

Independent Limited Assurance Report

To the shareholders of
Nofoth food products company
A Saudi Joint Stock Company

Upon request of the management of **NOFOTH FOOD PRODUCTS COMPANY** ("the Company"), we have performed a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter"), has not been prepared, in all material respects, in accordance with the applicable criteria ("Applicable Criteria") below.

Subject matter

The Subject Matter for our limited assurance engagement is related to the Company's evaluation of solvency requirements (mentioned below) based on statement of financial position, working capital sufficiency as set out in the attached Appendix ("the Schedule") prepared and presented by the Company's management.

The solvency requirements are in accordance with Share Buy-back Rules as set out in the Article 17.3 of the Implementing Regulation of the Companies Law for Listed Joint Stock Companies ("the Rules") as issued by the Capital Market Authority ("CMA"). The requirements need to be complied with unless expressly waived by CMA.

Applicable Criteria

The Applicable Criteria for this engagement is Article 17.3 of the Rules as issued by the CMA. The Company has evaluated its solvency requirements under the said Article by considering:

- 1- The Company's working capital sufficiency in the 12 months immediately following the date of completion of the shares buy-back transaction.
- 2- The value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities), prior to and immediately upon payment of the purchase price, according to the latest interim condensed financial statements for the period ended June 30, 2025 and latest audited financial statements for the year ended December 31, 2024.
- 3- The amount of Treasury Shares held must not exceed the amount of the retained earnings of the Company as at the relevant dates.

Management's responsibility

The management of the Company is responsible for the preparation of the Subject Matter in accordance with the Applicable Criteria and ensuring its completeness. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Subject Matter that is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence requirements of International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code"), and the ethical requirements that are relevant to our limited assurance engagement in the Kingdom of Saudi Arabia, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 (ISQM 1), endorsed in the Kingdom of Saudi Arabia, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", as endorsed in the Kingdom of Saudi Arabia. This standard requires us to plan and perform procedures to obtain limited assurance about whether the Subject Matter is free from material misstatement.

Independent Limited Assurance Report (Continued)

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Summary of Procedures Performed

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Therefore, our engagement did not involve performing any audit or review procedures or examining the underlying records or other sources from which the subject matter was extracted, and consequently, we do not express an audit opinion.

Our procedures include, but are not limited to:

- Obtained the Schedule prepared by the Company's management as attached to this report and the Board of Directors' resolution approving share buy-back and ensured that the resolution is duly approved and is in compliance with the Company's Articles of Association.
- Verifying the adequacy of the Company's working capital for a period of twelve (12) months immediately following the completion date of the share buy-back transaction as set out in the Schedule.
- Comparing the Company's net assets position (total assets less total liabilities, including contingent liabilities) as of June 30, 2025, and December 31, 2024, prior to and immediately after the proposed share buy-back transaction, with the audited financial statements for the year ended December 31, 2024, and the reviewed interim condensed financial statements for the six-month period ended June 30, 2025;
- Ensuring the mathematical accuracy of the calculated net assets position, as determined by management after considering the assumed impact of the share buy-back transaction, based on the schedule for June 30, 2025, and December 31, 2024;
- Ensuring that the amount of retained earnings exceeds the total cost of treasury shares (including existing and proposed purchases) by comparing the aggregate amount of treasury shares with the retained earnings of the Company as of June 30, 2025, and December 31, 2024.

Limited Assurance Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared in all material respects, in accordance with the Applicable Criteria.

Other matters

- 1- As per the audited financial statements at December 31, 2024, the Retained earnings amounted to SAR 101,049,846, and as per the interim condensed financial statements as of June 30, 2025, the retained earnings amounted to SAR 73,843,391. The purchase transaction is structured based on the sufficiency of retained earnings over the upcoming periods. Management has phased out a plan to buy-back shares at regular intervals considering the compliance requirements of Article 17.3 of the Rules as issued by the CMA.
- 2- The proposed share buy-back transaction by Nofoth Food Products Company (the "Company") will be reflected in the Company's accounting records after obtaining approval from the shareholders in the Extraordinary General Assembly Meeting and completing all required legal and regulatory procedures.
- 3- We previously issued our limited assurance report to the Company on 20 Safar 1447H (corresponding to 14 August 2025). Pursuant to the management's update in the Schedule about "Adequacy of the working capital" we are re-issuing this report after including our additional procedures performed to verify the adequacy of the Company's working capital for a period of twelve (12) months immediately following the completion date of the share buy-back transaction as set out in the Schedule.
- 4- The share buy-back process will be carried out in stages, based on the sufficiency of retained earnings and subject to the approval of the Extraordinary General Assembly to repurchase 2,400,000 shares during the upcoming period, contingent upon the availability of adequate liquidity and retained earnings.



Independent Limited Assurance Report (Continued)

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Restriction of use

Our report is prepared upon the request of the Company's management to be presented to the shareholders in their Extraordinary General Assembly Meeting in fulfilling the Rules as issued by CMA for the shares buy-back transaction and should not be used for any other purpose.

for Alzoman, Alfahad and Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562

Riyadh, Kingdom of Saudi Arabia

Date: 05 Rabi' al-Awwal 1447
Corresponding to: 28 August 2025



A- Adequacy of the working capital

The proposed date for the share buy-back transaction is 30 September 2025, on which the Company will commence the repurchase of up to a maximum of 2.4 million shares (or a lesser number). The buy-back shall be executed within a maximum period of 18 months from the commencement date.

Description	Financial Position (Unaudited)	Financial Position (Audited)
	SAR 30-Jun-25	SAR 31-Dec-24
Current assets (A)	130,313,305	111,962,533
Current liabilities (B)	57,286,615	59,108,263
Working capital as at 31-Dec-2024 and 30-June-2025(A-B)	<u>73,026,690</u>	<u>52,854,270</u>

Description	Forecasted Amount
	SAR
Working capital as at 30-Sep-2025 (Forecasted)	76,627,662
Working capital as at 31-March-2027 (Forecasted)	91,981,349
Working capital as at 31-March-2028 (Forecasted)	98,349,983
Average Forecasted Working Capital	<u>88,986,331</u>

B- Summary of assets and liabilities

Description	Financial Position (Unaudited)	Financial Position (Audited)
	SAR 30-Jun-25	SAR 31-Dec-24
Total Assets	256,767,944	235,756,759
Total Liabilities	94,654,970	94,437,330
Net Assets (Equity)	162,112,974	141,319,429
Contingent liabilities	-	-
Equity before Treasury Shares Purchase	162,112,974	141,319,429
Retained Earnings	73,843,391	101,049,846

C-Share Buy-back Analysis

Description	For the six-month period ended 30 June 2025	For the year ended 31 December 2024
Total shares	96,000,000	96,000,000
Maximum Limit for Share Repurchase (%)	10%	10%
Maximum Number of Shares Eligible for Repurchase	9,600,000	9,600,000
Treasury Shares Already Purchased	733,128	733,128
Additional shares available for buy-back	8,866,872	8,866,872
Management's Intention to Purchase Shares	2.50%	2.50%
Management's intention to purchase shares	2,400,000	2,400,000
Share Repurchase Price as of 12 August 2025	12.15 SAR	12.15 SAR
Estimated Cost for 2.5% Share Repurchase	29,160,000	29,160,000
Retained Earnings before purchasing treasury shares	73,843,391	101,049,846
Retained Earnings after purchasing treasury shares	44,683,391	71,889,846
Cost of Existing Treasury Shares	6,920,027	6,920,027
Total Cost of Treasury Shares (Existing + Proposed)	36,080,027	36,080,027



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