Annual Report | 2024

Harvesting Fruitful Opportunities for a Prosperous Tomorrow

Since its establishment over 40 years ago, the National Agricultural Development Company (nadec) has been a strategic partner in ensuring food security for the Kingdom and the wider region. With a legacy of consistent achievements, nadec has positioned itself at the forefront of the agriculture and food manufacturing sectors by offering high-quality and nutritious products. This commitment has elevated the company as one of the top organizations that impact consumers' daily lives. Its listing as the first agricultural company on the Saudi Stock Exchange (Tadawul) marked a transformative milestone that reinforced its leadership position and ushered in a new chapter of expansion and growth. By leveraging an innovative business strategy, nadec has solidified its presence in local and regional markets. Today, the company stands as a symbol of growth and innovation, opening new horizons for a fruitful future filled with promising opportunities. This vision integrates sustainability, development, and market-driven expansion in alignment with the Kingdom's food security strategy and Vision 2030.

Nadec is distinguished by its advanced operational environment, investing in state-of-the-art technologies and infrastructure to deliver products that meet global standards. This ensures excellence and enables the company to explore new opportunities that pave the way for a more prosperous future. With this commitment, nadec has successfully adapted to the evolving needs of markets and consistently met customer expectations with professionalism and efficiency.

Nadec is steadily advancing towards a brighter future through a comprehensive five-year strategy aimed at enhancing its innovative capabilities, achieving growth and geographical expansion, and adopting clean energy as part of its commitment to sustainability. The strategy also emphasizes investment in modern technologies and green infrastructure to achieve operational efficiency and sustainable quality. This reflects nadec's vision of delivering products that become the preferred choice in local, regional, and global markets.

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1 At a Glance

Supporting Food Security in Line with Vision 2030

Vision, Mission, and Values

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Nadec’s Ownership in Other Companies

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Supporting Food Security in Line with Vision 2030

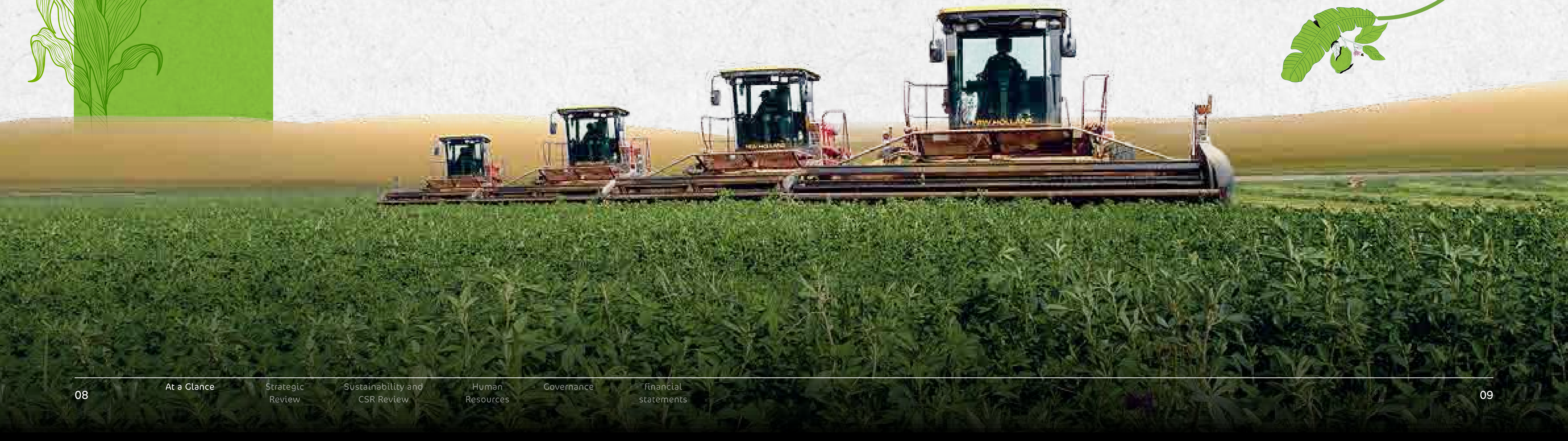
Food Security; the cornerstone for nadec's strategy

Inspired by Saudi Arabia's Vision 2030, nadec's vision aligns with national food security goals. This vision aims to achieve sustainable self-sufficiency in food production while strengthening food security as a cornerstone of the national economy. It emphasizes on boosting local production, diversifying food sources, optimizing the sustainable use of resources, fostering innovation and scientific research, and enhancing regional and international partnerships.

In line with this approach, nadec has chosen this year's report theme to be: "Harvesting Fruitful Opportunities for a Prosperous Tomorrow." This reflects the company's unwavering commitment to supporting the Kingdom's ambitions and the directives of its visionary leadership. nadec is committed to implementing strategies that ensure self-sufficiency in essential products while focusing on enhancing food quality and safety in compliance with the highest local and international standards.

Nadec's Strategy to Enhance Food Security in Line with Vision 2030

1. Boosting Local Production
2. Diversifying Food Sources
3. Sustainable Resource Utilization
4. Promoting Innovation and Scientific Research
5. Supporting International and Regional Partnerships



1. Boosting Local Production

Objectives:

- Increase the market share of locally produced products, such as agricultural, dairy, and food products by enhancing product competitiveness and consumer trust.
- Leverage advanced agricultural technologies, precision farming techniques and sustainable agricultural in both agricultural and product manufacturing to optimize resource efficiency and improve product quality.

Achievements:

- Enhanced local agricultural production through modern technologies and sustainable agricultural practices:

1.5%

Processed Cheese:
increase in market share (2024).

0.6%

Long-life milk:
increase in market share (2024).

4.9%

Olive Oil:
increase in market share (2024)

0.6%

Fresh cream:
increase in market share (2024).

2. Diversifying Food Sources

Objectives:

- Reduce reliance on imports by developing robust local agricultural sectors.
- Support agricultural investments both within and outside the Kingdom to ensure a steady food supply.

Achievements:

- Ensuring a Sustainable Food Supply through Strategic Partnerships: Nadec signed a partnership agreement with United Feed Company to establish a company specializing in the livestock sector for the production of red meat. This aligns with our expansion goals in meat production, with nadec investing SAR 90 million. This partnership supports efforts to enhance local food self-sufficiency by diversifying protein sources to meet the needs of the local market.
- Strengthening Ties with Farmers: Nadec is strengthening ties with local farmers through contract farming, aligned with the Kingdom's Vision 2030. Instead of limiting input to major suppliers, small and medium-scale farmers actively continue to contribute to meeting the market's food needs, ensuring inclusivity and sustainability in the agricultural sector.

3. Sustainable Resource Utilization

Objectives:

- Preserve natural resources from degradation, with a focus on more efficient water management.
- Expand desert agriculture and adopt hydroponic and vertical farming technologies.

Achievements:

- Collaboration with Pure Harvest: Implemented innovative farming systems that significantly reduce water consumption per kilogram of production.
- Memorandum of Understanding with the Olive Producers Association: Established collaboration to promote the adoption of best practices, particularly in irrigation management.
- Water Recycling Study: Completed a comprehensive study on water reuse within nadec's operations to maximize efficiency and sustainability.
- Wastewater Treatment Project: This project aims to enhance water treatment capabilities for greater sustainability.

4. Promoting Innovation and Scientific Research

Objectives:

- Support scientific research and development in agriculture and food sectors to enhance productivity.
- Encourage the adoption of Artificial Intelligence (AI) and Internet of Things (IoT) technologies in agriculture.

Achievements:

- Nadec's Climate Change Mitigation Initiative: 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.
- Efforts in Clean Energy Production: Announced ownership of one of the largest solar arrays in the Middle East, continuing to produce clean energy and contribute to environmental sustainability.
- Enhancing Eco-Friendly Cooling Technologies: 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.
- Our alliance with the "Saudi AgriFood Tech Alliance" (SAFTA) fosters collaboration to advance agricultural and food technology solutions, driving national-scale deployment of innovative AgriFood technologies.

5. Supporting International and Regional Partnerships

Objectives:

- Establish partnerships with other countries to ensure stable food supplies.
- Enhance agricultural investments abroad to guarantee diverse food sources.

Achievements:

Through continuous efforts, nadec has successfully developed new business sectors, including:

- Establishing World-Class slaughterhouse for local red meat production.
- Building Key Partnerships across all segments of the food supply chain, particularly in agriculture and protein sectors.
- Protein Sector Achievements. formed strategic partnerships with leading red meat producers in Brazil.
- Designated Australia as one of the primary suppliers of premium red meat to the Kingdom.

Vision, Mission, and Values

Vision

To deliver high-value nutritional products to consumers, striving to achieve the highest levels of satisfaction and aiming for regional and global 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 Kingdom's Vision 2030.

Mission

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

Nadec's Core Values

Our values form the foundation of our operations, guides the principles that shape our corporate culture. They align with all our practices, strategies, and policies, enabling us to create value for everyone associated with nadec.

Care

At nadec, we believe that corporate care is reflected in offering products of exceptional quality. Through our commitment to meeting our customers' needs, we ensure the delivery of outstanding food services that meet the highest standards expected in the market. We focus on providing exceptional care for the quality of our products, which reflects excellence in our production and operational capabilities, enabling us to fulfill our customers' ambitions and provide the best possible food experience.

Social Responsibility

Social responsibility is a cornerstone in our strategic plan. We believe success is not solely measured by product quality but also by our accountability to society and the environment. We are committed to offering premium-quality food products that meet customer expectations while actively working to improve our environmental impact. By adopting sustainable practices across our supply chain, from sourcing to packaging, we uphold principles of social justice and community engagement. We also support local initiatives and create sustainable job opportunities, reflecting our role as a proactive contributor to society. For us, social responsibility means balancing profitability with our societal and environmental influence.

Motivation

Motivation is a fundamental element of our strategy. We recognize that passion and commitment are essential drivers of success. A motivated and driven team is the backbone of any successful enterprise, so we strive to foster a culture of inspiration and provide an empowering environment that encourages teamwork and creativity.

We understand that a strong sense of motivation directly impacts the quality of our products and services. Therefore, we continually invest in personal and professional development opportunities for our team members, promoting skill enhancement and innovation. This commitment ensures consistent improvement and evolution of our products, keeping nadec at the forefront of the industry.

Excellence

At nadec, we place excellence at the heart of our strategy. We believe that achieving the highest levels of quality and innovation is the cornerstone of our success. We continuously strive for excellence in every aspect of our operations, from selecting raw materials to distributing our products.

On our journey toward excellence, innovation and development are integral to our identity. We invest in research and development to deliver unique and innovative products that meet customer expectations and stand out in the competitive food market. We take pride in our ongoing efforts to improve our processes and refine our production methods to achieve exceptional levels of efficiency and quality.

In a rapidly changing world, we fully understand the importance of excellence in meeting customer aspirations and maintaining a leading competitive position. Therefore, we prioritize innovation and distinctiveness in delivering value and achieving sustainable customer satisfaction as a primary goal in our pursuit of excellence.

Collaboration

Collaboration is one of the pillars of our strategic plan. At nadec, we recognize that teamwork is the key to effectively achieving strategic goals. We believe that strong collaboration within our team and with our partners and customers contributes to building our sustainable success. In a world of rapid change, collaboration is the optimal path to achieving innovation and sustainability.

We promote a culture of mutual respect and encourage active participation to ensure that every individual realizes their full potential. We foster relationships built on trust and integrity with our suppliers and commercial partners. Through close collaboration, we aim to achieve integration across the supply chain and improve all aspects of our operations.

At nadec, collaboration means working together toward shared goals, contributing to strengthening our position as an innovative and responsible food company.

Historical Background

43 Years of Excellence

Forty-three Years of Leadership in the Food Industry

1981
NADEC was established by Royal Decree with an initial capital of SAR 400 million.

1982
Wadi Al-Dawasir agricultural project was inaugurated, marking the start of a journey filled with challenges, successes, and opportunities in agricultural and food production.

1984
NADEC became the Kingdom's main dairy supplier by opening its first fresh milk and dairy products factory.

1985
Hail agricultural project was launched, expanding the NADEC's offerings in agricultural and food products.

1986
NADEC started packaging milk and dairy derivatives on its production lines.

1987
Al-Jouf agricultural project for olive production was inaugurated, adding momentum to the region's agricultural sector.

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.

2006
NADEC initiated an intensive olive production project, furthering its continuous development.

2007
The NADEC expanded its cheese factory and began producing fresh juices in the newly expanded facility.

2014
NADEC's scope of activity expanded with the Sudan Agricultural Project, adding a new canvas to the map of agriculture and development.

2015
NADEC inaugurated the Al-Hazm model farm for cows, enhancing its position as an integrated agricultural system.

2016
In pursuit of sustainability and local industry growth, NADEC established a 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.

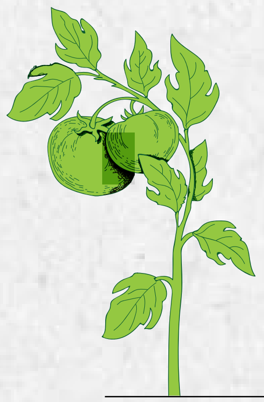
2020
NADEC took another step into the future by signing a memorandum of understanding with Pure Harvest for smart farming. This partnership merged traditional agricultural expertise with modern technology to create an innovative and intelligent agricultural environment.

2021
Commercial operations began for the solar energy project in collaboration with ENGIE Company in the Haradh industrial area.

2022
- Began producing high-quality tomatoes using smart greenhouse technology.
- Opened the olive oil factory in Al-Jouf.
- Transitioned to full automation of all operational and marketing processes.

2023
- Launched NADEC's new 2023 - 2027 strategy.
- Increased the company's capital by SAR 2 billion through a rights issue.
- Signed agreements with several partners, including SIRC, Ellon Resources Group, Del Monte, and United Feed Company.

2024
- Signed a partnership agreement with United Feed Company to establish a livestock company specializing in red meat production.
- NADEC expanded its protein footprint in the market of Saudi Arabia with SAR 180.3 Mn Revenue in its first year of operations.



Geographic Presence

Our Global Reach

Branches Within the Kingdom

Nadec operates extensively across Saudi Arabia through a well-established network of branches and retail outlets, ensuring comprehensive market coverage.

Regional Branches

Nadec's presence is not confined to Saudi Arabia; it spans across the Gulf Cooperation Council (GCC) countries, the Middle East, and North Africa regions. The company currently has two regional branches:

- UAE
- Bahrain

Distribution Outlets Outside the Kingdom

Nadec also markets and sells its products internationally. Which include Jordan, Libya, Lebanon, Yemen, Palestine, Iraq, Mauritania, Somalia, Maldives, Seychelles, and the United States of America.

Revenue Breakdown (SAR)

Revenue Source	(SAR) Revenue			% of Total Revenue		
	2022	2023	2024	2022	2023	2024
Saudi Arabia	2,399,685,681	2,829,356,972	2,915,753,249	89.1%	88.5%	90.5%
Other Countries	294,562,032	367,609,565	304,647,144	10.9%	11.5%	9.5%
Total	**2,694,247,713**	**3,196,966,537**	**3,220,400,393**	**100%**	**100%**	**100%**

Key Performance Indicators (KPIs)

Sales (SAR Billion):

- 2024 3.2
- 2023 3.2
- 2022 2.7

Net Income (SAR Million):

- 2024 774.6
- 2023 302.1
- 2022 95.5

Assets (SAR Billion):

- 2024 5.7
- 2023 5.1
- 2022 3.8

Daily Dairy and Juice Production (Million Liters):

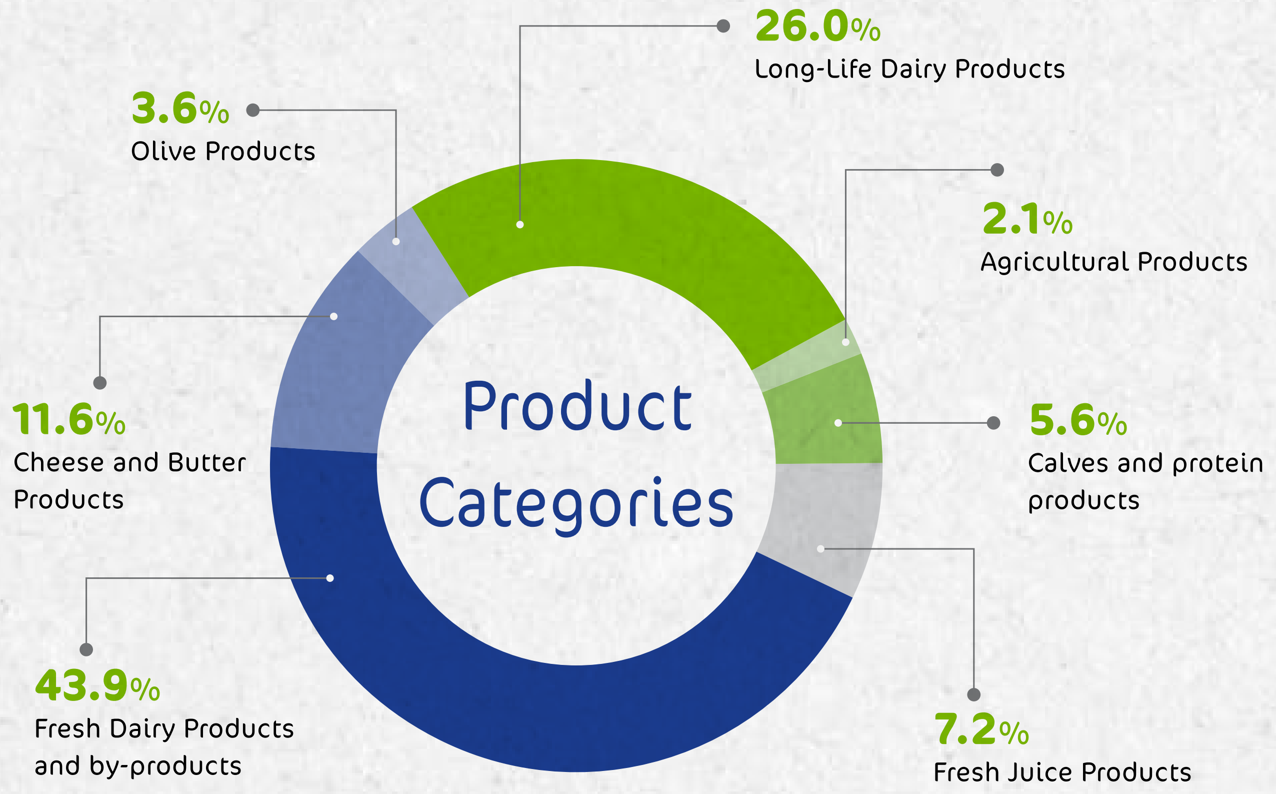
- 2024 1.5
- 2023 1.5
- 2022 1.4

Cattle Herd (Heads in Thousands):

- 2024 105
- 2023 94
- 2022 89

Quality Tests Conducted (in Thousands):

- 2024 20.0
- 2023 19.9
- 2022 16.6



Nadec Revenue Breakdown by Major Product Categories (2024 vs. 2023)

Product Category	2024 (In Millions SAR)	2023 (In Millions SAR)	Change (%)
Fresh Dairy Products and by-products	1,413.7	1,506.1	(6.1)
Fresh Juice Products	231.4	234.9	(1.5)
Long-Life Dairy Products	836.3	833.2	0.4
Cheese and Butter Products	374.6	353.6	5.9
Olive Products	115.1	68.6	67.8
Agricultural Products	69.0	116.9	(41.0)
Calves and protein products	180.3	83.6	114.9
Total Revenue	**3,220.4**	**3,196.9**	**0.7**

2024 At a Glance

Harvesting Success with Excellence

1. A Fruitful Investment for Food Security

- Nadec signed a partnership agreement with United Feed Company to establish a livestock company specializing in animal fattening for red meat production.
- Nadec expands red meat production with an additional investment of SAR 90 million.
- Nadec expanded its meat footprint in the market of Saudi Arabia with a revenue of SAR 180.3 million in 2024 compared to SAR 83.6 million in 2023.
- All the shareholders of Arabian Mills including nadec offered to sell 30% of their existing shares during IPO process. As a result, nadec gained SAR 103.2 million on sales of 30% shares and also recognized fair value gain of SAR 253.3 million on remaining shares.

2. Fruitful Economic Indicators: Success in Numbers

- Nadec's profits surged to SAR 101.3 million in Q1 of 2024, compared to SAR 37.7 million in Q1 of 2023.
- Nadec's profits rose by 107.4% to SAR 213.2 million in the first half of 2024 compared to SAR million 102.8 in the first half of 2023.
- Nadec's profits reached SAR 326.6 million for nine-month period ended 30 September 2024, marking an 83% increase compared to SAR 178.1 million during the same period in 2023.
- Nadec's profits significantly increased to SAR 774.6 million for FY 2024, marking a 156.4% increase compared to SAR 302.1 million for FY 2023.

3. Sustainability Efforts: In Line with the Kingdom's Vision

- Nadec sponsored the Environmental Commitment Forum, which was Organized by the National Center for Environmental Compliance, nadec took a leading role in supporting sustainability initiatives.
- Nadec conducted a workshop with the Agricultural Cooperative Association in Qaryat Al-Ulya to promote sustainable wheat farming practices.
- Nadec participated in the Saudi Agriculture Exhibition to Showcase innovative sustainability techniques in nadec's agricultural projects
- Greening Arabia: International Exhibition and Forum for Afforestation Technologies: nadec Highlighted its expertise in soil revitalization, water recycling, and organic waste management during COP16 Riyadh.
- nadec presented sustainable potato farming technologies in Hail, reinforcing its commitment to eco-friendly practices.
- Nadec's dedicated pavilion in COP16 Riyadh featured its innovative agricultural soil restoration initiatives and sustainability projects.

4. Awards and Recognitions: Winning Trust and Building Community Confidence

- Nadec was honored for receiving the Social Responsibility Emblem to acknowledge its achievements in this field.
- Recognized as the leading national company for promoting sustainable agricultural innovations during the COP16 Conference in Riyadh.
- Awarded the Consumer Sustainability Certificate by the Consumer Protection Association, becoming the first entity to receive this distinction.
- Nadec's 2023 annual report was recognized as the Best Printed Annual Report in its Category by the Middle East Investor Relations Association (MEIRA).
- The digital version of nadec's 2023 annual report received the Second Best Digital Annual Report Award in its category from MEIRA.

5. Developing Our Production Sectors: Advancing for Quality

- Nadec celebrated conducting 20,000 quality tests daily on its food products, reflecting its commitment to excellence.
- Nadec marked the milestone of planting over 5 million olive trees in its project located in the Al-Jouf region.

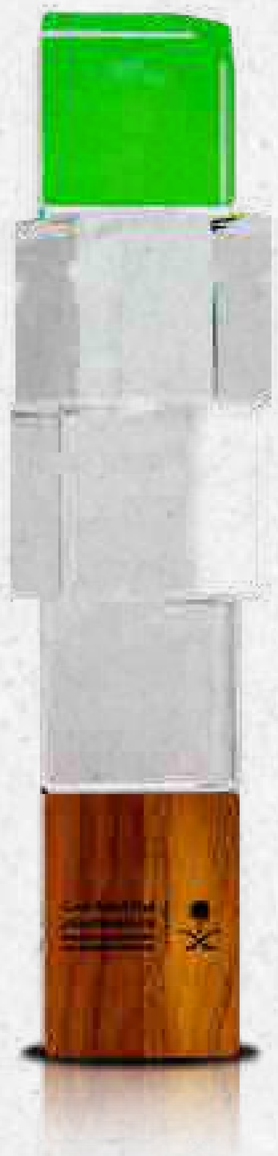
6. Marketing Our Products: Expanding to New Markets

- Nadec participated as a platinum sponsor in the 47th Baghdad International Fair, as part of Saudi Arabia's representation in the event.
- Nadec Organized a workshop to promote organic farming practices at nadec's farm in the Al-Jouf region.
- Nadec showcased its products, projects, and expansion plans through an interactive pavilion at the Foodex Saudi exhibition in Riyadh.
- Nadec launched the Strawberry Mojito, achieving significant success within the first five months of its launch.
- Nadec released a new Ayran product flavored with cucumber and mint, which was well-received from customers.

Awards, Recognitions, and Certificates

Awards and Recognitions

In 2024, nadec received numerous prestigious awards in recognition of its excellence in product quality, social responsibility, and sustainability initiatives.



Best Cream Cheese in the GCC:

Nadec was awarded the title of "Best Cream Cheese" across the GCC countries, reaffirming the exceptional quality of its products, particularly in the dairy sector..

Social Responsibility Emblem:

The Ministry of Human Resources and Social Development awarded nadec the Social Responsibility Emblem as part of the 2024 Social Responsibility Award, recognizing its impactful community programs and initiatives.

Innovation in Sustainability Award:

Nadec received the Innovation in Sustainability Award from the Research, Development, and Innovation Authority, presented by the Minister of Environment, Water, and Agriculture. This award highlights nadec's efforts in advancing sustainable agricultural innovations in the food sector, presented during the COP16 Climate Conference in Riyadh.

Consumer Sustainability Award:

Nadec was honored with the Consumer Sustainability Certificate by the Consumer Protection Association, becoming the first national company to receive this recognition.

Best Printed Annual Report Award (MEIRA):

Nadec's annual report won the Best Printed Annual Report Award for its category from the Middle East Investor Relations Association (MEIRA) for the year 2023.

Second Best Digital Annual Report Award (MEIRA):

Nadec's digital annual report was recognized as the Second Best Digital Annual Report for its category by MEIRA in 2023.

Certificates

FSSC 22000 Food Safety System Certification

A globally recognized certification ensuring food safety management systems meet international standards - Company Operations.

Saudi GAP Al Jouf (Olive, Wheat, Potato, Onion, Dates)

Ensures compliance with Good Agricultural Practices (GAP) for key crops in Al Jouf - Product-Specific.

Saudi GAP Wadi Al Dawasir (Potato Date palm Onion)

Confirms adherence to Good Agricultural Practices in Wadi Al Dawasir - Product-Specific.

Saudi GAP Al-Ahsa (Wheat, Dates)

Ensures wheat and date farming in Al-Ahsa follows Good Agricultural Practices - Product-Specific.

Saudi GAP Hail (Potato , Wheat , Onion)

Certification for implementing Good Agricultural Practices in Hail - Product-Specific.

Saudi Arabian Agriculture Law - Organic Agriculture Executive by Law (OS KSA)

Compliance certification with Saudi organic agriculture laws and regulations - Company Operations.

CERES Organic Standard (CE-OS)

International organic certification ensuring compliance with organic farming standards - Product-Specific.

Halal Certificate

Certification confirming compliance with Halal food production requirements - Product-Specific.

Saudi GAP Dairy

Ensures Good Agricultural Practices for dairy production in Saudi Arabia - Product-Specific.

ISO 22000:2018 Food Safety Management System

International standard for food safety management ensuring safe food production - Company Operations.

ISO 9001:2015 Quality Management System

Global standard for quality management, ensuring efficiency and customer satisfaction - Company Operations.

SASO Quality Mark (Dairy)

Certification from the Saudi Standards Organization ensuring dairy product compliance - Product-Specific.

SASO Quality Mark (Juices)

Certification guaranteeing that juice products meet Saudi quality standards - Product-Specific.

SASO Quality Mark (Cheese Processed - Feta Cheese)

Ensures processed cheese products, including feta, meet quality standards - Product-Specific.

GLOBALG.A.P (Dates)

International certification ensuring Good Agricultural Practices for date farming - Product-Specific.

ISO 37301:2021 - COMPLIANCE MANAGEMENT SYSTEM

International standard for compliance management ensuring regulatory adherence - Company Operations.

FIRM CERTIFICATE - TAWTHIQ - Comply with Saudi Organic Agriculture Law & By Law.

Certification ensuring compliance with Saudi organic agriculture regulations - Company Operations.

ISO 27001:2022 Information Security Management

International standard for information security management systems - Company Operations.

Nadec's Ownership in Other Companies

Achieving Success Through Integrated Performance

Nadec Management Company
Headquarters: Riyadh
Main Activity: Management and consultation services
Issued/Paid-up Share Capital
500,000
SAR
100%
Nadec Ownership

National Livestock Company (AlRaie)
Headquarters: Riyadh
Main Activity: Livestock and meat production
Issued/Paid-up Share Capital
5,000,000
SAR
51%
Nadec Ownership

Al-Mutahida United Dairy Farms Company
Headquarters: Riyadh
Main Activity: Veterinary medicine warehouse
Issued/Paid-up Share Capital
7,250,000
SAR
8.26%
NADEC Ownership

National Company for Seed Production & Agriculture Services Company (BUTHOR)
Headquarters: Riyadh
Main Activity: Seed production
Issued/Paid-up Share Capital
29,515,200
SAR
13.99%
NADEC Ownership

National Seeds Production Company (NSPC)
Headquarters: Riyadh
Main Activity: Agricultural production
Issued/Paid-up Share Capital
5,000,000
SAR
100%
NADEC Ownership

Arabian Mills for Food Products Company (formerly: Second Milling Company)
Headquarters: Riyadh
Main Activity: Packaging and milling of wheat, cracked wheat, semolina, bulgur, and animal feed
Issued/Paid-up Share Capital
513,150,060
SAR
10.41%
NADEC Ownership

Stakeholder Engagement

Our Employees: The Heart of Our Operations

At nadec, our core values and principles create a safe and reliable environment for our employees. We are dedicated to providing clear and defined career paths while equipping our team with the necessary support to enhance their skills and knowledge. This is achieved through partnerships with leading training institutions that help qualify and empower our employees.

Our training efforts are aligned with our strategic transformation goals, focusing on enhancing the expertise of our young workforce by enabling them to earn professional certifications. These certifications help them stay updated on the latest industry trends and acquire the knowledge necessary to improve their performance.

The training plan is executed by analyzing training needs and selecting methods that align with the nature of the program while balancing departmental requirements with employees' aspirations for future growth within the company. We also prioritize maintaining open communication with our employees, offering support, and engaging with them through digital platforms and other means.

Our Shareholders: Our Investment Vision

In line with the best governance practices, nadec is committed to facilitating shareholders' full legal rights regarding their shares. We actively encourage shareholders to provide suggestions and feedback on the group's performance and ensure their questions are addressed during general assembly meetings or through our Investor Relations department.

Suppliers: Partners in Success

At nadec, we strive to collaborate closely with our suppliers to reduce costs, improve the quality of raw materials, and enhance cost efficiency. We deeply value our partnerships with suppliers and business partners, aiming to foster relationships built on trust and integrity. Through close collaboration, we work to achieve supply chain integration and optimize every aspect of our operations. Our strategy places suppliers at the center of our focus to ensure sustained quality and mutual growth .

Three key pillars to guarantee success with our suppliers:

- Expanding our supplier base by prioritizing local raw materials and strengthening reliance on the domestic market.
- Enhancing collaboration with suppliers by organizing regular meetings to explore partnership opportunities, ensure the availability of raw materials and products, and improve material efficiency.
- Nadec continuously evaluates the suppliers' performance by conducting regular laboratory and quality tests to maintain material standards, and by analyzing real-time responsiveness to ensure quality and reliability.

Farmers: The Foundation of Our Prosperity

At nadec, we are committed to supporting our farmers as key partners in ensuring the quality of our agricultural produce, dairy, and red meat products. Our dedication to farmers reflects our broader mission of enhancing agricultural productivity and sustainability.

Nadec ensures the quality of its agricultural products through the following steps:

- Cultivation of crops in open fields and smart greenhouses to Produce high-quality vegetables and fruits for consumers.
- Collaborate with global leaders in contract farming technologies to support fruit and vegetable farmers across the Kingdom.
- Through nadec's support to local farmers and continuous dedication to quality, nadec maintains leadership in producing premi um organic olive oil.
- Supply top-tier seeds, such as wheat and potatoes, to farmers across the Kingdom.

Nadec actively promotes sustainable practices within its supply chain by working closely with farmers, supporting local production, and encouraging using raw materials sourced from local suppliers. This approach highlights our commitment to the agricultural sector in Saudi Arabia, reflected in our continuous support for local farmers and the incorporation of locally sourced raw materials into our product manufacturing processes.

Recognizing the importance of self-sufficiency and its positive impact on the national economy, nadec has forged strategic partnerships with local farmers, providing them with resources, expertise, and fair market opportunities. This initiative not only enables nadec to maintain the highest quality standards for its products but also contributes to the development of a robust and resilient agricultural ecosystem for farmers within the Kingdom.

Consumers: To Meet Their Needs

The growing consumer demand for a sustainable food system is evolving rapidly, requiring proactive measures from companies. nadec is committed to continually fulfilling the dietary needs of local consumers while strengthening food security. To ensure the food security of its customers, nadec follows a structured approach:

- Focusing on Production Strategies
- Diversifying Product Portfolios
- Enhancing Market Flexibility to adapt to volatile market conditions and consistently meet consumer demands.
- Market-Driven Product Development

Nadec's diverse product portfolio encompasses dairy products, juices, olive oil, red meat, and agricultural products. This aligns directly with the National Food Security Program and supports the company's growth in these sectors. These efforts position nadec as a leader in large-scale food provision through its commitment to sustainable practices and its adaptability to global challenges such as climate change and population growth.

Furthermore, fostering sustainable innovation is a key factor in meeting the evolving expectations of consumers, maintaining the company's competitive edge, and ensuring continued success in this dynamic sector. nadec's focus on innovation ensures it remains at the forefront of delivering value to its consumers while staying resilient in the face of emerging global challenges.

Our Community: Serving Our Nation

In alignment with its ethical values, nadec is committed to launching impactful initiatives as part of its on-going efforts to engage with its community and customers on various occasions that support them. The company ensures that these values are embedded in all its internal and external activities, driven by its belief in the importance of its societal role. nadec actively participates in and sponsors events and initiatives that promotes to societal well-being, reflecting its commitment to one of Saudi Vision 2030's key objectives: "Enhancing Corporate Social Responsibility."

Shareholder Information

Ownership Notification

The Saudi Agricultural and Livestock Investment Company (SALIC) is the largest shareholder in nadec, owning 116,579,257 shares, which represents 38.65% of the company's capital.

Nadec Stock Information

Date of Listing	1993
Stock Exchange	Saudi Exchange (Tadawul)
Stock Code	6010
Number of Issued Shares	301,640,000

As of 31/12/2024, the total number of nadec investors reached 44,581 shareholders. Institutional investments accounted for 74.1% of the total shares owned by the company, while individual investments represented 25.9% of the total shares owned.

Nadec Stock Price Performance

Stock Price as of 31/12/2024	**24.68 SAR**
Stock Price as of 31/12/2023	**27.85 SAR**
Stock Price 3 Years Ago	**14.49 SAR**
Highest Trading Price	**36.05 SAR**
Lowest Trading Price	**23.54 SAR**
Price Change Rate as of 2024	**(11.38%)**

Nadec Stock Performance in 2024

Major Shareholders in nadec (Ownership Above 5%)

Owner	Current Ownership (%)	Previous Ownership (%)	Current Shares
The Saudi Agricultural and Livestock Investment Company (SALIC)	38.65	38.65	116,579,257

Nadec Investors by Ownership Type

As of December 31, 2024			
Ownership Type	Ownership Percentage (%)	Number of Investors	Number of Shares
Institutional Investments	74.1	346	223,525,196
Individual Investments	25.9	44,235	78,114,804
Total Investments	100	44,581	301,640,000

Nadec Investors by Nationality

As of December 31, 2024			
Nationality	Ownership Percentage (%)	Number of Investors	Number of Shares
Saudi Investors	92.8	41,258	279,879,973
Foreign Investors	7.2	3,323	21,760,027
Total Investments	100	44,581	301,640,000

2 Strategic Review

Chairman's Message

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Financial Performance

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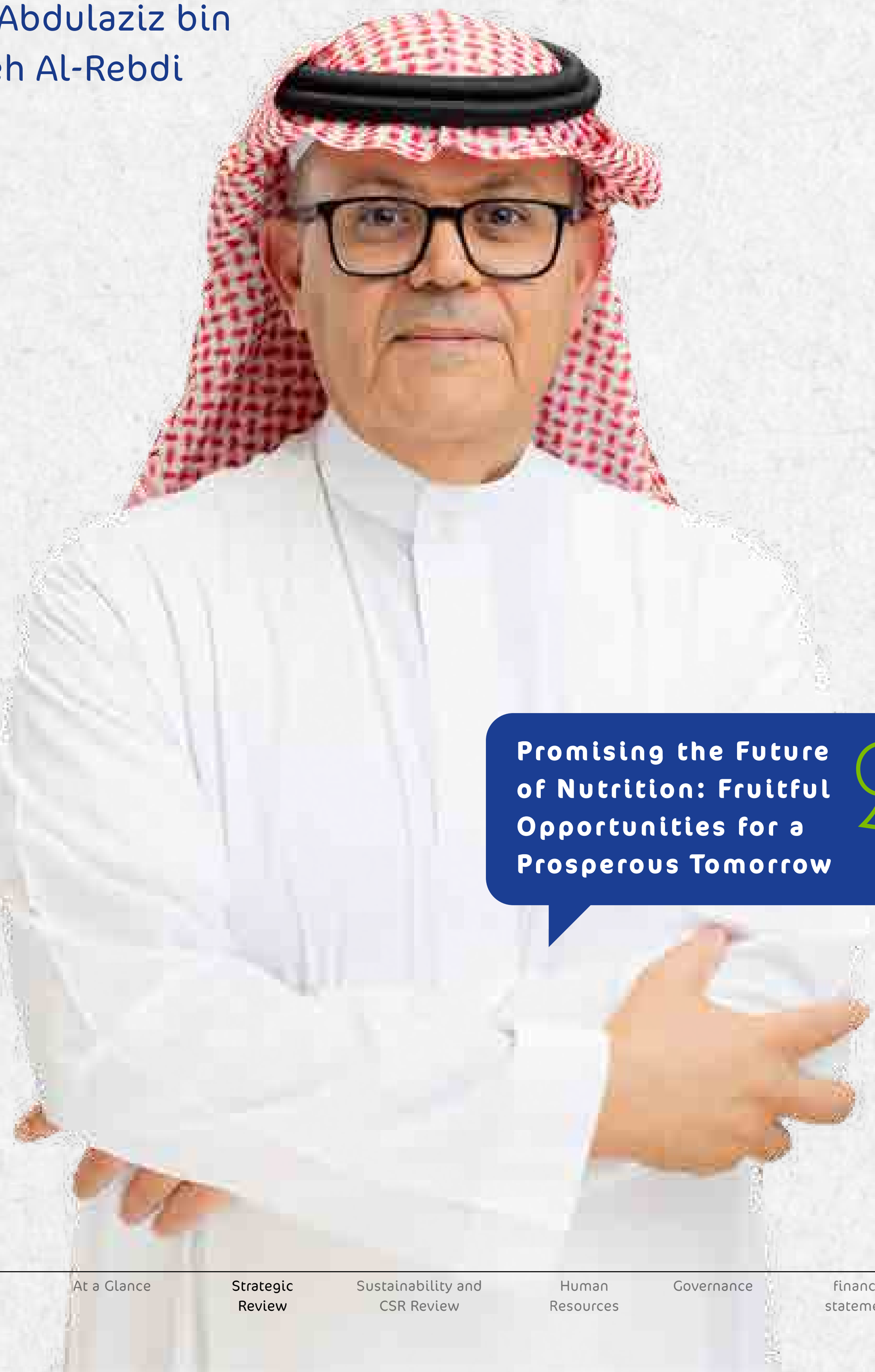
Chairman's Message

Mr. Abdulaziz bin Saleh Al-Rebdi



Promising the Future of Nutrition: Fruitful Opportunities for a Prosperous Tomorrow

For over forty years, nadec has played a pivotal role as a strategic partner in strengthening food security in Saudi Arabia, establishing itself as one of the leading companies in the agricultural and food industries across the region. Our continued achievements have solidified nadec's position at the forefront of companies that significantly impact consumers' daily lives by providing high-quality food products. A defining milestone in our journey was nadec's listing as the first agricultural company on the Saudi stock market, a transformative step that reinforced our leadership both locally and regionally. For over four decades, we have witnessed successive chapters of expansion, growth, and success, driven by an innovative business strategy aligned with the aspirations of Vision 2030.

Today, nadec is at the forefront of innovation, growth, and expansion, driven by a vision for a fruitful future of nutrition food future filled with "opportunities for a prosperous tomorrow." This progress is made possible by the grace of God and the unwavering support of Saudi Arabia's wise leadership for the food sector. We continue to strengthen our position, which is guided by an ambitious strategy that integrates sustainability, development, and intelligent expansion based on thorough market analysis, we continue to strengthen our position. The year 2024 marked a defining chapter of progress and inspiring achievements, further solidifying our leadership in agriculture and food industries while advancing our strategic objectives.

Towards Sustainable Leadership in Agriculture

In 2024, nadec focused on innovation and investment in advanced agricultural technologies, expanding the cultivation and production of diverse crops while integrating cutting-edge agricultural solutions such as smart greenhouses. This investment not only enhances the quality of food products but also supports local farmers and contributes to achieving the Kingdom's food self-sufficiency goals. Additionally, we have forged partnerships with global leaders in agricultural technology, enabling us to improve productivity and ensure the sustainable management of natural resources.

Diversifying Investments and Strengthening Supply Chains

Our efforts extended beyond the agricultural sector to include the development of the protein sector and investments in expanding our dairy and juice product lines, introducing new offerings that cater to evolving consumer demands. In parallel, nadec has invested in strengthening supply chains and leveraging the latest logistics technologies, enhancing operational efficiency, increasing production capacity, and boosting the company's competitiveness while improving profit margins.

Strategic Partnerships: The Key to Success and Innovation

Believing in the importance of integration within the food value chain, nadec is committed to building strong partnerships with farmers, suppliers, and technology companies to drive innovation and unlock new growth opportunities. These partnerships are more than just investments, they serve as catalysts for sustainable growth, strengthening food security, supporting the national economy, and creating added value for all stakeholders.

On behalf of myself, nadec, and all its employees, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud, may God protect them, for their unwavering support in strengthening the Kingdom's food security. I also express my sincere appreciation to my colleagues on the Board of Directors for their wise vision and dedicated efforts, and to the executive management, leadership teams, and employees across all nadec projects and operations. Their dedication and outstanding efforts throughout 2024 have driven remarkable achievements, reinforcing our leadership in the food sector both locally and regionally. These accomplishments continue to propel us toward a prosperous future in line with Saudi Arabia's ambitious transformation.

CEO's Message

Dr. Solaiman Abdulaziz Al-Twaijri

Nadec achieved an overall net profit of

775

million SAR

Marking an increase of

156%

compared to 2023

Nadec 2024: Comprehensive Expansion with Promising Opportunities for a Prosperous Future

Another year has passed, bringing new milestones for the National Agricultural Development Company (nadec). Our mission extends beyond fulfilling consumer expectations; we are deeply committed to a national vision that prioritizes food security, advances sustainability across Saudi Arabia, and aligns with the objectives of Vision 2030. Through strategic transformations and ambitious initiatives, we continue to demonstrate our unwavering dedication to the Kingdom and its long-term development goals.

In this regard, we successfully established foundational partnerships in 2024 within the livestock and protein sector, reinforcing national food security and creating new growth opportunities. Additionally, we signed long-term leasing agreements to expand our storage capacities, enabling us to meet the increasing demand for our products.

Throughout the year, we pursued ambitious investments aimed at diversifying our resources and strengthening our financial efficiency to build a more prosperous future. Additionally, we remained committed to enhancing the production of other agricultural and food sectors within nadec, reinforcing our dedication to food self-sufficiency and national food security.

At nadec, our commitment to quality and excellence is not just a short-term goal but a benchmark for business excellence. Built on a long history of dedication and continuous success, we have consistently delivered premium products across the juice, beverage, and dairy sectors for decades. This commitment also drives our strategic expansion into the protein and vegetable sectors, along with other future growth areas.

In 2024, our pursuit of excellence in sustainability did not waver. Instead, we seized promising opportunities to build a thriving future, embracing more sustainable initiatives that led to remarkable achievements across various food sectors. Among these was the success of our premium nadec olive oil, produced from our project in Al-Jouf. We were also honored with the "Innovation in Sustainability" award this year, alongside the accomplishments of our environmental sustainability programs, including afforestation, water recycling, organic waste management, and other key initiatives in this field.

In terms of operational excellence this year, Nadec overall achieved a net profit of SAR 775 million marking a 156.6% increase compared to 2023.

In line with our expansion plans and ambitious growth strategy, we have made significant progress in developing and implementing a comprehensive strategy for red meat production, with full-scale production set to be phased for over five years. We have also signed several agreements and forged promising investment partnerships, collaborating closely with companies and institutions both within and beyond the Kingdom. These efforts focus on business development, sustainability, and advanced technologies across nadec's food sectors. Additionally, we have strengthened our agricultural projects, partnered in establishing a company dedicated to livestock farming to reinforce our leadership in national food security, and signed a strategic memorandum of understanding with Panda Retail to enhance collaboration in the food sector. At the same time, we have expanded and developed our corporate social responsibility initiatives as part of nadec's core strategy.

Implementing these projects and achievements that we shed light on, would not have been possible without our interest and keenness at nadec to create a stimulating work environment, develop national competencies and cadres, and attract young local talent. We are fully committed to the highest international safety standards in our various work sites and food and agricultural projects, where many programs and procedures were implemented. This has contributed to strengthening our firm's commitment to security, health, and occupational safety, as per the highest international standards.

In conclusion, on behalf of myself and nadec, I extend my deepest gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud, may God protect them, for their continued support of the agricultural and food development sector, a key pillar of Vision 2030. I also express my sincere appreciation to the esteemed Chairman and Members of the Board of Directors for their unwavering support of the executive management in our efforts to enhance services for consumers, clients, and stakeholders. Additionally, I extend my gratitude to the dedicated leaders and employees of nadec, who are the foundation of this great national institution. Their commitment and innovation have been the driving force behind our success in serving our valued customers and consumers, whose satisfaction remains our greatest source of inspiration and excellence.

Our Strategy

"New Dawn" Strategy: Six Pillars of Strategic Excellence

In alignment with the "New Dawn" strategy, nadec focuses on the following pillars to achieve its strategic objectives:

Agricultural Expansion

This pillar is driven by cultivating and producing agricultural crops in open fields and smart greenhouses, with the goal of delivering high-quality vegetables and fruits to consumers. Nadec adopts the latest technologies and forms partnerships in the form of contract farming to support local farmers. Additionally, the company remains committed to producing organic olive oil and leading the way in providing premium agricultural seeds, such as wheat and potatoes, to farmers in Saudi Arabia..

Production Expansion

Nadec aims to achieve this pillar by scaling up production and distribution operations, as well as enhancing its existing product range (dairy and juices) to better serve both local and international consumers. Through innovation, investment in supply chains, and expanding distribution capabilities, the company seeks to reach a broader audience. Dairy products and their derivatives serve as the backbone of nadec's operations, accounting for 92.3% of its revenues as of 2024. Moreover, nadec plans to expand its investments into the protein and vegetable sectors, in line with its five-year strategic plan.

Geographic Expansion

Nadec aims to expand the geographic reach of its branches and services by targeting new markets within Saudi Arabia, the Middle East, North Africa, and untapped global markets. This initiative seeks to provide diverse opportunities for future growth.

Sectoral Expansion

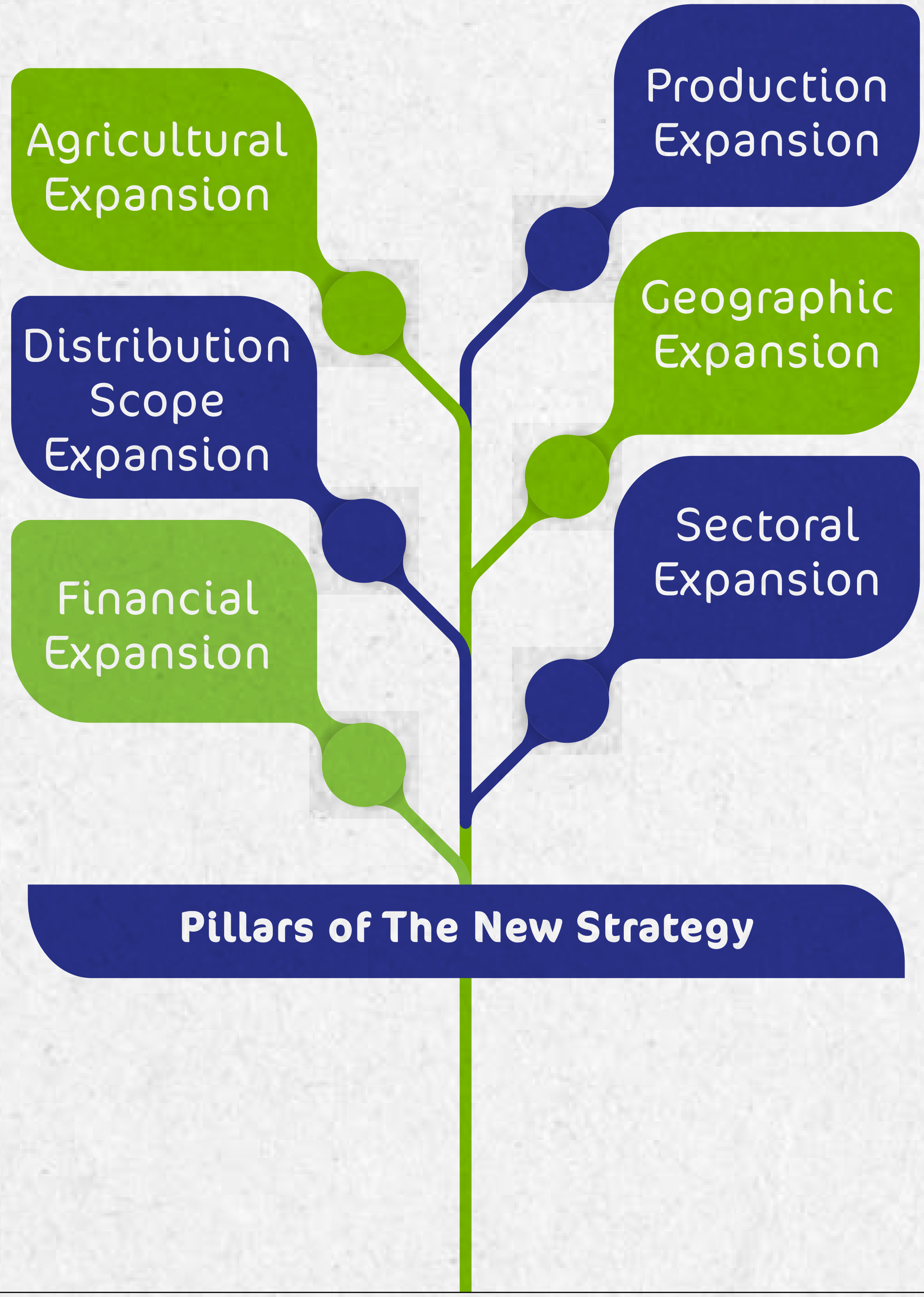
The company seeks to achieve excellence and growth in targeted sectors by investing in the protein and vegetable sectors. These investments are designed to cater to the diverse preferences and needs of customers and consumers in various markets.

Expansion in Distribution Channels

To achieve its aspirations for geographic and sectoral expansion, nadec plans to invest in the development and expansion of its distribution operations. This includes forming new alliances and partnerships to increase the reach and efficiency of its supply chain.

Expansion in Financing

Nadec aims to diversify its funding sources and utilize them to support geographic and sectoral expansion projects, as well as to enhance distribution channels. This strategic approach continued in 2024, with dedicated capital allocations aligned with the company's growth objectives.



Fruitful Strategic Developments

Nadec's activities and investments in 2024 demonstrate its commitment to enhancing food security in the Kingdom. This includes expanding red meat production, developing logistical infrastructure, broadening collaboration with other companies in the food sector, and diversifying investments in this vital industry.

Strategic Partnership to Establish a Livestock Company (March 2024)

Nadec signed a partnership agreement with the United Feed Company to establish a limited liability company specializing in intensive livestock farming (sheep and goats) and red meat production. This partnership aims to contribute to achieving self-sufficiency in the protein sector and strengthening food security in the Kingdom by adopting global best practices in livestock development.

Riyadh Development Company
الرياض للتعمير

Expansion in Storage and Cooling Facilities (July 2024)

Nadec entered into a long-term lease agreement with Riyadh Development Company to rent cold and frozen storage warehouses in Riyadh Development Market, covering an area of 27,000 square meters. This initiative reflects nadec's commitment to enhancing its logistical infrastructure to support its growing operations in the food sector.

Strategic Memorandum of Understanding with Panda (August 2024)

Nadec and Panda Retail signed a strategic Memorandum of Understanding aimed at strengthening collaboration in the food products sector. This agreement is expected to expand the distribution of nadec products, reaching a wider segment of consumers.

SAR 90 Million Investment in Red Meat Production (September 2024)

Nadec announced a significant expansion in red meat production with an investment of SAR 90 Million. This investment represents a major step toward achieving the company's goals of boosting local red meat production and contributing to the Kingdom's food security.

Full-Scale Red Meat Production Within Five Years (September 2024)

Nadec's CEO announced the company's plans to achieve full-scale production in its red meat project gradually over the next five years. This announcement reflects nadec's commitment to its strategic objectives in the protein sector over the medium term.

Market Overview

Overview of the Dairy Market and Its Derivatives

In 2024, the Saudi dairy market and its derivatives witnessed improved performance, marked by an increase in demand compared to 2023. This growth aligns with findings from leading global economic research firms specializing in market analysis. Increased household spending, driven by rising employment rates, contributed to this positive trend. Additionally, the establishment of numerous regional company headquarters in Riyadh resulted in a higher number of expatriates in the country, further boosting local consumption.

The market also benefited from the influx of tourists to Saudi Arabia, which positively impacted food service sales. The Kingdom actively seeks to attract more international visitors as part of its Vision 2030 plan, which emphasizes economic and social reform. For instance, the Hajj season, held from June 14 to 19, 2024, brought approximately 1.8 million pilgrims, significantly increasing demand for dairy products such as milk and yogurt.

Dominant Distribution Channels in the Saudi Market

Supermarkets and hypermarkets continue to dominate as the primary distribution channels for dairy products and alternatives in Saudi Arabia. These outlets attract consumers with their extensive product ranges and competitive promotional offers. Additionally, e-commerce is experiencing significant growth, driven by the convenience of shopping through various apps and websites.

Discount retailers have also gained momentum by expanding their product portfolios, appealing especially to budget-conscious shoppers seeking affordable options and value for money. This shift reflects evolving consumer preferences toward convenient online shopping, competitive pricing, and diverse product options.

Dairy Market Projections Until 2029

The Saudi dairy market is projected to witness accelerated growth over the next five years, extending through 2029. This growth is closely tied to demographic and social shifts in the Kingdom, including steady population growth and an increase in the participation of Saudi men and women in the workforce. These factors are expected to boost demand for dairy products, increase household spending, and significantly expand the local market, further driving economic growth.

In terms of product development, future trends indicate that consumers' shift toward healthier dietary patterns will be a key driver for dairy companies to innovate and launch new products in the local market. Projections also suggest increasing demand, particularly among younger consumers, for organic products, nutrient-fortified items, high-protein options, and lactose-free alternatives.

Operating Review

Dairy Products

Nadec's leading dairy sector delivered solid sales and revenue performance in 2024, benefiting from the strong economic recovery in our key markets. The sector recorded revenues of approximately SAR 2.6 billion, reflecting stable performance compared to approximately SAR 2.7 billion in 2023. This performance underscores the sector's continued resilience and contribution throughout the year.

The expansion of sales and distribution outlets, which reached 4,700 points of sale, contributed to higher net profits and increased sales. Dairy products accounted for 81.5% of Nadec's total annual revenue, driven by strong demand for newly introduced products. These included a variety of consumer-friendly packaging sizes and the addition of new offerings within the dairy category, meeting consumer expectations and preferences.

Expansion Of Dairy Products

In line with Nadec's commitment to meeting customer expectations and delivering innovative products, 2024 witnessed the expansion of a range of dairy products, the variety of choices available to consumers. This expansion reaffirms Nadec's dedication to continuous innovation and the delivery of high-quality products that enhance the customer experience. The newly introduced products include:

- Ayran laban drink with cucumber and mint
- Nadec high protein milk range
- Expansion of greek yoghurt range
- Low-fat cheese category
- Lactose free full fat yogurt
- Lactose free full fat long-life milk

Market Share of Dairy Products in 2024

In 2024, Nadec achieved growth in the market share of its full-fat fresh cream, made from pure cow's milk, catering to consumers seeking quality and rich flavor. The market share increased by 0.6%, driven by the enhancement of Nadec's 30% fat fresh cream, which now offers an ideal creamy texture suitable for a wide range of recipes, including cooking, baking, and dessert preparation. Nadec Fresh Cream remains a perfect choice for adding a rich and indulgent touch to everyday dishes.

15.1%

Nadec Fresh Milk

Held a 15.1% market share, ranking second in the market.

16.8%

Nadec Yogurt

Achieved a 16.8% market share, ranking second in the market.

13.4%

Nadec Fresh Cream

Recorded a 13.4% market share, ranking second in the market.

Top-Selling Nadec Dairy Products

Long-Life Milk

Nadec's 1-liter full-fat long-life milk is one of the company's most in-demand products, accounting for 11% of total dairy sector sales. Known for its exceptional quality, this milk is made from 100% fresh cow's milk and undergoes ultra-high temperature (UHT) processing, ensuring a longer shelf life without the need for preservatives. Enriched with vitamins A and D3 to enhance its nutritional value, it contains a minimum fat content of 3%, making it an ideal choice for families seeking a nutritious and delicious milk option.

Nadec Dairy Revenue in 2024 vs. 2023

Juice Products

Nadec's juice sector delivered outstanding performance in 2024, securing the second-largest market share locally and generating revenues of SAR 231.4 million. The company maintained its leadership in this position compared to 2023, demonstrating its ability to sustain growth in a competitive market while aiming for further expansion, reaching new consumer sectors, and strengthening its premium juice portfolio.

Innovation played a key role in maintaining Nadec's competitive edge in the juice market. The company introduced newly designed consumer-friendly packaging, which received positive feedback from customers. This enhancement further reinforced Nadec's position in the juice category, offering unique and distinctive flavors.

The juice sector contributed 2.47% of Nadec's total profits in 2024, 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.

New Juice Products

As part of Nadec's ongoing commitment to delivering innovative products that meet customer expectations, a new range of juices was introduced in 2024. These additions aim to enhance flavor variety and bring a refreshing and distinctive touch to the consumer experience. The newly launched juice products include:

- Strawberry Mojito Nectar Juice (180ml - 1.3L)
- Seasonal Flavours Nectar Juice (180ml - 1.3L)

Top-Selling Nadec Juice Product - Mango Nectar

Nadec's 1.3L Mango Nectar is one of the company's most in-demand juice products, contributing 9% of total juice sector sales. This nectar is an ideal choice for mango lovers, offering a balanced blend of natural mango pulp and a mix of fruit concentrates, including apple, grape, and pear, delivering a unique and refreshing taste. With 80% fruit content, no added sugar, and fortified with Vitamin C and other natural ingredients, Nadec Mango Nectar stands out as a wholesome and flavorful option.

Market Share of Juice Products in 2024

Nadec's juice products held a

19.5%

market share, ranking second in the market.

Top-Selling Nadec Juice Product

Mango Nectar

Olive Oil Products

Nadec's olive oil sector delivered outstanding performance in 2024, achieving the highest sales, revenue, and market share locally. The sector recorded revenues of SAR 115.1 million, with Nadec advancing to the top market position, up from second place in 2023. This achievement reflects the exceptional quality of Nadec's olive oil, which has earned numerous local and international awards over the years. Looking ahead, Nadec remains committed to sustaining its leadership and expanding its consumer base.

Nadec's market share in the olive oil sector reached 14.7%, solidifying its position as one of the leaders in the olive oil sector locally. This success stems from the company's strategic initiatives to strengthen its olive oil sector, including expanding distribution channels and investing in the increased production capacity of olive trees. Additionally, Nadec implements rigorous and exceptional quality tests, conducted both seasonally and throughout the year, to ensure consistent productivity and superior quality in the olives it cultivates.

Furthermore, Nadec's organic extra virgin olive oil, our flagship product, leads the local market with a share of 45.8%. Its exceptional quality, coupled with Nadec's dedication to organic farming throughout the production process, has solidified it as the top choice for consumers.

Top-Selling Olive Oil Product in Nadec 500 ml Olive Oil

Olive oil accounted for 3.6% of Nadec's total revenue in 2024, underscoring its growing significance within the company's portfolio. Additionally, the 500 ml olive oil is the top-selling product in nadec's olive oil category.

Nadec's organic olive oil contains a high percentage of oleic acid (a type of monounsaturated fatty acid), according to a report published by the World Health Organization (WHO) in 2020, which links it to a reduced risk of heart disease. Additionally, nadec's organic olive oil is distinguished by having 30% more antioxidants compared to traditional olive oils, which supports resistance to inflammation and early aging.

Nadec Olive Oil Revenue in 2024 vs. 2023

Calves and Protein Products

Nadec’s Protein sector experienced significant growth in 2024, recording a notable increase in sales and revenue. This growth was driven by the company's strategic expansions, including the establishment of dedicated local slaughterhouses, enhancement of distribution networks, and investment in increased capacity by sourcing high-quality red meat from various countries.

As a result, sector revenue rose to SAR 180.3 million, up from SAR 83.6 million in 2023, reflecting an increase of approximately SAR 96.7 million or 114.9%. The protein sector accounted for 5.6% of Nadec’s total sales, underscoring the positive impact of expansion initiatives. The company’s investments in, expansion of network distribution, and increased production capacity played a key role in achieving this remarkable growth in the protein sector.

New Products in 2024

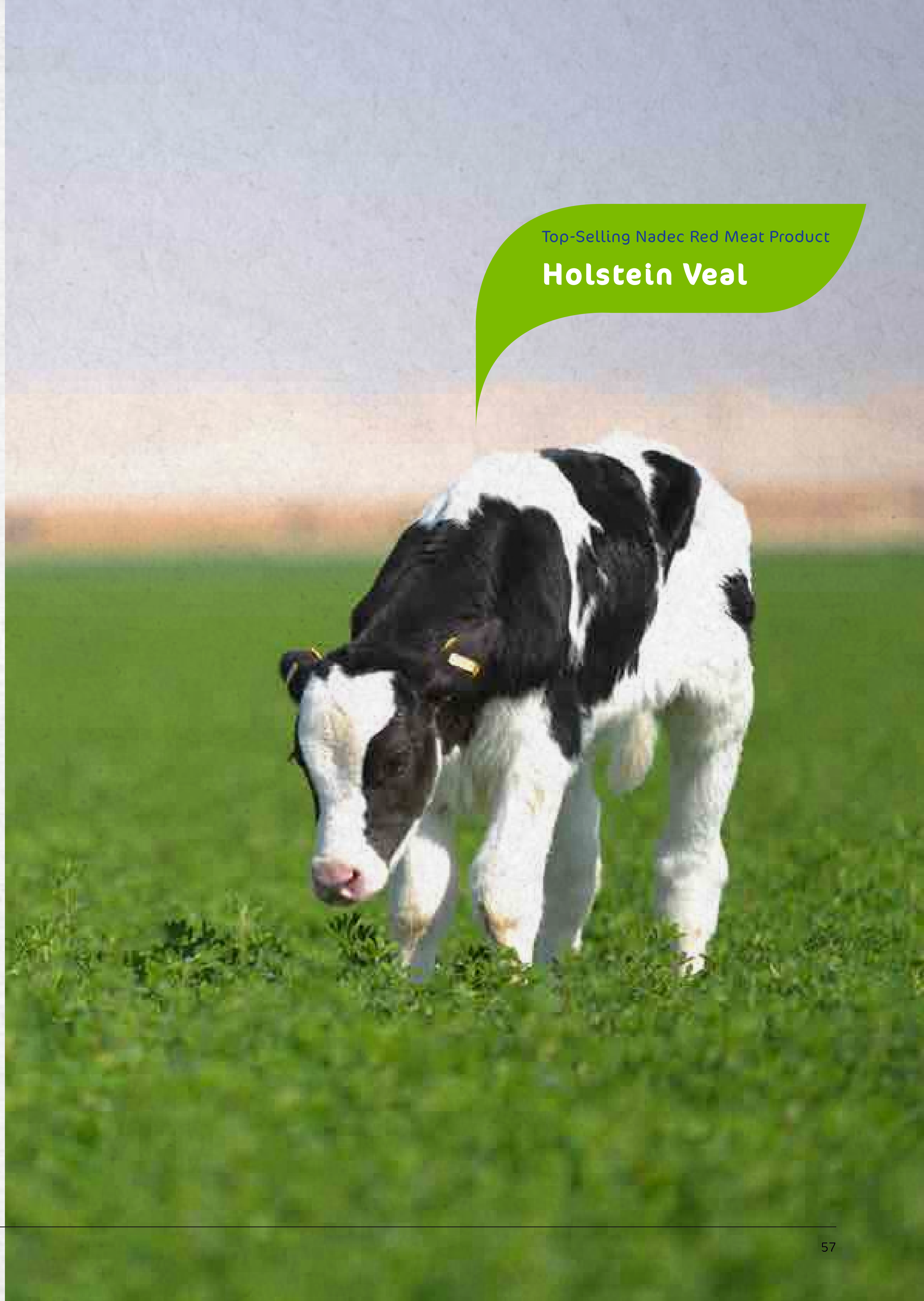
As part of our commitment to meeting customer expectations and offering a diverse selection to suit their needs, Nadec continued to expand its portfolio of innovative products in 2024. We introduced a new range of products catering to various tastes, while also enhancing the sector with high-yield cattle breeds, supporting consumers’ healthy choices:

- Holstein Veal
- Angus Beef
- Topside Beef
- South African Lamb
- Australian Lamb
- Variety of Beef Cuts (Tenderloin, Striploin, Ribs)

Top-Selling Nadec Red Meat Product Holstein Veal

As part of Nadec’s commitment to meeting customer needs and delivering high-quality products, Holstein veal accounts for 27% of total red meat product demand. Known for its premium quality, Holstein veal provides versatile options for a variety of meat-based dishes, making it a preferred choice among many customers.

Nadec remains dedicated to offering the best food products, with a strong emphasis on quality and variety, ensuring it meets diverse tastes and dietary preferences.



Premium Products

Nadec Organic Extra Virgin Olive Oil – Our Flagship Product (Ranked No.1 Locally)

Since the launch of Nadec's Organic Extra Virgin Olive Oil, we have been committed to ensuring that our flagship product combines exceptional quality with the highest health and environmental standards. Our goal was to create a product that stands out locally with unique attributes, making it a strong competitor in the organic olive oil market.

This commitment has been clearly reflected in Nadec's market leadership, as our product has rightfully secured the No.1 position in local market share for olive oil. This success has also extended beyond the local market, earning global consumer preference and receiving prestigious international awards, further reinforcing its superior quality and excellence.

From Our Certified Organic Farms

The exceptional quality of Nadec's Organic Extra Virgin Olive Oil begins at the very first stage of cultivation. Our olive oil is produced from certified organic olive farms, where strict organic farming practices are applied. These practices prohibit the use of chemical pesticides and synthetic fertilizers, adhering to the standards of the International Federation of Organic Agriculture Movements (IFOAM).

This commitment to organic cultivation has had a significant impact on the quality of our olives, resulting in higher antioxidant content compared to conventionally grown olives.

Acidity Below 0.8%

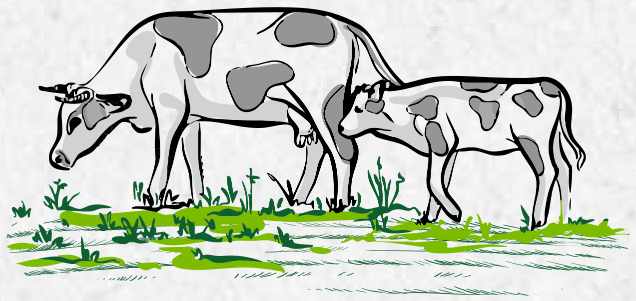
In the next stage of production, Nadec's Olive Oil stands out through its cold extraction process, carried out at temperatures not exceeding 27°C. This technique preserves natural compounds, including polyphenols and vitamin E, which are typically lost in high-temperature processing. According to the International Olive Council (IOC), cold-pressed olive oils maintain an acidity level below 0.8%, a key indicator of extra virgin olive oil quality. By adhering to these rigorous standards, Nadec ensures superior purity, exceptional nutritional value, and a rich, authentic taste, making it a premium choice for health-conscious consumers.

Commitment to Quality and Production Standards

Nadec's Organic Extra Virgin Olive Oil achieves high quality by adhering to strict standards, including cultivating olive trees in fertile soil and maintaining optimal climate conditions. As part of this commitment, Nadec has strategically planted its olive trees in Al-Jouf, Saudi Arabia, a region known for its ideal environment for olive farming. This approach aligns with recommendations from the International Olive Institute (IOI), which emphasizes that the distinct flavor of extra virgin olive oil serves as a key indicator of natural purity, free from chemical processing or improper storage.

Sustainability-Driven Olive Oil

Nadec's olive oil production is guided by sustainable policies, ensuring its distinction in the market. The company has adopted renewable energy solutions in its manufacturing facilities and implemented agricultural waste recycling initiatives. As a result of this environmental impact, Nadec has been awarded the EU Organic Certification, reinforcing its commitment to reducing its carbon footprint in line with a report by the United Nations Environment Programme (UNEP).



Nadec Long-Life Milk–The Taste of Health

Nadec's Long-Life UHT Milk is one of the company's flagship products, offering a unique balance of premium quality and excellent nutritional value. Made from 100% fresh milk, without any added milk powder, it has rightfully earned its title as "The Taste of Health" among our dairy products, setting it apart from competitors in the local market. Processed using Ultra-High Temperature (UHT) technology, it ensures an extended shelf life without preservatives, making it an ideal choice for families seeking safe, nutritious milk that retains its essential nutrients while allowing for long-term storage without refrigeration.

Long-Life Milk with a Variety of Choices

Nadec offers a diverse range of Long-Life Milk to cater to different consumer needs, including full-fat, low-fat, and skimmed milk. Additionally, the company provides a lactose-free option for individuals with lactose intolerance, ensuring the same nutritional value and delicious taste. To further enhance consumer choices, Nadec has introduced its Long-Life Milk in a variety of flavors, including banana, vanilla, chocolate, and strawberry, offering a delightful selection to suit different preferences.

Easy Storage

Nadec's Long-Life Milk offers the convenience of room-temperature storage before opening the package, making it an ideal choice for families looking for a long-lasting milk option without refrigeration. Thanks to its UHT processing, it remains safe for consumption for up to 6–9 months without the need for cooling. This extended shelf life is made possible by its sterile, airtight Tetra Pak packaging, which effectively protects the milk from light and air, preserving its freshness and nutritional value.

Ultra-High Temperature Sterilization & Superior Quality

Nadec upholds the highest quality standards in the production of its Long-Life Milk, utilizing advanced processing technologies to ensure a safe and nutritious product. Enriched with vitamins A and D3, Nadec's UHT milk delivers enhanced nutritional value.

Manufactured using Ultra-High Temperature (UHT) Processing, the milk is heated to 135–150°C for just 2–5 seconds, effectively eliminating harmful microorganisms without compromising its nutritional integrity. This method better preserves fat-soluble vitamins compared to traditional pasteurization, ensuring that Nadec's UHT milk retains 90% of its full milk protein content, making it a nutrient-rich and high-quality choice for consumers.

Digital Transformation and Investment

Since announcing its ambitious digital transformation strategy for the coming years, nadec has focused on key priorities to drive this initiative forward. The strategy focuses on developing food projects rooted in quality, sustainability, and operational excellence, localizing advanced technologies and modern methods in the food industry, and training and developing national talents and competencies to contribute to achieving self-sufficiency in line with Vision 2030 and its goals for food security.

Nadec's Digital Transformation Strategy

- Strong focus on strengthening core activities
- Expansion into new growth areas
- Technology enhancements, with a focus on digitization

Nadec's Digital Transformation Strategy in 2024: Chains of Success

During 2024, nadec successfully completed more than 120 digitization projects, including enhancements to the SAP S4HANA system and the digital and technological services it offers. These advancements contributed to the success of new services and operations, including business processes such as finance, procurement, warehousing, production, quality control, sales, transportation, and factory maintenance.

Sectors Benefiting from Digital Transformation within nadec

Sales	Quality Control	Factory Maintenance	Supply Chain	Production
Governance, Risk, and Compliance	Finance	HR	Agriculture	Protein

The digital transformation project at nadec aimed to create a unified source of information to assess various areas and enable the seamless integration of its business processes. This initiative allows for real-time data access related to transactions and inventory across multiple departments. The digital transformation projects included enterprise resource planning (ERP) systems and contributed to developing a precise and comprehensive roadmap for business process improvements and strategies.

Upgrading Supervisory Control Systems and Operations at nadec

In 2024, nadec enhanced its quality and control systems by integrating SAP S/4HANA modules to improve governance, automation, and operational efficiency. Key upgrades included Master Data Governance (MDG) for data accuracy and GRC modules for stronger risk management. nadec also upgraded its SCADA and OT infrastructure for improved industrial control, automation, and real-time monitoring.

To bolster security, CCTV monitoring and access control systems were deployed across operational sites, while cybersecurity efforts focused on IT and OT security, including the implementation of a Security Operations Center (SOC).

Nadec ensured compliance with the Personal Data Protection Law (PDPL) and integrated necessary security controls. Additionally, Phase 2 of the electronic invoicing system streamlined financial workflows and ensured regulatory compliance. These efforts reinforce nadec's commitment to operational excellence, security, and compliance.

Automation and Digital Transformation in Supply Chain and Agriculture Sectors

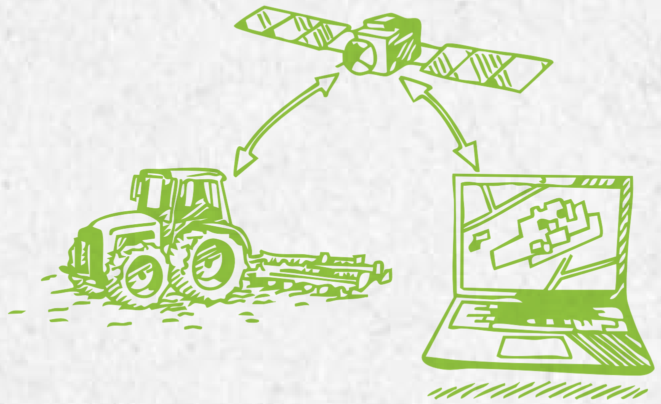
Nadec has continued to lead in digital transformation by leveraging the latest technologies to enhance sustainability and operational efficiency. This progress has significantly impacted the supply chain and agriculture sectors through smart irrigation systems and supply chain automation, reducing manual intervention and boosting overall performance.

Supply Chain Automation

Nadec implemented an automated inventory replenishment system across 38 distribution centers, improving product demand planning, supply accuracy, production, and distribution operations. This initiative ensured the continuous availability of products to meet consumer needs effectively.

Smart Irrigation Technology

Smart irrigation technologies in the agricultural sector introduced a significant shift in resource management, reducing manual intervention, improving water-use efficiency, and increasing crop productivity.



Positive Outcomes of nadec's Digital Investment Projects

1
Digital Investment for Revenue Growth

Nadec's digital transformation projects prioritized a key factor: their contribution to revenue growth by improving operational efficiency and supporting marketing and sales strategies. By leveraging data analytics and predictive tools (SAP S/4HANA / SAP Analytics Cloud (SAC) / SAP Datasphere / SCADA), the company enhanced its ability to respond to customer needs and expand its consumer base.

2
Net Profit Margin

Another critical determinant for digital transformation projects was their ability to improve net profit margins. This was achieved by reducing operational costs and optimizing resource management through supply chain automation systems. These systems minimized human errors, accelerated processes, and resulted in significant time and cost savings, leading to sustainable profits.

3
B2B Application Launch

Nadec has launched a B2B application, which is designed to facilitate commercial transactions between nadec and its distributors and wholesalers. This was made possible with the development of a dedicated contact center to handle their inquiries and to drive efficient marketing implementations.

4
Sustainability Metrics

Digital transformation initiatives laid a strong foundation for achieving sustainability goals at nadec. Smart irrigation technologies improved water and energy efficiency, while waste recycling initiatives were enhanced. Additionally, the company launched the "Green Footprint" project to reduce paper usage and transition toward paperless operations, streamlining document management processes.

Sustainability Achievements at nadec Resulting from Digital Transformation

Increased Crop Productivity and Quality

Reduced Water Usage
Lowered Energy Consumption
Minimized Paper Usage

Nadec: Digital Transformation Strengthening Transparency

In 2024, nadec focused on enhancing its relationships with both customers and suppliers through two major initiatives:

1. Enhancing Customer Support

B2B Application: nadec launched a dedicated Business-to-Business (B2B) application to facilitate transactions between the company and its clients, including distributors and wholesalers. This application streamlines ordering, purchasing, and account management, providing a better customer experience. Additionally, a dedicated contact center was established to address customer inquiries.

2. Increasing Supplier Transparency

Ariba SLP System: nadec implemented the Ariba SLP system, specialized in enhancing supplier transparency and performance. This system strengthens nadec's market presence through increasing supplier transparency.

Contract Farming: nadec's Leading Investment

Nadec has strengthened its commitment to contract farming by integrating it into the SAP system, encompassing stages such as contract data registration, monitoring execution, managing payments to farmers, and tracking the quantities and quality of received crops. This approach has enhanced financial oversight of external sources and has led to.

- **Better Cost Monitoring**
- **Improved Cash Flow Management**
- **Increased Transparency and Accountability through tracking financial processes and ensuring contract compliance**.

Digital Transformation Excellence certification and awards at nadec 2024

ISO27001:2022 Certification for Information Security Management

Achieved for the Management of Information Security across food processing and agricultural activities, covering dairy, long-life dairy, cheese and butter, fresh juice, olives, protein products, and more. This certification highlights our rigorous commitment to information security.

Issued Date: April, 2024

Award for "Best Achievement in Operational Management Program"

Received this award in collaboration with SAP Signavio at the BTOES Awards, recognizing our success in empowering business users and improving operational excellence.

Issued Date: May, 2024

ISO9001:2015 Certification for Quality Systems in Technology and Digital Division

Awarded for our Quality Management System (QMS) in the Digital & Technology department, emphasizing nadec's high standards across infrastructure, applications, strategy, governance, and digitalization services.

Issued Date: October, 2024.

CFO's Message

Mr. Hassan Akrouq

Net profit rose by

156%

from

302 to **775**

Million SAR

Debt-to-equity ratio is improved, standing at

0.05

Reflecting financial stability

NADEC 2024: Expanding Horizons for a Prosperous Future

Dear Shareholders,

It is my privilege to present to you the financial performance for the fiscal year 2024. This year marked a significant milestone as we successfully expanded into new market segments, driving revenue diversification and strengthening our competitive position and have opened new avenues for growth, reinforcing our commitment to long-term value creation.

Financial Performance Overview:

This year, nadec delivered strong financial results, reflecting our robust business model and disciplined execution.

Total revenue increased by 0.7% from SAR 3,197 Million to SAR 3,220 Million and our net profit rose by 156.6% from 302 Million to 775 Million, supported by operational efficiencies and strategic cost management.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) stood at SAR 650 Million, representing a margin of 20%, demonstrating the strength of our core operations.

Additionally, our free cash flow remained strong at SAR 1,365 Million, enabling us to invest in future growth while maintaining a healthy balance sheet.

We also made significant progress in strengthening our financial position by reducing our total debt from SAR 376 Million to SAR 208 Million. Our debt-to-equity ratio improved from 0.11 to 0.05, reflecting enhanced financial stability and more room for growth.

Looking Ahead

As we enter the next fiscal year, our focus remains on delivering sustainable growth, enhancing shareholder value, and capitalizing on emerging opportunities. We will continue to invest in innovation, operational excellence, and strategic partnerships to drive long-term success.

Acknowledgments

I extend my sincere gratitude to our board of directors, shareholders, employees, and business partners for their unwavering support and trust. Together, we will continue building a financially strong and prosperous future for nadec.

Financial Performance

Statement of Financial Position as of 31 December 2024

Figures are in (Millions) SAR	2024	2023	Change %	2022	2021	2020
Non - Current Asset	2,818.9	2,694.9	4.6	2,706.8	2,744.5	2,775.0
Current Assets	2,885.0	2,357.5	22.4	1,114.7	1,145.2	1,100.6
Total Assets	5,703.9	5,052.5	12.9	3,821.5	3,889.7	3,875.6
Non-Current Liabilities	162.2	284.5	(43.0)	1,089.5	1,363.9	1,082.2
Current Liabilities	1,244.8	1,175.1	5.9	1,436.9	1,330.0	1,315.1
Total Liabilities	1,407.0	1,459.6	(3.6)	2,526.4	2,693.9	2,397.3
Shareholders' Equity	4,296.9	3,592.8	19.6	1,295.1	1,195.8	1,478.3
Total Shareholders' Equity and Liabilities	5,703.9	5,052.5	12.9	3,821.5	3,889.7	3,875.6

Statement of Profit or Loss for the year ended 31 December 2024

Figures are in (Millions) SAR	2024	2023	Change %	2022	2021	2020
Revenue	3,220.4	3,196.9	0.7	2,694.2	2,272.3	2,303.1
Cost of Sales	(2,028.1)	(2,013.2)	0.7	(1,885.9)	(1,641.5)	(1,577.2)
Gross Profit	1,192.3	1,183.7	0.7	808.3	630.8	725.8
Operating Profit / (Loss)	389.4	344.5	14.3	147.0	(213.3)	84.6
Profit/ (Loss) for the year	774.6	302.1	156.5	95.5	(285.0)	35.7
Total comprehensive income for the year	705.9	312.0	126.2	99.3	(282.4)	37.7

*Certain of the previous years amounts have been reclassified to conform to the presentation in the current year.

Material Variances in Operational Results

Figures are in (Millions) SAR	2024	2023	Change	Change Rate
Sales/ Revenue	3,220.4	3,197.0	23.4	0.73
Cost of revenue	(2,028.1)	(2,013.2)	(14.9)	0.74
Total profit	774.6	302.1	472.6	156.5
Other operational Revenues	472.0	25.6	446.3	1740.1
Other operational expenses	(86.7)	(64.2)	(22.5)	35.1
Operational Profit	389.4	340.6	48.8	14.3

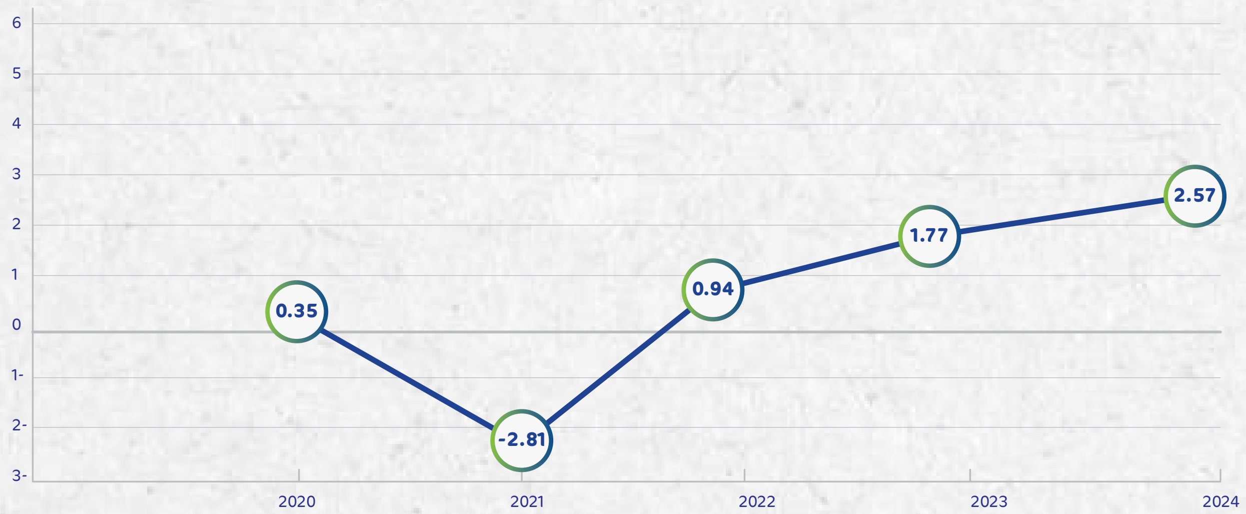
movement of Cash Flows for the year ended on December 31 2024

Figures are in (Millions) SAR	2024	2023	Change %	2022	2021	2020
Profit before Zakat	827.1	290.3	185.0	101.5	(245.3)	41.4
Cash flows from operating activities	705.3	699.3	0.9	477.1	324.6	426.9
Net cash flows from operating activities	670.0	654.7	2.3	451.8	255.6	443.3
Net cash flows used in investing activities	81.8	(756.5)	(110.8)	(243.0)	(324.8)	(216.9)
Net cash flows from (used in) financing activities	(221.1)	824.7	(126.8)	(177.5)	82.4	(219.7)
Net change in cash and cash equivalent	530.6	722.8	(26.6)	31.2	13.2	6.7
Cash and cash and cash equivalent at beginning of the year	834.7	112.8	640.2	81.9	68.7	62.0
Cash and cash and cash equivalent at end of the year	1,365.4	834.7	63.6	112.8	81.9	68.7

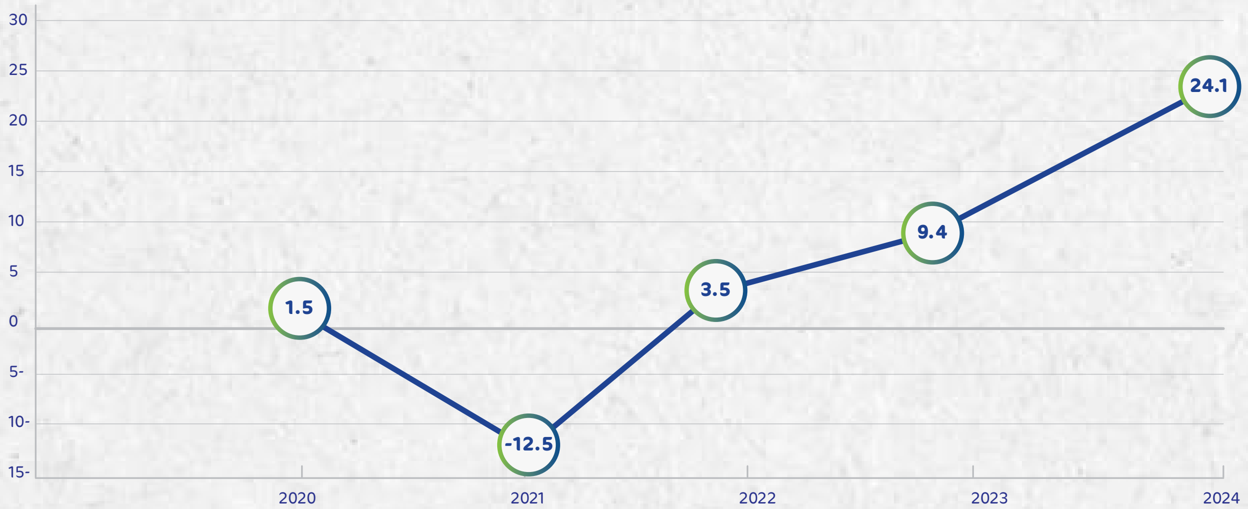
Key Performance Indicators

Indicators	2024	2023	2022	2021	2020
Return on revenue	24.1%	9.4%	3.5%	(12.5%)	1.5%
Return on equity	18.0%	8.4%	7.4%	(23.8%)	2.4%
Loan-to-equity ratio	4.8%	10.5%	117.8%	136.9%	100.8%
Revenue growth rate	0.7%	18.7%	18.6%	(1.3%)	3.5%
The ratio of operating profit to revenue	12.1%	10.8%	5.5%	(9.4%)	3.7%
Number of shares (million)	301.6	301.6	101.6	101.6	101.6
Earnings (loss) per share (SAR)	2.57	1.77	0.94	(2.81)	0.35

Earnings Per Share (SAR)



Return on Revenue



Operating expenses

Figures are in (Millions) SAR	2024	% on sales	2023	% on total	Change %
Cost of Sales	2,028.1	63.0	2,013.2	63.0	0.7
Selling and Marketing expenses	531.8	16.5	559.6	17.5	(5.0)
Impairment Losses on Trade and other Receivables	(2.9)	(0.1)	48.9	1.5	(105.9)
General and administrative expenses	234.8	7.3	213.1	6.7	10.2
Other operating expenses (income).	32.0	1.0	(2.4)	-0.1	(1411.0)
Write off/ impairment losses on property, plant and equipment	7.2	0.2	24.0	0.8	(70.0)
Total operating expenses	**2,831.0**	**87.9**	**2,856.3**	**89.3**	**(0.9)**

Figures are in (Millions) SAR	2024	% on sales	2023	% on total	Change %
Direct production costs	1,475.2	45.8	1,544.3	48.3	(4.5)
Employees costs	522.7	16.2	502.2	15.7	4.1
Marketing expenses	189.6	5.9	182.6	5.7	3.8
Operating and Administrative expenses	365.6	11.4	395.7	12.4	(7.6)
Depreciation of property and right-of-use assets	245.9	7.6	233.9	7.3	5.1
Other operating expenses (income)	32.0	1.0	(2.4)	(0.1)	(1411.0)
Total operating expenses	**2,831.0**	**87.9**	**2,856.3**	**89.3**	**(0.9)**

Figures are in (Millions) SAR	2024	% on sales	2023	% on total	Change %
Revenues	3,220.4	100.0	3,196.9	100.0	0.7
Operational costs					
Cost of Sales	2,028.1	63.0	2013.2	63.0	0.7
Selling and Marketing expenses	531.8	16.5	559.6	17.5	(5.0)
Impairment Losses on Trade and other Receivables	(2.87)	(0.1)	48.8	1.5	(105.9)
General and administrative expenses	234.8	7.3	213.1	6.7	10.2
Other operating expenses (income).	32.0	1.0	(2.4)	(0.1)	(1411.0)
Write off/ impairment losses on property, plant and equipment	7.2	0.2	24.0	0.8	(70.0)
Total operating expenses	2,831.0	87.9	2,856.3	89.3	(0.9)
Operating profit	389.4	12.1	340.6	10.7	14.3

Total operating expenses for this year decreased by 0. 9% compared to last year due to the decrease in the selling and marketing expenses compared to the last year by 5.0% mainly due to the decrease in repairs and maintenance cost and trade marketing. General and administrative expenses increased by 10.2% compared to last year due to increase in employee benefit expenses due to new projects. The Impairment losses decreased by 105.9% compared to last year mainly due to the provision of SAR 40.5 million made last year for the other receivables which are doubtful and no such provision in the current year. Other operating expenses increased due to the previous year company received SAR 19.5 million as one-time grant for the animal feed purchased in previous years but no such income in the current year.

Despite the decrease in the operating expenses by 0.9%, for this year compared to last year, the operating profit for the current year increased compared to last year by 14.3% because of the increase in revenues for this year by 0.7% and decrease in selling and marketing by 4.9% compared to last year and the decrease in provisions for prepayments and other receivables.

Working Capital Development

Figures are in (Millions) SAR	2024	2023	2022	2021	2020
Current Assets	2,885.0	2,414.8	1114.7	1145.2	1100.6
Current liabilities	1,244.8	1,232.4	1,436.9	1,330.0	1,315.1
Working capital	1,640.2	1,182.4	(322.2)	(184.8)	(214.5)

The surplus in the working capital of the company during the year 2024 reached 1,640.2 million, because of the increase in cash and cash equivalents.

Details of loan movements from local banks with Murabaha contracts (deferred sale) and the balance as of 31 December 2024

Figures are in (Millions) SAR	Opening balance 2024				Closing Balance 2024					Duration of the loan
	Credit limit	Principal of the loan	Interests due	Opening balance	Additions during the year 2023	Payments during the year 2023	Principal of the loan	Interests due	Closing balance	
SNB	299.0	-	-	-	219.8	(219.8)	(218.0)	(1.8)	-	
Al Rajhi Bank	350.0	10.0	0.13	10.13	100.8	(50.8)	(50.0)	(0.83)	60.1	1-3 months
Saudi British Bank	394.1	323.7	5.4	329.2	623.7	(887.8)	(868.7)	(19.1)	65.1	1-3 months
Riyad Bank	300.0	33.0	0.47	33.47	134.1	(33.6)	(33.0)	(0.61)	-	
Banque Saudi Fransi	290.0	-	-	-	667.7	(587.6)	(582.0)	(5.6)	80.1	1-3 months
Bank AlJazira	100.0	-	-	-	185.9	(185.9)	(185.0)	(0.9)	-	
Total Balance	**1,733.1**				**1,798.2**	**(1,965.6)**	**(1,936.7)**	**(28.9)**	**205.3**	

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.

Statement of outstanding loans from local banks and their maturity dates

Figures are in (Millions) SAR	2024	2023	Change %
less than one year	205.3	227.6	9.8
From one year to two years	-	145.3	(100)
From two to five years	-	-	-
more than five years	-	-	-
Total balance	205.3	372.7	(44.9%)

Movement of Agricultural Development Fund loans

Figures are in (Millions) SAR	2024	2023	Change %
Opening Balance	3.5	97.7	96.4
Additions during the year	-	54.8	(100.0)
Payments during the year	1.0	149.1	99.3
Total balance	2.5	3.5	28.6

During the current year, the Group was granted an additional short term loan from the Agricultural Development Fund with a total value of SAR 100 million and this loan was fully repaid during the current year. The balance of these loans from Agricultural Development Fund on 31 December 2024 amounted to SAR 2.5 million (31 December 2023: SAR 3.5 million).

Government Payments in 2024

A statement	Payment (Millions) SAR	Due Balance (Million SAR)	Brief description	Reasons
Visas, passports, labor office and municipal fees	45.1	-	Visas, employment office fees, residency renewal, and municipal fees	
Value added tax	197.5	4.7	The value-added tax paid during the year 2024.	VAT in December 2024, to be paid in January 2025
Zakat and withholding tax	13.9	87.2	Zakat paid for previous years and withholding tax during the year 2023.	Zakat provision (note 32)
Social insurances	21.8	1.0	Amounts of insurances paid during the year 2024.	December 2024 Social insurance, to be paid in January 2025
customs fees	18.1	-	Customs duties paid during the year 2024.	Customs declaration -2024
Total	**296.4**	**92.9**		

Risk Management Methodology

Sustain and enhance Risk Management Function

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

Pillars

Risk Awareness

Risk Governance

Risk Monitoring

Risk Reporting and Escalation

Aspirations

Vision

To make nadec a risk-intelligent and resilient organization.

Mission

To nurture and foster risk culture and provide awareness, governance and mechanism needed for effective risk management

Key Enablers

People

Oversight committees, executive management, the risk management team, governance and risk partners, and risk management owners.

Processes

A systematic application of management policies, procedures and practices to the tasks of communication, consultation, establishing the context, identifying, analyzing, evaluating, treating, monitoring and reviewing risk.

Technology

Implementation of advanced tools and automated risk management systems.

Nadec: 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.

First Line:

Executive management, empowered risk owners, and governance, risk, and compliance (GRC) partners collaborate to identify, assess, and mitigate risks within their operational areas.

Second Line:

Led by the VP of GRC & Legal, this layer consists of specialized risk management teams that provide structured mechanisms, tools, and continuous oversight to enhance risk governance and strengthen first-line functions.

Third Line:

Nadec, through its independent internal audit function, provides enhanced oversight, independent risk assessments, and ensures compliance with governance standards, maintaining accountability and risk transparency across the organization.

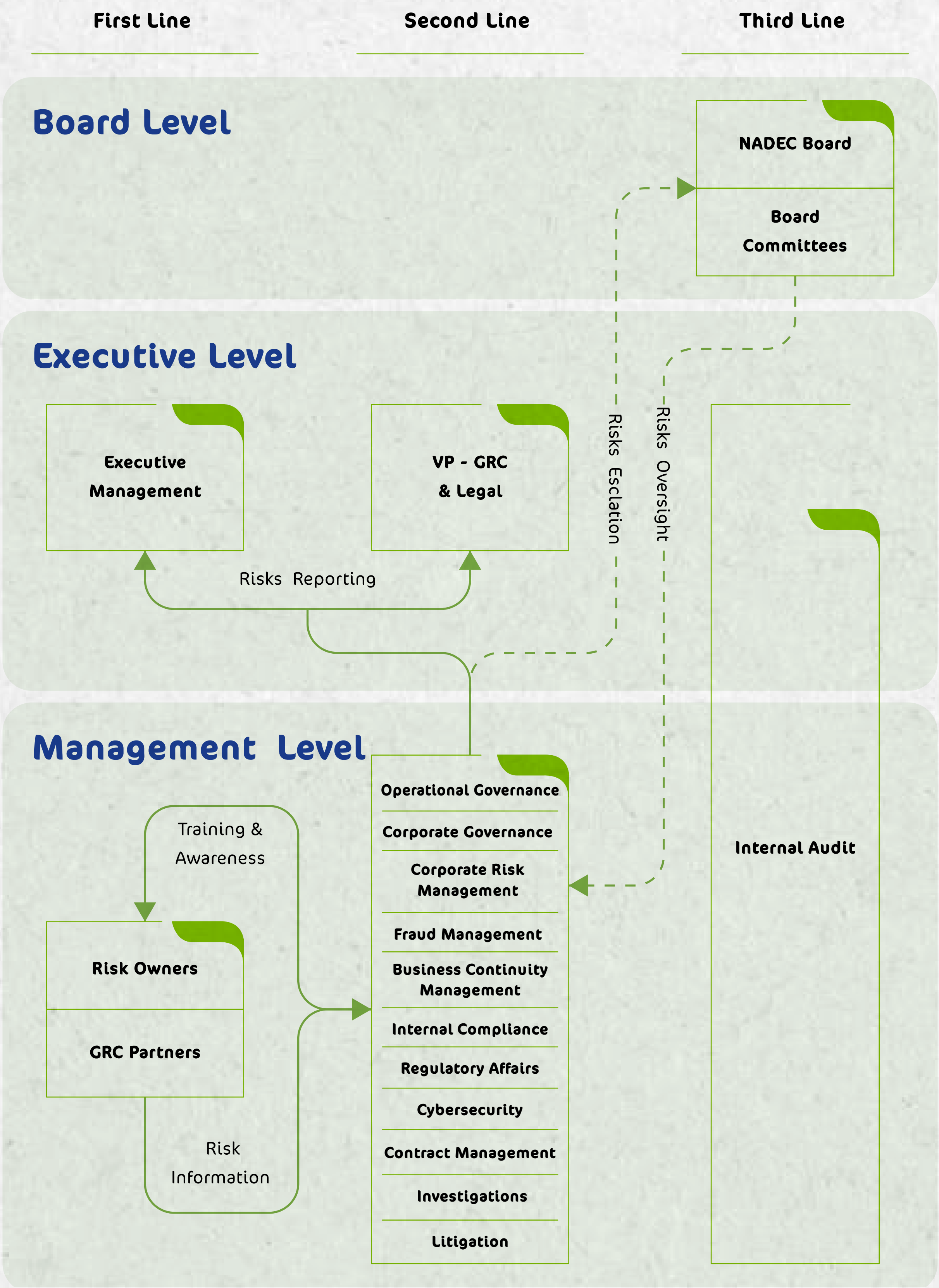
By continuously enhancing risk awareness, governance structures, and digital risk management capabilities, nadec is committed to building resilience, improving decision-making, and driving sustainable growth in an evolving business environment.

Risk Management Methodology

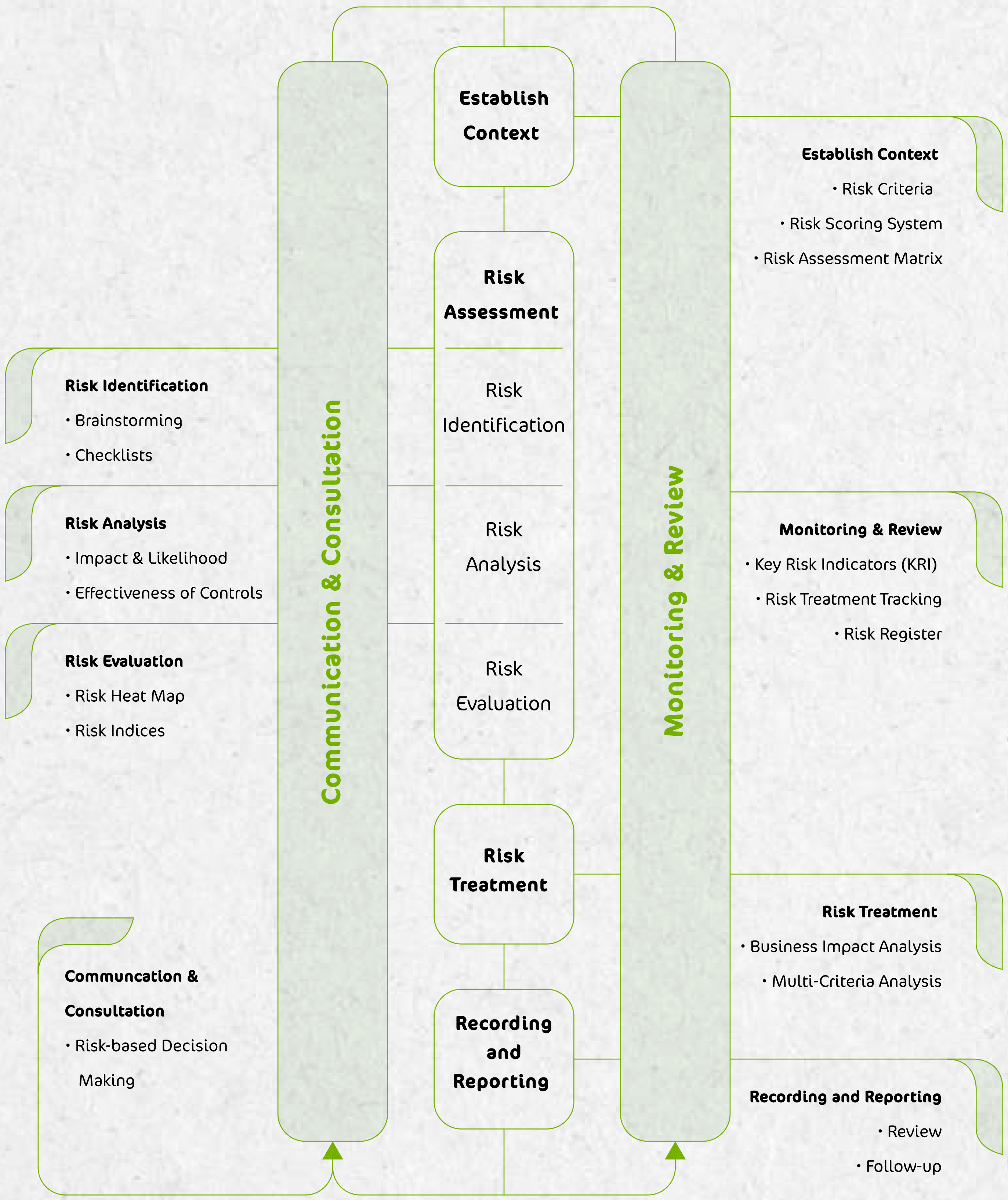
Nadec's risk management system is inspired by the ISO 31000 standard and the Enterprise Risk Management Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Building on these globally recognized frameworks, we have developed a specialized risk management system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

Risk Governance Framework



Risk Management Process



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- Geopolitical Instability 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- Harnessing the Transformative Power of 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, leveraging these advancements can revolutionize agriculture, dairy, and food production through precision farming techniques, predictive maintenance of machinery, customer care, and supply chain optimization. By deploying AI-driven analytics to monitor crop health, optimize livestock management, demand forecasts, customer behaviour and enhance product quality control, nadec can achieve greater efficiency, sustainability, and competitiveness in the global market.

5- Market Volatility and Changing Consumer Preferences

Consumer preferences are rapidly shifting towards healthier, sustainable, and ethically sourced products, while market volatility, fluctuating raw material costs, and economic uncertainties continue to impact pricing and production strategies. Additionally, the growing demand for camel milk and alternative dairy products presents a potential shift in consumption patterns, challenging 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

With the acceleration of digital transformation, cyber threats such as data breaches, ransomware attacks, and system disruptions pose increasing risks to nadec's operations, financial stability, and sensitive information.

To mitigate these threats, nadec enforces strict cybersecurity controls, continuously monitors digital risks, and strengthens partnerships with stakeholders to enhance cyber 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

Fluctuations in foreign exchange rates, inflation, and interest rates pose financial risks that can impact operational costs, profitability, and long-term financial planning. Economic uncertainties, including global market instability and supply chain disruptions, may further pressure procurement expenses, investment strategies, and overall financial resilience.

To mitigate these risks, nadec continuously monitors economic trends, optimizes financial planning, and explores risk management strategies to ensure stability in a dynamic economic environment.

3 Sustainability and CSR Review

Our Ambitions and Values Towards Sustainability

Sustainability Framework

Materiality Assessment of Sustainability

Achievements in Sustainability and CSR

Our Ambition

"To become the most environmentally safe company in the Kingdom."

Our Ambitions and Values Towards Sustainability

Our Ambition and Values Towards Sustainability

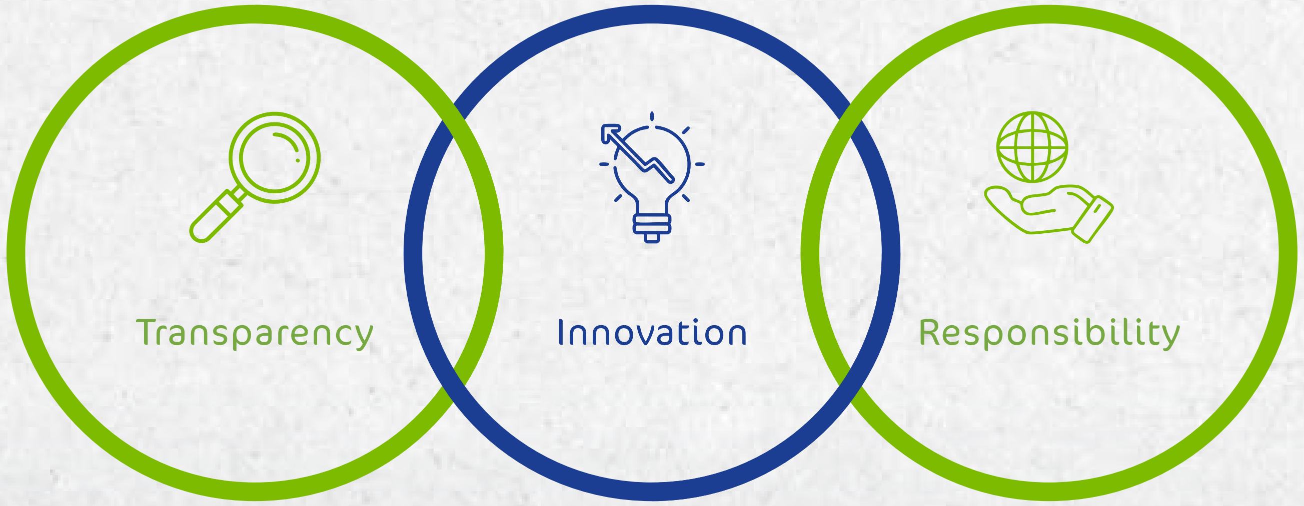
In the face of rapidly evolving global trends toward sustainability standards, Nadec has confidently positioned itself as a leading model in Environmental, Social, and Governance (ESG) practices within its 2024 operational strategy. The company has worked diligently to develop a strategic framework that integrates sustainability initiatives, strengthens its role as a key player in achieving food security, protects the environment, and fosters 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 the Kingdom." The company 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.

Aligned with its "New Dawn" strategy launched in 2023, Nadec's sustainability direction sets a clear vision for growth beyond traditional standards. By identifying key trends and opportunities, the strategy positions the company to lead in the food sector, fostering ambitions for growth, expansion, and entering new markets.

Strategic Sustainability Values



Sustainability Framework

Through a comprehensive evaluation of nadec's adherence to Environmental, Social, and Governance (ESG) standards, we conducted an in-depth analysis of our sustainability maturity and development trajectory. This was achieved through extensive engagement and discussions with key stakeholders. Over 15 individual meetings with senior team members and stakeholders were held to assess the current level of sustainability maturity within the organization and identify future aspirations.

The results demonstrated nadec's commitment to fostering integration and alignment across operational departments while striving to reach advanced levels of coordination and enhancement, keeping stakeholder interests at the core of sustainability.

Based on 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:

	Regenerative Agriculture and Sustainable Resources	Operational Excellence and Resource Optimization	Health, Wellbeing & Access to Nutrition
Social	Nurture resilient economies by partnering with suppliers	Create a safe, inclusive, nurturing culture that inspires excellence and enables all to excel	Empower healthy lifestyle choices in by producing nourishing products people need
Environmental	Grow agricultural productivity and food security in KSA through regenerative agriculture	Transform food production and distribution in KSA through resource optimization	Achieve ecosystem health by operating within local and global environmental limits

Enablers Of Change

Governance for Sustainability - Partnerships and Capacity Building - Sustainable Financing

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, the company reinforces its commitment to food security and sustainable practices as core components of its mission.

Social Goal: 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 Goal: 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 the Kingdom 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: Developing Food Production and Distribution through Improved Resource Management

At nadec, we are committed to driving a transformative approach to food production and distribution within the Kingdom 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

The pillar of "Health, Wellbeing & Access to Nutrition" stands as a cornerstone of our methodology, ensuring supply chains that reinforce food security by integrating both social and environmental dimensions. Our objective is to provide high-quality food products that contribute to the health and well-being of individuals while safeguarding the environment and ecological systems.

Social Objective: Empower healthy lifestyle choices in by producing nourishing products people need

Through our diverse and sustainable product lines at nadec, we cater to various age groups and specific dietary needs. 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. It encompasses 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 usage and maintaining soil health to safeguard environmental sustainability for future generations.

Strategic Enablers for nadec's Sustainability Framework and Defined Pillars

Based on the methodology outlined by nadec, an actionable implementation plan has been established through initiatives that contribute to the comprehensive achievement of strategic goals. This approach reflects nadec's commitment to building a robust sustainability strategy anchored in key enablers of progress and transformation, such as operational development, technological innovation, and strengthened partnerships. These efforts aim to enhance the company's interests while supporting the objectives of the Kingdom. The strategy is structured around three main pillars: governance, partnerships and capacity building, and sustainable financing, which form the foundation of nadec's sustainability commitment.

1 Governance for Sustainability

Nadec has established a management system to execute its sustainability framework, ensuring operational sectors adhere to sustainability principles. This includes clearly defining roles and responsibilities, creating policies and procedures that enhance transparency and accountability, and ensuring decision-making supports environmental, social, and economic sustainability. This approach contributes to sustainable growth while mitigating risks associated with governance, environmental, and societal factors.

Our Executive Initiatives

1- **Develop, publish and implement a governance framework**

How: Through an established governance framework, with clear roles, responsibilities, reporting lines including board and management level committee.

2- **Develop and/or update policies for each priority material issue**

How: Through an identified position for each material topic, which will improve ESG scores, gaining credit for transparency and management of risks

3- **ESG Ratings Maximization**

How: Adopting sustainable practices that include enhancing environmental and social governance, improving operational efficiency, promoting transparency and performance disclosure, and developing comprehensive policies that address all aspects of sustainability.

2 Partnerships and Capacity Building

Nadec strives to strengthen its partnerships and build internal capacities as part of its commitment to sustainability, and to establish a comprehensive framework for social responsibility and providing advanced training programs for its employees, nadec aims to enhance the team's skills in sustainability. These initiatives effectively contribute to implementing the strategy, empowering employees to adopt and apply best practices, which positively impacts the company's performance and long-term sustainability.

Our Executive Initiatives

1- **Training and capacity building**

How: Capacity built through targeted training programs, covering essential aspects for the execution of the strategy, compliance, best practices, and effective stakeholder engagemen.

2- **CSR / Social Impact Framework**

How: Capacity built through targeted training programs, covering essential aspects for the execution of the strategy, compliance, best practices, and effective stakeholder engagemen.

3 Sustainable Financing

Through its initiatives, nadec ensures that all its financial projects align with environmental and social sustainability standards. This includes pre-financing assessments to guarantee project sustainability. Additionally, nadec prioritizes building employee capacities and raising awareness about the significance of sustainable financing and its applications. These efforts aim to channel the company's investments toward projects that deliver tangible environmental and social benefits, enhancing its expertise in sustainable financing opportunities and enabling it to achieve impactful and enduring financial returns

Our Executive Initiatives

1- **ESG due diligence for sustainable finance projects**

How: Evaluate and monitor new/existing projects on ESG performance. The toolkit can either be delivered as a stand-alone due diligence toolkit or integrated into nadec's existing due diligence processes.

2- **Sustainable finance capacity building and awareness raising**

How: Provide better awareness to our management and employees about the importance of sustainable financing and how to secure funding for sustainable projects within our company.

Materiality Assessment of Sustainability

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.

Steps for Conducting the Materiality Assessment:

Identifying 16 Key Sustainability Priorities at nadec

The first step in conducting a materiality assessment involves precisely identifying the core areas relevant to nadec, from which the prioritized sustainability topics and issues emerge. At nadec, we focus on 16 key areas to explore sustainability themes, which serve as the foundation for our sustainability approach:

1. Water and effluents

Managing water usage efficiently and treating wastewater to prevent pollution and conserve water resources.

2. Waste, Pollution, and Packaging

Reducing waste generation and pollution throughout the product lifecycle through effective waste management practices and pollution control measures.

Using sustainable packaging solutions to minimize environmental impact while maintaining product safety and quality.

3. Climate Change

Reduction and management of greenhouse gas emissions from operations, including farming, production, and transportation, to mitigate environmental impact and efficient use and sustainable sourcing of energy in all operations to reduce environmental footprint and costs.

4. Sustainable Sourcing and Regenerative Agriculture

Farming practices that allow the environment to regenerate, conserve resources, and support long-term agricultural productivity. In doing so preserving local biodiversity, soil health, water reserves, and maintaining healthy ecosystems through responsible agricultural practices and land management.

5. Food Security, Health, and access to nutrition

Ensuring a reliable supply of affordable and nutritious food products to meet the needs of the population. Promoting health and wellness by providing nutritious food products and supporting healthy lifestyles.

6. Human Capital

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

While fostering a diverse and inclusive workplace where all employees have equal opportunities for growth and development.

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, nutritious foods, skills building and development and fair employment opportunities.

9. Diversity, Inclusion, and Equal Opportunities

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

12. Impact of products and services

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

13. Nationalization

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

14. Animal Health and Welfare

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

15. Economic Inclusion

Supporting economic development and inclusion by providing fair employment opportunities and engaging with local suppliers.

16. Human Rights

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

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		• Water withdrawal • Water management • Equitable access • Pollution • Nutrient loading
2	Waste, pollution and packaging		• Circularity • Food loss and waste • Packaging • Resource efficiency
3	Climate Change		• Emissions • Energy use
4	Sustainable sourcing and regenerative agriculture		• Biodiversity • Climate resilience • Soil health • Water use • Land-use • Ecosystem health • Carbon sequestration • Pesticide and fertilizer use • Living wage
5	Food security, health and access to nutrition		• Nutrition • Sustainable Agriculture • Climate change
6	Human Capital		• Occupational health and safety • Skills and employability • Talent attraction • Retention

	Key Sustainability Areas	Relative Importance	Main Work Pillars
7	Food Quality and Safety		• Quality & Safety • Nutrition • Antibiotics • GMO
8	Community / Social Impact		• Regenerative Agriculture • Health & nutrition • Economic empowerment • Skills development
9	Diversity, Inclusion, and Equal Opportunities		• Female empowerment • Youth
10	Occupational Health and Safety		• Employee health and wellbeing
11	Governance and business ethics		• Transparency
12	Impact of products and services		• Environmental footprint • Transportation • Marketing • Consumption
13	Saudization		• Nurturing local talent
14	Animal Health and Welfare		• Antibiotic use
15	Economic Inclusion		• SME empowerment • Local supply
16	Human Rights		• Discrimination and exploitation • Employee rights • Compliance • Transparency

Very High | High | Medium

Achievements in Sustainability and CSR

Nadec has accomplished several milestones aligned with its strategic goals, including diversifying food sources, sustainable resource utilization, and fostering innovation and scientific research to support its sustainability plan. It has also prioritized strengthening local and global partnerships to unify efforts, enhance its sustainability approach, and achieve its future aspirations.

1

Supporting Agricultural Investments

nadec has focused on two primary objectives: supporting agricultural investments within and beyond the Kingdom to ensure a continuous food supply and to reduce reliance on imports by developing robust local agricultural sectors.

Achievements :

Strengthening Sustainable Partnerships

nadec signed a partnership agreement with United Feed Company for the purpose of establishing a company focused on the livestock sector to produce red meat. nadec announces that it will invest SAR 90 million to that effect, in line with its expansion plans. In fact, this partnership targets enhancement of the local food self-sufficiency by diversifying protein sources that satisfy the needs of the local market.

Advancing Contract Farming Plans

nadec adopted a contract farming system in alignment with the Kingdom's Vision. This approach ensures that market dominance is not limited to major players, as small and medium-scale farmers continue to play a vital and impactful role in the agricultural sector.

2

Sustainable Resource Utilization

nadec's vision for resource sustainability focuses on preserving natural resources, with an emphasis on efficient water management, expanding desert farming, and utilizing advanced techniques such as hydroponics and vertical farming.

Achievements:

Research in Innovative Agricultural Systems

Pure Harvest in Partnership

A prime example of nadec's strategic initiatives is its collaboration with Pure Harvest, which involves implementing innovative farming systems that significantly reduce water consumption per kilogram of production.

Olive Producers Association

Nadec continued its focus on impactful partnerships by signing a Memorandum of Understanding with the Olive Producers Association. This partnership aims to provide advisory support to olive farmers and enhance quality standards through the adoption of best practices in production and marketing. The cooperation covers various areas, including fertilization, irrigation, pruning, monitoring plant growth, grafting, and conducting field visits.

Water Reuse Initiatives

Nadec completed a study on water reuse within its operations to maximize efficiency and sustainability. In 2024, the company advanced the planning and implementation of its wastewater treatment project, further reinforcing its commitment to sustainable resource management.

3

Promoting Innovation and Scientific Research

Scientific research and development have been a key focus for nadec, aiming to improve productivity through the adoption of advanced technologies. This area has seen significant progress by encouraging the use of artificial intelligence (AI) and Internet of Things (IoT) technologies in agricultural operations.

Achievements:

Climate Change Mitigation Initiatives

Nadec launched several initiatives focused on programs to deliver positive results in addressing climate change. These initiatives include a strategic collaboration with Pure Harvest to develop a resource-efficient food system that reduces carbon emissions.

Clean Energy Production Efforts

Nadec operates one of the largest solar arrays in the Middle East, which continues to contribute to the production of clean energy.

Eco-Friendly Cooling Technologies

The company has implemented a program to upgrade its fleet, aiming to minimize its environmental impact. Additionally, nadec has introduced innovative cooling technologies in its dairy farms to reduce electricity consumption for cooling purposes.

4

Supporting food awareness in the Education Sector

At nadec, we place great importance on supporting food awareness and encouraging students in the education sector to adopt a suitable lifestyle through collaboration with schools. In 2024, we successfully supported more than 40 schools, reflecting our commitment to raising awareness about the importance of proper and healthy nutrition. We were also honored to sponsor "World Food Day" in collaboration with the Riyadh Education Directorate, where we aimed to raise awareness about the significance of healthy food and its positive impact on students' health.

5

Promoting Sports Participation and Quality of Life

Nadec is committed to empowering the community and promoting an active lifestyle by supporting sports participation and improving quality of life. In this context, we sponsored the "Mahra Formula Team" as well as the Diriyah Season Cup in Qassim. nadec also organized the "nadec Open Paddle Championship." Additionally, we provided our support to the "R7 Running Team" during the Riyadh Marathon, reflecting our deep commitment to encouraging sports participation and contributing to the enhancement of physical activity within the community.

Nadec's Sustainability Efforts: Advancing Alongside the Kingdom's Vision in 2024

Environmental Commitment Forum 2024

In 2024, nadec continued its sustainability efforts aligned with the Kingdom's vision for enhancing environmental and agricultural sustainability. The company sponsored the "Environmental Commitment Forum 2024," organized by the National Center for Environmental Compliance, reflecting its dedication to promoting sustainable practices in the agricultural sector.

Nadec Hosts Workshop in Collaboration with the Central Agricultural Cooperative Society for Wheat Cultivation

Nadec organized a workshop in collaboration with the Central Agricultural Cooperative Society in Qaryat Al-Ulya, focusing on "Wheat Cultivation." This workshop aimed to support local farmers by educating them on sustainable farming techniques to improve crop productivity and reduce environmental impacts.

Showcasing Agricultural Sustainability Technologies

At the Saudi Agricultural Exhibition, nadec showcased innovative sustainability technologies used in its agricultural projects. This effort highlighted the importance of innovation in environmental conservation and the advancement of sustainable agricultural production.

Nadec at the International Exhibition and Forum for Afforestation Technologies

Nadec participated in the "International Exhibition and Forum for Afforestation Technologies" during the COP 16 Conference in Riyadh, where it highlighted its expertise in soil revitalization, water recycling, and organic waste management. This participation underscores nadec's commitment to addressing environmental challenges through advanced and sustainable technologies.

Nadec's COP 16 Pavilion Showcases Soil Revitalization Initiatives

At its pavilion during COP 16, nadec presented a range of innovative initiatives aimed at revitalizing agricultural soil. These efforts are part of its ongoing commitment to implementing effective sustainability solutions in the agricultural sector.

Nadec at the Potato Conference in Hail

Nadec participated in the Potato Conference in Hail, showcasing its sustainable potato farming techniques. This presentation highlighted the company's innovative approaches to improving farming methods while preserving natural resources, in alignment with sustainability goals.

Award Highlights of 2024

- Nadec was awarded the Social Responsibility Badge in recognition of its exceptional achievements in 2024.
- Nadec was honored as the leading national company in promoting sustainable agricultural innovations at the COP 16 Conference."
- Nadec received the Consumer Sustainability Certification from the Consumer Protection Association, to be the first entity to achieve this distinction.

Sustainable Development of Production Sectors

Nadec has consistently focused on developing its production sectors, placing quality at the forefront of its priorities to ensure the delivery of the finest food products. This commitment is reflected in the company conducting over 20,000 daily tests on its food products, ensuring the highest standards of quality and food safety.

Outstanding Agricultural Achievements

Nadec takes pride in its sustainable agricultural initiatives, including the planting of more than 5 million olive trees in its flagship project in Al-Jouf. This achievement underscores the company's vision to strengthen food security and leverage local natural resources sustainably.

Establishment of the National Seed Production Company (NSPC)

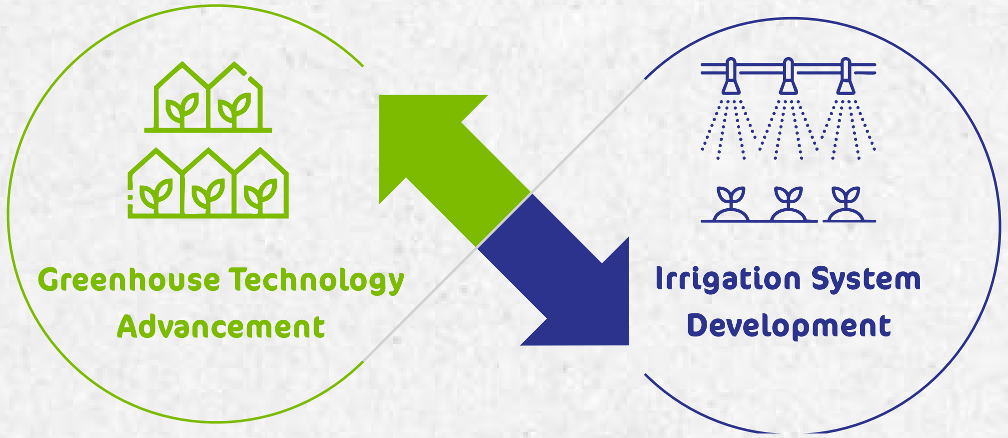
One of our most notable achievements was the establishment of the National Seed Production Company (NSPC). The company's primary goal is to study potato varieties across the Kingdom. Founded this year, NSPC was launched alongside the production of over 6 million kilograms of potatoes, underscoring its role in advancing agricultural innovation.

Diverse Agricultural Production

In 2024, nadec achieved exceptional agricultural productivity, reaffirming its commitment to expanding agricultural production to meet local market demands and contribute to food security in the Kingdom. These accomplishments include:

Production of Over	Production of Over	Production of Over
100,000	**20,000**	**5 Million**
Tons of Wheat	Tons of Wheat Seeds	Kilograms of Potatoes

Key Technologies Supporting Agricultural Sustainability



Throughout 2024 and prior, nadec reaffirmed its commitment to applying the latest technologies in greenhouse development to enhance agricultural production and increase efficiency. The company employs advanced climate-control systems in greenhouses to ensure optimal conditions for crop growth year-round, regardless of external climate fluctuations. These technologies enable precise control of temperature, humidity, and light levels, improving production quality and optimizing resource utilization.

Nadec has also focused on innovative water management technologies. By implementing smart and sustainable solutions such as drip irrigation systems and digital controls, the company minimizes water consumption while maximizing irrigation efficiency. These systems ensure optimal water usage tailored to the specific needs of crops.

These efforts aim to strengthen environmental sustainability, balancing the use and preservation of natural resources. This approach aligns with nadec's vision to achieve food security through advanced agricultural methods.

4 Human Resources

Empowering National Talent in Operational Sectors

Human Resources Management

Developing Specialized Training Programs for Our Employees

Investing in Digital and Technical Skills

Empowering National Talent in Operational Sectors

Our employees are the driving force behind nadec's success, and we take pride in employing some of the most talented professionals in the Kingdom. Recognizing human capital as a top priority, we align our efforts with Saudi Vision 2030 by focusing on attracting, retaining, and developing national talent as a fundamental pillar of our long-term growth.

Nadec has established a comprehensive set of policies & procedures that guide all human resource activities, ensuring alignment with our values, strategy, and corporate objectives. These policies & procedures provide a framework for a professional work environment, efficient talent management, employee development, and overall business success, enabling us to attract and retain top talent.

Attracting and Developing Talent

Nadec is committed to recruiting highly skilled males and females with strong technical expertise and academic qualifications. To expand our talent pool, we combine in-house recruitment efforts with partnerships through specialized hiring agencies, ensuring that every employee has the opportunity to build a rewarding and successful career. We continuously invest in the resources and tools needed to support their professional growth and development.

Empowering national talent remains a key priority in our operational sectors, driving nadec to adopt innovative hiring and development strategies designed to attract and prepare both male and female professionals for leadership positions and specialized roles. We also cultivate an engaging and growth-focused work environment by offering specialized training programs and forging partnerships with leading educational and professional institutions to enhance skills and build future capabilities.

Nadec has launched initiatives to support Saudization and align with Saudi Vision 2030, aiming to increase the participation of national talent across various operational sectors, from production and manufacturing to distribution and logistics. The company believes that empowering local professionals not only enhances its competitiveness but also contributes to the sustainable economic and social development of the Kingdom.

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Addressing to Our Employees' Suggestions

Nadec is committed to creating a fair and inclusive work environment where every employee can share ideas and insights on company decisions with full transparency. To support this, we have implemented a structured policy for managing employee suggestions, ensuring a clear and effective process for collecting and addressing feedback. Employees can submit their proposals through a dedicated email channel, ensuring their voices are heard and actively considered in the company's ongoing improvement initiatives.

DAAM Committee (Support Committee)

The DAAM Committee is responsible for reviewing employee inquiries, suggestions, and concerns. Its scope includes evaluating employee grievances, its assessments, and workplace enhancements to ensure a fair and transparent work environment.

In addition to addressing direct employee submissions, the committee also reviews matters referred by company management. Employees can submit their concerns through a dedicated committee email or by directly communicating with a committee member. Upon receiving a proposal or complaint, the committee conducts a thorough review, evaluates its feasibility, and informs the employee of the decision and outcome through email.

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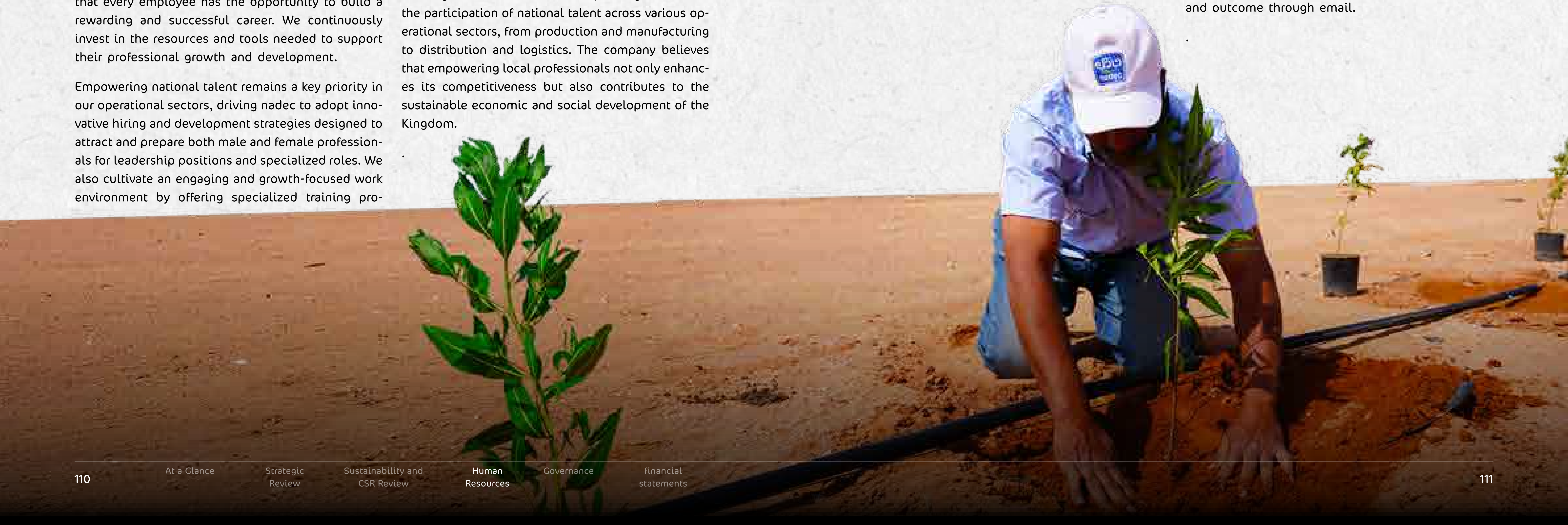


Human Resources Management

Recruitment and Selection Strategy

Over the past year, nadec has placed significant focus on managing its human resources by implementing advanced recruitment and selection strategies to attract top talent. This builds on the key improvements made in the previous year, optimizing human resource management to support our operational sectors effectively:

Nadec's HR strategy has been structured around the following priorities:

1- Proactive workforce planning.

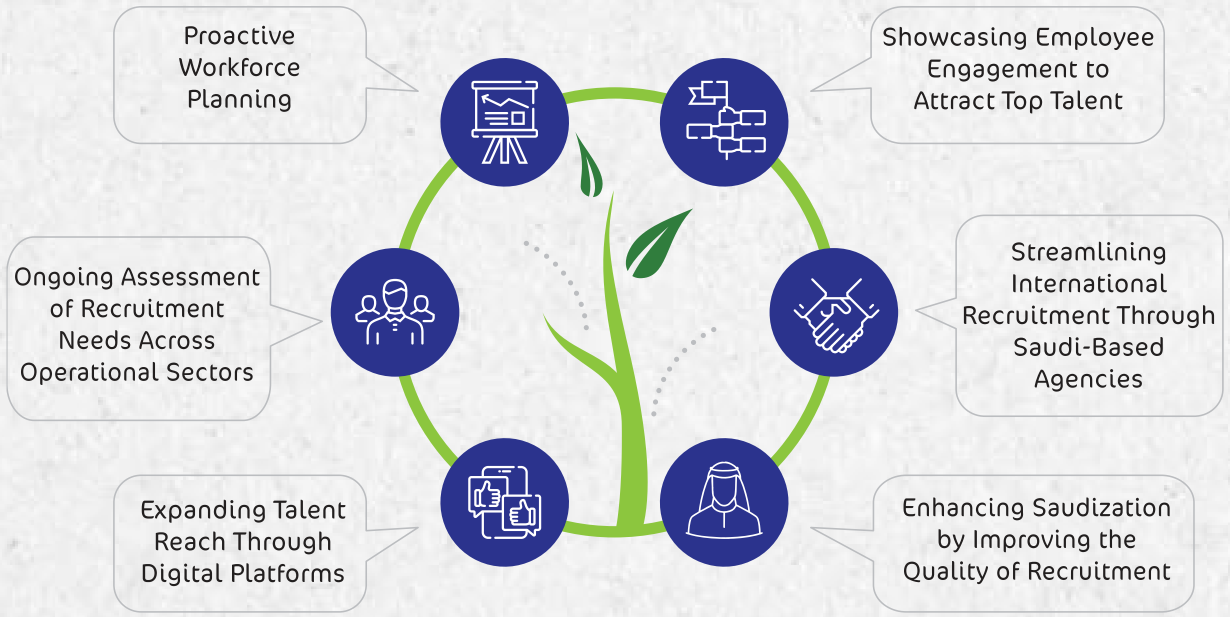
2- Ongoing assessment of recruitment needs across operational sectors.

3- Expanding Talent Reach Through Digital Platforms

4- Showcasing Employee Engagement to Attract Top Talent

5- Streamlining International Recruitment Through Saudi-Based Agencies

6- Enhancing Saudization by Improving the Quality of Recruitment.



1. Proactive Workforce Planning

Our proactive workforce planning focuses on identifying actual staffing needs, defining job types and required numbers based on nadec's strategic plans. We have also restructured hiring priorities to direct efforts toward the most critical roles for business success. This approach prevents random hiring and ensures that resources are allocated efficiently, optimizing workforce management for long-term sustainability.

2. Ongoing Assessment of Recruitment Needs across Operational Sectors

To ensure a dynamic and responsive hiring process, nadec holds weekly strategic meetings across departments to review workforce requirements, address recruitment challenges, and align hiring priorities with business objectives. This structured approach enhances collaboration between HR and operational teams, streamlines decision-making, and accelerates the recruitment cycle, ensuring that talent acquisition keeps pace with the company's evolving needs.

3. Expanding Talent Reach Through Digital Platforms

Recognizing the power of digital recruitment, nadec has strategically enhanced its presence on digital platforms, to attract top talent. By leveraging this presence, we have significantly broadened our reach, connecting with highly skilled professionals and increasing the volume and quality of job applications. This initiative aligns with our commitment to building a strong national workforce, ensuring fair access to opportunities, and maintaining transparency in our hiring processes across all business sectors.

4. Showcasing Employee Engagement to Attract Top Talent

Nadec actively leverages its employee engagement initiatives to highlight its positive workplace culture and dynamic environment. By regularly organizing interactive activities and events, we create opportunities for employees to connect and collaborate. Sharing these moments on social media enhances our reputation as an employer of choice, positioning nadec as an attractive destination for top talent and encouraging skilled professionals to join our team.

5. Streamlining International Recruitment Through Saudi-Based Agencies

To save time and enhance efficiency in attracting international talent, nadec has partnered with specialized recruitment agencies with a local presence in Saudi Arabia. These partnerships simplify and accelerate the international hiring process by managing visa applications, travel arrangements, and residency procedures. This approach ensures a clear and structured recruitment framework, making it easier and faster to bring in top global talent.

6. Enhancing Saudization by Improving the Quality of Recruitment

As part of nadec's commitment to boosting Saudization, we have strategically restructured our recruitment approach to focus on quality hiring for key roles. To achieve this, certain high-turnover, lower-level positions have been outsourced to contracted companies, allowing us to prioritize the recruitment of Saudi nationals in core and strategic roles. This initiative not only strengthens our Saudization efforts but also enables our HR team to concentrate on hiring top talent for critical positions, ensuring long-term workforce stability and excellence.

Performance Management at Nadec

Nadec has implemented a comprehensive performance management system designed to enhance both individual and team performance while aligning employee contributions with the company's strategic objectives. This system is built on several key components that drive continuous improvement and organizational success.

Performance Management Structure

Employee performance is assessed, and personal goals are set through a structured performance management system comprising three key stages:

Stage 1: Goal Setting:

At the start of the evaluation period, typically conducted annually, clear and measurable goals are established for each employee in collaboration with their direct manager. These goals are designed to align with both departmental and company-wide objectives, ensuring a unified approach to performance and growth.

Mid-Year Review: A periodic performance review is conducted halfway through the evaluation cycle to assess progress toward goals, identify any challenges or obstacles, and provide the necessary support and guidance to employees.

Year-End Review: At the end of the evaluation period, a comprehensive performance assessment is conducted to review goal achievement, provide final performance ratings, identify strengths and areas for improvement, and establish future development plans.

Stage 2: Linking Performance to HR Activities:

At nadec, performance evaluation results are directly connected to key HR activities, including training and development, promotions, and rewards. This integration allows us to identify opportunities for enhancing employee performance and ensures that evaluation outcomes are effectively utilized to support employee growth, motivation, and career progression.

Training and Development to Enhance Performance nadec offers specialized training programs designed to develop the skills and knowledge needed to improve employee performance. These programs are tailored based on performance evaluation results and the individual and team development needs, ensuring continuous professional growth and enhanced operational efficiency.

Enhancing the Performance Management System nadec has introduced key improvements to its performance management system, focusing on three core areas:

- Refining Performance Indicators: Performance metrics have been enhanced to ensure greater accuracy, clarity, and measurability, providing a more precise reflection of each employee's contribution to the company's objectives.
- Aligning Indicators with Corporate Strategy: Performance indicators are now directly linked to nadec's strategic goals, ensuring that employee efforts are aligned with the company's long-term vision and priorities.
- Leadership Development Programs: Specialized training programs have been introduced to develop leadership capabilities in performance management, equipping company leaders with the skills to effectively manage their teams, drive performance, and inspire excellence.

Talent Management Strategy

Nadec has adopted a comprehensive strategy to attract and retain highly qualified talent across its operational sectors. This approach includes key initiatives such as:

Expanding the Succession Planning Program:

Nadec is currently expanding its succession planning program, which focuses on identifying and developing future leadership talent within the company. This initiative ensures a strong leadership pipeline, fostering long-term organizational growth and stability.

Enhancing Workplace Quality and Employee Experience:

Nadec places great emphasis on employee well-being by fostering a supportive and engaging work environment that offers professional development opportunities and competitive benefits. The company is committed to effective performance management, utilizing a structured system that includes goal setting, regular performance reviews, integration with HR activities, and tailored training programs. Additionally, nadec prioritizes attracting and retaining top talent while investing in leadership development to ensure long-term organizational success.

Developing Specialized Training Programs for Our Employees

Nadec's training and development program provides employees at all levels with opportunities to enhance their skills and professional growth. Our capacity-building initiatives are strategically aligned with nadec's long-term objectives, fostering a dynamic culture of knowledge-sharing and innovation while developing a strong talent pipeline to meet both current and future business needs.

In 2024, we made significant investments in workforce training and development, delivering a total of 32,960 training hours across our organization. Employees benefited from a diverse range of training and development programs, including:

- **Management Training:** Focused on developing leadership skills, strategic thinking, and decision-making capabilities.
- **Technical Training:** Role-specific training to ensure employees stay up to date with the latest industry practices and technologies.
- **Safety Training:** Developing programs to train our employees on safety protocols, as part of our strategy to implement procedures and practices that align with the highest global safety standards.
- **Online Learning and E-Learning:** Providing a wide range of courses through e-learning platforms such as LinkedIn, covering professional development, technical skills, and soft skills.
- **Learning Management System (LMS):** Offering flexible and continuous access to training materials for ongoing skill development.
- **Nadec Project Training Program:** Hosting regular awareness sessions on key company projects, including Haradh, Al-Jouf, and Hail.
- **Co-op Training Program:** Bridging the gap between academic learning and practical industry experience.
- **English Language Academy:** Delivering comprehensive English training programs, covering business English, communication skills, and technical writing.

2024 Training and Development Achievements

At nadec, we place great emphasis on enhancing employee performance through comprehensive and diverse training programs. Our commitment to investing in workforce development ensures that employees continuously improve their skills, stay up to date with industry advancements, and enhance their capabilities. This approach directly contributes to the company's overall success and long-term strategic goals.

Nadec’s Employee Development Strategy

Diverse Training Programs

In 2024, nadec delivered 820 specialized training programs, reflecting a wide range of topics and disciplines designed to support employee growth. This extensive selection allows employees to choose programs that align with their professional development needs, ensuring they gain relevant skills that enhance their expertise and career progression.

Expanding Training Participation

In 2024, 2,271 employees participated in nadec’s training programs, reflecting a strong culture of learning and development across the company. This high level of engagement underscores our employees’ commitment to enhancing their skills and professional growth. By fostering continuous learning, we ensure that our workforce remains equipped with the expertise needed to drive nadec’s long-term success and operational excellence.

Investing in Training and Development

In 2024, nadec delivered a total of 32,960 training hours, reflecting the company’s commitment to investing in workforce development. This substantial investment underscores our dedication to enhancing employee capabilities by providing the necessary time, resources, and structured training programs to support continuous growth and professional excellence.

Participation in the Tamheer Program

Nadec, in collaboration with the Human Resources Development Fund (HRDF), announced its participation in the Tamheer on-the-job training program. The program, launched in Riyadh, provided 32 trainees with hands-on experience to enhance their skills and prepare them for the job market. nadec’s involvement in this initiative reflects its commitment to workforce localization and the development of national talent, reinforcing its role in supporting Saudi graduates as they transition into professional careers.

Employment Through the Tamheer Program

As a result of the Tamheer program’s success, nadec offered permanent employment opportunities to 13 trainees, transitioning them into full-time roles within the company. This achievement highlights the program’s effectiveness in bridging the gap between training and employment, enabling participants to become valuable contributors to nadec’s workforce.

Cooperative Training Programs

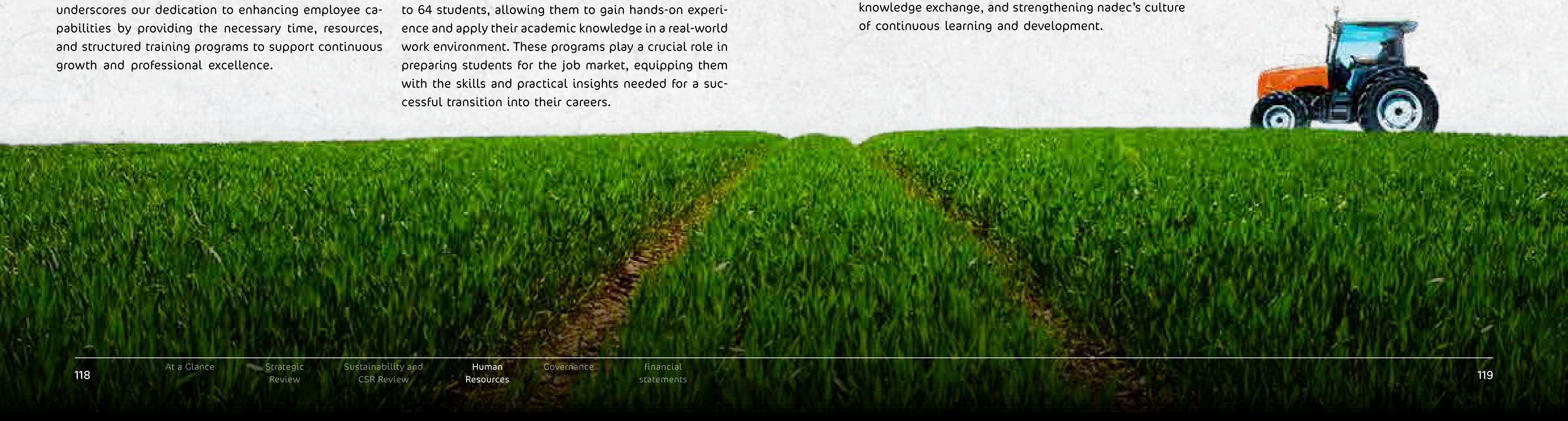
Nadec also provided cooperative training opportunities to 64 students, allowing them to gain hands-on experience and apply their academic knowledge in a real-world work environment. These programs play a crucial role in preparing students for the job market, equipping them with the skills and practical insights needed for a successful transition into their careers.

Training Program Quality

Nadec’s training programs achieved a 92% satisfaction rate, reflecting their effectiveness, quality, and impact on employee development. This high rating highlights the strength of the training content, delivery methods, and alignment with organizational goals. It also underscores nadec’s commitment to providing comprehensive learning opportunities that cater to various professional levels. Beyond internal development, nadec actively contributes to national workforce growth through initiatives such as the Tamheer program and cooperative training programs, reinforcing its role in preparing talent for the job market and supporting broader community development.

Company-Wide Training Initiatives

As part of its commitment to knowledge sharing and professional development, nadec expanded its employee mentorship and learning programs by organizing over 18 company-wide training events. These initiatives focused on transferring expertise from senior employees to new team members through workshops and interactive sessions. With an 80% participation rate, these events played a key role in enhancing collaboration, fostering knowledge exchange, and strengthening nadec’s culture of continuous learning and development.



Investing in Digital and Technical Skills

Empowering Employees with Digital and Technical Capabilities

In 2024, nadec set a clear roadmap for digital transformation, expanding digital integration across its workforce. This initiative aims to position the company at the forefront of technological advancements in the food industry by accelerating continuous improvement, innovation, and automation across all key business sectors.

Nadec's investment in digital and technical skills is focused on the following key objectives:

Streamlining Processes

Enhancing and simplifying internal procedures to improve efficiency for nadec employees.

Integrating New Technologies

Expanding the adoption of cutting-edge technologies across various business functions.

Advancing Automation

Increasing reliance on automated systems to boost efficiency and minimize errors.

Strengthening Business Partnerships

Building strong collaborations with business partners and fostering cross-functional engagement to enhance service delivery and operational support.

Aligning with nadec's "New Dawn"

Strategy In 2024, nadec's technology and digital sector underwent significant expansion, driven by strategic growth initiatives, technological advancements, and digital transformation efforts aimed at enhancing operational efficiency. This expansion aligns with nadec's "New Dawn" strategy, introduced in 2022, reinforcing our long-term commitment to innovation and progress.

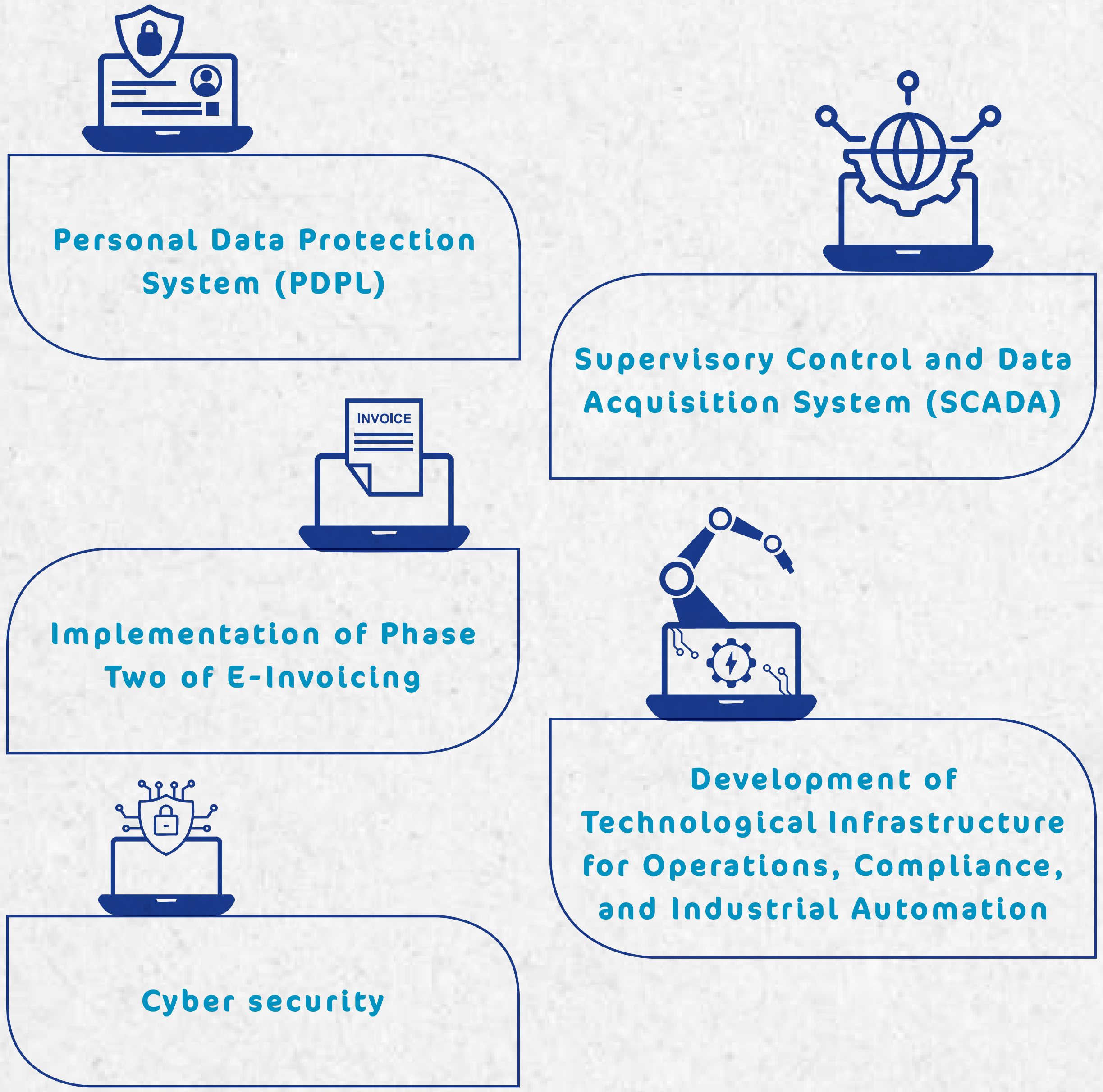
Nadec's Digital Transformation in 2024: Enhancing Employee Services

In 2024, nadec successfully implemented over 120 digital transformation projects aimed at optimizing operational efficiency and enhancing employee services. A key initiative was the enhancement of the SAP S/4HANA system, which introduced advanced digital tools and process improvements across various business functions. These upgrades streamlined operations in finance, procurement, warehousing, production, quality control, sales, transportation, and plant maintenance, driving greater efficiency and ensuring seamless workflow integration across the organization.

Nadec's digital transformation project aimed to establish a unified information source to streamline business operations and enable seamless process integration. This initiative provided real-time data access for transactions and inventory management across multiple departments, enhancing decision-making and operational efficiency. The transformation efforts also focused on enterprise resource planning (ERP) and the development of a comprehensive roadmap for continuous improvements and strategic enhancements in business operations.

Nadec's digital transformation included the implementation of advanced process optimization solutions, such as Signavio Process Insights, SAP Signavio Process Manager, and Signavio Process Collaboration Hub. These tools played a key role in streamlining business operations, enhancing collaboration, and improving process efficiency. Additionally, they contributed to the development of a comprehensive and precise roadmap for ongoing improvements and strategic enhancements across nadec's business operations.

Technologies Empowering Employees in Monitoring Compliance at nadec:



To enhance regulatory compliance, nadec has adopted modern supervisory technologies to support employees in streamlining financial processes, minimizing inefficiencies, and improving overall efficiency. These advancements have simplified workflows across departments while integrating operations with government portals, ensuring adherence to international standards and regulatory compliance.

Key Technologies Supporting Our Employees

In 2024, nadec focused on enhancing technology adoption to support its employees while strengthening relationships with both customers and suppliers through two major initiatives:

Customer and Employee Communication Support Applications

1- B2B (Business-to-Business) Application

Designed to facilitate commercial transactions between nadec and its distributors and wholesalers, along with the establishment of a dedicated contact center to handle their inquiries.

2- Ariba SLP (Supplier Lifecycle and Performance) System

Implemented to assist employees in managing supplier lifecycle and performance, enabling better assessment of supplier capabilities and compliance with standards.

These initiatives have contributed to supporting our employees by:

- Enhancing cost monitoring for better financial oversight.
- Improving cash flow management for greater efficiency.
- Increasing transparency by enabling financial tracking and ensuring compliance with contract terms.

2024 Achievements in Workforce Investment and Digital Transformation at nadec

- ISO 27001 Certification – Awarded in April 2024 for information security management in food manufacturing activities.
- ISO 9001 Certification (QMS) – Received for quality management systems in nadec's technology and digital division, recognizing the company's commitment to quality control, process management, and service excellence at the highest standards.
- Best Achievement in Business Process Management – Awarded as part of the BTOES (The Business Transformation & Operational Excellence Awards), recognizing nadec's success in empowering business users and enhancing operational excellence.

5 Governance

Organizational and Administrative Structure

Board of Directors and Senior Executives

Investor Relations

Board of Directors

Committees and Their Main Responsibilities

Executive Management

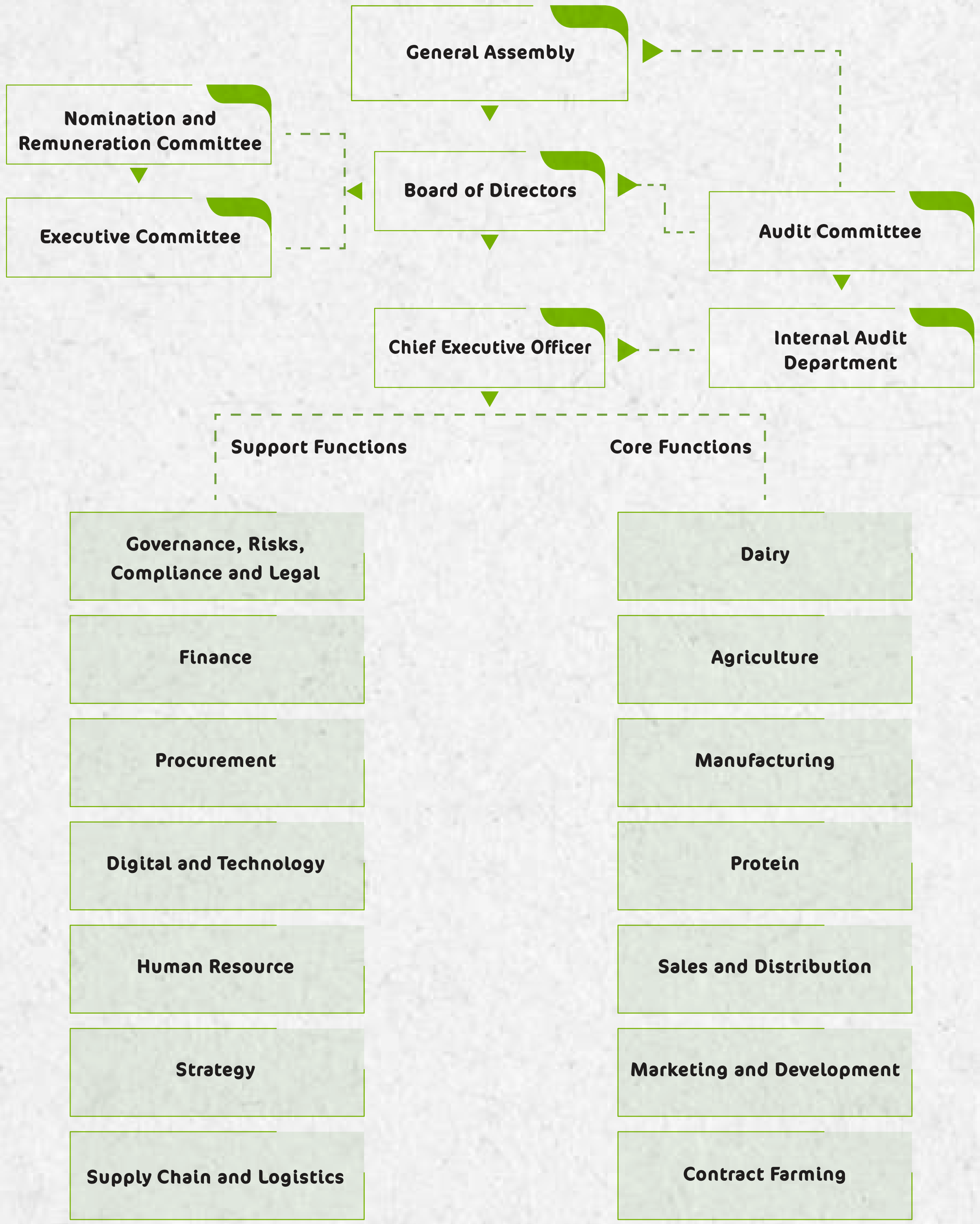
Remuneration

Transactions with Related Parties and Competing Businesses

Governance, Risks, and Compliance

Internal Audit

Organizational and Administrative Structure



Board of Directors and Senior Executives

The Board of Directors consists of seven (7) members elected by the Ordinary General Assembly of Shareholders through a cumulative voting process. The roles and responsibilities of the Board are clearly defined in the company's Bylaws and Internal Governance Regulations. Each director, including the Chairman, serves for a maximum term of four (4) years, with the possibility of re-election, subject to the provisions of the company's bylaws. The current term of the Board of Directors commenced on April 11, 2024.

The executive management team has the necessary expertise and skills and operates under the supervision of the Board of Directors. The CEO is responsible for overseeing day-to-day operations, ensuring alignment with the vision, directives and policies set by the Board to facilitate the achievement of company's strategic objectives.

Evaluation of Board Performance

The evaluation of the Board of Directors and its committees is conducted in accordance with established governance standards. This process serves to monitor and enhance the effectiveness of the Board and its committees in performing their duties in an optimal manner and in compliance with the Companies Law, the Company's Bylaws, and relevant laws and regulations, while adhering to sound corporate governance principles and practices.

Term of Board Membership

In 2024, the fourteenth term of the Board of Directors ended on April 10, 2024. The Board was composed of the following members: Mr. Abdulaziz Bin Saleh Al-Rebdi - Mr. Abdullatif Bin Abdullah Al Rajhi - Mr. Bader Bin Abdulrahman Al Sayari - Mr. Amr Bin Abdulaziz Aljallal - Mr. Abdulaziz Bin Mohammad Alrugaib - Mr. Ahmed Bin Saud Shahini - Mr. Ibrahim Bin Muhammad Al-Amer.

Appointment of Board Members

In 2024, the Ordinary General Assembly, held on March 20, 2024, elected the Board of Directors for the current term, which commenced on April 11, 2024, and will conclude on April 10, 2028, for a period of four years. The Board consists of the following members: Mr. Abdulaziz Bin Saleh Alrebdi - Mr. Ahmed Bin Saud Shahini - Mr. Alaa Bin Abdullah Alhashem - Mr. Khalid Bin Salem Alrowais - Mr. Issa Bin Saleh Al-Huraimis - Dr. Nasser Bin Zaid Almeshary - Mr. Amr Bin Abdulaziz Aljallal.

Mr. Abdulaziz Bin Saleh Al-Rebdi

Chairman of the Board of Directors

Membership Type:	• Chairman of the Board of Directors (Non-Executive Member)
Date of Appointment (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 - ESR Financial Consultancy Office. • Chairman of the Board - Arrangement Event Company for Exhibitions. • Board Member, Chairman of the Nominations and Remuneration Committee and Member of the Audit Committee - The Family Office International Investment Company. • Board Member and Member of the Investment Committee - Al-Obeikan Glass Company. • Vice Chairman of the Board - Minerva Foods Company. • Board Member and Member of the Nomination and Remuneration Committee - Seera Holding Group.
Professional Experience and Qualifications (Previous):	• 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.
Educational Qualifications:	• Bachelor's Degree in Industrial Management from King Fahd University of Petroleum and Minerals.

Memberships of the board outside of nadec:

Current Board Memberships	Inside/ Outside the Kingdom	Legal Entity	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Al-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	Unlisted Joint- Stock Company	Walaa Cooperative Insurance Company	Inside the Kingdom	Listed Joint-Stock Company
Minerva Foods Company	Outside the Kingdom	Listed Joint-Stock (Brazil)	Takween Advanced Industries Company	Inside the Kingdom	Listed Joint-Stock Company
Seera Holding Group.	Inside the Kingdom	Listed Joint-Stock Company	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
-	-	-	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	Unlisted
-	-	-	Al-Obeikan Industrial Group	Inside the Kingdom	Saudi Governmental Organization
-	-	-	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

Mr. Ahmed Bin Saud Shahini

Deputy Chairman of the Board

Membership Type:	• Deputy Chairman of the Board (Non-Executive)
Date of Appointment (Current Term):	• Commencement of Current Term: 11 April 2024 • Date of Appointment: 11 April 2024
Committee Membership:	• Member of the Executive Committee and Member of the Nomination and Remuneration Committee.
Professional Experience and Qualifications (Current):	• CEO of Local Investments - Saudi Agricultural and Livestock Investment Company (SALIC) • Board Member and Chairman of the Nominations and Remuneration Committee - Khair Inorganic Chemical Industries (InoChem) • Board Member - National Aquaculture Group NAQUA • Board Member - National Grain Supplies Company (SABL)
Professional Experience and Qualifications (Previous):	• Board Member - Naba Al Saha Medical Services Company • Board Member - BlomInvest Company • Advisor to the CEO - Saudi Agricultural and Livestock Investment Company (SALIC) • Executive Director of Business Development - Shahini Holding Group. • Supply Chain Management - Procter & Gamble • General Manager - Shahini Distribution Company • Board Member – Saudi Boxing Federation. • Board Member - Shahini Holding Group
Educational Qualifications:	• Master's Degree in Business Administration from IMD Business School, Switzerland, and 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	Legal Entity	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	Closed Joint-Stock Company
Khair Inorganic Chemical Industries (InoChem)	Inside the Kingdom	Closed Joint-Stock Company	BlomInvest Company	Inside the Kingdom	Closed Joint-Stock Company
SABL	Inside the kingdom	Limited Liability Company	Saudi Boxing Federation	Inside the Kingdom	Other
-	-	-	Shahini Holding Group	Inside the Kingdom	Limited Liability Company

Mr. Alaa Bin Abdullah Al-Hashem

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 & Skills (Current):	• Vice Chairman of the Board - Arabian Mills for Food Products • Board Member - Governance Center (Under the Public Investment Fund) • Board Member - National Poultry Company • Board Member - Egyptian National Poultry Company • Board Member - National Industrial Company • Board Member - Sulaiman Al Rajhi Real Estate Investment Company
Professional Experience & Skills (Previous):	• Board Member - Sulaiman Bin Abdulaziz Al Rajhi Holding Company • Chief Executive Officer - Sulaiman Bin 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 Investment and Development Company
Academic Qualifications:	• Master's Degree in Business Administration, Lancaster University, United Kingdom • Bachelor's Degree in Accounting, King Fahd University of Petroleum and Minerals • Professional Diploma and Fellowship in Corporate Leadership, Institute of Directors, United Kingdom

Board and Committee Memberships Outside nadec:

Current Board Memberships	Inside / Outside Saudi Arabia	Legal Entity	Previous Board Memberships	Inside / Outside Saudi Arabia	Legal Entity
Governance Center	Inside Saudi Arabia	Limited Liability Company	Sulaiman Al Rajhi Holding Company	Inside Saudi Arabia	Limited Liability Company
Al Balad Development Company (Audit Committee)	Inside Saudi Arabia	Limited Liability Company	-	-	-
Arabian Mills for Food Products	Inside Saudi Arabia	Listed Joint-Stock Company	-	-	-
National Poultry Company	Inside Saudi Arabia	Closed Joint-Stock Company	-	-	-
Egyptian National Poultry Company	Outside Saudi Arabia	Limited Liability Company	-	-	-
National Industrial Company	Inside Saudi Arabia	Closed Joint-Stock Company	-	-	-
Sulaiman Al Rajhi Real Estate Investment Company	Inside Saudi Arabia	Limited Liability Company	-	-	-

Mr. Khalid Bin Salem Al-Ruwais

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 & Skills (Current):	• Board Member, Audit Committee Member, and Risk Committee Member – Hassana Investment Company • Board Member, Chairman of the Audit Committee, Risk Committee Member, and Governance Committee Member – The Saudi Investment Bank • Board Member and Member of the Nomination Committee – Saudi Mining Services Company (ESNAD) • Board Member - Aluminium Bahrain Company (Alba) • Member of the Audit Committee – The Industrialization Energy Services Company (TAQA) • Member of the Audit Committee – The Arabian Geophysical and Surveying Company (ARGAS) • Board Member, Chairman of the Audit Committee, and Vice Chairman of the Risk and Compliance Committee – Saudi Electricity Company
Professional Experience & Skills (Previous):	• Board Member and Chairman of the Nomination and Remuneration Committee – SABIC Agri-Nutrients Company • Banking Supervision Department - Saudi Arabian Monetary Authority (SAMA) • Finance Manager - Saudi Basic Industries Corporation (SABIC) • Treasury Manager - Saudi Arabian Mining Company (Ma'aden) • Executive Director & Vice President of Strategy and Planning - Saudi Arabian Mining Company (Ma'aden) • Vice President of Finance & Chief Financial Officer - Saudi Arabian Mining Company (Ma'aden) • Senior Vice President of Phosphates - Saudi Arabian Mining Company (Ma'aden) • Senior Executive Advisor - Saudi Arabian Mining Company (Ma'aden) • Member of the Audit Committee – National Petrochemical Company (Petrochem)
Academic Qualifications:	• Bachelor's degree in Accounting, May 1984, King Saud University • Certified as an AICPA in 1990 – American Institute of Certified Public Accountants (AICPA).

*The membership status has been updated due to the end of the independence conflict.

Board Memberships Outside nadec:

Current Board Memberships	Inside / Outside Saudi Arabia	Legal Entity	Previous Board Memberships	Inside / Outside Saudi Arabia	Legal Entity
Saudi Electricity Company	Inside Saudi Arabia	Listed Joint-Stock company	SABIC Agri-Nutrients	Inside Saudi Arabia	Listed Joint-Stock company
Hassana Investment Company	Inside Saudi Arabia	Closed Joint-Stock Company	Middle East Paper Company (MEPCO)	Inside Saudi Arabia	Listed Joint-Stock company
The Saudi Investment Bank	Inside Saudi Arabia	Listed Joint-Stock Company	Aljazira Capital	Inside Saudi Arabia	Closed Joint-Stock Company
Saudi Mining Services Company (ESNAD)	Inside Saudi Arabia	Closed Joint-Stock Company	-	-	-
Aluminium Bahrain Company (Alba)	Outside the Kingdom	Listed Joint-Stock Company	-	-	-

Mr. Issa Bin Saleh Al-Huraimis

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 & Skills (Current):	• Executive Vice President - Head of Retail Banking Risks - The National Commercial Bank (NCB) • Board Member - SIMAH Credit Rating Agency • Board Member - Social Development Bank
Professional Experience & Skills (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.
Academic Qualifications:	• Master's degree in Business Administration with a focus on International Finance from Al Yamamah University in Riyadh, May 30, 2017. • Master's degree in International Business Administration from INSEEC Business School in Paris, France, September 29, 2017. • Advanced Diploma in International Financial Management from Washington State University, USA, June 25, 2017. • Bachelor's degree in Business Administration with a focus on Economics from the Arab Open University in Riyadh, August 2, 2013. • Diploma in Business Administration from the Riyadh Chamber of Commerce and Industry, Saudi Arabia, June 1, 1999. • Completed an Executive Leadership Program focusing on Organizational Leadership and Innovation from Bain & Company Academy in London, UK, January 12, 2017. • Diploma in Organizational Leadership from London Business School, London, UK, 2019. • Completed the Master Class Program in Change Leadership and Strategy Execution from INSEAD Business School, April 16, 2017.

Board Memberships Outside nadec:

Current Board Memberships	Inside / Outside Saudi Arabia	Legal Entity	Previous Board Memberships	Inside / Outside Saudi Arabia	Legal Entity
SIMAH Credit Rating Agency	Inside Saudi Arabia	Limited Liability Company	-	-	-
Social Development Bank	Inside Saudi Arabia	Government Bank	-	-	-

Dr. Nasser Bin 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 & Skills (Current):	• Board Member - Madar Logistics Platforms • Vice President of Strategic Partnerships and Alliances - Elm Company
Professional Experience & Skills (Previous):	• Vice President of Business Sectors - 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
Academic Qualifications:	• Completed an Executive Training Program in Leadership from the Oxford Advanced Management and Leadership Program, June 26, 2011 • Earned a Ph.D. with Honors in Information Security Engineering from Florida Institute of Technology, July 12, 2004. • Master’s Degree with Honors in Computer Network Engineering, King Saud University, 1993-1996 • Bachelor’s Degree with Honors in Computer Engineering, King Saud University, 1984-1989

Board Memberships Outside nadec:

Current Board Memberships	Inside / Outside Saudi Arabia	Legal Entity	Previous Board Memberships	Inside / Outside Saudi Arabia	Legal Entity
Madar Logistics Platforms	Inside Saudi Arabia	Limited Liability Company	-	-	-

Mr. Amr Bin Abdulaziz Aljallal

Board Member

Membership Type:	• Independent Member
Date of Appointment (Current Term):	• Commencement of Current Term: 11 April 2024 • Appointment Date: 11 April 2024
Committee Memberships:	• Chairman of the Nomination and Remuneration Committee and Member of the Executive Committee
Professional Experience and Qualifications (Current):	• Chief Executive Officer - Namara Investment Company and all its subsidiary companies - Dr. Sulaiman Al Habib Investment Company • Board Chairman, Chairman of Executive Committee, and Member of the Nomination and Remuneration Committee Nice One Beauty Digital Marketing Company • Board Member, Saudi Morgan Stanely Company • Board Member, Member of the Investment Committee and Member of the Nomination and Remuneration Committee, Marafiq Electricity and Water Company in Jubail and Yanbu (Marafiq) • Board Member, Member of the Nomination and Remuneration Committee and Member of the Executive Committee, Saudi Investment Recycling Company (SIRC) • Board Member, Hamad M. Al Rugaib and Sons Trading Company • Board Member, International Healthcare Company (Whites and Kunooz Pharmacies) • Board Member and Chairman of the Investment Committee - Saudi Egyptian Industrial Investment Company • Board Member - October Pharma Company • Board Member - Merak Capital Company
Professional Experiences and Qualifications (Previous):	• Head of Private and Investment Banking - Jadwa Investment Company • Deputy Head of Investment Banking - Saudi French Capital • Chief of Registration and Listing Unit, Industry and Services Sector in the Capital Market Authority; he assumed several other positions • Credit Officer, Corporate Banking Services Management - Samba Financial Group • Board Member and Member of the Nomination and Remuneration Committee – Fund of Funds Company (Jada) • Investment Committee Member – Saudi Agricultural and Livestock Investment Company (SALIC) • Vice Chairman of the Board – Ban Holding Group (formerly Abdulmohsen Alhokair Group for Tourism and Development) • Board Member – Venture Capital and Private Equity Association, a Saudi association established pursuant to a decision of the Council of Ministers
Educational Qualifications:	• Master's Degree in Business Administration from Rice University in Houston, USA, and Bachelor's Degree in Management Information Systems from King Fahd University of Petroleum and Minerals

Memberships of the board outside of nadec:

Current Board Memberships:	Inside/ Outside the Kingdom	Legal Entity	Previous Board Memberships	Inside/ Outside the Kingdom	Legal Entity
Nice One Beauty Digital Marketing Company	Inside the Kingdom	Joint-Stock company	-	-	-
Power and Water Utility Company for Jubail and Yanbu (MARAFIQ)	Inside the Kingdom	Listed Company	Saudi Agricultural and Livestock Investment Company (SALIC)	Inside the Kingdom	Unlisted Joint-Stock Company
Saudi Investment Recycling Company (SIRC)	Inside the Kingdom	Unlisted Joint-Stock Company	JADA Fund of Funds Company	Inside the Kingdom	Unlisted joint stock company
Saudi Egyptian Industrial Investments Company	Outside the kingdom	Unlisted Foreign Joint-Stock company	Ban Holding Group (formerly Abdulmohsen Alhokair Group for Tourism and Development)	Inside the Kingdom	Listed Company
October Pharma Company	Outside the kingdom	Listed Foreign Joint-Stock Company	Venture Capital and Private Equity Association, a Saudi association established pursuant to a decision of the Council of Ministers	Inside the Kingdom	Unlisted Joint-Stock company
Saudi Morgan Stanley Company	Inside the Kingdom	Unlisted Joint-Stock company	-	-	-
The International Healthcare Company (Whites and Kunooz Pharmacies)	Inside the Kingdom	Unlisted joint stock company	-	-	-
Hamat Holding Company	Inside the Kingdom	Unlisted Joint-Stock Company	-	-	-
Hamad M. Al Rugaib and Sons Trading Company	Inside the Kingdom	Unlisted Joint-Stock company	-	-	-
Merak Capital Company	Inside the Kingdom	Unlisted Joint-Stock company	-	-	-

Mr. Abdullatif Bin Abdullah Al Rajhi

Deputy Chairman of the Board

Membership Type:	• Deputy Chairman of the Board (Non-Executive)
Date of Appointment (Previous Term):	• Commencement of Previous Term: 11 April 2021. • Date of Appointment: 11 April 2021. • End of Membership: 10 April 2024.
Committee Membership:	• Member of the Nomination and Remuneration Committee.
Educational Qualifications:	• Master’s Degree in Business Administration from the American University - Beirut.

Mr. Abdulaziz Bin Mohammad Alrugaib

Board Member

Membership Type:	• Independent Board Member
Date of Appointment (Previous Term):	• Commencement of Previous Term: 11 April 2021. • Date of Appointment: 5 April 2022. • End of Membership: 10 April 2024.
Committee Membership:	• Member of the Executive Committee.
Educational Qualifications:	• Master’s Degree in Chemical Engineering from Cornell University, USA, and Bachelor’s Degree in Petroleum Engineering from the University of Kansas, USA.

Mr. Bader Bin Abdulrahman Al Sayari

Board Member

Membership Type:	• Non-Executive Board Member
Date of Appointment (Previous Term):	• Commencement of Previous Term: 11 April 2021. • Date of Appointment: 11 April 2021. • End of Membership: 10 April 2024.
Committee Membership:	• Member of the Executive Committee.
Educational Qualifications:	• Bachelor’s Degree in Accounting from King Saud University.

Mr. Ibrahim Bin Muhammad Al-Amer

Board Member

Membership Type:	• Independent Board Member
Date of Appointment (Previous Term):	• Commencement of Previous Term: 11 April 2021. • Date of Appointment: 5 October 2022. • End of Membership: 10 April 2024.
Committee Membership:	• Member of the Audit Committee • Member of the Nomination and Remuneration Committee
Educational Qualifications:	• Master’s Degree in Business Administration from the University of Hull, United Kingdom; and Bachelor’s Degree in Accounting from Imam Muhammad ibn Saud University; and completed an Executive Program at London Business School.

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	07/01/2024	**Notice to Shareholders**	The National Agricultural Development Company (nadec) announces receiving a notification regarding the adjustment of fuel prices from Aramco
2	14/01/2024	**Notice to Shareholders**	Ref Addendum Announcement from National Agricultural Development Company (nadec) in regard to receiving a notification regarding the adjustment of fuel prices from Aramco
3	18/02/2024	**Annual Financial Results for the Year 2023**	The National Agricultural Development Company (nadec) announces its annual financial results for the year ended 31 December 2023
4	27/02/2024	**Invitation of the Ordinary General Assembly Meeting**	The National Agricultural Development Company (nadec) announces inviting the Company’s shareholders to attend the 38th Ordinary General Meeting (First Meeting) via modern technology means
5	13/03/2024	**Notice to Shareholders**	The National Agricultural Development Company (nadec) announces the start of electronic voting on the agenda of the 38th General Assembly meeting (First Meeting)
6	17/03/2024	**Signing of a Memorandum of Understanding**	National Agricultural Development Co. Announces an update on The National Agricultural Development Company (nadec) announces recent developments on signing of a memorandum of understanding with United Feeds Company to explore cooperation in establishing a livestock project specializing in (Sheep and Goats).
7	20/03/2024	**Results of the Ordinary General Assembly**	The National Agricultural Development Co. Announces the Results of the Ordinary General Assembly Meeting, (First Meeting)
8	14/04/2024	**Notice to Shareholders**	The National Agricultural Development Co. (nadec) Announces the appointment of the Chairman and Vice Chairman of the Board of Directors, the formation of the Board Committees, the appointment of the Company’s representatives, and the appointment of the Board Secretary.
9	14/04/2024	**Notice to Shareholders**	The National Agricultural Development Co. (nadec) Announces the Formation of Audit Committee
10	05/05/2024	**Financial Results**	The National Agricultural Development Company (nadec) announces its Interim Financial results for the Period Ending on 2024-03-31 (Three Months)
11	23/05/2024	**Phone Interview**	The National Agricultural Development Company (nadec) announces that it has conducted an Earnings Conference Call to discuss the financial results for the first quarter of 2024 with Investors and Financial Analysts
12	25/06/2024	**Notice to Shareholders**	The National Agricultural Development Company (nadec) Announces Approval by the Capital Market Authority for the Offering of 30% of the Shares of Arabian Mills for Food Products Company "a Company Invested In" for Initial Public Offering (IPO) on the Saudi Stock Exchange (Tadawul)
13	21/07/2024	**Financial Results**	The National Agricultural Development Company (nadec) announces its Interim Financial results for the Period Ending on 30-06-2024 (Six Months)
14	22/09/2024	**Results of the Ordinary General Assembly Meeting**	Addendum Announcement from the National Agricultural Development Company (nadec) Regarding the Company's Announcement of the Results of the 38th Ordinary General Assembly Meeting (First Meeting)
15	09/10/2024	**Notice to Shareholders**	The National Agricultural Development Company (nadec) announces an update on CMA Approval by the Capital Market Authority for the Offering of 30% of the Shares of Arabian Mills for Food Products Company "a company invested in" for Initial Public Offering (IPO) on the Saudi Stock Exchange (Tadawul)
16	20/10/2024	**Financial Results**	The National Agricultural Development Company (nadec) announces its Interim Financial results for the Period Ending on 30-09-2024 (Nine Months)
17	20/10/2024	**Corrective Announcement Regarding the Initial Financial Results Announcement**	Correction announcement from The National Agricultural Development Company (nadec) in regards to the interim financial results for the period ending on 30-09-2024 (Nine Months)
18	03/11/2024	**Conference Call**	The National Agricultural Development Company (nadec) announces that it has conducted an Earnings Conference Call to discuss the financial results for the third quarter of 2024 with Investors and Financial Analysts
19	22/12/2024	**Notice to Shareholders**	The National Agricultural Development Company (nadec) announces the publication of its Sustainability and ESG Report

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 2024, 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 2024, 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:

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.

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.

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.

Fourth: Shareholder Register Requests

In 2024, 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:

	Request date	Reasons for request
1	02/01/2024	Company procedures
2	21/01/2024	Company procedures
3	05/03/2024	Company procedures
4	11/03/2024	Company procedures
5	17/03/2024	Company procedures
6	19/03/2024	General Assembly
7	21/07/2024	Company procedures
8	03/12/2024	Company procedures

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.

Board of Directors

The Board of Directors held nine (9) meetings in 2024, including five (5) in-person meetings and four (4) meetings conducted by circulation, as detailed in the table below. No Board member delegated another member to attend on their behalf during 2024.

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 2024

Attendance Record for Members of the Board of Directors for the year 2024

		Previous Term				Current Term					
	Member Name	**1st Meeting (By circulation)**	**2nd meeting**	**3rd meeting (By circulation)**	**4th meeting (By circulation)**	**5th meeting**	**6th meeting**	**7th meeting**	**8th meeting (By circulation)**	**9th meeting**	**10th meeting (By circulation)**
		20 Feb	**27 Feb**	**14 Mar**	**18 Mar**	**13 Apr**	**19 May**	**05 Aug**	**21 Nov**	**28 Nov**	**30 Dec**
1	Mr. Abdulaziz Bin Saleh Alrebdi - Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mr. Ahmed Bin Saud Shahini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mr. Amr Bin Abdulaziz Aljallal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Mr. Abdullatif Bin Abdullah Al Rajhi	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended
5	Mr. Bader Bin Abdulrahman Al Sayari	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended
6	Mr. Abdulaziz Bin Muhammad Alrugaib	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended
7	Mr. Ibrahim Bin Muhammad Al-Amer	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended	Membership Ended
8	Mr. Khalid Bin Salem Al-Ruwais	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓	✓	✓	✓
9	Mr. Alaa Bin Abduallh Al Hashem	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓	✓	✓	✓
10	Mr. Issa Bin Saleh Al-Huraimis	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓	✓	✓	✓
11	Dr. Nasser Bin Zaid AlMeshary	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓	✓	✓	✓

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 General Assembly Meeting:

In accordance with the Board of Directors' regulations, which stipulate the obligation of Board members to attend General Assembly meetings, the company convened a single Annual General Assembly meeting on March 19, 2024. This underscores the Board's commitment to interacting with shareholders, receiving their suggestions, and gathering feedback on the company and its performance.

	Member name	General Assembly Meeting
1	Mr. Abdulaziz Bin Saleh Al-Rebdi	✓
2	Mr. Abdullatif Bin Abdullah AlRajhi	✓
3	Mr. Bader Bin Abdulrahman Al Sayari	×
4	Mr. Amr Bin Abdulaziz Aljallal	✓
5	Mr. Abdulaziz Bin Mohammed Alrugaib	✓
6	Mr. Ahmed Bin Saud Shahini	✓
7	Mr. Ibrahim Bin Muhammad Al-Amer	✓

The new members were elected during the Ordinary General Assembly meeting held on 19/03/2024, with the term commencing on 11/04/2024.

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. Below is the list of the Audit Committee members:

Current Members (Appointed by the Board of Directors on 13 April 2024):

1. Mr. Khalid Bin Salem Al-Ruwais – Chairman and Independent Member
2. Mr. Issa Bin Saleh Al-Huraimis – Independent Member
3. Mr. Khalid Bin Mohammed Alsolai – Non-Board Member
4. Eng. Saeed Bin Abdallah Al-Moeather – Non-Board Member

B. Audit Committee Meetings for the Year 2024

Audit Committee Members Attendance Record for 2024

	Member Name	Membership Status	Previous Term		Current Term		
			1st Meeting (2 Jan)	2nd Meeting (14 Feb)	3rd Meeting (1 May)	4th Meeting (17 Jul)	5th Meeting (16 Oct)
1	Mr. Ahmed Bin Saud Shahini(1)	Former Chair of the Committee – Non-Executive	✓	✓	Membership Ended	Membership Ended	Membership Ended
2	Mr. Ibrahim Bin Mohammed Al Amer	Member – Independent	✓	✓	Membership Ended	Membership Ended	Membership Ended
3	Mr. Khalid Bin Salem Al-Ruwais(2)	Current Chair of the Committee – Independent	✓	✓	✓	✓	✓
4	Mr. Issa Bin Saleh Al-Huraimis	Member – Independent	Membership Not Started	Membership Not Started	✓	✓	✓
5	Mr. Khalid Bin Mohammed Alsolai	Independent Member – External	Membership Not Started	Membership Not Started	✓	✓	✓
6	Eng. Saeed Bin Abdallah Al-Moeather	Independent Member – External	Membership Not Started	Membership Not Started	✓	✓	✓

1. His membership as the Chairman of the Committee ended with the conclusion of the previous term.
2. He was appointed as the Chairman of the Committee for the current term.

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.

3. Internal Control:

- Examining and reviewing the effectiveness of Company's internal and financial control systems and risk management system, which includes 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.
- Providing oversight on the development of systems and internal policies, including:
  - Ensuring the integrity of the financial and accounting systems, including financial reporting systems.
  - Ensuring 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 by the Board and advising the Board in light of the role of the supervisory committee.

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 Audit Executive (CAE), and recommending to the Board regarding their entitlements and any decisions regarding their appointment, replacement, or dismissal of CAE.
- Reviewing and approving the budget of the internal audit department, the resource plan, activities, and the organizational structure of the internal audit activity.
- Evaluating CAE performance at least once per year, and approve theirannual 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 CAE to discuss any matters that the Committee or the CAE 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:

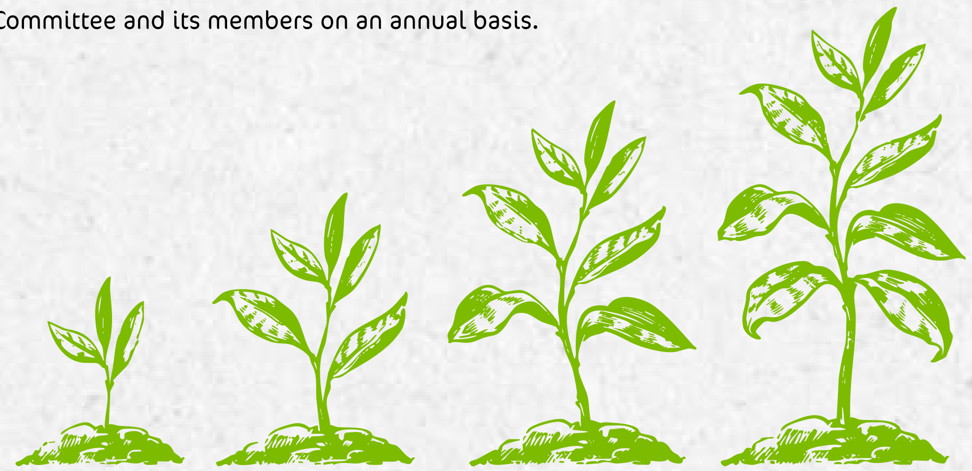
- Reviewing the findings of the reports of regulatory authorities and verify that the Company has taken necessary measures in this regard.
- Ensuring the Company's compliance with the relevant laws, regulations, policies, and instructions.
- Reporting to the Board any issues in connection with what it 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 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.

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.



Nominations and Remuneration Committee

A. Composition of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee consist 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 Bin Abdulaziz Aljallal (Independent Member) – Chairman of the Committee.

2- Mr. Ahmed Bin Saud Shahini (Non-Executive Member).

3- Mr. Alaa Bin Abduallah Al-Hashem (Non-Executive – Member).

B. Meetings of the Nominations and Remuneration Committee in 2024

Nominations and Remuneration Committee Members Attendance Record for 2024

	Member Name	Membership Status	Previous Term				Current Term		
			1st Meeting	2nd Meeting (by circulation)	3rd Meeting (by circulation)	4th Meeting	5th Meeting	6th Meeting	7th Meeting
			(28 Jan)	(18 Feb)	(11 Mar)	(26 Mar)	(16 May)	(26 Aug)	(25 Dec)
1	Mr. Amr bin Abdulaziz Aljallal	Chairman – Independent	✓	✓	✓	✓	✓	✓	✓
2	Mr. Abdullatif Bin Abdullah AlRajhi	Member – non-executive	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended
3	Mr. Ibrahim Bin Muhammad Al-Amer	Member – Independent	✓	✓	✓	✓	Membership Ended	Membership Ended	Membership Ended
4	Mr. Ahmed Bin Saud Shahini	Member – non-executive	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓
5	Mr. Alaa Bin Abduallah Al-Hashem	Member – non-executive	Membership Not Started	Membership Not Started	Membership Not Started	Membership Not Started	✓	✓	✓

C. Responsibilities of the Nominations and Remuneration Committee

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

1.Remuneration:

- Preparing a clear policy for the Remuneration 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 remuneration 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 remuneration of its members and its committees in accordance with the policy approved by the Company's General Assembly.
- Recommending to the Board the remuneration 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 remuneration 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 membership 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 membership 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 executive, 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.
- Review the nature of the conflict and advise to the board, if a member of the Board or its committees wishes to engage in business competing with the Company's business or activities upon receiving the notification from/about such member 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.

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 Bin Saleh Al-Rebdi (Non-Executive Member) - Chairman of the Committee.

2- Mr. Ahmed Bin Saud Shahini (Non-Executive– Member)

3- Mr. Amr Bin Abdulaziz Aljallal (Independent – Member)

4- Dr. Nasser Bin Zaid AlMeshary (Independent Member).

5- Dr. Solaiman Bin Abdulaziz Al-Twaijri (Executive– Member).

B. Executive Committee Meetings for the year 2024:

Executive Committee Members Attendance Record for 2024

	Member Name	Membership Status	1st Meeting (29 Apr)	2nd Meeting (15 July)	3rd Meeting (21 Aug)	4th Meeting (12 Sep)	5th Meeting (14 Oct)	6th meeting (20 Nov)	7th meeting (17 Dec)
1	Mr. Abdulaziz Bin Saleh Al-Rebdi	Non-Executive - Chairman of the Committee	✓	✓	✓	✓	✓	✓	✓
2	Mr. Ahmed Bin Saud Shahini	Non-Executive - Member.	✓	✓	✓	✓	✓	✓	✓
3	Mr. Amr Bin Abdulaziz Aljallal	Independent - Member	✓	✓	✓	✓	✓	✓	✓
4	Dr. Nasser Bin Zaid AlMeshary	Independent - Member	✓	✓	✓	✓	✓	✓	✓
5	Dr. Solaiman Bin Abdulaziz Al-Twaijri	Executive - Member	✓	✓	✓	✓	✓	✓	✓

C. Responsibilities of the Executive Committee

The responsibilities of the Executive Committee include the following:

1 - Executive 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 profits 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 Subsidiaries.

2 - Investment 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 of 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 representative 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.

Executive Management

	Name	Current Position	Previous Position	Qualifications	Years of Experience
1	Dr. Solaiman Abdulaziz Al-Twaijri	Chief Executive Officer	CEO of Saudi Arabian Amiantit Company	• Ph.D. in Accounting - Case Western Reserve University, Cleveland, Ohio, USA. • Master's in Accounting - Illinois State University, USA. • Bachelor's Degree in Industrial Management King Fahd University of Petroleum and Minerals. • Winner of the Prince Mohammed bin Fahd Award for Scientific Excellence in 1989. • Holds many positions and memberships in prestigious international and local companies. • Expert in finance and accounting.	More than 27 years
2	Mr. Abdullah Bin Ibrahim Al-Dehimi	Vice President of Governance, Risk, Compliance and Legal	Executive Director of Corporate Communications & Board Secretary	• Diploma in Management. • Bachelor's Degree in Business Administration.	More than 17 years
3	Mr. Saad Bin S. Alhowaimel	Vice President of Digital & Technology	Vice President of information Technology	• Master's Degree in Computer Science. • Bachelor's Degree in Computer Engineering	More than 20 years
4	Mr. Hassan Bin Khalil Aqrouq	Vice President - Finance	Chief Financial Officer	• MSc in Finance. • Bachelor's Degree in Science in Finance and Accounting	More than 20 years

	Name	Current Position	Previous Position	Qualifications	Years of Experience
5	Mr. Marcelo Joseph Wegman	Vice President -Strategy	General Manager (Strategy and Supply Chains), Tyson Foods Europe B.V.	• Master's Degree in Business Administration • Bachelor's Degree of Science in Economics.	More than 21 years
6	Mr. Mohammed Bin Ali Al-Rajhi	Vice President -Supply Chain	CEO of Mubarrad Company	• Bachelor's in Computer Science • Master's in information systems	More than 24 years
7	Mr. Ian Michell	Vice President - Agriculture	Group Technical, Procurement, and ESG Director for Flamingo	• Higher Diploma in Agriculture • Master's in Business Administration (MBA)	More than 28 years
8	Mr. Terrence Allan Denton	Vice President -Operations	Head of the Manufacturing Department	• Higher Diploma in Manufacturing Management • Diploma in Dairy Technology	More than 37 years
9	Mr. Zach Abou Zahr	Vice President -Sales & Distribution	Vice President of Sales and Marketing at Berain Company	• Bachelor's in Finance • Master's in Information Systems	More than 24 years
10	Mr. Marwan Yasin	Vice President -Marketing & Development	Marketing Director of Unilever Arabia	• Bachelor of Science in Commerce.	More than 18 years
11	Mr. Talal Bin Faraj Arkook	Vice President - Human Resources	Head Manager of the Manufacturing Department at Almarai Company	• Bachelor's Degree in Business Administration.	More than 22 years

Remuneration

Remuneration Policy

The Remuneration Policy applies to the Board of Directors, its subcommittees, and the executive management of the company. The Remuneration and Nominations Committee is responsible for working with the executive management to ensure the smooth implementation of the policy and to verify the adequacy of the procedures implemented. Any deviations encountered during implementation are meticulously evaluated and reported to the Board for guidance. The essence of the policy therefore consists of the following:

- Incentivizing the Board of Directors, its subcommittees, and the executive management through the provision of Remuneration to promote the long-term success and growth of the company.
- This policy must be consistent with the risks associated with the company's operations. The company's internal laws and regulations must be consistent with this policy.
- The policy shall observe industry practices in determining remuneration, while prudently avoiding unjustified increases in Remuneration and benefits.
- The primary objective of this policy is to attract, retain, and motivate professional competence while exercising prudence.
- All new appointments should be made with due regard to the rules and regulations, in cooperation with the Remuneration and Nominations Committee.
- Suspension and reimbursement of remuneration should be considered in cases where individuals have provided inaccurate information to prevent the exploitation of job positions for unwarranted gain.

Board Members Remuneration

- The company's bylaws show the mechanism for disbursing the remuneration of the members of the Board of Directors. This remuneration may be a specific amount, an allowance for attending meetings, in-kind benefits, or a certain percentage of the net profits.
- The Nominations and Remuneration Committee annually, when studying the proposed remuneration for the Board and its committees, verifies the annual plans drawn up for the company, the objectives achieved and the efforts made by the members of the Board and its committees during the year.

During the recommendation of the Remuneration, the Nominations & Remuneration Committee studied the relation between Remuneration granted and applicable remuneration policy that was approved by the General Assembly on 05/11/2023, and the committee did not discover any material deviations from the remuneration policy.

Number of Meetings of Board Members and its Subcommittees

Record of Board and committee meetings

	Member Names	Membership Status	Number of Board of Directors sessions		Number of Audit Committee Sessions	Number of Remuneration and Nominations Committee sessions		Number of Executive Committee Sessions	Total
			Present	By circulation		Present	By circulation		
1	Mr. Abdulaziz Bin Saleh Al- Rebdi	Non-executive	5	5	0	0	0	7	17
2	Mr. Ahmed Bin Saud Shahini	Non-executive	5	5	2	3	0	7	22
3	Mr. Amr Bin Abdulaziz Aljallal	Independent	5	5	0	5	2	7	24
4	Mr. Abdullatif Bin Abdullah Al Rajhi(1)	Non-executive	1	3	0	2	2	0	8
5	Mr. Bader Bin Abdul Rahman Al Sayari(1)	Non-executive	1	3	0	0	0	0	4
6	Mr. Abdulaziz Bin Mohammad Alrugaib(1)	Independent	1	3	0	0	0	0	4
7	Mr. Ibrahim Bin Muhammad Al-Amer (1)	Independent Member	1	3	2	2	2	0	10
8	Mr. Khalid Bin Salem Al-Ruwais	Independent	4	2	5	0	0	0	11
9	Mr. Alaa Bin Abdullah Al-Hashem	Non-executive	4	2	0	3	0	0	9
10	Mr. Issa Bin Saleh Al-Huraimis	Independent	4	2	3	0	0	0	9
11	Dr. Nasser Bin Zaid AlMeshary	Independent	4	2	0	0	0	7	13
12	Mr. Khalid Bin Muhammad Alsolai	Independent(Non-Board Member)	0	0	3	0	0	0	3
13	Mr. Saeed Bin Abdullah Almoethar	Independent(Non-Board Member)	0	0	3	0	0	0	3
14	Dr. Solaiman Bin Abdulaziz Al-Twaijri	Executive	0	0	0	0	0	7	7

(1) His membership ended at the end of the previous tenure i.e. April 10, 2024.

Remuneration of the Board of Directors

Member Name	Fixed Remuneration							Variable Remuneration								
	Certain Amount	Attendance Allowance	Total Allowance for Attending Committee Sessions	Benefits in kind	Remunerations for Technical, Administrative, and Consulting work	Remuneration of the Chairman, Managing Director, or Secretary if he is a Member	Total	Percentage from Profits	Periodic Remuneration	Short Term Incentive Plans	Long-Term Incentive Plans	Granted Shares	Total	End of Service Award	Total Summation	Expense Allowance
First: Independent members																
Mr. Amr Bin Abdulaziz Aljallal	250,000	20,000	48,000	52,525	0	0	370,525	0	0	0	0	0	0	0	370,525	3,500
Mr. Abdulaziz Bin Mohammad Alrugaib(1)	69,178	4,000	0	0	0	0	73,178	0	0	0	0	0	0	0	73,178	0
Mr. Ibrahim Bin Muhammad Al-Amer(1)	69,178	4,000	16,000	0	0	0	89,178	0	0	0	0	0	0	0	89,178	0
Mr. Issa Bin Saleh Al-Huraimis	180,822	16,000	12,000	0	0	0	208,822	0	0	0	0	0	0	0	208,822	3500
Dr. Nasser Bin Zaid AlMeshary	180,822	16,000	28,000	0	0	0	224,822	0	0	0	0	0	0	0	224,822	3500
Second: Non-Executive members																
Mr. Abdulaziz Bin Saleh Al-Rebdi	300,000	20,000	28,000	23,000	0	0	371,000	0	0	0	0	0	0	0	371,000	3500
Mr. Ahmed Bin Saud Shahini	250,000	20,000	48,000	0	0	0	318,000	0	0	0	0	0	0	0	318,000	3500
Mr. Abdullatif Bin Abdullah Al Rajhi(1)	69,178	4,000	8,000	0	0	0	81,178	0	0	0	0	0	0	0	81,178	0
Mr. Bader Bin Abdul Rahman Al Sayari(1)	69,178	4,000	0	0	0	0	73,178	0	0	0	0	0	0	0	73,178	0
Mr. Khalid Bin Salim Al-Ruwais	180,822	16,000	20,000	0	0	0	216,822	0	0	0	0	0	0	0	216,822	3500
Mr. Alaa Bin Abdullah Al-Hashem	180,822	16,000	12,000	0	0	0	208,822	0	0	0	0	0	0	0	208,822	3500
Total	**1,800,000**	**140,000**	**220,000**	**75,525**	**0**	**0**	**2,235,525**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,235,525**	**24,500**

(1) His membership ended at the end of the previous tenure i.e. April 10, 2024.

Pursuant to Article 58(2) and Article 90(3) of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Company hereby discloses that, during the financial year 2024, certain members of the Board of Directors were granted additional rewards that deviate from the approved Reward Policy. These rewards were recommended by the Nomination & Remuneration Committee, endorsed by the Board of Directors, and are subject to final approval by the General Assembly at its upcoming meeting, following which these will be disbursed.

Additional Remunerations Due to Board Members for the Fiscal Year 2024

	Name	Amount
1	Mr. Abdulaziz Bin Saleh Al-Rebdi	750,000
2	Mr. Ahmed Bin Saud Shahini	350,000
3	Mr. Alaa Bin Abdullah Al-Hashem	150,000
4	Mr. Amr Bin Abdulaziz Aljallal	350,000
5	Mr. Issa Bin Saleh Al-Huraimis	150,000
6	Mr. Khalid Bin Salem Al-Ruwais	150,000
7	Dr. Nasser Bin Zaid AlMeshary	150,000
	Total	**2,050,000**

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	64,000	76,000	0	140,000
Board Remuneration	0	869,178	930,822	0	1,800,000
Committee Remuneration	150,000	555,342	686,164	216,986	1,608,492
Allowance for Attendance of Committee Meeting	28,000	96,000	124,000	24,000	272,000
Total	**178,000**	**1,584,520**	**1,816,986**	**240,986**	**3,820,493**

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 2024, are set out below.

Interest	Description	Total
Fixed Benefits	Salaries	5,980,184
	Allowances	3,474,646
	In-kind benefits	0
	Total	9,454,830
Variable benefits	Periodic Remuneration	0
	Profits	0
	Short-term incentive plans	6,104,000
	Long-term incentive plans	0
	Offered Shares (value to be added)	0
	Total	6,104,000
Total Remuneration	End of Service Award	0
	Total Executive Remuneration if any	0
	Total	15,558,830

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.

Members of Board of Directors Committees

	Fixed Remunerations	Fixed Remuneration	Total Attendance Allowance	Total Expense Allowance	Total
	Audit Committee				
1	Mr. Ahmed Bin Saud Shahini	41,507	8000	0	49,507
2	Mr. Ibrahim Bin Muhammad Al-Amer(1)	41,507	8000	0	49,507
3	Mr. Khalid Bin Salem Al-Ruwais	150,000	20,000	0	170,000
4	Mr. Issa Bin Saleh Al-Huraimis	108,493	12,000	0	120,493
5	Mr.Khalid Bin Mohammad Alsolai	108,493	12,000	0	120,493
6	Mr. Saeed Bin Abdullah Moather	108,493	12,000	0	120,493
	Nominations & Remuneration Committee				
1	Mr. Amr Bin Abdulaziz Aljallal	100,000	20,000	0	120,000
2	Mr. Abdullatif Bin Abdullah AlRajhi(1)	27,671	8,000	0	35,671
3	Mr. Ibrahim Bin Muhammed Al-Amer	27,671	8,000	0	35,671
4	Mr. Ahmed Bin Saud Shahini	72,329	12,000	0	84,329
5	Mr. Alaa Bin Abdullah Al-Hashem	72,329	12,000	0	84,329
	Executive Committee				
1	Mr. Abdulaziz Bin Saleh Al-Rebdi	150,000	28,000	0	178,000
2	Mr. Ahmed Bin Saud Shahini	150,000	28,000	0	178,000
3	Mr. Amr Bin Abdulaziz Aljallal	108,493	28,000	0	136,493
4	Dr. Naseer Bin Zaid AlMeshary	108,493	28,000	0	136,493
5	Dr. Solaiman Bin Abdulaziz Al-Twaijri	150,000	28,000	0	178,000
6	Mr. Abdulaziz Bin Mohammed Alrugaib(1)	41,507	0	0	41,507
7	Mr. Bader Bin Abdulrahman Al Sayari(1)	41,507	0	0	41,507

(1) His membership ended at the end of the previous tenure i.e. April 10, 2024.

Pursuant to Article 58(2) and Article 90(3) of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), the Company hereby discloses that, during the financial year 2024, certain Committee members were granted additional rewards that deviate from the approved Reward Policy. These rewards were recommended by the Nomination & Remuneration Committee, endorsed by the Board of Directors, and are subject to final approval by the General Assembly at its upcoming meeting, following which these will be disbursed.

Additional Remunerations Due to Committee Members for the Fiscal Year 2024

	Name	Amount
1	Mr. Abdulaziz Bin Saleh Al-Rebdi	250,000
2	Mr. Ahmed Bin Saud Shahini	200,000
3	Mr. Alaa Bin Abdullah Al-Hashem	100,000
4	Mr. Amr Bin Abdulaziz Aljallal	200,000
5	Mr. Issa Bin Saleh Al-Huraimis	50,000
6	Mr. Khalid Bin Muhammad Al-Solai	50,000
7	Mr. Khalid Bin Salem Al-Ruwais	50,000
8	Dr. Nasser Bin Zaid AlMeshary	100,000
9	Mr. Saeed Bin Abdullah Al-Moeather	50,000
10	Dr. Solaiman Bin Abdulaziz Al-Twaijri	100,000
	Total	**1,150,000**

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 05/11/2023. The Committee has not identified any significant deviations from the Remuneration Policy. Except for as disclose 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 Bin Zaid AlMeshary	24	-	24	-	-	-
Mr. Khalid Bin Salem Al-Ruwais	-	-	10	-	-	-
Mr. Issa Bin Saleh Al-Huraimis	-	-	1000	-	-	-
Mr. Abdullatif Bin Abdullah AlRajhi (1)	264676	-	264676	-	-	-

(1) His membership ended at the end of the previous tenure i.e. April 10, 2024.

Executive Management Interest, Spouses And Minor Children In The Company's Shares, And Any Changes In Ownership During 2024G

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	-	-	-	-	-	-

Transactions with Related Parties and Competing Businesses

First: Transactions with Related Parties

Nadec is committed to reviewing potential conflicts of interest within its Board of Directors and executive management. Conducting transactions with related parties, the company strictly adheres to approved policies, regulations, and applicable laws. Contracts involving a member of the Board of Directors, executive management, or their affiliates, as well as transactions with other related parties, are as follows.

Company	Nature of relationship and name of relevant member	Nature of transaction/ contract	Transaction/ contract amount	Duration of the deal/ contract	Terms of deal/ contract
Minerva Foods	Mr. Abdulaziz Bin Saleh Al-Rebdi – Chairman of the Board – Holds the position of Vice Chairman of the Board at Minerva Foods	Purchase of red meat	34,050,249	Year	In accordance with generally accepted contract terms
Arabian Mills for Food Products company (formerly Second Mills Company)	Mr. Bader Bin Abdulrahman Al Sayari (Former Board Member - Term ended on April 10, 2024) - Holds the position of Board Member at Suleiman bin Abdulaziz Al-Rajhi Holding Company. Mr. Alaa Bin Abduallh Al-Hashem (Board Member since April 11, 2024) - Holds the position of Vice Chairman of the Board at Arabian Mills for Food Products. Dr. Solaiman Bin Abdulaziz Al-Twaijri (CEO) Holds the position of Board Member at Arabian Mills for Food Products.	Purchase of raw materials	24,191,050	Year	In accordance with generally accepted contract terms
SABIC Agri-Nutrients	Mr. Khalid Bin Salem Al-Ruwais (1) Holds the position of Board Member at SABIC Agri-Nutrients.	Purchase of agricultural raw materials	1,783,149	Year	In accordance with generally accepted contract terms
Al-Rai National Livestock Company - A joint venture established with Al-Muhaidib Group for livestock breeding (sheep and goats) in 2024	Dr. Solaiman Bin Abdulaziz Al-Twaijri (CEO) Holds the position of Chairman of the Board of Directors at Al-Rai National Livestock Company. Mr. Hassan Khalil Aqrouq (CFO) Holds the position of Board Member at Al-Rai National Livestock Company.	Reimbursed expenses paid on behalf of joint venture shareholders	6,172,209	Year	In accordance with generally accepted contract terms

(1) The membership status has been updated due to tue end of the independence conflict

Second: the competing business:

Certain members of the Board of Directors are engaged in businesses that operate in sectors similar to nadec's activities. Mr. Alaa Bin Abdullah Al-Hashem previously served as the Chief Executive Officer and Board Member of Sulaiman Abdulaziz Al Rajhi Holding Co. is a parent of a company that involved in agribusiness, which closely aligns with nadec's business line. Mr. Abdulaziz Bin Saleh Al-Rebdi holds the position of Vice Chairman at Minerva Foods, a company that directly competes in the protein and food production industry. It was approved by the board of directors of the company & it is recorded in the minutes of board meetings, the assembly is required to vote on it within the items listed on the assembly's agenda.

Governance, Risks, and Compliance

Governance Department

Nadec is committed to follow the highest standards of governance to maximize long-term shareholder value and ensure operational excellence. This commitment is reflected in our robust governance framework, risk mitigation strategies, transparency initiatives, and a steadfast commitment to social and environmental responsibility. By adhering to corporate regulatory directives and fostering enduring partnerships with stakeholders, nadec strengthen its operational resilience and enhances its market position. In 2024, the Governance Department focused on elevating its governance framework, streamlining processes, and embedding a culture of accountability and transparency across the organization.

Key Achievements of Governance Department in 2024

The Governance Department achieved significant milestones in 2024, laying a strong foundation for ethical and transparent operations. Through strategic initiatives and continuous improvement, the department enhanced governance frameworks, simplified processes, and supported regulatory compliance. Below are the key accomplishments:

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 GRC Ticketing System to address Governance, Risk, and Compliance-related queries efficiently, significantly reducing turnaround times.
- Automate mechanism of issuing the receiving gifts from/to third party.

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.

Risk Management

In 2024, nadec's Risk Management department concentrated on strengthening the company's risk management framework through strategic initiatives aimed at enhancing resilience, fostering a robust risk culture, and aligning with best practices in enterprise risk management. The department focused on identifying, assessing, mitigating, and monitoring risks across all sectors and departments, ensuring that nadec is well-prepared to navigate the complex and dynamic business environment.

Key Achievements in Risk Management in 2024

1. Enhanced Risk Registers

- Periodically reviewed and updated risk registers to ensure they remained comprehensive and reflective of emerging risks and their potential impacts on the business.
- Integrated qualitative and quantitative risk assessment methodologies to provide a more nuanced understanding of risks and their potential consequences.

2. Strengthened Controls and Procedures

- Maintained continuous oversight over the development and implementation of control measures and procedures across all sectors and departments, ensuring risk mitigation strategies were effectively integrated into daily operations.
- Conducted regular audits and assessments to identify gaps in existing controls and recommend enhancements.

3. Periodic Reporting Framework

- Initiated the issuance of quarterly risk reports starting from Q2 2024, providing stakeholders with transparent and timely insights into the company's risk profile and mitigation efforts.
- Enhanced the reporting framework to include predictive analytics and scenario modeling, enabling proactive risk management.

4. Business Continuity Management (BCM)

- Developed comprehensive business continuity plans for all sectors and departments, with a focus on critical operations.
- Identified Single Points of Failure (SPOF) and implemented treatment plans and recovery strategies.
- Conducted employee awareness sessions on BCM objectives and recovery strategy implementation mechanisms, ensuring readiness for potential disruptions.
- Performed tabletop exercises and simulations to test the effectiveness of BCM plans and refine them based on feedback.

5. Promoting a Strong Risk Culture

- Conducted targeted awareness workshops for employees across various departments, emphasizing risk identification, assessment, and mitigation techniques.
- Fostered a culture of risk ownership and accountability, encouraging employees to actively participate in risk management activities.

6. Fraud Management Function

- Established a dedicated Fraud Management function under the Risk Management umbrella.
- Prepared potential fraud scenarios, implemented preventive and detective controls, and enhanced investigation methodologies for swift detection and resolution of fraudulent activities.
- Collaborated with internal audit and legal teams to ensure a coordinated approach to fraud prevention and response.

7. Cybersecurity Risk Management

- Enhanced cybersecurity protocols and implemented advanced threat detection systems to protect sensitive data and critical infrastructure.
- Developed incident response plans to ensure a rapid and effective response to any cybersecurity breaches.

8. Environmental, Social, and Governance (ESG) Risks

- Integrated ESG considerations into the risk management framework, recognizing the growing importance of sustainability and corporate responsibility.
- Conducted climate risk assessments to identify vulnerabilities and develop adaptation strategies.
- Engaged with stakeholders to understand their expectations regarding ESG issues and incorporated their feedback into risk management practices.

Compliance Department

Nadec is committed to applying the highest compliance standards to ensure its operations align with legal and regulatory requirements while fostering a corporate culture of compliance. The Compliance Department develops a comprehensive framework that promotes sustainable compliance, mitigates legal and operational risks, and ensures transparency and accountability across all corporate activities.

During 2024, the department focused on strengthening the compliance environment by achieving several key objectives, supporting various departments to ensure effective compliance, and improving compliance monitoring mechanisms and the evaluation of existing control measures. Proactive steps were taken to identify and manage non-compliance risks, with strategies developed to enhance regulatory controls in line with best practices.

1- Enhancing Compliance Maturity:

As part of its commitment to compliance excellence, nadec obtained ISO 37301 certification, an international standard that provides an integrated framework for establishing a Compliance Management System (CMS) within the company. This system enhances the company's ability to: Identify regulatory obligations, Manage non-compliance risks, Analyze the effectiveness of existing controls, and Develop opportunities for improvement to ensure sustainable compliance and elevate compliance maturity. Additionally, the department developed and delivered compliance training programs and awareness workshops, conducting multiple training sessions to reinforce employees' awareness of the importance and necessity of adhering to internal and external regulations.

2- Primary Work and Proactive Compliance Plans:

The Compliance Department continuously updates its Compliance Universe by incorporating newly identified laws and regulations to ensure the company remains aligned with the latest regulatory requirements. Additionally, the department developed compliance checklists, which will be used to proactively embed compliance across all nadec departments for 2025. A self-assessment was successfully conducted across departments and divisions, establishing a solid foundation for a company-wide compliance assessment in 2025.

3- Technology-Driven Compliance:

The Compliance Department successfully enhanced operational efficiency and response times through the "Etimad" platform, launched in November 2023. Since its inception, the department has processed over 700 requests from various departments via the platform, significantly improving compliance procedures and providing a centralized mechanism for submission and tracking.

4- Self-Assessment Culture:

A self-assessment was successfully conducted across departments and divisions, forming a strong basis for a company-wide compliance assessment planned for 2025.

5- On-Site Audits and Operational Sustainability:

The Compliance Department continued on-site verification of compliance, conducting field visits to centers and major projects such as the "Haradh" and "Al-Jouf" projects to ensure full compliance and the implementation of necessary action plans. This initiative enhances transparency and provides clear insights into adherence to legal and regulatory requirements.

6- Enhanced Transparency:

In 2024, the department developed advanced compliance dashboards, improving transparency and providing real-time insights to support data-driven decision-making. These dashboards included: the Compliance Monitoring Dashboard, Project Compliance Tracking Dashboard, and Self-Assessment Results Dashboard. The Compliance Department will continue enhancing these dashboards in 2025 to ensure broader integration and achieve the highest levels of corporate transparency and accountability.

7- Commitment to Cybersecurity:

In the face of rapidly evolving digital threats and advancements in data management, nadec recognizes the critical importance of a robust cybersecurity framework to safeguard our digital assets and uphold the trust of our partners.

This year, our dedication to cybersecurity has been demonstrated through the development of comprehensive policies and procedures. These policies are designed not only to meet regulatory requirements but also to address the specific risks and challenges unique to nadec.

We are actively collaborating with the National Cybersecurity Authority (NCA) to implement a proactive approach to cybersecurity across our technical and manufacturing environments, as well as within our cloud solutions and digital communication platforms. This collaboration equips nadec to effectively prepare for potential future crises.

Additionally, we have prioritized the creation of cybersecurity awareness programs and training initiatives. We place great importance on fostering a culture of security, and enhancing our staff's ability to identify potential threats and respond appropriately.

Nadec is also committed to safeguarding personal data, as evidenced by our inclusion in the National Register for the Protection of Personal Data. This initiative underscores our dedication to protecting the personal data of our partners and promoting transparency in all our interactions.

Governance Structure

Corporate governance at nadec extends beyond mere compliance obligations. A meticulously crafted comprehensive framework delineates roles, responsibilities, decision-making processes, and oversight mechanisms. The governance structure contains three specialized committees dedicated to assisting the Board of Directors in fulfilling its governance responsibilities within the company. These committees include the Audit Committee, the Executive Committee, and the Remuneration and Nominations Committee. Regular reviews are conducted to assess the performance of the Board and its committees, thereby enhancing their effectiveness in achieving the company's objectives.

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 Board Audit Committee currently carries out the roles and responsibilities of Risk Committee as provided for in its charter approved by the General Assembly.
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

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.

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, and disclosure thereof may result in filing a lawsuit for breach of confidentiality.

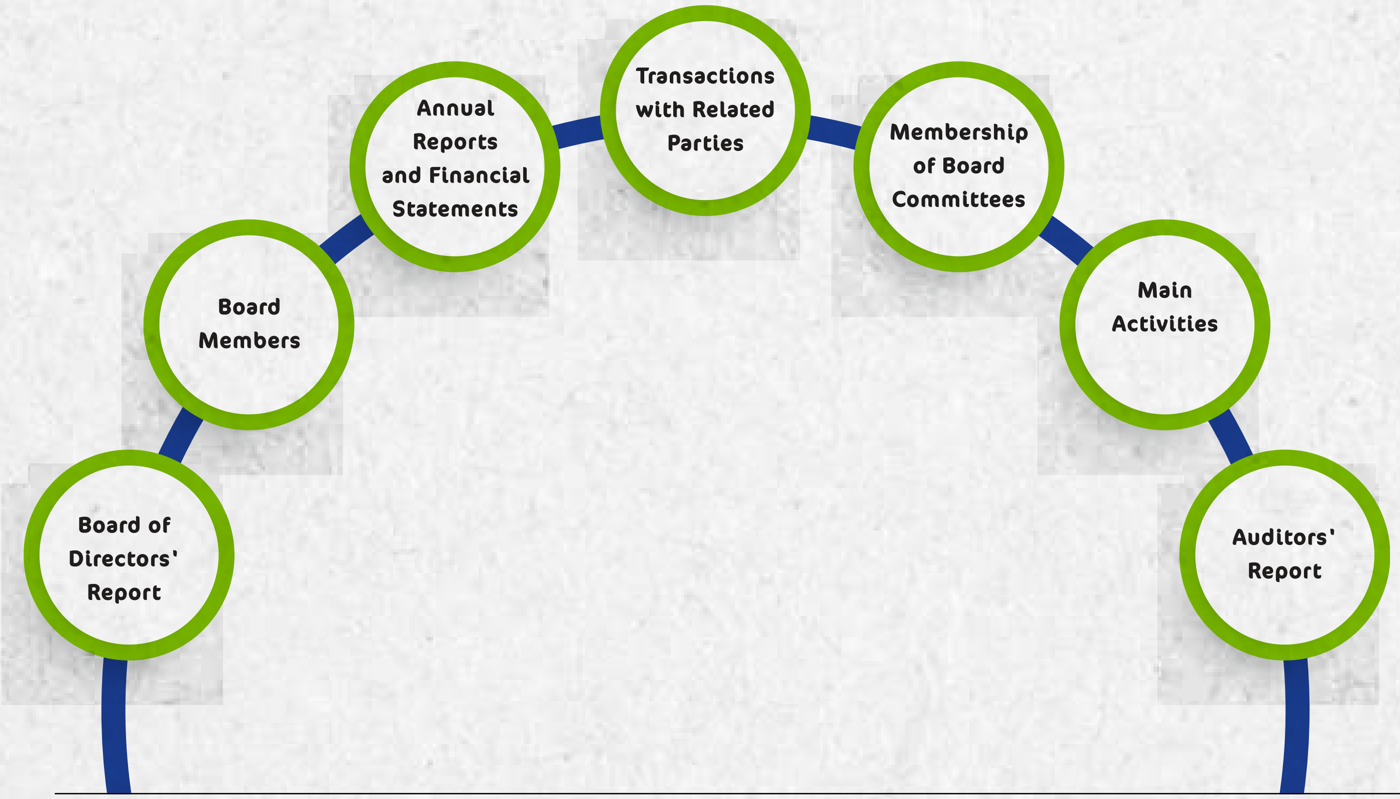
2- The conditions in which disclosure leads or may lead to harm the commercial interests of the company, its commercial partners or other third parties, and in the conditions in which public interest of disclosure has priority over the public interest of non-disclosure.

3- The disclosure of such information results in breach of the principles of personal information protection.

4- Personal information of company employees and members of the Board and its committees.

5- When such information have legal immunity.

6- If disclosure will lead or probably leads to harm a crime investigation procedures or prevent occurrence or detection thereof or realizing justice.



Company Investments

The National Agricultural Development Company invests in a total of six (6) subsidiary and affiliated companies, namely:

Company Name	Main Activity	Company Headquarters	Year Founded	Issued/Paid-up Share Capital (SAR)	NADEC ownership percentage	Company's total revenues during the year 2024
Subsidiaries						
National Seeds Production Company (NSPC)	Its main activity Is agricultural production	Riyadh, Kingdom of Saudi Arabia	1445H	5,000,000	100%	The financial statements have not been issued at the time this report was issued
NADEC Management Company	Management and consultation services	Riyadh, Kingdom of Saudi Arabia	1446H	500,000	100%	The financial statements have not been issued at the time this report was issued.
Joint Venture						
National Livestock Company (AlRaie)	Livestock and meat production	Riyadh, Kingdom of Saudi Arabia	1445H	5,000,000	51%	The financial statements have not been issued at the time this report was issued.
Affiliate companies						
National Company for Seed Production & Agriculture Services Company (BUTHOR)	Seeds	Riyadh, Kingdom of Saudi Arabia	1406H	29,515,200	13.99 %	SAR 17.6 M
Al-Mutahida United Dairy Farms Company	Veterinary medicine warehouse	Riyadh, Kingdom of Saudi Arabia	1408H	7,250,000	8.26%	The financial statements have not been issued at the time this report was issued.
Arabian Mills for Food Products Company (formerly: Second Milling Company)	Packing and grinding (wheat, groats, semolina, bulgur, fodder)	Riyadh, Kingdom of Saudi Arabia	1442H	513,150,060	10.41%	The financial statements have not been issued at the time this report was issued.

Details of shares and debt instruments issued by each affiliate company

Details related to issued shares have been reflected in the previous table. No affiliated entity issued any debt instruments during the year 2024.

Declarations of the BOD

- All accounting records are prepared appropriately.
- The Internal Audit system is designed on 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 2024.

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.

Internal Audit

The Internal Audit Department at nadec was established to enhance governance, improve operational efficiency, and add sustainable value to the company's activities. The department aims to achieve these objectives by implementing a comprehensive and organized methodology to assess and improve the effectiveness of risk management, internal controls, and governance.

The department enjoys institutional independence, as it reports functionally to the Audit Committee and administratively to the CEO, ensuring the performance of its duties with impartiality and effectiveness. Its work is based on an annual risk-based audit plan, which is prepared in an organized manner and approved by the Audit Committee, ensuring focus on the most impactful areas within the company.

Throughout the year, the department carried out numerous audit activities covering various company operations, aiming to assess the efficiency and effectiveness of internal control systems, risk management, and governance. Emphasis was placed on high-risk operations and activities to ensure compliance and improve performance. The department also ensures the submission of periodic reports to the executive management and the Audit Committee, ensuring that recommendations are followed up on and necessary actions are taken to enhance operational efficiency and support the achievement of the company's strategic objectives.

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