if:

- It is probable that future economic benefits associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-5 Property, Plant and Equipment (continued)

Property, Plant and Equipment are initially recognized at cost and subsequently stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Subsequent and additional costs to existing asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Finance costs on borrowings, to finance the construction of the qualifying assets, are capitalized during the period that is required to substantially complete and prepare the qualifying asset for its intended use. Likewise, when a major maintenance is performed, its cost is recognized in the carrying amount of the plant and equipment if the recognition criteria is satisfied and depreciated till next major maintenance. All other repair and maintenance costs are recognized in the profit or loss when incurred.

The items of property, plant and equipment are subject to impairment test whenever there is a substantial evidence for impairment. The present value of the expected cost for the decommissioning of the asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets (except for land and capital work in progress) as follows:

Concrete Buildings	50 years	Vehicles and Trucks	4-8 years
Pre-fabricated Building	5-10 years	Capital spare parts	10 years
Wells and Civil works	7-50 years	Tools	5-10 years
Machinery and Equipment	7-25 years	Office Furniture	5-10 years
Tanks and Silos	7-30 years	Bearer Plants	20 years
Agricultural Equipment	8-25 years	Leasehold Improvements	As per lease agreement or useful life which is less

Property, Plant and Equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss during the period when the asset is derecognized.



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-5 Property, Plant and Equipment (continued)

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, where appropriate.

Capital Work in Progress is recorded according to acquisition cost plus all direct costs that are incurred on them to bring them to location and condition necessary to enable the Group to have these assets ready for intended use. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

##### 4-6 Biological Assets

Biological Assets are the herd of productive and non-productive cows as well as the Biological Assets acquired for sale, including crops in the growth stage that have not yet reached the harvest point. Each of these items is presented separately in the Consolidated Statement of Financial Position.

Biological assets are measured at fair value less cost to sell except when fair value cannot be measured reliably. In case the fair value of biological assets cannot be measured reliably, it is measured at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation for biological assets (Cows) is calculated on a straight-line basis over the estimated useful lives of 5 years.

##### 4-7 Intangible Assets

Intangible Assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets 5 years.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Consolidated Statement of Profit or Loss in the expense category consistent with the function of the intangible assets. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit or Loss when the asset is derecognized.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-7 Intangible Assets (continued)

Capital Work in Progress is recognized at acquisition cost, along with all direct costs incurred to prepare the assets for their intended use, including bringing them to the appropriate location and condition. Once these assets are ready for use, they are transferred to the relevant asset categories and begin to be amortized as intangible assets.

##### 4-8 Investment joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Consolidated Statement of Profit or Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Shareholders' Equity.

##### 4-9 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make a payment when it is due in accordance with the terms of a debt instrument. The financial guarantees issued are initially measured at fair value and subsequently at the higher of the amount of loss allowance determined in accordance with IFRS 9 and the amount initially recognised less the cumulative amount of income recognised. Such measurement has been determined using the Level 3. Where guarantees in relation to loans or other payables of associates or joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment. The ECL calculation has been conducted using the general approach method.



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-10 Treasury Shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in additional paid-in capital.

##### 4-11 Provisions

Provision is recognized if, and only if a present obligation (legal or constructive) has arisen as a result of a past event (the obligating event), payment is probable ('more likely than not'), and when the amount can be estimated reliably. An obligating event is an event that creates a legal or constructive obligation and, therefore, results in an entity having no realistic alternative but to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a Contingent Liability, unless the probability of outflow of economic benefits is unreliable. Contingent liabilities, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group, are not recognized in the Consolidated Financial Statements but are disclosed as Contingent Liabilities unless the possibility of an outflow of economic resources is considered unreliable.

##### 4-12 Leases

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

##### As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-12 Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.



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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-12 Leases (continued)

###### Short-term leases and leases of low-value assets

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

##### 4-13 Segment Reporting

An operating segment is a group of assets and processes that deliver products or services that are subject to risks and rewards that differ from those of other operating segments. Operating segments are segmented according to their geographical scope and each sector's performance is reviewed by the chief decision makers. These sectors may operate within a specific economic environment that is subject to risks and rewards different from those of sectors operating in other economic environments.

##### 4-14 Government Grants

Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that, the entity will comply with the conditions attaching to them; and the grants will be received. When the grant relates to an expense item, it is recognized in Consolidated Statement of Profit or Loss on a systematic basis over the periods that the costs which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognized on Consolidated Statement of Financial Position as Deferred Income and is amortized in equal amounts over the expected useful life of the related asset.

The Group has elected to present the grant in the Consolidated Statement of Financial Position as deferred income, which is recognized in Consolidated Statement of Profit or Loss on a systematic and rational basis over the useful life of the asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to Consolidated Statement of Profit or Loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-15 Impairment of Non-Financial Assets

Non-financial assets (other than biological assets measured at fair value and inventories) are reviewed by the Group at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss or reversal of impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. It is determined for an individual asset, when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Where the carrying amount of an asset 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 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 sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

##### 4-16 Foreign Currency Transactions

Foreign currency transactions are initially recognised by the Group's entities at their respective functional currencies' spot rate at transaction date. At the reporting date, monetary assets and liabilities denominated in foreign currencies are converted into Saudi Riyal (ﷲ) at the exchange rates ruling on such date. Any resulting exchange differences are charged or credited to the Consolidated Statement of Profit or Loss as appropriate.

As at the reporting date, the assets and liabilities of the foreign branches are translated into Saudi Riyal (ﷲ), at the rate of exchange ruling at the Consolidated Statement of Financial Position date and their Consolidated Statement of Profit or Loss are translated at the weighted average exchange rates for the year. Components of equity, other than retained earnings, are translated at the rate ruling at the date of occurrence of each component. Translation adjustments in respect of these components of equity are recorded through Consolidated Statement of Other Comprehensive Income..



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-17 Revenue Recognition

The Group generates revenue from a number of product lines, these include:

- Dairy and Juice Milk production, dairy, fruits juice, product processing and distribution
- Agricultural Agricultural related products
- Protein Frozen and Fresh meat

Revenue represents the fair value of the consideration received or receivable for goods sold, net of returns, trade discounts and volume rebates. The Group recognizes revenue when a customer obtains control of the goods at a point in time on acknowledgement of goods. Products are sold principally on a sale or return basis. Allowances for expected sales returns are calculated based on the forecasted return of expired products. Expected sales returns are netted off against revenue with the corresponding impact in Trade and Other Payables for cash sales.

The goods are often sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts and revenue using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognized for expected volume discounts payable to customers in relation to sales made during the year.

Other income represents income earned from activities incidental to the principal business operations of the Company. Other income is recognized when it is probable that economic benefits will flow to the Company and the amount can be measured reliably. Other income is presented separately from revenue in the Consolidated Statement of Profit or Loss.

##### 4-18 Share Capital

Shares are classified as equity and are recorded at their face value. Incremental costs, if any, directly attributable to the issue of new shares, are recognized in Equity as a deduction from the proceeds.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 19-4 Dividends

Dividends are recognized in the Consolidated Financial Statements in the period in which it is approved by General Assembly Meeting.

##### 4-20 Undistributed rights issue compensation

Undistributed rights issue compensation are recognized in the Consolidated Financial Statements in the period in which it is approved by General Assembly Meeting.

##### 4-21 Expenses

Selling and marketing expenses are those expenses arising from the Group's efforts underlying the marketing, selling and distribution functions. All other expenses, excluding Cost of Sales, Finance Cost and Zakat are classified as General and Administrative Expenses. Allocations between Cost of Sales, Selling and Distribution and General and Administration Expenses, when required, are made on a consistent basis.

##### 4-22 Zakat and Income Tax

The Group is subject to Zakat according to the regulations of the Zakat, Tax and Customs Authority «ZATCA». Income tax for foreign branches is provided for in accordance with the relevant income tax regulation of the countries incorporation. Zakat and income tax provision is estimated and charged to the Consolidated Statement of Profit of Loss. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Any differences in the estimates are recognized when the final assessment is approved by «ZATCA», such differences are recognized in the Consolidated Statement of Profit or Loss in the year in which the final assessment is approved by «ZATCA».



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#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-23 Employee Retirement Benefits

Employee Retirement benefits are payable to all employees employed under the terms and conditions of the Labor Laws applicable on the Company and its subsidiaries, on termination of their employment contracts. The Group's obligation in respect of employee retirement benefits is calculated by estimating the amount of future benefits that employees have earned in current and prior periods and discounting that amount to arrive at present value. Group sets the assumptions used in determining the key elements of the costs of meeting such future obligations. These assumptions are set after consultation with the Group's actuaries and include those used to determine regular service costs and the financing elements related to the liabilities. The calculation of employee retirement benefit liability is performed by a qualified actuary using the projected unit credit method.

Re-measurement of employee retirement benefit liability, which comprise of actuarial gains and losses are recognised immediately in the Consolidated Statement of Comprehensive Income. The Group determines interest expense on the employee retirement benefit liability for the period by applying the discount rate used to measure the employee retirement benefit liability at the beginning of the annual period, taking into account any change in the net employee retirement benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to employee retirement benefits are recognised in the Consolidated Statement of Profit or Loss.

##### Other Long-Term Employee Benefits

The net obligation of the Group in respect of other long-term employee benefits is the amount of future benefits to which the employees are entitled in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in the Consolidated Statement of Profit or Loss in the period in which they arise.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-24 Financial Instruments

##### Non-Derivative Financial Instruments

##### a- Non-Derivative Financial Assets

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

- Those to be measured subsequently at fair value (either through OCI or through Profit or Loss), and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in Profit or Loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group initially recognizes financial assets on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Group is recognized as a separate asset or liability.



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#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-24 Financial Instruments (continued)

Financial assets and liabilities are offset, and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group has the following non-derivative financial assets;

###### Financial Assets at Amortized Cost

Financial assets held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest (SPPI), are measured at amortized cost. Gains or losses on debt investments are subsequently measured at amortized cost and are recognized in the Consolidated Statement of Profit or Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method. The Group classifies its Trade and Other receivables and Cash and cash equivalent under this category.

###### Financial Assets at FVOCI

Financial assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the Consolidated Statement of Profit or Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Consolidated Statement of Profit or Loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in Profit or Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to Profit or Loss. The Group has classified its Equity investment in other Companies as FVOCI.

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#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-24 Financial Instruments (continued)

###### Non-Derivative Financial Instruments (continued)

###### b- Non-Derivative Financial Liabilities

Financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial assets and liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Non-derivative financial liabilities of the Group comprise of bank borrowings, lease liabilities and trade and other payables.

###### Derivative Financial Instruments

All derivatives do not qualify as hedging instruments and are therefore held and accounted for as trading derivatives. These derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the Consolidated Statement of Profit or Loss.



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-25 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Consolidated Financial Statements are disclosed below. However, the Group has not early adopted them in preparing these Consolidated Financial Statements. The Group is currently evaluating the impact of the adoption of these standards on the Consolidated Financial Statements.

##### Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

##### IFRS 18, 'Presentation and Disclosure in Financial Statements

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of Profit or Loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of Profit or Loss;
- required disclosures in the financial statements for certain Profit or Loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 4- MATERIAL ACCOUNTING POLICIES (continued)

##### 4-25 Standards issued but not yet effective (continued)

##### New and amended standards and interpretations

The Group has applied the following amendments, where applicable, for the first time for their annual reporting period beginning from 1 January 2025. These amendments do not have any material impact on the Consolidated Financial Statements during the year.

##### Amendments to IAS 27 – Lack of exchangeability:

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

#### 5- MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of these Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of Revenues, Expenses, Assets and Liabilities, and the accompanying Disclosures, and the disclosure of Contingent Liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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 adjustment to the carrying amounts of assets and liabilities within the next financial years, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 5- MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

##### 5-1 Impairment of Non-Financial Assets

A non-financial asset is impaired when the carrying amount of the asset or cash-generating unit exceeds the asset's recoverable amount (which represents the fair value of the asset less costs to sell or its value in use, whichever is greater). The fair value of the asset is estimated through sales that are on a purely commercial basis for similar assets. Market prices are observable minus the incremental costs of selling the asset. The value in use is calculated based on the present value of the expected cash flows of the asset over the next five years. These expected cash flows do not include restructuring activities for which the Group is not yet committed or significant future investments that enhance the asset performance of the cash-generating unit under consideration. The recoverable amount is most sensitive to the discount rate used to calculate the cash flows as well as the expected future cash flows and the growth rate used to estimate the value in use.

##### 5-2 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 (discounted cash flows) model that includes the use of the present value of expected cash flows from such assets or using other methods as provided for in IFRS 13. 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.

##### 5-3 Impairment of Non-Derivative Financial Assets

The Group recognizes loss allowances for ECLs (Expected Credit Loss) on Financial Assets measured at amortized cost i.e. Trade Receivables of the Group. The Group assesses on a forward-looking basis the Expected Credit Losses («ECL») associated with its financial assets carried at amortized cost. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rates were derived from historical information of the Group and are adjusted to reflect the expected future outcome which also incorporates forward looking information for macroeconomic factors such as inflation and gross domestic product growth rate. Other financial assets such as employees' receivables, bank balances have low credit risk and the impact of applying ECL is immaterial.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 5- MATERIAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

##### 5-4 Allowance for inventories

Management makes an allowance for inventories based on their nature, condition, and expiry date. Estimates of the net realizable value of inventories are made when the expected selling price is lower than cost and are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations in price or cost directly related to events occurring subsequent to the consolidated Statement of Financial Position date, to the extent that such events confirm conditions existing at the end of the year.

##### 5-5 Useful Lives of Property, Plant and Equipment

The management determines the estimated useful lives of Property, Plant and Equipment for calculating depreciation. This estimate is determined after considering expected usage of the assets and physical wear and tear. Management reviews the residual value and useful lives annually and change in depreciation charges are adjusted in current and future periods, if any.

##### 5-6 Judgements

The Group is valuing its milk producing cows and heifers at cost rather than fair value. This is due to the fact that there is no active market available in the KSA which deals with such kind of herd, rather there is a market for meat producing herd in KSA. The Group feeds its herd for production of milk and milk related products. Further, the milk yield of the Group's dairy farm is different from international markets Milking cows. It is to be noted that value the cows based on milk is also impossible due to the fact the this is very sensitive factor that a minor change in price of milk creates a huge difference. Thereby, the price would be unreliable.

The Group also does not procure immature herd for milk production rather it depends upon internal growth. The only unregulated market in KSA is of herds for meat consumption that is not relevant for milking cows. Accordingly, there is no market price for similar assets. Neither there is any sector benchmarks. Hence, it is justified to use cost to measure the biological asset (Milking cows and heifers) at cost which is a reliable basis.

Provision of expected sales returns. (Note 7, policy 4.Q).

Measurement of employee retirement benefits liability - key actuarial assumptions: Estimates are applied when setting actuarial assumptions such as the discount rate, expected future salary increases, inflation and mortality. The actuarial assumptions vary from country to country, based on national economic and social conditions. They are set using available market data and compared with benchmarks to ensure consistency on an annual basis (Refer note 31 for sensitivity related to employee retirement benefits liability).



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 6- OPERATING SEGMENTS

The Group operates in three main business segments: Dairy and Foods, Agriculture, and Protein. Most of the Group's revenues, profits and assets relate to its operations in Saudi Arabia and arise from these reportable business segments. The Group Chief Executive Officer (CEO) monitors the operational results of these operating segments separately for making decisions about resource allocation and performance evaluation. The performance of the segment is evaluated on a profit or loss basis and is measured in a manner consistent with the profit or loss recognized in the Consolidated Financial Statements.

Categorized by these business segments, is as follows:

- Dairy and Foods Milk production, dairy, fruits juice, product processing and distribution
- Agriculture Agricultural related products
- Protein Frozen and Fresh meat

The following is a summary of the operating segments as at and for the year ended 31 December 2025:

	Dairy and Beverages ﷲ	Agriculture ﷲ	Protein ﷲ	Elimination of Inter-Segment Sales ﷲ	Total ﷲ
<b>Revenue</b>					
External Revenue	2,979,972,273	246,831,076	300,175,346	-	3,526,978,695
Inter-Segment Revenue	89,293,718	53,510,723	-	(142,804,441)	-
<b>Total Revenue</b>	<b>3,069,265,991</b>	<b>300,341,799</b>	<b>300,175,346</b>	<b>(142,804,441)</b>	<b>3,526,978,695</b>
<b>Expenses</b>					
Depreciation and Amortization	(265,346,494)	(37,738,943)	(1,028,773)	-	(304,114,210)
(Impairment losses) / reversal of impairment losses on trade receivables and other receivables, net	(7,712,045)	(756,411)	-	-	(8,468,456)
<b>Operating Profit /(Loss)</b>	<b>461,974,696</b>	<b>(94,906,987)</b>	<b>9,870,703</b>	<b>-</b>	<b>376,938,412</b>
Financing income	101,077,129	-	-	-	101,077,129

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 6- OPERATING SEGMENTS (continued)

	Dairy and Beverages ﷲ	Agriculture ﷲ	Protein ﷲ	Elimination of Inter-Segment Sales ﷲ	Total ﷲ
Financing cost	(30,721,484)	(4,280,716)	(1,128,804)	-	(36,131,004)
Share of Results of Joint Venture	-	-	(4,758,652)	-	(4,758,652)
<b>Profit /(Loss) before Zakat and tax</b>	<b>532,330,341</b>	<b>(99,187,703)</b>	<b>3,983,247</b>	<b>-</b>	<b>437,125,885</b>
<b>Segment Assets as 31 December 2025</b>	<b>5,189,661,174</b>	<b>953,934,415</b>	<b>190,194,971</b>	<b>-</b>	<b>6,333,790,560</b>
Equity accounted investee	-	-	41,820,000	-	41,820,000
Capital expenditures	438,865,835	48,021,941	79,231,856	-	566,119,632
<b>Segment Liabilities as 31 December 2025</b>	<b>1,217,271,407</b>	<b>153,166,636</b>	<b>355,188,993</b>	<b>-</b>	<b>1,725,627,036</b>

The following is a summary of the operating segments as at and for the year ended 31 December 2024:

	Dairy and Beverages ﷲ	Agriculture ﷲ	Protein ﷲ	Elimination of Inter-Segment Sales ﷲ	Total ﷲ
<b>Revenue</b>					
External Revenue	2,971,080,065	69,032,993	180,287,335	-	3,220,400,393
Inter-Segment Revenue	53,342,092	67,291,229	-	(120,633,321)	-
<b>Total Revenue</b>	<b>3,024,422,157</b>	<b>136,324,222</b>	<b>180,287,335</b>	<b>(120,633,321)</b>	<b>3,220,400,393</b>
<b>Expenses</b>					
Depreciation and Amortization	(213,112,639)	(32,853,708)	(23,383)	-	(245,989,730)
(Impairment losses) / reversal of impairment losses on trade receivables and other receivables, net	5,116,041	(2,250,000)	-	-	2,866,041
<b>Operating Profit /(Loss)</b>	<b>439,420,769</b>	<b>(23,510,557)</b>	<b>(26,505,352)</b>	<b>-</b>	<b>389,404,860</b>



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#### 6- OPERATING SEGMENTS (continued)

	Dairy and Beverages ﷲ	Agriculture ﷲ	Protein ﷲ	Elimination of Inter-Segment Sales ﷲ	Total ﷲ
Financing income	91,415,685	-	-	-	91,415,685
Financing cost	(29,740,705)	(4,074,261)	(426,456)	-	(34,241,422)
Gain from the reclassification of joint venture to investment at FVOCI	-	356,513,453	-	-	356,513,453
Share of Results of Joint Venture	-	24,039,392	-	-	24,039,392
Profit /(loss) before Zakat	501,095,749	352,968,027	(26,931,808)	-	827,131,968
Segment Assets as 31 December 2024	4,749,130,545	892,719,617	68,539,426	-	5,710,389,588
Equity accounted investee	-	-	2,550,000	-	2,550,000
Capital expenditures	227,387,369	32,407,850	24,540,096	-	284,335,315
Segment Liabilities as 31 December 2024	1,161,557,730	122,768,889	129,133,051	-	1,413,459,670

The following is the summary of revenue allocated to geographical segments:

	Dairy and Food ﷲ	Agriculture ﷲ	Protein ﷲ	Total ﷲ
For the year ended 31 December 2025				
<b>Saudi Arabia</b>	<b>2,511,383,526</b>	<b>246,831,076</b>	<b>300,175,346</b>	<b>3,058,389,948</b>
<b>Other GCC Countries</b>	<b>323,278,092</b>	-	-	<b>323,278,092</b>
<b>Other Countries</b>	<b>145,310,655</b>	-	-	<b>145,310,655</b>
<b>Total external revenue</b>	<b>2,979,972,273</b>	<b>246,831,076</b>	<b>300,175,346</b>	<b>3,526,978,695</b>
For the year ended 31 December 2024				
Saudi Arabia	2,532,856,461	69,032,993	180,287,335	2,782,176,789
Other GCC Countries	304,414,749	-	-	304,414,749
Other Countries	133,808,855	-	-	133,808,855
Total external revenue	2,971,080,065	69,032,993	180,287,335	3,220,400,393

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 7- REVENUE

	31 December 2025 ﷲ	31 December 2024 ﷲ
Dairy and beverages revenue	<b>2,979,972,273</b>	2,971,080,065
Protein revenue	<b>300,175,346</b>	180,287,335
Agricultural products revenue	<b>246,831,076</b>	69,032,993
	<b>3,526,978,695</b>	3,220,400,393

The main sources of the Group's revenues from contracts with customers include dairy and beverages sales as well as agricultural products, Protein sales of Heifers, Bulls and Others. The control of the products is transferred to the customer at a point in actual time of delivery and upon acknowledgment.

#### 8- COST OF REVENUE

	31 December 2025 ﷲ	31 December 2024 ﷲ
Material consumed*	<b>1,825,049,215</b>	1,492,535,719
Government subsidies **	<b>(18,342,190)</b>	(17,326,398)
	<b>1,806,707,025</b>	1,475,209,321
Employee benefits	<b>180,646,505</b>	156,389,136
Depreciation of property plant and equipment (note 15)	<b>146,402,444</b>	134,815,062
Maintenance and repairs expenses	<b>73,506,086</b>	147,843,591
Depreciation of biological assets (note 17)	<b>63,946,544</b>	67,298,643
Sub Contract Charges ***	<b>18,595,766</b>	2,751,382



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**Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)**

**8- COST OF REVENUE (continued)**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Fees and government expenses ****	<b>9,089,144</b>	14,597,793
Rent and lease expenses	<b>6,888,061</b>	4,117,050
Insurance expenses on property, plant and equipment	<b>6,595,402</b>	6,115,234
Professional and consultancy expenses	<b>6,036,843</b>	3,283,714
Depreciation – right-of-use assets (note 16)	<b>4,265,761</b>	863,489
Utility expenses	<b>3,771,640</b>	2,886,524
Amortization of intangible assets (note 18)	<b>824,855</b>	452,673
Other expenses	<b>18,227,422</b>	11,454,524
	<b>2,345,503,498</b>	2,028,078,279

\* Including inventories write off and provision net amounting to ﷲ10.7 million for the year ended 31 December 2025 (2024: ﷲ42.9 million).

\*\* Government subsidies receivables for the acquisition of certain animal feed items which are supported by the Government of Saudi Arabia have been recognized against the cost of materials.

\*\*\* Represent expenses to third-party vendors for providing services.

\*\*\*\* Includes Iqama renewal charges and visa charges.

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**Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)**

**9- SELLING AND MARKETING EXPENSES**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Employee benefits	<b>265,581,860</b>	220,351,262
Marketing and distribution expenses	<b>157,147,227</b>	189,629,548
Depreciation – right-of-use assets (note 16)	<b>52,029,877</b>	13,498,046
Fees and government expenses*	<b>29,269,322</b>	35,057,886
Depreciation of property plant and equipment (note 15)	<b>23,222,311</b>	17,488,951
Utility expenses	<b>15,738,365</b>	16,023,953
Rent and lease expenses	<b>13,329,854</b>	10,189,167
Maintenance and repairs expense	<b>12,575,940</b>	15,885,686
Amortization of intangible assets (note 18)	<b>207,325</b>	241,248
Insurance expenses on property, plant and equipment	-	4,496,584
Other expenses	<b>7,319,479</b>	8,912,379
	<b>576,421,560</b>	531,774,710

\* Includes Iqama renewal charges and visa charges.



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#### 10- GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2025 س.ع	31 December 2024 س.ع
Employee benefits	131,429,575	145,936,896
Information technology expenses	46,412,987	40,887,216
Professional and consultancy expenses	26,517,880	20,072,778
Amortization of intangible assets (note 18)	11,217,552	9,490,955
Fees and government expenses*	3,712,499	5,042,599
Utility expenses	2,223,573	1,789,959
Depreciation of property plant and equipment (note 15)	1,832,532	1,840,666
Insurance expenses on property, plant and equipment	576,065	602,566
Depreciation - right-of-use assets (note 16)	165,009	-
Other expenses	8,854,773	9,126,836
	<b>232,942,445</b>	<b>234,790,471</b>

\* Includes Iqama renewal charges and visa charges.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 11- OTHER INCOME

	31 December 2025 س.ع	31 December 2024 س.ع
Rental and services income	8,632,091	10,041,321
Government grant *	6,000,000	-
Dividend income from equity investments at FVOCI	4,333,810	300,000
Incentives income HRDF	2,673,172	2,847,253
Scrap sales	2,543,891	1,351,873
Insurance claims income	1,095,403	4,412,795
Miscellaneous income	11,550,292	6,607,098
	<b>36,828,659</b>	<b>25,560,340</b>

\*During the year, the Group received a grant of 6 million from Saudi Export Development Authority. This grant is received for the export sales and there are no conditions attached to it.

#### 12- OTHER GAINS / (LOSSES), NET

	31 December 2025 س.ع	31 December 2024 س.ع
Loss on sale of biological assets	42,465,435	53,022,257
Net foreign exchange (gain) / loss	(4,368,204)	5,178,403
(Gain) / Loss on sale of property, plant and equipment, net	(14,564,248)	6,577,794
	<b>23,532,983</b>	<b>64,778,454</b>



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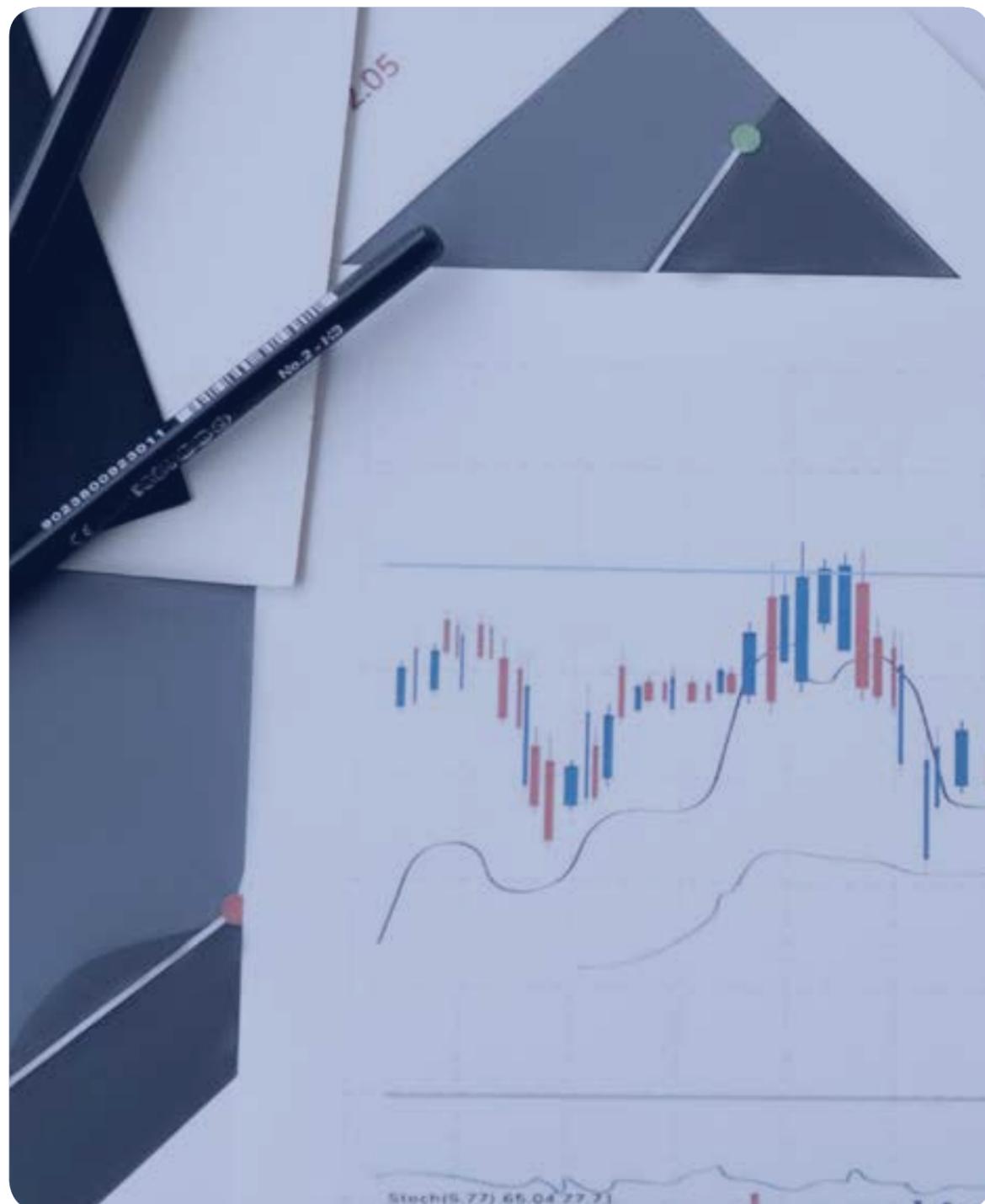
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## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 13- FINANCING INCOME AND COST

##### 13-1 FINANCING INCOME

	31 December 2025 س.ع	31 December 2024 س.ع
Financing income on term and time deposits	<b>98,195,180</b>	91,415,685
Amortization on financial guarantee	<b>2,881,949</b>	-
	<b>101,077,129</b>	91,415,685

##### 13-2 FINANCING COST

	31 December 2025 س.ع	31 December 2024 س.ع
Interest expense on lease liabilities (note 16)	<b>14,500,341</b>	1,755,963
Interest expense on Murabaha loans (note 30)	<b>13,900,743</b>	23,194,837
Other finance charges	<b>7,729,920</b>	9,290,622
	<b>36,131,004</b>	34,241,422

#### 14- EARNINGS PER SHARE

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

	31 December 2025 س.ع	31 December 2024 س.ع
Profit for the year attributable to the shareholders of the Company (س.ع)	<b>393,348,637</b>	774,631,968
Weighted average number of ordinary shares for the purposes of basic earnings	<b>301,133,151</b>	301,640,000
Weighted average number of ordinary shares for the purposes of diluted earnings	<b>301,640,000</b>	301,640,000
Earnings per share, based on the profit for the year attributable to the shareholders of the Company (س.ع)		
Basic	<b>1.31</b>	2.57
Diluted	<b>1.30</b>	2.57

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 **NADEC** Employee Equity Participation Program.



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

## 15- PROPERTY, PLANT AND EQUIPMENT

Description	Land*** ﷲ	Concrete Buildings ﷲ	Prefabricated Buildings ﷲ	Wells and Civil works ﷲ	Machinery and Equipment ﷲ	Tanks and Silos ﷲ	Agricultural Equipment ﷲ	Vehicles and Trucks ﷲ	Tools ﷲ	Office Furniture ﷲ	Bearer Plants Mature ﷲ	Leasehold Improvements ﷲ	Capital Parts ﷲ	Bearer Plants Immature ﷲ	Capital Work in Progress ﷲ	Total ﷲ
<b>Cost</b>																
<b>As at 1 January 2024</b>	294,800,790	741,499,354	293,897,558	412,585,748	2,031,388,076	73,379,614	169,916,718	205,867,789	353,169,655	174,062,273	185,965,294	4,991,407	1,670,352	18,403,497	15,012,339	4,976,610,464
Addition	-	1,083,849	10,198,815	4,121,046	71,755,127	176,950	12,366,745	111,950	6,259,294	2,655,821	-	1,710,000	-	7,101,129	65,715,955	183,256,681
Transfers	-	-	329,965	-	1,954,539	-	-	-	-	1,232,500	-	-	-	-	(3,517,004)	-
Disposals/ write off*	-	(10,014,584)	(4,443,013)	(83,198,725)	(65,582,789)	(2,376,214)	(22,474,288)	(15,945,771)	(3,648,320)	(16,396,664)	(10,122,716)	-	-	(1,226,539)	(138,351)	(235,567,974)
Foreign currency translation differences	-	5,591,994	2,519,918	27,651,465	24,155,076	1,165,489	12,316,536	4,466,706	390,674	483,958	5,685,396	-	-	-	-	84,427,212
<b>As at 31 December 2024</b>	294,800,790	738,160,613	302,503,243	361,159,534	2,063,670,029	72,345,839	172,125,711	194,500,674	356,171,303	162,037,888	181,527,974	6,701,407	1,670,352	24,278,087	77,072,939	5,008,726,383
Additions	-	5,100,533	21,124,801	4,119,117	82,804,843	796,584	1,993,495	6,240,000	7,122,079	14,613,051	-	24,045,426	-	6,254,892	202,549,069	376,763,890
Transfers	-	10,154,520	-	-	16,991,131	-	-	-	27,343,071	4,499,429	5,743,166	2,531,016	-	(5,743,166)	(61,519,167)	-
Disposals/ write off*	-	-	-	(2,000,951)	(874,756)	(19,100)	(335,874)	(38,777,379)	(141,891,612)	(856,790)	(3,874,534)	-	-	(851,359)	(1,001,310)	(190,483,665)
Foreign currency translation differences	-	-	39	-	533	2	-	(12,829)	3,674	1,203	-	-	-	-	-	(7,378)
<b>As at 31 December 2025</b>	<b>294,800,790</b>	<b>753,415,666</b>	<b>323,628,083</b>	<b>363,277,700</b>	<b>2,162,591,780</b>	<b>73,123,325</b>	<b>173,783,332</b>	<b>161,950,466</b>	<b>248,748,515</b>	<b>180,294,781</b>	<b>183,396,606</b>	<b>33,277,849</b>	<b>1,670,352</b>	<b>23,938,454</b>	<b>217,101,531</b>	<b>5,194,999,230</b>
<b>Accumulated depreciation and impairment</b>																
<b>As at 1 January 2024</b>	2,522,830	285,317,758	248,752,494	321,673,447	1,421,360,615	69,411,892	149,979,707	202,071,287	303,537,295	146,682,558	61,057,581	4,929,218	1,035,823	-	3,476,362	3,221,808,867
Depreciation during the year	-	13,342,780	11,928,631	7,507,064	82,846,769	702,375	5,643,665	1,594,003	13,235,920	9,497,583	8,094,923	80,227	212,212	-	-	154,686,152
Disposals/ write off*	-	(9,807,177)	(4,443,013)	(77,289,431)	(64,021,442)	(2,376,214)	(22,474,288)	(15,945,052)	(3,647,981)	(16,134,391)	(10,111,579)	-	-	-	-	(226,250,568)
Foreign currency translation differences	-	5,592,080	2,519,898	27,651,465	24,155,095	1,165,484	12,316,536	4,466,652	391,964	483,837	5,685,396	-	-	-	-	84,428,407
<b>As at 31 December 2024</b>	2,522,830	294,445,441	258,758,010	279,542,545	1,464,341,037	68,903,537	145,465,620	192,186,890	313,517,198	140,529,587	64,726,321	5,009,445	1,248,035	-	3,476,362	3,234,672,858
Depreciation during the year	-	13,790,776	12,084,535	7,744,132	90,263,798	821,076	5,741,254	1,012,287	16,786,643	11,509,713	8,357,058	4,175,516	212,212	-	-	172,499,000
Disposals/ write off	-	-	-	(2,000,951)	(3,511,626)	(19,100)	(335,874)	(38,777,379)	(141,794,765)	(856,790)	(1,648,056)	-	-	-	-	(188,944,541)
Foreign currency translation differences	-	(43)	(40)	-	(533)	(2)	-	12,882	(3,819)	(1,019)	-	-	-	-	-	7,426
<b>As at 31 December 2025</b>	<b>2,522,830</b>	<b>308,236,174</b>	<b>270,842,505</b>	<b>285,285,726</b>	<b>1,551,092,676</b>	<b>69,705,511</b>	<b>150,871,000</b>	<b>154,434,680</b>	<b>188,505,257</b>	<b>151,181,491</b>	<b>71,435,323</b>	<b>9,184,961</b>	<b>1,460,247</b>	<b>-</b>	<b>3,476,362</b>	<b>3,218,234,743</b>
<b>Net Book Value</b>																
<b>As at 31 December 2025</b>	<b>292,277,960</b>	<b>445,179,492</b>	<b>52,785,578</b>	<b>77,991,974</b>	<b>611,499,104</b>	<b>3,417,814</b>	<b>22,912,332</b>	<b>7,515,786</b>	<b>60,243,258</b>	<b>29,113,290</b>	<b>111,961,283</b>	<b>24,092,888</b>	<b>210,105</b>	<b>23,938,454</b>	<b>213,625,169</b>	<b>1,976,764,487</b>
As at 31 December 2024	292,277,960	443,715,172	43,745,233	81,616,989	599,328,992	3,442,302	26,660,091	2,313,784	42,654,105	21,508,301	116,801,653	1,691,962	422,317	24,278,087	73,596,577	1,774,053,525

\*During 2024, the Group has written off property, plant, and equipment with a net book value of 7.2 million, primarily related to the Sudan and Qatar branches and non-functional wells with net book values of 207 thousand and 5.9 million, respectively.

\*\*During 2025, the Group has written off property, plant, and equipment with cost of 6 million, primarily related to vehicles and non-functional wells with zero net book values.

\*\*\* Some of the Group's owned lands is pledged as security under a mortgage for the new facility from SIDF (note 30.3) and for ADF (note 30.2)

Additions to immature bearer plants includes depreciation on assets value of 500,010 (2024: 591,852) used for plantation.



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#### 15- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

##### Land

The following matters related to Lands held by the Group at the reporting date:

##### Land Used by Saudi Arabian Oil (Saudi Aramco):

As per the Royal Order No. (151) dated 5 Ramadan, 1401H (corresponding to 7 July 1981), **NADEC** was granted the Haradh project, which was invested by **NADEC** for Agricultural and Livestock Production, including agricultural land, facilities, fixed and movable assets, and energy sources, and it is considered among its properties starting from the date of issuance of Royal Decree No. (M/ 41) on 17 Shawwal, 1401H (corresponding to 17 August 1981) approving its establishment.

The title deed was issued by Notary Public at Haradh with No. (87) on 15 Jumada Al-Awwal, 1403H (corresponding to 28 February 1983), with a length of seventy-five kilometers from north to south and five kilometers from east to west, with an area of 375 square kilometers.

**NADEC** entered into a legal dispute with Saudi Arabian Oil (Saudi Aramco) in respect of some portion of the land and the Supreme Court issued its final judgment on 13 Muharram, 1442H (corresponding to 1 September, 2020) to cancel the title deed No. (87) issued to **NADEC** on Jumada Al-Awwal 15, 1403H (corresponding to 28 February 1983), and this decision did not oblige the Group to leave or vacate the revived areas which its operational business is located, no essential operations of the Group are located on the disputed land, and **NADEC** has raised its objections to the decision of the supreme court to the concerned authorities and clarified its position towards the decision.

Based on **NADEC**'s assessment of its legal status and based on discussions with the concerned authorities, the management largely believes that the ownership of the revived lands that are subject to the use and control of the Group is valid, and it is expected that a new title will be issued to the Group for the revived lands which are under the Group control and use. It is also expected that this will lead to a reduction in the land area, which is currently used by Saudi Arabian Oil (Saudi Aramco) and a small piece of land in the southern region that is not suitable for agricultural production and is not currently used by the Group. Accordingly, the Group recorded a provision of ₪2.5 million during year 2022.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 16- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### a- Right-of-use

The Group has leases for land, buildings, vehicles and machineries. The lease terms range from 2 to 10 years. The Group depreciates these contracts over the lease term on a straight-line basis. The Group also has some leases for residential buildings of 12 months or less and low-value leases. The Group applies for an exemption from recognition for these short-term leases and leases of low-value assets.

	Land & Buildings ₪	Vehicles and Trucks ₪	Machineries ₪	Total ₪
Carrying value as at 1 January 2024	16,643,800	34,124,429	6,939,247	57,707,476
Additions during 2024	3,365,866	-	-	3,365,866
Depreciation for 2024	(3,546,300)	(9,966,807)	(848,428)	(14,361,535)
Lease cancellations	(800,782)	-	-	(800,782)
Carrying value as at 31 December 2024	15,662,584	24,157,622	6,090,819	45,911,025
<b>Additions during 2025</b>	<b>85,053,509</b>	<b>207,735,057</b>	<b>-</b>	<b>292,788,566</b>
<b>Depreciation for 2025</b>	<b>(12,021,319)</b>	<b>(43,590,874)</b>	<b>(848,454)</b>	<b>(56,460,647)</b>
<b>Lease cancellations</b>	<b>(568,676)</b>	<b>(366,083)</b>	<b>-</b>	<b>(934,759)</b>
<b>Carrying value as at 31 December 2025</b>	<b>88,126,098</b>	<b>187,935,722</b>	<b>5,242,365</b>	<b>281,304,185</b>

##### b- Lease liabilities

	31 December 2025 ₪	31 December 2024 ₪
Carrying value as at 1 January	39,048,201	52,671,875
Additions of new leases	292,788,566	3,365,866
Interest expense (note 13.2)	14,500,341	1,755,963
Lease cancellations	(934,759)	(800,782)
Payment of lease liability	(56,554,995)	(17,944,721)
Carrying value as at 31 December	288,847,354	39,048,201
Lease liability – Current portion	67,156,611	13,411,899
Lease liability – Non-current portion	221,690,743	25,636,302



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**17- BIOLOGICAL ASSETS (NON-CURRENT)**

The Group's Biological Assets consist of the dairy herd, which are classified as milk producing cows (Cows) or non-milk producing cows (Heifers). The non-productive cows include milk cows, which are raised up to the production stage.

Their value increases as they age, based on milk production or production of offspring. The cattle breeding is exposed to disease risk. Therefore, the Group separates all the other farms and activities from cattle farms to prevent the transmission of diseases to the herd, and the herd is subject to very strict medical standards and precautionary measures are in place to prevent such diseases from transmission or infection. The Group's Biological Assets as at 31 December 2025 and their changes during the year, and the comparative amounts are as follows:

	Cows ﷲ	Heifers ﷲ	Total ﷲ
<b>Cost as at 1 January 2025</b>	<b>501,862,262</b>	<b>308,584,972</b>	<b>810,447,234</b>
<b>Additions through Birth/ Conversion</b>	<b>177,585,349</b>	<b>188,868,736</b>	<b>366,454,085</b>
<b>Exclusions as a result of Death</b>	<b>(9,114,175)</b>	<b>(4,742,559)</b>	<b>(13,856,734)</b>
<b>Exclusions as a result of Sale / Transfers to current</b>	<b>(152,597,838)</b>	<b>(27,282,679)</b>	<b>(179,880,517)</b>
<b>Exclusions as a result of Conversion</b>	<b>-</b>	<b>(177,585,349)</b>	<b>(177,585,349)</b>
<b>Cost as at 31 December 2025</b>	<b>517,735,598</b>	<b>287,843,121</b>	<b>805,578,719</b>
<b>Accumulated depreciation as at 1 January 2025</b>	<b>114,588,725</b>	<b>-</b>	<b>114,588,725</b>
<b>Depreciation for the year 2025</b>	<b>63,946,544</b>	<b>-</b>	<b>63,946,544</b>
<b>Depreciation on disposals during the year 2025</b>	<b>(51,617,202)</b>	<b>-</b>	<b>(51,617,202)</b>
<b>Accumulated depreciation as at 31 December 2025</b>	<b>126,918,067</b>	<b>-</b>	<b>126,918,067</b>

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**17- BIOLOGICAL ASSETS (NON-CURRENT) (CONTINUED)**

	Cows ﷲ	Heifers ﷲ	Total ﷲ
<b>Net book value as at 31 December 2025</b>	<b>390,817,531</b>	<b>287,843,121</b>	<b>678,660,652</b>
Cost as at 1 January 2024	503,195,893	320,332,761	823,528,654
Additions through Birth/ Conversion	171,526,828	191,204,034	362,730,862
Exclusions as a result of Death	(28,364,848)	(6,333,297)	(34,698,145)
Exclusions as a result of Sale / Transfers to current	(144,495,611)	(25,091,698)	(169,587,309)
Exclusions as a result of Conversion	-	(171,526,828)	(171,526,828)
Cost as at 31 December 2024	501,862,262	308,584,972	810,447,234
Accumulated depreciation as at 1 January 2024	95,896,135	-	95,896,135
Depreciation for the year 2024	67,298,643	-	67,298,643
Depreciation on disposals during the year 2024	(48,606,053)	-	(48,606,053)
Accumulated depreciation as at 31 December 2024	114,588,725	-	114,588,725
Net book value as at 31 December 2024	387,273,537	308,584,972	695,858,509



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#### 18- INTANGIBLE ASSETS

	Software and licenses ﷲ	Capital work in progress ﷲ	Total ﷲ
<b>Cost</b>			
Cost as at 1 January 2024	72,521,803	5,746,271	78,268,074
Additions during the year - 2024	3,409,517	1,427,187	4,836,704
Reclassification during the year - 2024	2,999,411	-	2,999,411
Transfers during the year - 2024	5,746,271	(5,746,271)	-
Cost as at 31 December 2024	84,677,002	1,427,187	86,104,189
<b>Additions during the year - 2025</b>	<b>6,582,715</b>	<b>2,000,542</b>	<b>8,583,257</b>
<b>Transfers during the year - 2025</b>	<b>3,427,729</b>	<b>(3,427,729)</b>	<b>-</b>
<b>Cost as at 31 December 2025</b>	<b>94,687,446</b>	<b>-</b>	<b>94,687,446</b>
<b>Accumulated Amortization</b>			
Accumulated Amortization at January 1, 2024	48,670,141	-	48,670,141
Amortization for the year - 2024	10,184,876	-	10,184,876
Reclassification during the year - 2024	591,850	-	591,850
Accumulated Amortization as at 31 December 2024	59,446,867	-	59,446,867
<b>Amortization for the year - 2025</b>	<b>12,249,732</b>	<b>-</b>	<b>12,249,732</b>
<b>Accumulated Amortization as at 31 December 2025</b>	<b>71,696,599</b>	<b>-</b>	<b>71,696,599</b>
<b>Net Book Value:</b>			
As at 31 December 2025	22,990,847	-	22,990,847
As at 31 December 2024	25,230,135	1,427,187	26,657,322

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 19- INVESTMENTS

##### 19-1 INVESTMENT IN JOINT VENTURE

	1 January 2025 ﷲ	Additions* ﷲ	Share of Results ﷲ	Financial Guarantee*** ﷲ	31 December 2025 ﷲ
AlRai National Livestock Company	2,550,000	35,700,000	(4,708,652)	85,017,493	118,558,841
<b>NADEC Hilton Company*</b>	<b>-</b>	<b>6,120,000</b>	<b>(50,000)</b>	<b>-</b>	<b>6,070,000</b>
<b>Total</b>	<b>2,550,000</b>	<b>41,820,000</b>	<b>(4,758,652)</b>	<b>85,017,493</b>	<b>124,628,841</b>

	1 January 2024 ﷲ	Additions* ﷲ	Share of Results ﷲ	Disposal** ﷲ	Reclassification to FVOCI ﷲ	31 December 2024 ﷲ
Arabian Mills for Food Products Company	116,222,014	-	24,039,392	(42,078,422)	(98,182,984)	-
AlRai National Livestock Company	-	2,550,000	-	-	-	2,550,000
<b>Total</b>	<b>116,222,014</b>	<b>2,550,000</b>	<b>24,039,392</b>	<b>(42,078,422)</b>	<b>(98,182,984)</b>	<b>2,550,000</b>

\*During 2025, the Group signed a partnership agreement with Hilton Food Group (global leader in the processing and packaging of protein products (red meat) to establish **NADEC Hilton Company** («a limited liability company) for food manufacturing in Haradh with ownership 51% of the Company's capital and paid capital of ﷲ6,120,000.

During 2024, the Group signed a partnership agreement with the United Feed Company (a limited liability company) (One of Al Muhaidib Group's companies) to establish a **AlRai National Livestock Company** (a limited liability company) for an intensive animal livestock project specializing in (sheep and goats) and meat production, where **NADEC's** ownership stake will be equivalent to 51% of the Company's capital and paid capital of ﷲ2,550,000. During 2025, the share capital of AlRai has been increased and accordingly, **NADEC** has paid an additional ﷲ35,700,000 represents its ownership of 51%.



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#### 19- INVESTMENTS (CONTINUED)

##### 19-1 INVESTMENT IN JOINT VENTURE (CONTINUED)

\*\*During 2024, the Capital Market Authority «CMA» approved Arabian Mills for Food Products Company («Arabian Mills») application of offering and listing of its 30% of the shares on the main financial market of Saudi Arabia. As part of offering process **NADEC** has agreed to sell 30% of shares held by **NADEC** in Arabian Mills. Accordingly, 30% of investment held in Arabian Mills has been disposed. Due to this the Group has lost joint control over Arabian Mills and accordingly equity method of accounting to be discontinued from the date loss of control and recognized gain of **ﷲ** 356,513,453 ( **ﷲ** 103,189,547 on sale of 30% shares and **ﷲ** 253,323,906) as day one fair value gain on remaining number shares on discontinuation of equity method of accounting.

\*\*\*The Group has provided financial guarantee to Agricultural Development Fund (ADF) in respect of loan granted to AlRai National Livestock Company, joint venture, to the extent of its shareholding. The financial guarantee contracts has been accounted for under IFRS 9 as financial guarantee contract liabilities.

##### 19-2 EQUITY INVESTMENTS AT FVOCI

	Ownership (%)	Historical Cost <b>ﷲ</b>	31 December 2025 <b>ﷲ</b>	31 December 2024 <b>ﷲ</b>	Change in Fair Value 2025 <b>ﷲ</b>	Change in Fair Value 2024 <b>ﷲ</b>
Arabian Mills for Food Products Company	%10.41	351,506,809*	<b>206,737,335</b>	262,027,552	<b>(55,290,217)</b>	(89,479,338)
National Company for Seed Production (Seeds)	%13.99	4,128,000	<b>3,082,000</b>	5,215,000	<b>(2,133,000)</b>	(468,000)
United Dairy Farms Company	%8.26	600,000	<b>2,604,000</b>	5,784,000	<b>(3,180,000)</b>	2,518,000
<b>Net Equity Investments at FVOCI</b>			<b>212,423,335</b>	273,026,552	<b>(60,603,217)</b>	(87,429,338)

\*Represent the fair value of investment on date of reclassification of investment from investment joint venture to investment at Fair Value through Other Comprehensive Income (FVOCI).

Equity Investments at Fair Value through Other Comprehensive Income (FVOCI) are measured in accordance with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement.

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#### 20-BIOLOGICAL ASSETS (CURRENT)

	31 December 2025 <b>ﷲ</b>	31 December 2024 <b>ﷲ</b>
Crops (20.1)	<b>32,570,895</b>	29,793,740
Biological assets held for sale (20.2)	<b>70,671,693</b>	55,479,869
<b>Total biological assets - current</b>	<b>103,242,588</b>	85,273,609

Current biological assets are fair valued. The fair value less cost to sell is determined by quote received from an external and independent third party and are classified under Level 2 using other observable inputs. Accordingly, the fair value movements has been recognized in the Consolidated Statement of Profit or Loss.

##### 20-1 Crops

	31 December 2025 <b>ﷲ</b>	31 December 2024 <b>ﷲ</b>
Balance as at 1 January	<b>29,793,740</b>	27,644,670
Harvested to Inventories	<b>(175,007,998)</b>	(110,985,614)
Additions during the year	<b>178,041,506</b>	114,270,114
Loss arising from changes in fair value less cost to sell	<b>(256,353)</b>	(1,135,430)
<b>Balance as at 31 December</b>	<b>32,570,895</b>	29,793,740

Current biological assets are representing crops including wheat, onion, potato and olive. The cost of the crops is approximately equal to their fair value.

##### 20-2 Biological assets held for sale

	31 December 2025 <b>ﷲ</b>	31 December 2024 <b>ﷲ</b>
Balance as at 1 January	<b>55,479,869</b>	28,929,505
Additions through birth during the year	<b>127,002,262</b>	109,095,968
Exclusions as a result of death	<b>(3,757,722)</b>	(4,076,866)
Exclusions as a result of sale	<b>(108,052,716)</b>	(78,468,738)
<b>Balance as at 31 December</b>	<b>70,671,693</b>	55,479,869



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#### 21- INVENTORIES

	31 December 2025 SAR	31 December 2024 SAR
Raw materials	254,194,512	271,186,766
Finished goods*	207,462,208	163,784,935
Spare parts	98,825,500	96,741,447
Packaging materials	64,891,129	55,952,224
Agricultural products inventory**	59,158,131	152,371,666
Fuel and oil	19,703,451	8,467,731
Animal products (Manure)	-	7,627,610
	<b>704,234,931</b>	756,132,379
Allowance for inventories	<b>(66,052,611)</b>	(93,962,568)
	<b>638,182,320</b>	662,169,811

#### Movement in allowance for inventories

	31 December 2025 SAR	31 December 2024 SAR
Balance as at 1 January	93,962,568	77,852,238
Provision made during the year	30,075,097	37,341,265
Write offs	(57,985,054)	(20,365,263)
Foreign Currency Translation difference	-	(865,672)
<b>Balance as at 31 December</b>	<b>66,052,611</b>	93,962,568

\*The cost of finished goods includes direct costs and indirect costs, indirect costs are allocated based on the quantities produce.

\*\*Agricultural products inventory is mainly including olive oil bulk, potato and other agricultural products.

The new facility obtained from ADF is secured by a mortgage over a specified percentage of the Group's inventory balance as per the facility agreement. (refer to note 30.2).

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 22-TRADE RECEIVABLES AND OTHER RECEIVABLES

	31 December 2025 SAR	31 December 2024 SAR
Trade receivables	352,574,853	417,792,165
Government subsidies due*	87,741,208	96,433,442
Receivable from related parties (note 41)	7,197,652	6,172,209
	<b>447,513,713</b>	520,397,816
Impairment allowance for government subsidies due	<b>(85,719,292)</b>	(85,719,292)
Impairment allowance for trade receivables	<b>(43,647,291)</b>	(56,127,466)
	<b>318,147,130</b>	378,551,058

\* Government subsidies due represents amounts claimed from the Government and are considered recoverable from Government as these meet the criteria provided by Government Agencies and the Group it is reasonably certain that the subsidies will be received.

#### Movement in impairment allowance for government subsidies due:

	31 December 2025 SAR	31 December 2024 SAR
Opening balance	85,719,292	94,719,292
Reversed during the year	-	(9,000,000)
<b>Ending balance</b>	<b>85,719,292</b>	85,719,292



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**22-TRADE RECEIVABLES AND OTHER RECEIVABLES (CONTINUED)**

**Movement in impairment allowance for trade receivables:**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Opening balance	56,127,466	49,994,188
Charge during the year	8,468,456	6,133,959
Written off during the year	(20,948,631)	-
Foreign Currency Translation difference	-	(681)
<b>Ending balance</b>	<b>43,647,291</b>	<b>56,127,466</b>

**Ageing of Trade Receivables:**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Up to 3 months	303,818,928	354,703,025
3-6 months	10,988,025	8,343,561
More than 6 months	37,767,900	54,745,579
	<b>352,574,853</b>	<b>417,792,165</b>

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**23-PREPAYMENTS**

**23-1 PREPAYMENTS AND OTHER CURRENT ASSETS**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Advances to suppliers	100,491,833	48,497,716
Prepaid expenses	9,685,903	28,870,790
Staff receivables	6,754,850	8,927,045
Other current assets	28,073,210	21,355,229
	<b>145,005,796</b>	<b>107,650,780</b>
Impairment allowance for prepayments	-	(17,828,324)
	<b>145,005,796</b>	<b>89,822,456</b>

**Movement in impairment allowance for prepayments:**

	31 December 2025 ﷲ	31 December 2024 ﷲ
Opening balance	17,828,324	17,828,324
Written off during the year	(17,828,324)	-
<b>Ending balance</b>	<b>-</b>	<b>17,828,324</b>

**23-2 LONG TERM PREPAYMENTS**

Long-term prepayments, presented within non-current assets, represent advances paid to suppliers in relation to capital expenditure projects. These prepayments will be made through the receipt of goods or services upon completion of the respective projects. The assets are carried at cost and are reviewed periodically to assess recoverability based on the status of the underlying capital projects.



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#### 24-TERM DEPOSITS

	31 December 2025 ﷲ	31 December 2024 ﷲ
Term Deposits *	650,000,000	300,000,000
	<b>650,000,000</b>	<b>300,000,000</b>

\* The average rate on time deposit (Murabaha) for the year was 5.60% per annum with a maturity of more than three months and less than one year.

#### 25-CASH AND CASH EQUIVALENTS

	31 December 2025 ﷲ	31 December 2024 ﷲ
Cash at banks - Time Deposits *	700,000,000	1,050,000,000
Cash at banks - Current accounts	372,979,176	306,487,567
Cash in hand	7,373,911	8,876,513
	<b>1,080,353,087</b>	<b>1,365,364,080</b>

\*Time deposit represents short-term deposits with local banks with average original maturities of less than three months. The average rate on outstanding bank deposits during 2025 was between 5.10% and 6.35% per annum for a period of three months or less. Bank deposits are placed in Islamic Murabaha accounts.

#### 26-SHARE CAPITAL

The Company has 301,640,000 shares as at 31 December 2025 (31 December 2024: 301,640,000) issued and fully paid with a value of ﷲ10 per share.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 27-TREASURY SHARES

During the year ended 31 December 2025, the Group has purchased 1,000,000 of its own shares with an amount of ﷲ21.4 million to be allocated to the Employees' Long-term Incentives Program.

#### 28-STATUTORY RESERVE

The Extraordinary General Assembly (EGA) approved in its meeting on 19 Shawwal 1446H (corresponding to 17 April 2025) transferring the balance of the statutory reserve as at 31 December 2024 amounting to ﷲ193,787,812 to the retained earnings.

#### 29-OTHER RESERVES

	ﷲ
<b>Balance as at 1 January 2025</b>	<b>(29,760,699)</b>
<b>Changes:</b>	
Change in Fair value of Equity Investment at FVOCI	(60,603,217)
Actuarial Valuation adjustments to Other Reserves	3,359,355
Foreign currency translation differences	112,569
Reclassification of currency translation on closure of foreign operations	(3,570,471)
Total adjustments to Other Components of Equity	(60,701,764)
Balance as at 31 December 2025	<b>(90,462,463)</b>
<b>Balance as at 1 January 2024</b>	38,985,456
<b>Changes:</b>	
Change in Fair value of Equity Investment at FVOCI	(87,429,338)
Actuarial Valuation adjustments to Other Reserves	16,560,981
Foreign currency translation differences	2,122,202
Total adjustments to Other Components of Equity	(68,746,155)
<b>Balance as at 31 December 2024</b>	<b>(29,760,699)</b>



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 30-MURABAHA LOANS AND BORROWINGS

	Curren- cy	Interest Rate	Due Date	31 December 2025		31 December 2024	
				Nominal Value S'000	Book Value S'000	Nominal Value S'000	Book Value S'000
Islamic Banking Facilities (Murabaha) (30.1)	S	SIBOR + bank margin*	-	-	205,000	205,285	
Agricultural Development Fund Loan (30.2)	S	Fixed	2026 - 2027	192,251	195,176	2,501	2,501
Saudi Industrial Development Fund (30.3)	S	Fixed	2026 - 2028	87,215	87,306	-	-
<b>Total Loans</b>				<b>279,466</b>	<b>282,482</b>	207,501	207,786

\*The weighted average interest rate on bank loans during the year ended 31 December 2025 was 6.2% per annum (31 December 2024: 5.97% per annum), however, the rates varied between medium and short-term loans. Loans from local banks were granted against promissory notes given by the Group.

Loans are presented in the Consolidated Statement of Financial Position as follows:

	31 December 2025	31 December 2024
	S	S
<b>Non-current liabilities</b>		
Agricultural Development Fund (ADF)	833,707	1,667,414
Saudi Industrial Development Fund (SIDF)	46,105,000	-
	<b>46,938,707</b>	1,667,414
<b>Current liabilities</b>		
<b>Current portion of long term</b>		
Agricultural Development Fund (ADF)	833,707	833,707
Saudi Industrial Development Fund (SIDF)	41,200,479	-
	<b>42,034,186</b>	833,707
<b>Short term loans</b>		
Agricultural Development Fund (ADF)	193,508,956	-
Islamic Banking Facilities (Murabaha)	-	205,285,107
	<b>193,508,956</b>	205,285,107

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 30-MURABAHA LOANS AND BORROWINGS (CONTINUED)

The Loan movement during the year was as follows:

	31 December 2025	31 December 2024
	S	S
<b>Opening balance</b>	<b>207,786,228</b>	376,393,301
Proceed during the year	<b>1,062,798,806</b>	1,875,000,000
Interest cost incurred	<b>13,900,743</b>	23,194,837
Repayment during the year	<b>(990,833,707)</b>	(2,037,726,903)
Interest cost paid	<b>(11,170,221)</b>	(29,075,007)
<b>Ending balance</b>	<b>282,481,849</b>	207,786,228

#### 30-1 Islamic Banking Facilities (Murabaha) from Local Banks

The borrowing under Islamic banking facilities (Murabaha) from local banks against a promissory note issued by the Group. All the loans with Islamic Banks have been settled during the year and are mostly of a revolving nature, the renewal of facility is subject to bank prior approval. The amount of unused facilities as at 31 December 2025 amounted to S2 billion (31 December 2024: S2.1 billion). The entire facilities are less than 12 months. The balance of loans from Islamic banking as of 31 December 2025 amounted to S Nil (31 December 2024: S205.3 million).

#### 30-2 Agricultural Development Fund Loans

During the year ended 31 December 2025, the Group was granted a new facility agreement with the Agricultural Development Fund with a total facility amounting to S220 million to financing Yellow Corn and Soyabean purchases. The amount of unused facility as at 31 December 2025 amounted to S24.5 million. The new facility is secured by a mortgage of specific assets (inventory and Land) owned by the Group. The balance of loans from Agricultural Development Fund as of 31 December 2025 amounted to S195.2 million (31 December 2024: S2.5 million).



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**30-MURABAHA LOANS AND BORROWINGS (CONTINUED)**

**30-3 Saudi Industrial Development Fund Loans**

During the year ended 31 December 2025, the Group was granted two new facilities agreement with the Saudi Industrial Development Fund with a total facility amounting to 32 million for agreement number 9428 for financing specific project, and 75 million for agreement number 11809 for working capital financing. The amount of unused facility as at 31 December 2025 amounted to 16.2 million. The new facilities is secured by a mortgage of Wadi ALDawasir Land owned by the Group. The balance of loans from Saudi Industrial Development Fund as of 31 December 2025 amounted to 87.3 million (31 December 2024: nil).

**30-4 Covenants**

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 year ended 31 December 2025, there has been no non-compliance with any of the covenants.

**31- EMPLOYEE BENEFITS OBLIGATION**

The entity operates a defined benefit plan (as defined in IAS 19) to provide a lump-sum compensation when the employee leaves the service, in line with the current labor law in the Kingdom of Saudi Arabia. The plan and its obligations are therefore more sensitive to changes in future salary increases, future withdrawal rates and the discount rate used to assess commitments, and the Group is not required to finance the plan, the plan's liabilities have been assessed using the projected credit unit method in accordance with IAS 19. Since the amount and timing of future maturities are not known currently, assumptions have been made to value the obligations relating to the past service. These assumptions have been derived using methodologies consistent with the requirements of IAS 19. Any changes in assumptions in financial, economic and demographic conditions over time, where future experience does not match established assumptions, that change is included in Other Comprehensive Income in the future financial year.

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**Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)**

**31- EMPLOYEE BENEFITS OBLIGATION (CONTINUED)**

The movement in the present value of the liability for the benefits of the end of service plan of the enterprise is as follows:

	31 December 2025 SAR	31 December 2024 SAR
<b>Opening balance</b>	<b>131,422,371</b>	147,947,099
Interest Cost	<b>6,329,250</b>	6,449,927
Current Service Cost	<b>8,217,327</b>	18,477,648
Benefits Paid	<b>(20,226,103)</b>	(24,329,052)
FCTR Adjustment	<b>(69,221)</b>	(562,270)
Actuarial gain in Other Comprehensive Income	<b>(3,359,355)</b>	(16,560,981)
<b>Closing Balance</b>	<b>122,314,269</b>	131,422,371

The value of the amounts that have been adjusted for the year ended 31 December 2025 and 31 December 2024 are as follows, according to the Actuarial study conducted:

	31 December 2025 SAR	31 December 2024 SAR
Current Service cost	<b>8,217,327</b>	18,477,648
Interest cost	<b>6,329,250</b>	6,449,927
<b>Expense charged to Consolidated Statement of Profit or Loss for the year</b>	<b>14,546,577</b>	24,927,575

Other comprehensive income related to the Employee Benefits Plan for the years 2025 and 2024 consists of the following items:

	31 December 2025 SAR	31 December 2024 SAR
Actuarial gain resulting from changes in financial assumptions	<b>2,166,361</b>	(16,566,255)
Actuarial gain resulting from demographic adjustment	<b>(1,089,487)</b>	-
Actuarial gain resulting from experience adjustment	<b>(4,436,229)</b>	5,274
<b>Actuarial gain in Other Comprehensive Income</b>	<b>(3,359,355)</b>	(16,560,981)



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#### 31- EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

The significant assumptions used to determine the defined benefit obligations of the employees' end of service plan are as follows:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Discount rate	5.00%	5.25%
Expected salary increase rate	4.00%	4.00%
Withdrawal from work	Age: Ratio	Age: Ratio
	18-25:18.75%	18-25:18.75%
	26-30:15.00%	26-30:15.00%
(Average Ratio)	31-50:7.50%	31-50:7.50%
	+51:3.75%	+51:3.75%

Sensitivity in Employee Retirement Benefits Liability:

		31 December 2025 ﷲ	31 December 2024 ﷲ
Discount Rate	1% Increase	113,676,141	122,105,302
	Base	122,314,269	131,422,371
	1% Decrease	132,299,563	142,093,982
Salary Inflation	1% Increase	132,294,288	142,121,205
	Base	122,314,269	131,422,371
	1% Decrease	113,525,011	121,915,201

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee retirement benefits to significant actuarial assumptions, the same method (present value of the employee retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the employee retirement benefits recognised in the Consolidated Statement of Financial Position.

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 31- EMPLOYEE BENEFITS OBLIGATION (CONTINUED)

Demographic Assumptions:	31 December 2025	31 December 2024
Number of employees	4,595	4,852
Weighted Average duration of liabilities (years)	8.0	7.5
Weighted average age of employees (years)	38.4	38.1
Retirement age (years)	65	65

The following are the expected payments or contributions to the defined benefit plan in future years:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Within the next 12 months (next annual reporting period)	19,065,683	17,530,411
Between 2 and 5 years	41,575,192	42,514,881
Beyond 6 years	136,990,983	149,975,205

#### 32-TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2025 ﷲ	31 December 2024 ﷲ
Accrued expenses *	293,958,705	376,803,959
Trade creditors	400,395,767	343,996,547
Employee benefits	53,917,519	66,901,742
Advances from customers	10,079,571	22,572,431
Payable to related parties (note 41)	-	273,721
Other payables	13,310,503	19,097,257
	771,662,065	829,645,657

\* Accrued expenses include accrual against volume discounts and rental accrual costs amounting to ﷲ29.3 million (2024: ﷲ39.9 million), selling and distribution related accrual amounting to ﷲ137.3 million (2024: ﷲ158.8 million), and other accruals.



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 33-UNDISTRIBUTED RIGHTS ISSUE COMPENSATION

This represents the undistributed rights issue compensation to eligible investors who have not exercised their right to subscribe to new shares. The Group were unable to transfer these amounts of compensation to the beneficiaries as a result of the lack of sufficient information about the beneficiaries' account numbers.

	31 December 2025 ﷲ	31 December 2024 ﷲ
<b>Balance as at 1 January</b>	<b>82,980,982</b>	83,238,203
Paid during the year	<b>(848,270)</b>	(257,221)
<b>Balance as at 31 December</b>	<b>82,132,712</b>	82,980,982

#### 34-DIVIDEND PAYABLES

Below table represents the movement in the Dividend Payables:

	31 December 2025 ﷲ	31 December 2024 ﷲ
<b>Balance as at 1 January</b>	<b>31,946,723</b>	32,340,192
Paid during the year	<b>(194,424)</b>	(393,469)
<b>Balance as at 31 December</b>	<b>31,752,299</b>	31,946,723

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 35-FINANCIAL GUARANTEE LIABILITY

The Group has provided financial guarantee to Agricultural Development Fund (ADF) in respect of loan granted to AlRai National Livestock Company, joint venture, to the extent of its shareholding. The financial guarantee contracts has been accounted for under IFRS 9 as financial guarantee contract liabilities.

	31 December 2025 ﷲ	31 December 2024 ﷲ
Non-current portion of financial guarantee contract liability	<b>77,332,296</b>	-
Current portion of financial guarantee contract liability	<b>4,803,248</b>	-
<b>Total financial guarantee</b>	<b>82,135,544</b>	-

	31 December 2025 ﷲ	31 December 2024 ﷲ
Recognizing during the year	<b>85,017,493</b>	-
Amortized during the year	<b>(2,881,949)</b>	-
<b>Closing balance</b>	<b>82,135,544</b>	-



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#### 36-ZAKAT AND INCOME TAX

##### 36-1 Zakat

	31 December 2025 ﷲ	31 December 2024 ﷲ
Opening balance	87,153,695	45,693,521
Zakat provision for current year	47,200,000	52,500,000
Zakat reversal for previous years	(3,700,000)	-
<b>Total charged to Consolidated Statement of Profit or Loss</b>	<b>43,500,000</b>	52,500,000
Zakat paid during the Year	(61,046,138)	(11,039,826)
Zakat paid by customer on behalf NADEC	(8,240,722)	-
<b>Closing Balance</b>	<b>61,366,835</b>	87,153,695

The Group filed its Zakat return for all years up to 2024 and obtained Zakat certificates for the years up to 2024 from the Zakat, Tax and Customs Authority («ZATCA» or «the Authority»).

During the year ended 31 December 2025, The Group has received final assessments for the years 2019 and 2020 and based on these final assessments the Group has reversed provision of ﷲ3.7 million.

The key elements of zakat base primarily include equity components, net income and liabilities adjusted for zakat purpose:

	31 December 2025 ﷲ	31 December 2024 ﷲ
Equity	4,215,777,890	3,925,533,162
Adjusted profit	392,830,437	777,868,061
Liabilities	689,663,696	242,757,251
Deductible – Non-current assets	(3,399,521,062)	(2,818,056,932)
Deductible – current assets	(74,967,010)	(201,642,475)
<b>Zakat base</b>	<b>1,823,783,951</b>	1,926,459,067

##### 36-2 Income Tax

Income tax represents tax on profit in NADEC UAE branch.

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#### 37-CASH FLOWS INFORMATION

##### Net Debt Reconciliation:

	Liabilities from financing activities (A)		Assets (B)		Net total (A)-(B) ﷲ
	Loans and Borrowings ﷲ	Cash and Cash Equivalents ﷲ	Term Deposit ﷲ	Total assets ﷲ	
Opening balance as at 1 January 2025	207,786,228	1,365,364,080	300,000,000	1,665,364,080	(1,457,577,852)
Net cash flows	71,965,099	(285,006,917)	-	(285,006,917)	356,972,016
Redemption in term deposit	-	-	(305,512,500)	(305,512,500)	305,512,500
Investment in term deposit	-	-	650,000,000	650,000,000	(650,000,000)
Finance Cost/Income	13,900,743	-	-	-	13,900,743
Finance Cost/Income Paid/Received	(11,170,221)	-	5,512,500	5,512,500	(16,682,721)
Currency Translation Adjustment	-	(4,076)	-	(4,076)	4,076
<b>Closing balance as at 31 December 2025</b>	<b>282,481,849</b>	1,080,353,087	650,000,000	1,730,353,087	(1,447,871,238)
Opening balance as at 1 January 2024	376,393,301	834,686,320	500,000,000	1,334,686,320	(958,293,019)
Net cash flows	(162,726,903)	530,585,741	-	530,585,741	(693,312,644)
Redemption in term deposit	-	-	(916,171,667)	(916,171,667)	916,171,667
Investment in term deposit	-	-	700,000,000	700,000,000	(700,000,000)
Finance Cost/Income	23,194,837	-	-	-	23,194,837
Finance Cost/Income Paid/Received	(29,075,007)	-	16,171,667	16,171,667	(45,246,674)
Currency Translation Adjustment	-	92,019	-	92,019	(92,019)
<b>Closing balance as at 31 December 2024</b>	<b>207,786,228</b>	1,365,364,080	300,000,000	1,665,364,080	(1,457,577,852)



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#### 38-COMMITMENT AND CONTINGENCIES

##### Capital commitments

Capital commitments amounted to **ﷲ110.3 million** against contracts for the supply of property, plant and equipment as at 31 December 2025 (31 December 2024: **ﷲ140.6 million**).

##### Letters of credit

The contingent liabilities against letters of credit are **ﷲ281.3 million** as at 31 December 2025 (31 December 2024: **ﷲ120.5 million**).

##### Letters of guarantee

The contingent liabilities against letters of guarantee are **ﷲ45.5 million** as at 31 December 2025(31 December 2024: **ﷲ46.5 million**).

#### 39-FAIR VALUE

Financial Assets and Liabilities are measured at amortized cost except for Equity Investments at Fair value through Other Comprehensive Income (FVOCI) which are measured at fair value. The 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 under market conditions. In the absence of an active market, the asset or liability is measured in the most advantageous market for the asset or liability and relies on the perceptions of market participants to maximize the benefits of using the asset. The Group relied on valuation methods for Equity Investments at FVOCI based on Equity securities at fair value level 2 is using market comparison technique, The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities, and the revenue and EBITDA of the investee. The estimate is adjusted for the net debt of the investee.

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#### 39-FAIR VALUE (CONTINUED)

The book value and the fair value of all the disclosed financial assets and financial liabilities does not vary significantly.

	31 December 2025						
	Carrying Amount			Fair Value			
	Amortized cost ﷲ 000	Fair Value ﷲ 000	Total ﷲ 000	Level 1 ﷲ 000	Level 2 ﷲ 000	Level 3 ﷲ 000	Total ﷲ 000
<b>Financial Assets</b>							
Equity Investment at FVOCI	-	<b>212,423</b>	<b>212,423</b>	<b>206,737</b>	<b>5,686</b>	-	<b>212,423</b>
Trade and Other Receivables	<b>318,147</b>	-	<b>318,147</b>	-	-	-	-
Term deposit	<b>650,000</b>	-	<b>650,000</b>	-	-	-	-
Cash and cash equivalent	<b>1,080,353</b>	-	<b>1,080,353</b>	-	-	-	-
	<b>2,048,500</b>	<b>212,423</b>	<b>2,260,923</b>	<b>206,737</b>	<b>5,686</b>	-	<b>212,423</b>
<b>Financial Liabilities</b>							
Trade and Other Payables	<b>735,643</b>	-	<b>735,643</b>	-	-	-	-
Loans	<b>282,482</b>	-	<b>282,482</b>	-	-	-	-
Lease Liabilities	<b>288,847</b>	-	<b>288,847</b>	-	-	-	-
Financial guarantee	<b>82,136</b>	-	<b>82,136</b>	-	-	-	-
	<b>1,389,108</b>	-	<b>1,389,108</b>	-	-	-	-



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**39-FAIR VALUE (CONTINUED)**

	31 December 2024						
	Carrying Amount			Fair Value			
	Amortized cost # 000	Fair Value # 000	Total # 000	Level 1 # 000	Level 2 # 000	Level 3 # 000	Total # 000
<b>Financial Assets</b>							
Equity Investment at FVOCI	-	273,027	273,027	262,028	10,999	-	273,027
Trade and Other Receivables	378,551	-	378,551	-	-	-	-
Term deposit	300,000	-	300,000	-	-	-	-
Cash and cash equivalent	1,365,364	-	1,365,364	-	-	-	-
	2,043,915	273,027	2,316,942	262,028	10,999	-	273,027
<b>Financial Liabilities</b>							
Trade and Other Payables	781,824	-	781,824	-	-	-	-
Loans	207,786	-	207,786	-	-	-	-
Lease Liabilities	39,048	-	39,048	-	-	-	-
	1,028,658	-	1,028,658	-	-	-	-

**The National Agricultural Development Company (NADEC)  
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**Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)**

**40-FINANCIAL RISK MANAGEMENT**

The Group is exposed to the following risks through its use of financial instruments:

- A. Credit Risk.
- B. Liquidity Risk.
- C. Market Risk
- D. Climate change

This note provides information on the Group's exposure to each of the above risks, the Group's objectives, policies and procedures for measuring and managing risks, and the Group's capital management. Further quantitative disclosures are included in these Consolidated Financial Statements. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential negative impact on the financial performance of the Group.

**A. Credit Risk**

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or a business contract resulting in a financial loss. The Group is exposed to credit risk from its operating activities (mainly trade receivables) and from financing activities. The financial assets subject to credit risk are set out in table below:

	31 December 2025 # 000	31 December 2024 # 000
Term deposit	650,000	300,000
Cash and cash equivalent	1,080,353	1,365,364
Trade and other receivables	318,233	378,551
	2,048,586	2,043,915



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**40-FINANCIAL RISK MANAGEMENT (CONTINUED)**

**A. Credit Risk (CONTINUED)**

**Trade Receivables**

Customer credit risk is managed by each business segment in accordance with the Group's business policy, procedures and control related to business risk management. The credit quality of the customer is assessed on the basis of an evaluation card for each customer based on the date of the customer's dealings with the Group and the extent of his obligation to pay by setting a grace period and credit limit for each customer. The Group calculates impairment losses on the basis of its estimate of losses incurred in respect of trade receivables. The main components of this impairment are the expected loss element of specific customers as well as the aggregate loss element that is estimated for a group of similar customers in respect of losses that may be incurred, and which have not yet been determined. The consolidated loss impairment is determined based on historical data of collection statistics for similar customers. Management believes that there is no additional allowance for credit risk required in excess of the normal decrease in receivables.

Trade Receivables consist of 90% of the balances in Saudi Arabia and 10% of the outstanding balances in the GCC as at 31 December 2025 (31 December 2024: 95% and 5% respectively).

Bank balances are kept with banks of BBB rating or higher rating banks.

The total amount of the guaranteed loan is 754,558,608 and has been classified as Stage 1. As there is no publicly available credit rating for the borrower, the Group has internally assessed the credit risk and estimated the credit rating to be in the BBB- range.

**B. Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities settled through the delivery of cash or other financial assets. The Group's approach to liquidity management is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due in normal and difficult circumstances without incurring unacceptable losses or risking the Group's reputation. Liquidity risk may result from the inability to sell the financial asset quickly near its fair value. A significant portion of the Group's funds are in Cash and Bank balances and are readily available to cover expected operating expenses, including servicing of financial obligations. In order to improve the liquidity of the Group, the Group will develop a plan to develop working capital performance and restructure its capital components.

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**Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)**

**40-FINANCIAL RISK MANAGEMENT (CONTINUED)**

**B. Liquidity Risk (CONTINUED)**

	Carrying amount ﷲ	On demand or less than 1 year ﷲ	1 year to 5 years ﷲ	Greater than 5 years ﷲ	Total ﷲ
Payable as of 31 December 2025					
Murabaha & Government Loans	282,481,849	238,555,976	49,826,207	-	288,382,183
Trade Payables	771,662,065	771,662,065	-	-	771,662,065
Lease Liability repayment	288,847,354	79,068,058	224,947,478	21,752,660	325,768,196
<b>Total</b>	<b>1,342,991,268</b>	<b>1,089,286,099</b>	<b>274,773,685</b>	<b>21,752,660</b>	<b>1,385,812,444</b>

	Carrying amount ﷲ	On demand or less than 1 year ﷲ	1 year to 5 years ﷲ	Greater than 5 years ﷲ	Total ﷲ
Payable as of 31 December 2024					
Murabaha & Government Loans	207,786,228	207,618,829	1,667,414	-	209,286,243
Trade Payables	829,645,657	829,645,657	-	-	829,645,657
Lease Liability repayment	39,048,201	12,849,661	25,189,690	3,382,680	41,422,031
<b>Total</b>	<b>1,076,480,086</b>	<b>1,050,114,147</b>	<b>26,857,104</b>	<b>3,382,680</b>	<b>1,080,353,931</b>



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#### 40-FINANCIAL RISK MANAGEMENT (CONTINUED)

##### B. Liquidity Risk (CONTINUED)

###### Capital Management

Equity includes the equity of the Group's shareholders. The main objective of the Group's Capital Management is to ensure that it maintains a strong credit rating and decent capital ratios to support the Group's business and increase the value of the Group. The Group manages and adjusts the capital structure in light of changes in economic conditions and the requirements of financial commitments. To maintain or adjust the capital structure, the Group may amend dividend payments to shareholders, return capital to shareholders or issue new shares. The Group monitors leverage ratio which is total debt / Shareholders' Equity. The Group's policy is to maintain a leverage ratio below 2.5.

	31 December 2025 ﷲ	31 December 2024 ﷲ
Islamic and Government Murabaha Loans	<b>282,481,849</b>	207,786,228
Trade payables, accrued expenses and other payables	<b>771,662,065</b>	829,645,657
Employee Benefit Obligations	<b>122,314,269</b>	131,422,371
Provision for Zakat	<b>61,366,835</b>	87,153,695
Dividend Payable	<b>31,752,299</b>	31,946,723
Lease Liabilities	<b>288,847,354</b>	39,048,201
Total Debt	<b>1,558,424,671</b>	1,327,002,875
Shareholders' Equity	<b>4,608,163,524</b>	4,296,929,918
Leverage Ratio	<b>0.35</b>	0.34

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 40-FINANCIAL RISK MANAGEMENT (CONTINUED)

##### B. Liquidity Risk (CONTINUED)

To achieve this objective, the Group's capital management aims, among other things, to ensure that the financial commitments associated with interest bearing loans and advances that meet the requirements of the capital structure are met. In the event of a breach of compliance with these financial commitments, banks may be allowed to claim loans and bank facilities granted to the Group. There have been no violations of the financial commitments contracted with banks that lend to those loans, and in the event of such irregularities, the Group gets exemptions from banks for periods to be determined by those banks. No changes were made in the objectives, policies and processes for capital management during the year ended 31 December 2025 and the year ended 31 December 2024.

##### C. Market Risk

Market risk is the risk of changes in market prices such as foreign exchange rates, commodity price profit rates and equity prices. These risks affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable limits, while improving returns.

The Group's exposure to market risk arises from:

- Currency risk
- Interest rate risk
- Other market risk



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#### 40-FINANCIAL RISK MANAGEMENT (CONTINUED)

##### C. Market Risk (CONTINUED)

###### Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency Movement vs. Saudi Riyal (ﷲ)							
Foreign Currency	% Change	Fx Rate (Foreign Currency/ ﷲ)		Upward	Downward	Upward	Downward
		2025	2024	2025G	2025G	2024G	2024G
		ﷲ	ﷲ	ﷲ	ﷲ	ﷲ	ﷲ
Price for € 1	1.00%	4.41	3.89	(419,254)	419,254	(27,056)	27,056

The Group mainly trades in Saudi Riyal ﷲ and US Dollars. The exchange rate fluctuations are closely monitored by management. Based on its experience, management does not believe it is necessary to hedge against the impact of foreign currency risk as most transactions are in Saudi Riyal ﷲ and US Dollars. The Saudi Riyal ﷲ is pegged to the US Dollar and there are no other significant foreign currency instruments other than the US Dollar and thus foreign currency risk is mitigated.

###### 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 exposure to market risk of changes in interest rates mainly relates to the Group's borrowed loans to finance working capital requirements and capital expenditures. These loans are repriced periodically, and the Group is exposed to interest rate risk related to cash flows. The Group's practice is to manage bank interest costs by improving available cash flow and reducing borrowing. When borrowing is necessary, the loan term is matched with the expected repayments. There is a regular review of bank interest rates to ensure that these risks are mitigated.

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#### 40-FINANCIAL RISK MANAGEMENT (CONTINUED)

##### C. Market Risk (CONTINUED)

The following table shows the impact on finance cost of the Group based on interest rate movement:

	Change %	Interest Rate Upward Movement ﷲ	Interest Rate Downward Movement ﷲ
31 December 2025	-	-	-
31 December 2024	1%	2,077,862	(2,077,862)

###### Other market risk

The primary goal of the Group's investment in equity securities is to hold the investments for the long term for strategic purposes.

Commodity Price Risk is the risk associated with changes in prices to certain commodities including corn, sugar and soya etc. that the Group is exposed to and its unfavorable effect on the Group's costs and cash flow. This commodity price risk arises from forecasted purchases of certain commodities that the Group uses as raw material.

##### D. Climate change

The Group is subject to short-term and long-term climate change related risks. These risks are inherent part of operating in a food industry. **NADEC** continually works to reduce the environmental footprint of the business, in part, due to the inherent risks. Climate change also creates risks for agricultural production through droughts, pests, diseases, etc. that pose challenges for sustaining and increasing production levels. The Group has developed a sustainability strategy, outlining how it will improve its energy performance through efficient energy consumption and generation from sustainable sources. The strategy focuses on solar power generation, water and energy efficiency, sustainable arable farming practices, landfill waste reduction, commitment to 100% chlorofluorocarbon free cold storage at its sales depot, and fuel efficiency measures including trailing alternative fuel vehicles.



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#### 41- KEY RELATED PARTIES, TRANSACTIONS AND BALANCES

The Group is a government related entity since Public Investment Fund (PIF) being the sovereign wealth fund of the Kingdom of Saudi Arabia has significant influence on the Group. The Group transacts business with related parties which include transactions with entities which are either controlled or jointly controlled by PIF. The Group has used the partially exceptions in respect of related party disclosure for government related entities in IAS 24 «Related Party Disclosures».

For the year ended 31 December 2025, the Group had recorded revenue by  $\text{SAR}189.5$  million from government entities (for the year ended 31 December 2024:  $\text{SAR}Nil$ ). As of 31 December 2025, receivable included  $\text{SAR}Nil$  from government entities (31 December 2024:  $\text{SAR}Nil$ ), and Payable loans amounting to  $\text{SAR}282.4$  million (31 December 2024:  $\text{SAR}102.5$  million). For government subsidy income refer note 8 and subsidy receivable refer note 22.

Related parties in the Group including details of key transactions as follows:

Company	Relationship with NADEC	Nature of Transaction	Receivables/ (Payables) Balance	Sales/ (purchases)	Payments/ (collections)	Receivables/ (Payables) Balance
			1 January 2025	Movement during 2025 $\text{SAR}$	31 December 2025	
AlRai National Livestock Company	Joint Venture	Expenses paid on behalf	6,172,209	64,895	825,173	<b>7,062,277</b>
NADEC Hilton Company	Joint Venture	Expenses paid on behalf	-	-	49,125	<b>49,125</b>
The Saudi Agricultural and Livestock Investment Company (SALIC)	Shareholder	Secondment agreement	-	(573,034)	573,034	<b>86,250</b>
				86,250	-	

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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 41- KEY RELATED PARTIES, TRANSACTIONS AND BALANCES (CONTINUED)

Company	Relationship with NADEC	Nature of Transaction	Receivables/ (Payables) Balance	Sales/ (purchases)	Payments/ (collections)	Receivables/ (Payables) Balance
			1 January 2024	Movement during 2024 $\text{SAR}$	31 December 2024	
AlRai National Livestock Company	Joint Venture	Expenses paid on behalf	-	-	6,172,209	6,172,209
Arabian Mills for Food Products Company (formerly: The Second Milling Company)	Investment FVOCI	Purchases of Raw Material	(1,578,865)	(24,191,049)	25,496,193	(273,721)

Transactions with Key Management Personnel:	31 December 2025 $\text{SAR}$	31 December 2024 $\text{SAR}$
Short term benefits	<b>32,360,544</b>	27,897,078
Long-term benefits	<b>1,523,370</b>	1,931,419
<b>Total Benefits of Senior Management Personnel</b>	<b>33,883,914</b>	29,828,497

#### Remuneration to members of the Board of Directors and other committees of the Board

On 9th Rajab 1447H (corresponding to 29th December 2025), amount of  $\text{SAR}Five Million and Eight Hundred and Sixty-Seven Thousand and Five hundred$  were paid as remuneration to the members of the Board of Directors and other committees.



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### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 42-SUBSEQUENT EVENTS

In the opinion of the management, there have been no significant subsequent events since the year-end and up to the approval of these Consolidated Financial Statements that require disclosure or adjustment in these Consolidated Financial Statements.

#### 43-RECLASSIFICATION IN COMPARATIVES

In accordance with the requirements of IAS 8, «Accounting Policies, Changes in Accounting Estimates and errors" ("IAS 8"), management has reclassified the comparative figures to adjust prior years' financial statements. The note below sets out the details of reclassifications and the impact on the line items in the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income. During the year ended 31 December 2025, the Group identified the following prior year reclassifications for the year ended 31 December 2024:

- c- Capex advance reclassified from CWIP to long term prepayments.
- d- Management has reclassified the current long term prepayments to non-current.
- e- Prepayments and other receivables were reclassified from trade and other receivables and shown separately.
- f- Lease liabilities accruals were reclassified from Trade and other payables to lease liabilities – current portion.
- g- Other income and expenses were presented in net in previous year, now other income and other gains/ losses.
- h- Write off/ impairment losses on property, plant and equipment reclassified to other gains/ losses.

## The National Agricultural Development Company (NADEC) (A Saudi Joint Stock Company)

### Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025 (Continued)

#### 43-RECLASSIFICATION IN COMPARATIVES (CONTINUED)

##### Balances of financial position statement have been reclassified:

Assets	31 December 2024 (before reclassification) ﷲ	Reclassified balances ﷲ	31 December 2024 (after reclassification) ﷲ
Property, plant and equipment (A)	1,774,945,824	(892,299)	1,774,053,525
Long term prepayments (B)	-	11,151,641	11,151,641
Prepayments and other current assets (B)	-	89,822,456	89,822,456
Trade receivables and other receivables (C)	472,173,058	(93,622,000)	378,551,058
<b>Liabilities</b>			
Trade and other payables (D)	822,821,340	6,824,317	829,645,657
Lease liabilities – current portion (D)	13,776,418	(364,519)	13,411,899

##### Amounts of statement of cash flows been reclassified:

	31 December 2024 (before reclassification) ﷲ	Reclassified amounts ﷲ	31 December 2024 (after reclassification) ﷲ
Net cash generated from operating activities	670,020,048	93,189,238	763,209,286
Net cash (used in) / generated from investing activities	81,689,117	(102,479,860)	(20,790,743)
Net cash used in financing activities	(221,123,424)	9,290,622	(211,832,802)



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#### 43-RECLASSIFICATION IN COMPARATIVES (CONTINUED)

##### Amounts of statement of profit and loss been reclassified:

	31 December 2024 (before reclassification) ﷲ	Reclassified amounts ﷲ	31 December 2024 (after reclassification) ﷲ
Other income (expenses), net (E)	(31,987,545)	31,987,545	-
Write off/ impairment losses on property, plant and equipment (F)	(7,230,569)	7,230,569	-
Other income (E)	-	25,560,340	25,560,340
Other gains / (losses), net (E)	-	(64,778,454)	(64,778,454)

#### 44-APPROVAL BY THE BOARD OF DIRECTORS

These Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 December 2025 were approved by the Board of Directors on 1 February 2026 (corresponding to 13 Sha'aban 1447).





The National Agricultural Development Company

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