



External Auditor's Report and Financial



NOFOTH FOOD PRODUCTS COMPANY
A SAUDI JOINT STOCK COMPANY

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

INDEX	PAGE
- Independent auditor's report	1 - 3
- Statement of financial position	4
- Statement of profit or loss and other comprehensive income	5
- Statement of changes in equity	6
- Statement of cash flows	7 - 8
- Notes to the financial statements	9 - 42



INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Nofoth Food Products Company

A Saudi Joint Stock Company

Opinion

We have audited the accompanying financial statements of Nofoth Food Products Company, a Saudi Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code") and is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the matter during our audit
<p>Revenue recognition</p> <p>During the year ended 31 December 2025, the Company recorded sales revenue aggregating to 429.6 million (2024: 365.1 million) as disclosed in (Note 21).</p> <p>Revenue is recognized in accordance with IFRS 15 - Revenue from Contracts with Customers.</p> <p>Revenue recognition is considered a key audit matter given the significance of the amount involved and due to the factors associated with revenue recognition and the inherent risk of material misstatement associated with determining the recognition of revenue.</p> <p>Revenue is a key performance indicator, and there is an inherent risk of overstatement to enhance profitability.</p> <p>The Company's accounting policy for revenue recognition is set out in note 4, and further details of revenue are disclosed in note 21 to the financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">• We evaluated the appropriateness of the Company revenue recognition policy and its compliance with the requirements of IFRS 15 'Revenue from Contracts with Customers'.• We obtained an understanding of the revenue cycle and evaluated the design and implementation and tested the operating effectiveness of relevant key controls• For samples of sales transactions, we verified the proper application of the revenue recognition policy.• We conducted substantive analytical review procedures to understand revenue trends throughout the year and to verify the validity of revenue recognition.• We performed substantive testing of revenue transactions on a sample basis by agreeing selected transactions to sales invoices, customer contracts and other relevant supporting documentation.• We performed cut-off procedures to assess whether revenue was recorded in the correct accounting period.• We evaluated the completeness and adequacy of revenue-related disclosures in the financial statements.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders

Nofoth Food Products Company

A Saudi Joint Stock Company

Other Information

Other information consists of the information included in the Company's 2025 annual report, other than the financial statements and our auditor's report thereon. The Company's 2025 annual report is expected to be made available to us after the date of this auditor's report. Management is responsible for the other information in its annual report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on our review of the annual report and other information made available to us, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. Annual report is not yet available for our review.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the Companies Law, and the Company's Bylaws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, namely the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders

Nofoth Food Products Company

A Saudi Joint Stock Company

Auditor's Responsibility for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Alzoman, Alfahad & Alhajaj Professional Services

Zaher Abdullah Al Hajjaj
Certified Public accountant
License no. (562)

Riyadh, Kingdom of Saudi Arabia

Date: 20 Ramadan 1447H

(Corresponding to 9 March 2026)



NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property and equipment, net	5	73,745,456	71,539,197
Right-of-use assets, net	6	57,173,405	48,469,468
Intangible assets, net	7	3,521,092	3,605,367
Advance payments for the purchase of intangible assets	8	-	180,194
Long term investments	9	40,952,000	-
Total non-current assets		175,391,953	123,794,226
Current assets			
Inventory, net	10	19,394,478	14,023,115
Trade receivable, prepaid expenses and other receivables, net	11	25,596,868	19,808,817
Financial investments at fair value through profit or loss	13	49,009,600	-
Islamic Murabaha deposits	14	-	74,355,554
Cash and cash equivalents	15	6,409,575	3,775,047
Total current assets		100,410,521	111,962,533
Total assets		275,802,474	235,756,759
Equity and Liabilities			
Equity			
Share capital	1	96,000,000	48,000,000
Employees' benefits remeasurement reserve		(997,414)	(810,390)
Fair value reserve of financial instruments at FVOCI	9	10,361	-
Treasury shares	16	(7,563,590)	(6,920,027)
Retained earnings		97,883,662	101,049,846
Total equity		185,333,019	141,319,429
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	6	37,044,718	28,868,030
Employees' benefit obligations	17	7,448,063	5,779,996
Deferred revenue - non-current portion	18	526,707	681,041
Total non-current liabilities		45,019,488	35,329,067
Current liabilities			
Lease liabilities - current portion	6	17,125,604	15,688,956
Deferred revenue - current portion	18	285,000	285,000
Trade payables, accrued expenses and other payables	19	26,577,458	41,682,459
Zakat provision	20	1,461,905	1,451,848
Total current liabilities		45,449,967	59,108,263
Total liabilities		90,469,455	94,437,330
Total equity and liabilities		275,802,474	235,756,759

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



The accompanying notes from 1 to 35 are an integral part of these financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

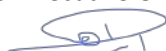
(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Profit or loss			
Sales	21	429,604,219	365,059,686
Cost of sales	22	(162,598,307)	(138,751,207)
Gross profit		267,005,912	226,308,479
Selling and marketing expenses	23	(155,018,144)	(128,497,390)
General and administrative expenses	24	(55,550,601)	(47,721,624)
Provision for expected credit losses	11	(440,595)	(76,719)
Profit from operations		55,996,572	50,012,746
Finance costs	25	(2,943,214)	(1,997,824)
Other income, net	26	5,153,229	5,024,938
Net profit for the year before Zakat		58,206,587	53,039,860
Zakat	20	(1,464,412)	(1,403,675)
Net profit for the year		56,742,175	51,636,185
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial losses from remeasurement of employees' benefit obligations	17	(187,024)	(179,961)
Items that may be reclassified to profit or loss in subsequent periods:			
Fair value gain on long-term investments designated at fair value through other comprehensive income	9	10,361	-
Total other comprehensive loss for the year		(176,663)	(179,961)
Total comprehensive income for the year		56,565,512	51,456,224
Earnings per share			
Basic and diluted earnings per share in net profit for the year	27	0.60	0.54
Weighted average number of outstanding shares at the end of the year	27	95,260,992	95,559,624

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Share capital	Employees' benefits remeasurement reserve	Fair value reserve of financial instruments at FVOCI	Treasury shares	Retained earnings	Total equity
Balance as at 1 January 2024	24,000,000	(630,429)	-	-	83,013,661	106,383,232
Net profit for the year	-	-	-	-	51,636,185	51,636,185
Other comprehensive loss	-	(179,961)	-	-	-	(179,961)
Total comprehensive income for the year	-	(179,961)	-	-	51,636,185	51,456,224
Dividends (Note 30)	-	-	-	-	(9,600,000)	(9,600,000)
Transferred from retained earnings to increase the share capital (Note 1)	24,000,000	-	-	-	(24,000,000)	-
Purchase of treasury shares (Note 16)	-	-	-	(6,920,027)	-	(6,920,027)
Balance as at 31 December 2024	48,000,000	(810,390)	-	(6,920,027)	101,049,846	141,319,429
Net profit for the year	-	-	-	-	56,742,175	56,742,175
Other comprehensive (loss)/ gain	-	(187,024)	10,361	-	-	(176,663)
Total comprehensive income for the year	-	-	-	-	56,742,175	56,565,512
Dividends (Note 30)	-	-	-	-	(11,908,359)	(11,908,359)
Transferred from retained earnings to increase the share capital (Note 1)	48,000,000	-	-	-	(48,000,000)	-
Purchase of treasury shares (Note 16)	-	-	-	(643,563)	-	(643,563)
Balance as at 31 December 2025	96,000,000	(997,414)	10,361	(7,563,590)	97,883,662	185,333,019

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Directors

The accompanying notes from 1 to 35 are an integral part of these financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	31 December 2025	31 December 2024
Cash flows from operating activities			
Net profit for the year before zakat		58,206,587	53,039,860
Adjustments to reconcile the net profit for the year before zakat:			
Depreciation of property and equipment	5	12,874,608	11,612,726
Depreciation of right-of-use assets	6	18,967,863	15,697,138
Amortization of intangible assets	7 A & C	341,702	51,652
Loss on disposal of property and equipment	26	68,697	417
Gain on disposal of right of use assets	26	(54,051)	-
Income from Islamic murabaha deposits	14	(166,596)	(4,061,655)
Unrealized gains on financial investments at fair value through profit or loss	13	(2,005,200)	-
Realized gains on financial investments at fair value through profit or loss	13	(2,004,400)	-
Provision charged for expected credit losses	11	440,595	76,719
Reversal of Provision for damaged and slow moving inventory	10	-	(460,115)
Accrued Interest on long term investments	9	(21,226)	-
Amortization of deferred revenue - franchise fees	18	(454,334)	(1,204,043)
Provision for employees benefits obligations	17	1,802,983	1,648,558
Finance costs	25	2,943,214	1,997,824
		90,940,442	78,399,081
Changes in operating assets and liabilities:			
Inventory		(5,371,363)	(1,860,089)
Trade receivable, prepaid expenses and other receivables		(7,942,316)	(3,680,805)
Trade payables, accrued expenses and other payables		(15,495,260)	19,450,244
Deferred revenue - franchise fees	18	300,000	225,000
Cash generated from operating activities		62,431,503	92,533,431
Employees' benefits obligations paid	17	(591,143)	(399,899)
Zakat provision paid	20	(1,454,355)	(1,772,831)
Net cash generated from operating activities		60,386,005	90,360,701
Cash flows used in investing activities			
Purchase of property and equipment	5	(15,378,564)	(42,319,121)
Purchase of intangible assets	7	-	(3,229,457)
Paid for goodwill acquisition	7	-	(374,683)
Proceeds from disposal of property and equipment		229,000	4,127
Investment in long term investments	9	(40,920,413)	-
Advance payments for the purchase of intangible assets	8	(77,233)	(107,266)
Investment in Islamic murabaha investment deposits	14	-	(187,284,828)
Financial investments at fair value through profit or loss	13	(85,000,000)	-
Proceeds from Islamic murabaha investment deposits	14	74,355,554	167,929,274
Proceeds from financial investments at fair value through profit or loss	13	40,000,000	-
Income receipt from Islamic murabaha deposits		1,880,266	3,367,320
Net cash used in investing activities		(24,911,390)	(62,014,634)

The accompanying notes from 1 to 35 are an integral part of these financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

	Note	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash flows used in financing activities			
Dividends paid	30	(11,908,359)	(9,600,000)
Payment for treasury shares	16	(643,563)	(6,920,027)
Lease liabilities payments	6	(20,288,165)	(18,401,415)
Net cash used in financing activities		(32,840,087)	(34,921,442)
Net increase/(decrease) in cash and cash equivalents		2,634,528	(6,575,375)
Cash and cash equivalents at the beginning of the year	15	3,775,047	10,350,422
Cash and cash equivalents at the end of the year	15	6,409,575	3,775,047
NON-CASH TRANSACTIONS			
Addition to the right-of-use assets and related lease liabilities	6	14,962,638	26,526,056
Transferred from retained earnings to increase the share capital	1	48,000,000	24,000,000
Transferred from projects under construction to property and equipment	5	4,142,493	8,980,491
Re-measurement of right-of-use assets against lease liabilities	6	13,409,057	8,300,145
Transferred from lease liabilities to accrued expenses	6	390,259	588,897
Inventory provision written off	10	-	152,620
Actuarial re-measurement of employees' benefit obligations	17	187,024	179,961
Other income - assets received free of charge		99,641	-
Transferred from advance payment for the purchase of an intangible asset to intangible assets.	7 & 8	257,427	-

Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors



The accompanying notes from 1 to 35 are an integral part of these financial statements.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

1- ORGANIZATION AND ACTIVITIES

Nofoth Food Products Company is a Saudi listed joint stock company ("the Company") registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010441682 issued in Riyadh on 1 Jumada al-Awwal 1437 H (corresponding to 10 February 2016) and Unified number 7011006397.

The Company's activities include retail sales of bakery products and sugary sweets, retail sales of nuts, coffee, spices, and perfumes, operating service restaurants, providing food service contracting, managing main offices, manufacturing sugary sweets such as confectionery, caramel, toffee, and nougat, operating dry food stores, offering light transportation services, wholesale of used oils and export, automated bread production, pie manufacturing, biscuit production, and the production of various types of popular and oriental sweets. The Company also handles the road transport of goods, including refrigerated, frozen goods and main offices activities.

The Company conducts its activities through the following branches registered under separate commercial registration (CR) numbers:

<u>Branch name</u>	<u>CR number</u>	<u>Location</u>	<u>Date</u>
Maqsood Al Mumayaz Company for Providing Meals	1010277617	Riyadh	22/12/1430
Al-Balah Al-Thahabi Trading Company	1010372414	Riyadh	18/06/1434
Top Hundred Trading Company	1010470546	Riyadh	04/08/1437
Grape Leaf Field Company for Providing Meals	1010480895	Riyadh	02/04/1440
Darb Al-Nofoth Company for Catering Services	1010616272	Riyadh	08/04/1441
Al-Balah Al-Thahabi Company for Providing Meals	1010616727	Riyadh	15/04/1441
Mamoula Sweets Company	1010655023	Riyadh	04/02/1442
Pinkish Bite Company for Providing Meals	1010689438	Riyadh	11/07/1442
Dukkan Luqaimat Company for Providing Meals	1010710468	Riyadh	25/08/1438
Arab Coffee House Trading Company	1010928171	Riyadh	19/03/1439
Mamoula Sweets Company	1128187035	Unaizah	22/06/1443
Mamoula Sweets Company	1131322103	Buraydah	30/11/1443
Grape Leaf Field Company for Providing Meals	1131322104	Buraydah	30/11/1443
Mamoula Sweets Company	2051247227	Al Khobar	24/08/1444
Al-Balah Al-Thahabi Trading Company	2511114442	Hafar al-Batin	17/01/1441
Al-Balah Al-Thahabi Company for Providing Meals	3350142366	Hail	23/05/1440
Grape Leaf Field Company for Providing Meals	4030480255	Jeddah	26/12/1443
Mamoula Sweets Company	4031263816	Makkah	28/08/1443
Mamoula Sweets Company	4032266258	Taif	27/07/1444
Mamoula Sweets Company	5850152769	Abha	09/03/1446
Mamoula Sweets Company	4650248556	Al Madina	09/02/1444
Grape Leaf Field Company for Providing Meals	5900147507	Jezaan	14/10/1445

On Rabi` al-Awwal 21, 1444 H (corresponding to 17 October 2022), the Company obtained approval from the Saudi Capital Market Authority for its request to register its shares and offer 288,000 shares, representing 12% of its total shares, for direct listing in the parallel market "Nomu".

On 19 Shawwal 1444 H (corresponding to 9 May 2023), the Company's board of directors recommended that the extraordinary general assembly vote on amending the Company's articles of association. The shareholders' general assembly approved the board's proposal on 1 Dhul-Hijjah 1444 H (corresponding to 19 June 2023). The legal procedures were completed on 23 July 2023, finalizing the amendments to the articles of association and commercial records with the Ministry of Commerce.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

On 25 Jumada Al Thani 1445 H (corresponding to 7 January 2024), the extraordinary general assembly approved the board's recommendation, dated 19 Safar 1445 H (corresponding to 4 September 2023), to increase the Company's capital by ﷲ 24,000,000 through a transfer from retained earnings. This increased the Company's capital to ﷲ 48,000,000, divided into 48,000,000 shares, with a nominal value of ﷲ 1 each.

On 05 Dhu al-Hijjah 1446 H (corresponding to 1 June 2025), the Extraordinary General Assembly of the Company approved the Board of Directors' recommendation to increase the Company's share capital from ﷲ 48,000,000 to ﷲ 96,000,000 through the issuance of 48,000,000 bonus shares. The increase was effected by capitalizing ﷲ 48,000,000 from retained earnings, at the rate of one bonus share for every share held. Following the increase, the Company's share capital amounted to ﷲ 96,000,000, divided into 96,000,000 shares with a nominal value of ﷲ 1 each.

On 11 Rajab 1447 H (corresponding to 31 December 2025), Tadawul Saudi Arabia approved the Company's request to transfer its shares from Nomu - Parallel Market to the Main Market. The Company's capital amounts to ﷲ 96,000,000 divided into 96,000,000 ordinary shares.

Pursuant to Tadawul's announcement dated 19 January 2026 (corresponding to 30 Rajab 1447 H), the Company's shares were listed and trading commenced on the Main Market effective 21 January 2026 (corresponding to 02 Sha'ban 1447 H) under trading symbol (2288) within the Food Production sector, with a daily price fluctuation limit of 10%.

The listing became effective subsequent to the reporting date of 31 December 2025.

The Company's headquarters address is: Kingdom of Saudi Arabia – Riyadh – 6383 Abi Bakr Al-Siddiq, Al-Nuzhah, 2747.

On 22 Jumada al-Awwal 1446 H (corresponding to 24 November 2024), a purchase agreement was concluded between Maqsood Restaurants Establishment and Nofoth Food Products Company for the acquisition of the "Maqsood Restaurants" brand, including its branches and assets. The total consideration for this acquisition amounted to ﷲ 3,700,000. The fair value of the acquired assets, agreed consideration and the goodwill as of that date were as follows:

	<u>31 December 2025</u>
Acquisition Consideration	3,700,000
Less: Net Assets Acquired	
Trademark (Note 7, A)	3,229,457
Property and equipment, net (Note 5)	47,636
Inventory	48,224
Aggregate Net Assets Acquired	3,325,317
Goodwill (Note 7, B)	374,683

2- BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") that are endorsed in KSA and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷻ UNLESS OTHERWISE STATED)

2- BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

2-2 PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis unless IFRS requires the use of another measurement basis, as indicated in the summary of significant accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

New and revised standards, interpretations and amendments effective during the year

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not exchangeable.

Amendments to the SASB standards to enhance their international applicability

The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.

New and revised standards, interpretations and amendments issued but not effective

The following new and revised standards, interpretations and amendments are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted; however, the Company has not early adopted them in preparing these financial statements.

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

New and revised standards, interpretations and amendments issued but not effective (Continued)

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Annual Improvements to IFRS Accounting Standards - Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.

Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)

The amendments to IFRS S2 aim at supporting entities applying IFRS S2 by reducing the complexity, risk of potential duplication of reporting and related costs of applying specific requirements in IFRS S2.

Accordingly, the adoption of these amendments will only affect sustainability-related disclosures and will not impact the recognition, measurement, or presentation of amounts reported in the financial statements.

4- MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies that have been applied by the Company in the preparation of the financial statements. These accounting policies are consistently applied for all the years presented:

Use of Judgments and Estimates

The preparation of the financial statements requires management to make judgments, estimates, and assumptions at reporting date that affect the reported amounts of assets, liabilities, revenues, and expenses. However, these estimates and assumptions are based upon management's experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The following are information about the assumptions and estimates that have a material impact on the amounts reported in the financial statements:

- Estimated useful lives of property and equipment, right of use assets and intangible assets

Management reviews the useful lives of property, equipment, right of use assets and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence, and damage. The management reviews the residual value and useful lives annually and changes in depreciation and amortization expense in current and future periods, if any.

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Use of Judgments and Estimates (Continued)

Goodwill - Annual test for impairment of goodwill

Goodwill is tested for impairment for groups of cash-generating units to which goodwill has been allocated. Groups of cash-generating units are determined based on specific acquisitions and the cash-generating units resulting from those acquisitions. The structure and groups of cash-generating units are evaluated on an annual basis. Goodwill is tested for impairment at least annually for each group of cash-generating units to which goodwill has been allocated. Discounted cash flow models are used to determine value in use.

- Provision for slow-moving inventory items

Management makes an allowance for slow moving and obsolete inventory items. Inventories are measured at the lower of cost or net realizable value. Estimates of net realizable value are based on the most reliable evidence at the time the estimates are made. These estimates take into account price or cost fluctuations that are directly related to events occurring after the reporting date.

- Impairment of non-financial assets

The value of a non-financial asset decreases when the carrying amount of an asset or cash generating unit exceeds the recoverable value of that asset or cash generating unit representing the fair value of the asset less the costs of selling or its value in use, whichever is greater. The fair value of the asset is estimated through sales made on a purely commercial basis of identical assets or market prices of similar assets that can be observed less the additional costs of selling the asset, while value in use is calculated based on the present value of cash flows projected over the next five years. Such projected cash flows do not include restructuring activities to which the company is not yet committed, or significant future investments that will enhance the performance of the assets or the cash generating unit under test. Recoverable value is most sensitive to the discount rate used to calculate cash flows as well as projected future cash flows and growth rate used for estimation purposes of the value in use.

- Incremental Borrowing Rate for Lease Contracts:

If the Company cannot easily determine the implicit interest rate in lease contracts, it uses the incremental borrowing rate (IBR) to measure lease liabilities. The IBR represents the interest rate the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, over a similar period, and with similar security. Therefore, the incremental borrowing rate reflects what the company would need to pay and requires estimation when observable rates are not available or when they need to be adjusted to reflect the terms and conditions of the lease.

The following information relates to the assumptions and estimates that have a material impact on the amounts reported in the financial statements:

The Company estimates the incremental borrowing rate using observable inputs, such as prevailing market rates when available, and must make certain company-specific assumptions.

- Impairment of non-derivative financial assets

The Company recognizes allowances for expected credit losses ("ECL") for financial assets measured at amortized cost such as accounts receivable. The Company assesses future credit losses using the ECL model for financial assets measured at amortized cost. For accounts receivable, the Company applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all accounts receivable since the initial recognition. To assess the ECL, accounts receivable are grouped based on shared risk characteristics and aging. The expected loss rates were calculated based on historical information of the Company and adjusted to reflect the expected future results which include future information on macroeconomic factors such as inflation and GDP growth rate. Other financial assets such as employees' receivables and bank balances have low credit risk and applying the ECL model is considered insignificant.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Use of Judgments and Estimates (Continued)

- Employee benefit obligations

Post-employment defined benefits and the present value of those benefits are determined actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase and returns on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every reporting date.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Company will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Classification of assets and liabilities as "current" or "non-current"

The Company presents assets and liabilities in the statement of financial position on a current / non-current basis. The assets are considered current as follows:

- When it is expected to be realized or is intended to be sold or consumed during the normal cycle of operations.
- If it is acquired primarily for the purpose of trading.
- When it is expected to be achieved within twelve months after the fiscal year, or
- When they are cash and cash equivalents, unless there are restrictions on their replacement or use to pay any liabilities for a period of not less than twelve months after the financial year.

All other assets are classified as "non-current".

The liabilities are considered current as follows:

- When it is expected to be paid during the normal business cycle
- If it is acquired primarily for the purpose of trading.
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of assets. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Expenditures on maintenance and repairs are expensed, while expenditures for improvements are capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Sold or disposed assets and their accumulated depreciation are written-off at the date of sale or disposal.

The estimated useful lives of the property and equipment for the calculation of depreciation are as follow:

Item	Useful life
Leasehold improvements	5 years or the lease term, whichever is lower
Electrical tools and equipment	5–9 years
Vehicles	5–9 years
Furniture and fixtures	5–8 years

Depreciation method and useful lives are reviewed periodically to ensure that the depreciation method is appropriate with the expected economic benefits of property and equipment.

Projects under Construction

Projects under construction represent the expenses incurred by the Company in building and constructing new equipment and facilities. Projects under construction are transferred to property and equipment or to the investment properties when the asset is intended for use in its purpose.

Intangible assets and goodwill are as follows:

A) Trademarks

Intangible assets represent the brand “Maqsood” which the Company acquired and has a useful life of more than one year. They are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure that is internally generated is recognized in profit or loss as incurred. The cost of the current asset less its residual value is amortized using the straight-line method over its estimated useful life and is recognized in profit or loss.

The annual estimated rates of amortization of the trademarks are as follows:

Item	Amortization%
Trademarks	10%

B) Programs

Intangible assets that include technical programs which the Company has acquired and have a useful life of more than 1 year are measured at cost, less accumulated amortization, and any accumulated impairment losses.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in a specific asset to which they relate, and all other expenses that are internally generated are recognized in the statement of profit or loss when incurred. Amortization of costs of intangible assets are calculated less the residual value using the straight-line basis over their estimated useful lives and are recognized in the statement of profit or loss.

The annual estimated rates of Amortization of the intangible assets are as follows:

Statement	Amortization%
Computer programs and accounting systems	20%

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets and goodwill are as follows (Continued):

C) Goodwill

Goodwill arising from the acquisition of operations is recognized at cost at the acquisition date, less any accumulated impairment losses, if any.

For the purposes of testing the impairment of goodwill, it is allocated to each cash-generating unit (CGU) or group of CGUs expected to benefit from the business combination.

The CGU to which the goodwill has been allocated is tested for impairment annually or more frequently if there is an indication of impairment of the unit. If the recoverable amount of the CGU is less than its carrying amount, any impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and then to other assets in the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Impairment losses recognized for goodwill are not reversed in subsequent periods.

When the relevant CGU is disposed of, the amount attributed to the goodwill is included in determining the gain or loss on the disposal.

Impairment of assets

At each statement of financial position date, the Company reviews the carrying amounts of its property and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication that assets have suffered an impairment loss, the recoverable amount of any affected asset (or Company of assets) is estimated and compared to its carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the statement of profit or loss are recognized directly in the statement of profit or loss.

Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The company measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Financial assets (Continued)

A) Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Company and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the statement of profit or loss.

Net profit or loss includes any dividends or interest due from the financial asset and is included in the statement of profit or loss.

B) Financial assets measured at Fair value through other comprehensive income (FVOCI)

Gains and losses arising from changes in fair value are included in the statement of other comprehensive income and are added to statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in the statement of profit or loss. If investment is disposed or suffered an impairment, profits and losses resulted from previous evaluation which were recognized in investment revaluation reserve are included in the statement of other comprehensive income.

Dividends income from investments are recognized in equity instruments at fair value through the statement of other comprehensive income when the Company's right to receive payment has been established and is shown as income in the statement of profit or loss unless dividends clearly represent a recovery of part of the investment cost. Other profits and losses are recognized in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

C) Financial assets measured at amortized cost

Accounts receivable, including trade and other receivables, Cash in hand and cash at banks and Murabaha deposits are measured at amortized cost using the effective interest method less any impairment loss and charged to the statement of profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant

Financial liabilities

Financial liabilities (including trade payables) are measured subsequently at amortised cost using the effective interest method.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the statement of profit or loss.

Effective interest rate method

The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Inventory

Inventories are stated at the lower of cost and net realizable value, except for raw materials that are stated at cost. Costs of inventories include cost of purchase, direct and indirect costs to place inventory on site and in the current situation. The cost is determined using the weighted average basis. A provision for obsolete and slow-moving items based on management estimates at the reporting date of the financial statements.

Accounts receivable

Accounts receivable are stated at the original amount of invoice, less provision for expected credit losses. An allowance against expected credit losses is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off as incurred against related provisions. Provisions are charged to the statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded under revenues.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and in banks, which are available to the Company without restrictions and which are subject to an insignificant risk of changes in value.

Lease contracts

Company as a lessor

Lease receivables under operating leases are recognized in the statement of profit or loss on a straight-line basis over the relevant lease term.

At the commencement of non-cancellable operating lease contracts, the leased asset is recognized as a "right-of-use asset," measured at cost, adjusted for any relevant components of the lease term, lease liabilities, including initial direct costs, and lease incentives mentioned in the lease agreement.

After initial recognition, the "right-of-use asset" is measured periodically using the cost model, which includes the initial measurement and any adjustments for remeasurement, less accumulated depreciation.

The Company depreciates the right-of-use asset over the estimated lease term on a straight-line basis.

At the lease commencement date, the net present value of all unpaid lease payments as of that date is discounted using an appropriate rate. After initial measurement, the "lease liabilities" are periodically measured by increasing the carrying amount to reflect interest expense on future unpaid lease liabilities, and any adjustments for remeasurement, reduced by lease payments made up to that date.

An appropriate depreciation rate is applied to the "right-of-use asset," and an appropriate interest rate is applied to the "lease liabilities." Depreciation, interest, and financing expenses are recognized in the statement of profit or loss.

Short-term Leases and Leases of Low-value Assets:

Short-term Leases are leases with a lease term of 12 months or less. Low-value assets refer to items that do not meet the capitalization threshold for the company and are considered immaterial in relation to the company's overall balance sheet.

The Company applies the recognition exemptions for short-term leases and leases of low-value assets, and the related lease payments are recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Employees' Benefits Obligations

- End-of-service indemnities

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position and the gains and losses are recognized in other comprehensive income in the period in which they occur, remeasurements recognized within retained earnings in other comprehensive income and are not recharged to the statement of profit or loss.

- Retirement benefits

The Company contributes for a defined benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

- Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits related to wages and salaries are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the un-discounted amount of the benefits expected to be paid in exchange for the related service.

Related party

A related party is a person or entity associated with the Company that prepares its financial statements.

A) If a person or one of their close family members is closely related to the company preparing its financial statements

- 1- Has control or joint control over the company.
- 2- Has significant influence over the company.
- 3- Is a member of the key management of the company or its parent company.

B) If the entity is related to the company preparing its financial statements in the case that any of the following conditions are met:

- 1) The entity and the company preparing its financial statements are members of the same group (meaning that both the parent company and its subsidiaries and affiliates are related to each other).
- 2) One of the companies is an associate or joint venture of the other company (or an associate or joint venture of a member of the group to which the other company belongs).
- 3) Both companies are joint ventures of the same third party.
- 4) One of the companies is a joint venture of a third company, and the other company is an associate of the third company.
- 5) The Company is controlled or jointly controlled by a specific person as described in paragraph (A).
- 6) The specific person referred to in paragraph (A) has significant influence over the company or is a member of the key management of the company (or the parent company).
- 7) The Company or any member of its group provides part of the services of the key management personnel to the company preparing its financial statements or to the parent company of the company preparing the financial statements.

Treasury shares

Equity instruments of repurchased shares, which are treasury shares intended for use in employee stock option programs, are recorded at cost and deducted from equity. They are adjusted for transaction costs, dividends, and any gains or losses from the sale of these shares. No gains or losses are recognized in the profit or loss statement when purchasing, selling, issuing, or canceling equity instruments of the company. Any differences between the book value and the compensation in the case of reissue are recorded in retained earnings.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounts payable, accrued expenses and other payables

Liabilities are recognized for amounts to be paid in the future for services received, whether invoiced by suppliers or not.

Value-added tax

Expenses and assets are recognized net of the amount of value-added tax, except:

- When the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value-added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value-added tax included.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured to the best of the expected fair value of the liability as at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount are confirmed and the amount can be measured reliably.

Zakat provision

Zakat is an estimated obligation for the company and is recognized in the attached financial statements by being charged to the profit or loss statement in accordance with the Zakat Standard and the opinion issued by the Saudi Organization for Certified Public Accountants. It is calculated for the year on an estimated basis according to the accrual principle. Zakat is calculated at the end of the year based on either the adjusted net income or the Zakat base, whichever is greater, in accordance with the regulations of the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are adjusted in the year in which the final assessment is received.

Dividends

Dividends to shareholders under current liabilities are recognized in the statement of financial position in the period in which dividends are approved by the partners in the company.

Revenues

Revenue is recognized when the Company fulfills its obligations in contracts with customers with an amount that reflects the material compensation that the entity expects for goods or services. Specifically, the standard provides a five-step model for revenue recognition:

Step 1: Identify the contract with the customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition from the Sale of Food and Beverages

Revenue is recognized at a point in time upon the sale of food and beverages when all of the following conditions are met:

- The entity has transferred the significant risks and rewards of ownership of the goods to the buyer.
- The entity does not retain the continuing managerial involvement to the degree normally associated with ownership or effective control over the sold goods.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.
- The costs incurred or to be incurred by the entity in relation to the transaction can be measured reliably.

Revenue Recognition from Franchise Fees

The Company has entered into agreements with various entities for the use of the trademarks "Mamoula", "Qishtiya", "Pinkish bites" and "Enaba". Franchise fees for the use of the trademark are calculated as a percentage of the total sales to customers using the trademark. The outputs of a specific transaction can be reliably estimated when the following conditions are met:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.

The costs incurred in the transaction and the costs required to complete the transaction can be measured reliably.

Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The operating results of all operating segments are reviewed regularly by the Chief Operating Officer in his capacity as the Company's chief decision maker to make decisions about resources to be allocated to the segments and to assess their performance, and for which discrete financial information is available.

Earnings per share

The Company presents basic and diluted earnings per share (if any) for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the Company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for its own shares (if any). Diluted earnings per share (if any) is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares owned, to reflect the effects of all potential dilutive ordinary shares.

Other income

Other income is recognized when realized.

Expenses

All direct expenses related to generating revenues are included in the cost of revenues, while expenses related to sales and marketing operations are included in sales and marketing expenses, and the remaining expenses are classified as general and administrative expenses, as common expenses are distributed between the cost of revenues, selling and marketing expenses, and general and administrative expenses, common expenses are distributed according to fixed bases.

Finance costs

Borrowing costs directly attributable to construction or production of an asset that necessarily takes a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. All other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

4- MATERIAL ACCOUNTING POLICIES (CONTINUED)**Offset**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Foreign currency transaction

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of profit or loss.

Contingent liabilities

Contingent liabilities are not recognized in the financial statements, but are disclosed, and they are not disclosed unless the possibility of an outflow of resources involving economic benefits is remote. The contingent asset is not recognized in the financial statements. Rather, it is disclosed when it is probable that the internal economic benefits will flow.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

5- PROPERTY AND EQUIPMENT, NET

	Land	Leasehold Improvements*	Electrical tools and equipment	Vehicles	Furniture and fixtures	Projects under construction**	Total
Cost							
Balance as at 1 January 2025	31,250,067	35,336,606	26,882,677	7,223,186	4,137,265	1,654,396	106,484,197
Additions during the year	-	-	3,140,809	3,990,761	149,716	8,097,278	15,378,564
Transferred from projects under construction	-	3,145,728	922,313	-	74,452	(4,142,493)	-
Disposals during the year	-	(526,142)	-	(811,250)	-	-	(1,337,392)
Balance as at 31 December 2025	31,250,067	37,956,192	30,945,799	10,402,697	4,361,433	5,609,181	120,525,369
Accumulated depreciation							
Balance as at 1 January 2025	-	16,649,078	12,359,457	3,631,447	2,305,018	-	34,945,000
Charged for the year	-	8,328,993	2,768,866	1,198,360	578,389	-	12,874,608
Disposals during the year	-	(377,303)	-	(662,392)	-	-	(1,039,695)
Balance as at 31 December 2025	-	24,600,768	15,128,323	4,167,415	2,883,407	-	46,779,913
Net book value							
As at 31 December 2025	31,250,067	13,355,424	15,817,476	6,235,282	1,478,026	5,609,181	73,745,456

- The property and equipment item includes fully depreciated assets that are still recorded in accounting records. The cost of these assets as of 31 December 2025 amounted to ﷲ 10,755,422 (31 December 2024: ﷲ 8,525,226).

* This represents improvements to leased buildings and branches under a lease with a term of five years (Note 6).

**Projects under construction represent the work of preparing and installing decorations and equipment for the central factory and the main residence, which are still under construction. The completion of the residence is expected during the year 2026.

Change in accounting estimate - Useful lives of property and equipment

The Company's management reviews the useful lives of its property and equipment on an annual basis. During the year ended 31 December 2025, management revised the estimated useful lives of assets to better reflect the pattern of consumption of future economic benefits and the actual operating condition of the assets. Previously, all classes were depreciated over five years. During the year, the management appointed AH Valuation, a valuation firm licensed by the Saudi Authority for Accredited Valuers (Taqeem) under License No. 43028, to assess the remaining useful lives of property and equipment.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

5- PROPERTY AND EQUIPMENT, NET (CONTINUED)

Based on the independent technical assessment and management's evaluation, the useful lives were revised as follows:

Office equipment and furniture: From 5 years to 8 years

Kitchen equipment, cars and vehicles: From 5 years to 9 years

This change represents a change in accounting estimate in accordance with IAS 8 and has been applied prospectively from 1 October 2025.

The change resulted in a reduction in depreciation expense of ﷲ 1,158,363 for the period from 1 October 2025 to 31 December 2025 compared to what it would have been under the previous useful lives estimates. The change is expected to result in a reduction of approximately ﷲ 7,174,545 in depreciation expense over the subsequent period of three years, compared to what would have been charged under the previous estimates.

The depreciation charged for the year was classified as follows:

	<u>2025</u>	<u>2024</u>
Selling and marketing expenses (Note 23)	7,797,755	6,955,254
Cost of sales (Note 22)	3,399,514	3,081,679
General and administrative expenses (Note 24)	1,677,339	1,575,793
	<u>12,874,608</u>	<u>11,612,726</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ₪ UNLESS OTHERWISE STATED)

5- PROPERTY AND EQUIPMENT, NET (CONTINUED)

	Land	Leasehold Improvements	Electrical tools and equipment	Vehicles	Furniture and fixtures	Projects under construction	Total
Cost							
Balance as at 1 January 2024	7,465,499	26,807,524	19,120,568	5,549,895	3,499,626	1,733,092	64,176,204
Additions during the year	23,784,568	3,458,791	3,998,201	1,673,291	454,839	8,901,795	42,271,485
Additions resulting from the acquisition process (Note 1)	-	-	41,136	-	6,500	-	47,636
Transferred from projects under construction	-	5,070,291	3,733,900	-	176,300	(8,980,491)	-
Disposals during the year	-	-	(11,128)	-	-	-	(11,128)
Balance as at 31 December 2024	<u>31,250,067</u>	<u>35,336,606</u>	<u>26,882,677</u>	<u>7,223,186</u>	<u>4,137,265</u>	<u>1,654,396</u>	<u>106,484,197</u>
Accumulated depreciation							
Balance as at 1 January 2024	-	11,115,583	8,003,979	2,588,666	1,630,630	-	23,338,858
Charged for the year	-	5,533,495	4,362,062	1,042,781	674,388	-	11,612,726
Disposals during the year	-	-	(6,584)	-	-	-	(6,584)
Balance as at 31 December 2024	-	<u>16,649,078</u>	<u>12,359,457</u>	<u>3,631,447</u>	<u>2,305,018</u>	-	<u>34,945,000</u>
Net book value							
As at 31 December 2024	<u>31,250,067</u>	<u>18,687,528</u>	<u>14,523,220</u>	<u>3,591,739</u>	<u>1,832,247</u>	<u>1,654,396</u>	<u>71,539,197</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

6- LEASES

Right-of-use assets represent lease contracts for buildings and branches, depreciated on a straight-line basis over the lease term of five years.

The following table shows the movement during the year on both the right-of-use assets and leases liabilities:

A- Movement in right-of-use assets (Buildings):

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost		
Balance at the beginning of the year	82,686,790	49,594,847
Additions during the year	14,962,638	26,526,056
Remeasurement during the year*	13,409,057	8,300,145
Disposal during the year**	(11,228,183)	(1,734,258)
Balance at the end of the year	<u>99,830,302</u>	<u>82,686,790</u>
Accumulated Depreciation		
Balance at the beginning of the year	34,217,322	20,254,442
Charged for the year***	18,967,863	15,697,138
Disposal during the year**	(10,528,288)	(1,734,258)
Balance at the end of the year	<u>42,656,897</u>	<u>34,217,322</u>
Net book value	<u>57,173,405</u>	<u>48,469,468</u>

*** Right of use assets depreciation is allocated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Selling and marketing expenses (Note 23)	15,850,946	13,373,834
Cost of sales (Note 22)	1,480,684	1,370,355
General and administrative expenses (Note 24)	1,636,233	952,949
	<u>18,967,863</u>	<u>15,697,138</u>

B- Movement in lease liabilities:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	44,556,986	26,921,252
Additions during the year	14,962,638	26,526,056
Remeasurement during the year*	13,409,057	8,300,145
Disposal during the year	(753,946)	-
Amortization of finance cost during the year (Note 25)	2,674,011	1,799,845
Transferred from lease liabilities to accrued expenses (Note 19)	(390,259)	(588,897)
Paid during the year	(20,288,165)	(18,401,415)
Balance at the end of the year	<u>54,170,322</u>	<u>44,556,986</u>

Lease liabilities are allocated as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Non-current portion	37,044,718	28,868,030
Current portion	17,125,604	15,688,956
	<u>54,170,322</u>	<u>44,556,986</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

6- LEASES (CONTINUED)**B- Movement in lease liabilities (Continued):**

*During the year ended 31 December 2025, the lease liabilities were remeasured due to reassessments of lease terms and changes in future lease payments. Upon remeasurement, the lease liabilities were discounted using a revised incremental borrowing rate at the date of reassessment, with the corresponding adjustment recognised against the related right-of-use assets.

** During the year ended 31 December 2025, the management identified that fully depreciated assets had not been removed from cost and accumulated depreciation as at 31 December 2024, and, therefore, restated cost and accumulated depreciation as of 31 December 2024. The restatement had no impact on net book value of right-of-use assets as at 31 December 2024, nor on profit or loss and equity for the year ended 31 December 2024.

7- INTANGIBLE ASSETS, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trademark, net (A)	2,879,599	3,202,545
Goodwill (B) (Note 1)	374,683	374,683
Program, net (C)	266,810	28,139
	<u>3,521,092</u>	<u>3,605,367</u>

A-Trademark, net

On 24 November 2024, a purchase agreement was made between Messrs. Maqsood Restaurants Establishment and Nofoth Food Products Company for the acquisition of the trademark (Maqsood Restaurants), branches, and assets. The value of the trademark was ﷲ 3,229,457, and it will be amortized over 10 years. The movement on the trademark is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost		
Balance at the beginning of the year	3,229,457	-
Additions during the year (Note 1)	-	3,229,457
Balance at the end of the year	<u>3,229,457</u>	<u>3,229,457</u>
Accumulated amortization		
Balance at the beginning of the year	26,912	-
Charge for the year (Note 23)	322,946	26,912
Balance at the end of the year	<u>349,858</u>	<u>26,912</u>
Net book value		
Balance at the end of the year	<u>2,879,599</u>	<u>3,202,545</u>

B-Goodwill

Goodwill arose from the difference between the consideration paid and the net assets acquired, including the trademark as part of Maqsood Restaurants acquisition. The table below presents the allocation of the consideration paid:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Goodwill (Note 1)	<u>374,683</u>	<u>374,683</u>

The Company appointed Malaa Company for Economic Entities Valuation to conduct valuation of Maqsood Restaurant branches on 17 November 2024. Based on the valuation conducted by the same evaluator, the Company completed the purchase price allocation process for financial statement purposes. The valuation includes trademarks and goodwill.

<u>Valuer's name</u>	<u>Valuation method</u>	<u>License number</u>	<u>Valuer's qualifications</u>
Yazeed Husam Al Hayaaf	Income and Market approach	2210000071	Licensed by the Saudi Authority for Accredited Valuers (Taqeem)

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

7- INTANGIBLE ASSETS, NET (CONTINUED)**B-Goodwill (Continued)**

- The valuation methods used are classified as Level 3, 2 for fair value.

-The following are the fair value measurement data according to IFRS 13, as outlined below:

Sales growth rate:

The Revenues for Maqsood Restaurants are expected to grow at a compound annual growth rate of 4% during the 10-year forecast period (2024-2034), based on historical performance and management's expectations for market development.

Management considers a projection period of ten years to be appropriate given the long-term nature of the restaurant operations and the expected stabilisation cycle of newly acquired and developed branches. Accordingly, the extended forecast period reflects management's best estimate of the duration over which the cash-generating unit is expected to generate sustainable economic benefits.

Discount rate:

The discount rate, which is the Weighted Average Cost of Capital (WACC), is determined based on assumptions related to the risk-free rate, equity market risk premium, adjusted beta, and specified risk premiums, including idiosyncratic risk, country risk, and industry risk. The cost of equity, calculated using the Capital Asset Pricing Model (CAPM), is 19.6% and is recalculated to a pre-tax rate ('pre-tax discount rate').

The goodwill is tested annually for impairment and management believes that the recoverable amount exceeds the carrying amount as at 31 December 2025.

C-Programs, net

The intangible assets item consists of computer software, which is amortized over 5 years. The movement of the software is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cost		
Balance at the beginning of the year	356,960	356,960
Transferred from advance for the purchase of intangible assets (Note 8)	257,427	-
Balance at the end of the year	<u>614,387</u>	<u>356,960</u>
Accumulated amortization		
Balance at the beginning of the year	328,821	304,081
Charge for the year	18,756	24,740
Balance at the end of the year	<u>347,577</u>	<u>328,821</u>
Net book value		
Balance at the end of the year	<u>266,810</u>	<u>28,139</u>

The amortization for the year has been classified as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Selling and marketing expenses (Note 23)	15,573	18,854
General and administrative expenses (Note 24)	3,183	5,886
	<u>18,756</u>	<u>24,740</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

8- ADVANCE PAYMENTS FOR THE PURCHASE OF INTANGIBLE ASSETS

Advance payments for the purchase of intangible assets represent amounts paid in connection with the implementation of a new software system. During the year ended 31 December 2025, additional payments of ﷲ 77,233 were made. Following completion of the implementation and the software becoming available for use, the total accumulated balance of ﷲ 257,427 was transferred to intangible assets (Note 7C).

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	180,194	72,928
Payment made during the year	77,233	107,266
Transferred to intangible assets (Note 7C)	(257,427)	-
Balance at the end of the year	-	180,194

9- LONG-TERM INVESTMENTS

Long-term investments comprise the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Additions during the year	40,920,413	-
Accrued investment income (Note 26)	21,226	-
Unrealised fair value gain (OCI)	10,361	-
Balance at the end of the year	40,952,000	-

9.1 The Company invested ﷲ 40.92 million in Sukuks, issued by Al Rajhi Bank, with a face value of ﷲ 100 each. The Sukuks carry mark-up of 5.5% per annum and are classified at fair value through other comprehensive income. The Sukuks are listed on Tadawul and are currently actively traded in the market. The fair value of the Sukuks at December 31, 2025 was ﷲ 102.38 per certificate.

10- INVENTORY, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Food	8,819,693	5,420,133
Packing and wrapping material	6,236,360	4,219,581
Finished goods	2,790,850	3,310,222
Consumable items	1,439,978	1,153,289
Cleaning materials	515,485	345,105
Office supplies	49,632	32,305
	19,851,998	14,480,635
Less:		
Provision for slow-moving inventory	(457,520)	(457,520)
	19,394,478	14,023,115

The movement in the provision for slow-moving goods is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	457,520	1,070,255
Reversal during the year (Note 24)	-	(460,115)
Written off during the year	-	(152,620)
Balance at the end of the year	457,520	457,520

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

11- ACCOUNTS RECEIVABLE, PREPAID EXPENSE AND OTHER RECEIVABLES, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Accounts receivable	11,611,814	10,128,342
Accounts receivable – Related parties (Note 12(b))	590,301	57,966
(Less): Provision for expected credit losses	<u>(555,847)</u>	<u>(115,252)</u>
	11,646,268	10,071,056
Prepaid expenses	4,578,824	4,073,952
Advance payments to suppliers*	7,661,953	2,779,562
Accrued income from Islamic Murabaha deposits	-	1,713,668
Employees receivables	1,425,816	886,572
Others	284,007	284,007
	<u>25,596,868</u>	<u>19,808,817</u>

* Advance payments to suppliers include an amount of ﷲ 18,082 (2024: nil) representing a balance with a related party, as detailed in Note 12(c).

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	115,252	38,533
Charged during the year	440,595	76,719
Balance at the end of the year	<u>555,847</u>	<u>115,252</u>

The following table shows the aging of receivables with the Company as at:

	<u>31 December 2025</u>	<u>31 December 2024</u>
From 1 day to 30 days	9,695,448	9,395,093
From 31 days to 60 days	628,862	529,300
From 61 days to 90 days	679,850	121,939
More than 90 days	1,197,955	139,976
Balance at the end of the year	<u>12,202,115</u>	<u>10,186,308</u>

The following is an analysis of the aging of trade receivables and the related allowance for expected credit losses as at 31 December:

	<u>31 December 2025</u>			<u>31 December 2024</u>		
	Total book value	Expected credit loss rate	Provision for expected credit losses	Total book value	Expected credit loss rate	Provision for expected credit losses
From 1 day to 30 days	9,695,448	1.37%	133,311	9,395,093	0.12%	11,627
From 31 days to 60 days	628,862	9.90%	62,259	529,300	3.00%	13,988
From 61 days to 90 days	679,850	18.31%	124,507	121,939	40.00%	48,210
More than 90 days	1,197,955	19.68%	235,770	139,976	30.00%	41,427
Total	<u>12,202,115</u>		<u>555,847</u>	<u>10,186,308</u>		<u>115,252</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

12- TRANSACTION WITH RELATED PARTIES

The Company, through its normal activities, deals with related parties, and these transactions include the provision of other operational services.

a) The nature and volume of transactions with related parties are as follows:

Related parties	Nature of relationship	Nature of transactions	Transaction volume during the year ending 31 December	
			31 December 2025	31 December 2024
Musakhan Waraq Enab for Providing Meals**	Affiliate	Sales (Note 21)	590,517	597,099
Abdullah Al-Ameqan Real Estate Company	Affiliate	Rental	1,263,708	1,263,708
Al-Ameqan Travel and Tourism Agency	Affiliate	Purchases	430,590	367,291
Vaza Food Company	Affiliate	Rental	237,600	-

* An affiliate is a related party whose shareholders own a share in the capital of the company, or it is those related parties in whom the company has representation.

**Sales to Musakhan Waraq Enab for Providing Meals are presented net of a 35% discount as per the contractual arrangement approved by management.

b) The following are the balances due from related parties:

	31 December 2025	31 December 2024
Musakhan Waraq Enab for Providing Meals (Note 11)	317,061	57,966
Vaza Food Company (Note 11)	273,240	-
	590,301	57,966

c) The following is the advance paid to related party:

	31 December 2025	31 December 2024
First Travel Tourism Company (Note 11)	18,082	-
	18,082	-

d) Transactions with key executive management

Related parties consist of non-executive board members and senior management employees of the company. Senior management employees are those who exercise authority and responsibility in planning, managing, and overseeing the company's activities, either directly or indirectly, including managers.

The related party transactions for the year ended 31 December are as follows:

	31 December 2025	31 December 2024
Salaries, allowances, and bonuses of executive management	12,729,503	14,424,042
Allowances and bonuses of the Board of Directors	960,000	1,008,000
Allowances and bonuses for the committees	567,000	393,071
	14,256,503	15,825,113

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

13- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial investments at fair value through profit or loss represent investments in units of the Artal Murabaha Fund (A Saudi closed ended public fund managed by Artal Capital Company). The investment is classified at fair value through profit or loss as it is managed and evaluated on a fair value basis. The fair value is determined based on the published net asset value per unit at the reporting date, and any resulting gains or losses are recognised in the statement of profit or loss.

The movement in these investments during the year is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deposited during the year	85,000,000	-
Withdrawn during the year	<u>(40,000,000)</u>	-
Balance at the end of the year (at cost)	<u><u>45,000,000</u></u>	<u><u>-</u></u>

The details of financial investments at fair value through profit or loss as at 31 December 2025 are as follows:

Description	Number of units	Cost	Unrealized gains	Realized gains	Market value
Artal Murabaha Fund	4,169,537.76	45,000,000	2,005,200	2,004,400	49,009,600

14- ISLAMIC MURABAHA DEPOSITS

On August 13, 2024, the Company invested in an Islamic Murabaha deposit with a local bank in the amount of ﷲ 33,000,000 for a period of 153 days, which matured on January 13, 2025. The return was based on prevailing market rates, and the income generated from this deposit for the year ended 31 December 2025, amounted to ﷲ 70,904.

On 14 August 2024, the Company made a second investment of ﷲ 41,355,554 in an Islamic Murabaha deposit with a local bank, also for a period of 153 days, maturing on January 14, 2025. The return was based on prevailing market rates, and the income generated from this deposit for the year ended 31 December 2025, amounted to ﷲ 95,692.

The total return on deposits for the year ended 31 December 2025, amounted to ﷲ 166,596 (2024: ﷲ 4,061,655). As at 31 December 2025, there were no outstanding Murabaha deposits or accrued income balances.

The following is the movement on Murabaha investment deposits:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	74,355,554	55,000,000
Deposit during the year	-	187,284,828
Matured during the year	<u>(74,355,554)</u>	<u>(167,929,274)</u>
Balance at the end of the year	<u><u>-</u></u>	<u><u>74,355,554</u></u>

15- CASH AND CASH EQUIVALENT

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash at banks	5,234,140	3,471,365
Cash in hand	<u>1,175,435</u>	<u>303,682</u>
	<u><u>6,409,575</u></u>	<u><u>3,775,047</u></u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

16- TREASURY SHARES

On 25 Jumada al-Thani 1445 H (corresponding to 7 January 2024), the Extraordinary General Assembly approved the Board of Directors' recommendation from its meeting held on 14 Rabi' al-Thani 1445 H (corresponding to 29 October 2023) to purchase up to 2,400,000 of the company's shares. These shares are held as treasury shares and allocated under the employee stock program.

During the year ended 31 December 2024, the Company purchased 366,564 of its own shares at a total cost of ﷲ 6,920,027. During the year ended 31 December 2025, the Company purchased additional 56,001 treasury shares amounting to ﷲ 643,563. Accordingly, the total balance of treasury shares as at 31 December 2025 amounted to ﷲ 7,563,590 (31 December 2024: ﷲ 6,920,027).

The shares will be retained for a maximum period of five years from the date of the Extraordinary General Assembly's approval or until allocated to eligible employees. As at the date of these financial statements, no allocation has been announced. Treasury shares are not entitled to dividends and do not carry voting rights at the Company's general assembly meetings.

The movement in treasury shares is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance as at the beginning of the year	6,920,027	-
Additions during the year	643,563	6,920,027
Balance as at the end of the year	<u><u>7,563,590</u></u>	<u><u>6,920,027</u></u>

17- EMPLOYEES' BENEFIT OBLIGATIONS

The Company determines the current value of the employee benefit obligations by making an actuarial valuation using the projected credit unit method, after taking into account the following set of assumptions:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Discount rate	5.00%	4.93%
Rate of benefits increase	4.15%	3.00%

The movement in employees benefit liabilities as at 31 December is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Employees' benefits obligations balance at the beginning of the year	5,779,996	4,153,397
Charged to the statement of profit or loss		
Current service cost	1,802,983	1,648,558
Interest cost (Note 25)	269,203	197,979
Charged to other comprehensive income		
Actuarial re-measurement of employees' benefit obligations	187,024	179,961
Paid during the year	<u>(591,143)</u>	<u>(399,899)</u>
Employees' benefits obligations balance at the end of the year	<u><u>7,448,063</u></u>	<u><u>5,779,996</u></u>

17- EMPLOYEES' BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity analysis for the defined benefit obligations and the resultant employees benefit liabilities are set out below:

	<u>Basis</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Salary change rate	1% increase	7,883,243	6,162,554
	1% decrease	6,982,155	5,385,855
	<u>Basis</u>		
Discount rate	1% increase	6,982,241	5,385,922
	1% decrease	7,883,417	6,162,691
Assuming a statistical study of employees membership data			
Average age of employees (in years)		31.43	30.81
Average years of previous experience		2.50	2.01

The above sensitivity analysis was determined according to a method whereby the impact on employees' end-of-service benefits is expected as a result of reasonable changes in the basic assumptions that were determined at the end of the year for preparing the financial statements. The sensitivity analysis is based on a change in important assumptions, with

all other assumptions remaining constant. The sensitivity analysis may not be indicative of an actual change in employee benefit obligations, as it is unlikely that changes in the assumptions will occur independently of each other.

Exposure to risks: Company is exposed to a number of risks, the most important of which are shown below:

Inflation risk: Majority of end-of-service benefits awards are linked to inflation and increased inflation will lead to an increase in liabilities.

Risk of change in bond yield: Any decrease in corporate bond yields would increase the plan's liabilities.

18- DEFERRED REVENUE

Deferred revenue represents amounts received in advance for granting the right to use the trade names "Mamola", "Enaba", "Qishtiya" and "Pinkish Bites" under agreements typically concluded for a period of approximately five years. The revenue is recognised over the contractual term. The balance is presented in the statement of financial position as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Deferred revenue - non-current portion	526,707	681,041
Deferred revenue - current portion	285,000	285,000
Balance at the end of the year	811,707	966,041

The movement of deferred revenue is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	966,041	1,945,084
Addition during the year	300,000	225,000
Amortization during the year	(454,334)	(1,204,043)
Balance at the end of the year	811,707	966,041

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

19- TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Accounts payables	13,052,721	23,186,972
Payable to executive and non-executive directors	5,718,029	9,893,086
Accrued vacations and tickets allowance	4,584,369	4,488,101
Value added tax	1,412,019	1,600,287
Accrued expenses*	700,603	1,196,755
Accrued salaries, wages and employee benefits	1,012,197	1,004,251
Others	97,520	313,007
	<u>26,577,458</u>	<u>41,682,459</u>

* The accrued expenses item includes an amount of ﷲ 390,259, representing lease contract obligations due for the year ending 31 December 2025 (2024: ﷲ 588,897) (Note 6).

20- ZAKAT PROVISION**A) The principal elements of the zakat base for the Company are the following:**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Equity and provisions at the end of the year and other adjustments	231,816,718	178,100,344
Long term assets	(175,391,953)	(123,794,226)
Adjusted net income	56,743,909	51,632,100

B) The following is the movement in Zakat provision:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	1,451,848	1,821,004
Charged during the year	1,464,412	1,403,675
Paid during the year	(1,454,355)	(1,772,831)
Balance at the end of the year	<u>1,461,905</u>	<u>1,451,848</u>

C) Zakat status:

The Company has submitted its zakat returns for all prior years until the year ended 31 December 2024, and has obtained the Zakat certificate for the year 2024. The Zakat, Tax and Customs Authority (ZATCA) issued a final Zakat assessment for the year ended 31 December 2023 amounting to ﷲ 50,680, which was paid during 2025. The Zakat, Tax and Customs Authority (ZATCA) has issued the final Zakat assessment for the year ended 31 December 2024, and the Company has subsequently settled the assessed balance of ﷲ 1,734 in its entirety.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

21- SALES**Revenue recognition timing**

	<u>31 December 2025</u>	<u>31 December 2024</u>
At a point of time		
Revenue from sales of food products	427,180,047	361,781,664
Over a period of time		
Revenue from franchise rights	2,424,172	3,278,022
Total Revenue	<u>429,604,219</u>	<u>365,059,686</u>

The Company's sales from the sale of food products are recognized at a specific point in time, while the sales from granting franchise rights are recognized over a period of time. The Company's sales are recognized within the Kingdom of Saudi Arabia and outside.

Revenue from related party and third parties is as follows;

	<u>31 December 2025</u>	<u>31 December 2024</u>
Third parties	429,013,702	364,462,587
Related party (Note 12)	590,517	597,099
	<u>429,604,219</u>	<u>365,059,686</u>

Sales Classification from Customer Contracts

	<u>31 December 2025</u>	<u>31 December 2024</u>
Geographic Region		
Kingdom of Saudi Arabia	424,899,458	365,059,686
Qatar	4,704,761	-
	<u>429,604,219</u>	<u>365,059,686</u>

22- COST OF SALES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Material consumed	129,819,207	109,319,064
Salaries, wages and other benefits	15,898,754	14,845,376
Depreciation of property and equipment (Note 5)	3,399,514	3,081,679
Consumables	3,392,418	3,277,411
Maintenance and repair	3,384,376	1,980,278
Electricity, water and phone charges	2,226,331	1,875,957
Depreciation of right of use assets (Note 6)	1,480,684	1,370,355
Short-term rentals	179,895	782,460
Others	2,817,128	2,218,627
	<u>162,598,307</u>	<u>138,751,207</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

23- SELLING AND MARKETING EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Commissions of sales application	77,978,239	58,430,880
Salaries, wages and other benefits	26,895,218	26,231,721
Depreciation of right of use assets (Note 6)	15,850,946	13,373,834
Depreciation of property and equipment (Note 5)	7,797,755	6,955,254
Marketing and advertising	7,006,435	5,455,933
Electricity, water and phone charges	5,352,066	4,787,146
Repair and maintenance	3,361,393	2,346,449
Governmental expenses	2,948,388	2,924,051
Consumables	2,508,828	2,577,949
Bank charges	1,367,330	1,292,787
Short-term rentals	776,193	1,228,964
Amortization of intangible assets (Note 7A & C)	338,519	45,766
Hospitality	265,459	1,181,446
Others	2,571,375	1,665,210
	<u>155,018,144</u>	<u>128,497,390</u>

24- GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31 December 2025</u>	<u>31 December 2024</u>
Salaries, wages and other benefits	36,204,413	34,999,455
Travel expenses	3,713,276	2,495,392
Professional and consulting fees	3,041,480	539,477
Short-term rentals	1,681,830	883,432
Depreciation of property and equipment (Note 5)	1,677,339	1,575,793
Depreciation of right of use assets (Note 6)	1,636,233	952,949
Governmental expenses	1,309,253	1,303,954
Repair and maintenance	1,277,485	1,284,740
Electricity, water and phones	1,075,456	969,027
Consumables	296,794	350,030
Hospitality	248,365	649,254
Bank charges	149,976	138,917
Stationery and printing	123,299	151,566
Amortization of intangible assets (Note 7C)	3,183	5,886
Reversal of provision for slow-moving inventory (Note 10)	-	(460,115)
Others	3,112,219	1,881,867
	<u>55,550,601</u>	<u>47,721,624</u>

25- FINANCE COSTS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Interest on lease liabilities (Note 6)	2,674,011	1,799,845
Interest on employees' benefits obligations (Note 17)	269,203	197,979
	<u>2,943,214</u>	<u>1,997,824</u>

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

26- OTHER INCOME, NET

	<u>31 December 2025</u>	<u>31 December 2024</u>
Income from Islamic murabaha deposits (Note 14)	166,596	4,061,655
Unrealized gains on financial investments at fair value through profit or loss (Note 13)	2,005,200	-
Realized gains on financial investments at fair value through profit or loss (Note 13)	2,004,400	-
Interest income on long term investments (Note 9)	21,226	-
Government expense reimbursement (HRDF Grant)	487,801	792,959
Losses on disposal of property and equipment	(68,697)	(417)
Gain on disposal of right of use assets	54,051	-
Others	482,652	170,741
	<u>5,153,229</u>	<u>5,024,938</u>

27- EARNINGS PER SHARE

Earnings per share from net income is calculated by dividing the net income for the year by the weighted average number of shares outstanding during the year ended 31 December 2025.

The Extraordinary General Assembly approved on 05 Dhu al-Hijjah 1446 H (corresponding to 1 June 2025) the recommendation of the Board of Directors to increase the Company's capital by ﷲ 48,000,000 through transferring it from retained earnings, bringing the Company's capital to ﷲ 96,000,000, divided into 96,000,000 equal-value shares, with a nominal value of ﷲ 1 per share, through the issuance of one bonus share for each existing share.

The weighted average number of outstanding shares during the presented years was adjusted retrospectively to reflect the effect of the bonus shares, and treasury shares held by the Company during the year have also been considered in the calculation.

The following table shows the movement of earnings per share as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net profit attributable to the ordinary shareholders of the company	56,742,175	51,636,185
Weighted average number of ordinary shares	95,260,992	95,559,624
Basic and diluted earnings per share	<u>0.60</u>	<u>0.54</u>

28- RISK MANAGEMENT AND FAIR VALUE**Liquidity risks**

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Company commits to in the interest of others.

To reduce the liquidity risk and associated losses that may affect the business of the Company. The Company maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Company also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

28- RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

A-The following is the maturity of liabilities as at 31 December 2025:

	Book value	3 months or less	From 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates	Total Contractual Cash flows
Liabilities						
Lease liabilities	54,170,322	4,283,837	13,382,411	40,844,755	-	58,511,003
Employees' benefits obligations	7,448,063	-	-	-	7,448,063	7,448,063
Trade payables, accrued expenses and other payables	26,577,458	21,993,089	4,584,369	-	-	26,577,458
	88,195,843	26,276,926	17,966,780	40,844,755	7,448,063	92,536,524

B-The following is the maturities of liabilities as at 31 December 2024:

	Book value	3 months or less	From 3 months to 1 year	More than 1 year up to 10 years	No specific maturity dates	Total Contractual Cash flows
Lease liabilities	44,556,986	5,339,722	13,187,252	30,957,019	-	49,483,993
Employees' benefits obligations	5,779,996	-	-	-	5,779,996	5,779,996
Trade payables, accrued expenses and other payables	41,682,459	37,194,358	4,488,101	-	-	41,682,459
Total	92,019,441	42,534,080	17,675,353	30,957,019	5,779,996	96,946,448

Credit risks

Credit risk arises when one party fails to fulfill its contractual obligations under financial instruments, leading to financial losses for the company. The company is exposed to credit risk on the balances of long term investments, financial investments at fair value through profit or loss, cash held with banks, and receivables. The company deals with local banks that have high creditworthiness. The items that may be subject to credit risk are as follows:

	31 December 2025	31 December 2024
Islamic Murabaha deposits (Note 14)	-	74,355,554
Cash at banks (Note 15)	5,234,140	3,471,365
Accounts receivable (Note 11)	12,202,115	10,186,308
Long term investments (Note 9)	40,952,000	-
Financial investments at fair value through profit or loss (Note 13)	49,009,600	-
	107,397,855	88,013,227

Currency risks

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company's transactions are primarily denominated in Saudi Riyals (ﷲ) and, where applicable, in United States Dollars (USD). The Company monitors currency rate fluctuations and believes that the impact of currency rate risks is not material.

28- RISK MANAGEMENT AND FAIR VALUE (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. As at 31 December 2025, the Company does not have significant financial assets or liabilities exposed to variable interest rates. The Company's investments are primarily held in fixed-rate instruments. Accordingly, management believes that the Company is not exposed to material interest rate risk as at the reporting date.

Market price risk

Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market rates have 3 types: Interest rate risk. Currency risk and other price risks such as shares price risk and commodity price risk, and includes financial liabilities affected by market price risk on loans, accounts receivable, and payables.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Company will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The table below shows book values and fair values of financial assets and liabilities including their levels in the fair value hierarchy. Fair value of financial assets and liabilities carried at amortized costs approximate its fair value mainly.

	31 December 2025				
	Book value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Trade and other financial receivables, net	-	13,356,091	-	-	-
Cash and cash equivalents	-	6,409,575	-	-	-
Long-term investments	40,952,000	-	-	40,952,000	-
Financial investments at fair value through profit or loss	49,009,600	-	-	49,009,600	-
Total financial assets	89,961,600	19,765,666	-	89,961,600	-
Financial liabilities at amortized cost					
Lease liabilities	-	54,170,322	-	-	-
Trade payables, accrued expenses and other payables	-	25,165,439	-	-	-
Total financial liabilities	-	79,335,761	-	-	-

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

28- RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**Fair value (Continued)**

	31 December 2024				
	Book value		Fair value		
	Fair value	Amortized cost	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Trade and other financial receivables, net	-	12,955,303	-	-	-
Cash and cash equivalents	-	3,775,047	-	-	-
Islamic Murabaha deposits	74,355,554	-	-	74,355,554	-
Total financial assets	<u>74,355,554</u>	<u>16,730,350</u>	<u>-</u>	<u>74,355,554</u>	<u>-</u>
Financial liabilities at amortized cost					
Lease liabilities	-	44,556,986	-	-	-
Trade payables, accrued expenses and other payables	-	40,082,172	-	-	-
Total financial liabilities	<u>-</u>	<u>84,639,158</u>	<u>-</u>	<u>-</u>	<u>-</u>

29- SEGMENT INFORMATION

Segment information relates to the Company's activities and operations, which management has used as a basis for preparing its financial information, in accordance with internal reporting methods. Transactions between segments are conducted under the same terms as those with third parties.

Segment assets, liabilities, and operating activities include items that are directly attributable to a specific segment, as well as items that can be reasonably allocated to different segments. Items that cannot be allocated among segments are classified as shared assets and liabilities.

The Company mainly operates in a single segment, which is the manufacturing and sale of bakery products and related food services. Other operations relate to the sale of food and beverages through dine-in and delivery services, which have not met the quantitative thresholds for reportable segments for the year ended 31 December 2025. Accordingly, segmental analysis of the statement of profit or loss and other comprehensive income and statement of financial position is not carried out, as there are no additional reportable operating segments.

Revenue generated outside the Kingdom of Saudi Arabia represents less than 10% of the Company's total revenue. Geographic information related to the Company's revenue is disclosed in note 21. Additionally, the substantial portion of the Company's operations, assets, and liabilities is located within the Kingdom of Saudi Arabia.

30- DIVIDENDS

On 1 June 2025 (corresponding to 26 Dhu al-Qa'dah 1447 H), the General Assembly approved the recommendation of the Board of Directors to distribute cash dividends amounting to ﷲ 11,908,359 (31 December 2024: ﷲ 9,600,000). This represents a dividend of ﷲ 0.25 per share, equivalent to 25% of the nominal value per share. The approved dividends were fully distributed and paid during the year ended 31 December 2025.

31- GENERAL

The figures in these financial statements are rounded to the nearest Saudi Riyals.

NOFOTH FOOD PRODUCTS COMPANY

A SAUDI JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

(ALL AMOUNTS ARE IN ﷲ UNLESS OTHERWISE STATED)

32- COMMITMENTS AND CONTINGENCIES

As at 31 December 2025, the Company does not have any material capital commitments contracted for but not yet incurred. All branch construction activities relate to internally approved work-in-progress projects, and there are no external capital commitments outstanding as at the reporting date.

Accordingly, no further capital commitments exist as at the reporting date that require disclosure in these financial statements.

33- SUBSEQUENT EVENTS

On 11 Rajab 1447 H (corresponding to 31 December 2025), Tadawul Saudi Arabia approved the transfer of the Company's shares from Nomu - Parallel Market to the Main Market. Thereafter, pursuant to Tadawul's announcement dated 19 January 2026, the Company's shares were listed and trading commenced on the Main Market on Wednesday, 2 Sha'ban 1447 H (corresponding to 21 January 2026) under trading symbol 2288. As the listing and commencement of trading occurred after 31 December 2025, this is considered a non-adjusting subsequent event.

Subsequent to the reporting date, the Zakat, Tax and Customs Authority (ZATCA) issued the final Zakat assessment for the year ended 31 December 2024, which has been fully settled by the Company.

On 30 Rajab 1447 H (corresponding to 19 January 2026), the Board of Directors approved an interim dividend distribution policy for the financial years 2026–2028, subject to approval by the General Assembly. The policy provides for targeted minimum cash dividends of ﷲ 0.20 per share for 2026, ﷲ 0.22 per share for 2027 and ﷲ 0.24 per share for 2028, to be distributed on a quarterly basis, subject to the Company's financial results, liquidity position and applicable regulatory requirements. As this approval occurred after 31 December 2025, it is considered a non-adjusting subsequent event.

On 13 Ramadan 1447 H (corresponding to 2 March 2026), the Board of Directors recommended to the General Assembly to vote on distributing cash dividends to shareholders for the year 2025, at the rate of 16 halalas for each share, representing 16% of the par value of the share, with a total of ﷲ 15,360,000.

In the opinion of management, except for what was stated above, there were no events subsequent to the reporting date and occurring before the date of approval of these financial statements that require adjustment or disclosure in these financial statements.

34- RECLASSIFICATION

Certain figures have been reclassified to conform with the classification used for the year ended 31 December 2025 and have no impact on previously reported net profit, retained earnings or net assets. The main reclassifications are as follows:

Statement of profit or loss for the year ended 31 December 2024

	<u>As previously reported</u>	<u>Amount of reclassification</u>	<u>Amount after reclassification</u>
Effect on the notes to the Statement of profit or loss for the year ended 31 December 2024			
Cost of sales (note 22)			
Salaries, wages and other benefits	16,020,147	(1,174,771)	14,845,376
Others	1,043,856	1,174,771	2,218,627
General and administrative expenses (note 24)			
Salaries, wages and other benefits	34,626,137	373,318	34,999,455
Medical insurance	373,318	(373,318)	-

Statement of cash flows for the year ended 31 December 2024

Net cash generated from operating activities	93,728,021	(3,367,320)	90,360,701
Net cash used in investing activities	(65,381,954)	3,367,320	(62,014,634)

35- APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors of the Company on 12 Ramadan 1447H (corresponding to 1 March 2026).



Audit Committee Report





Annual Report of the Audit Committee

Nofoth Food Products Company Financial Year Ended 31 December 2025

Date	1447/09/09
Corresponding to	2026/02/26
Number of pages	5

To be presented to	Shareholders' General Assembly
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Dear Shareholders of Nofoth Food Products Company,

The Audit Committee of Nofoth Food Products Company is an independent committee that aims to assist the Board of Directors in fulfilling its responsibilities by obtaining sufficient assurance regarding the effectiveness and efficiency of the internal control system and its effective implementation within the Company, in a manner that achieves the Company's objectives and serves the interests of shareholders. The Committee submits its recommendations to the Board of Directors to enhance and develop the internal control system.

Based on the Audit Committee's Charter, which provides that the Committee shall prepare an annual report including details of the Committee's performance of its duties and responsibilities, its recommendations, and its opinion on the adequacy of the Company's internal and financial control systems and risk management, as well as the key activities and work performed during the past year (2025), and submit such report to the Company's General Assembly of shareholders, I am pleased—on my own behalf and on behalf of my fellow Audit Committee members—to submit to the General Assembly this Audit Committee report on its activities for the financial year ended 31 December 2025.

Audit Committee Responsibilities and Duties:

The audit committee shall be competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the audit committee shall particularly include the following:

First: Financial Reports

1. Analysing 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.
2. 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.
3. Analysing any important or non-familiar issues contained in the financial reports.
4. Accurately investigating any issues raised by the Company's chief financial officer or any person assuming his/her duties or the Company's compliance officer or external auditor.
5. Examining the accounting estimates in respect of significant matters that are contained in the financial reports; and
6. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

Second: Internal Audit

1. Examining and reviewing the Company's internal and financial control systems and risk management system.
2. Analysing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports; and
3. Monitoring and overseeing the performance and activities of the internal auditor and internal audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties.
4. Providing a recommendation to the Board on appointing the manager of the internal audit unit or department, or the internal auditor, and suggest his/her remunerations.

Third: External Auditor

1. Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
2. Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards.
3. Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical, administrative or consulting works that are beyond its scope of work, and provides its opinion thereon.
4. Responding to queries of the Company's external auditor; and
5. Reviewing the external auditor's reports and its comments on the financial statements and following up the procedures taken in connection therewith.

Fourth: Ensuring Compliance

1. Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith.
2. Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions.
3. Reviewing the contracts and proposed Related Party transactions, and providing its recommendations to the Board in connection therewith; and
4. 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.

Audit Committee Meetings During the Year 2025

The Committee held four (4) meetings during the financial year ended 31 December 2025, as detailed below:

no	Member Name	Position	1	2	3	4	Total
			25/03/02	25-05-04	25-07-31	25-10-28	
1	Abdulrahman bin Ibrahim Al-Hudlaq	Audit Committee Chairman	✓	✓	✓	✓	4
2	Sultan bin Ahmed Al-Shubaili	Audit Committee Member	✓	✓	✓	✓	4
3	Rayan bin Omar Al-Mufadda	Audit Committee Member	✓	✓	✓	✓	4
٤	Abdulmalik bin Abdullah Al-Othaim	Audit Committee Member	✓	✓	✓	✓	4

Audit Committee Activities and Resolutions During the Financial Year Ended 31 December 2025

First: The Audit Committee established the Internal Audit Unit, with the approval of the Board of Directors, to carry out the following internal audit functions:

1. Ensure the adequacy and effectiveness of the Company's accounting and financial systems.
2. Ensure the adequacy and effectiveness of the internal control systems.
3. Analyze and assess risks.
4. Conduct the risk assessment process.

Second: The Audit Committee conducted periodic follow-ups with the Finance Department and the External Auditor regarding financial policies and material accounting estimates. The Committee also met with the External Auditor and the Company's Finance Department to review the financial statements.





Third: Review of related party transactions for the financial year ended 31 December 2025.

Fourth: Preparation and approval of the annual internal audit plan for the financial year ended 31 December 2025.

Audit Committee's Opinion:

Based on the reports presented to the Committee, including the Internal Auditor's observations and the management letter issued by the External Auditor, and with reference to the soundness of the Company's financial and accounting systems and matters related to the preparation of financial reporting, and relying on the results of the detailed assessment of the internal control system, the Committee has noted certain areas for improvement. However, these do not rise to the level of critical observations that would materially affect the integrity of the financial and accounting systems or the preparation of financial reports.

Based on the assessment results, the Committee believes that the Company's current internal control and financial control environment, as well as its risk management framework, are operating adequately and are monitored on a regular basis to ensure continuous improvement. The Committee confirms that there are no material observations that affect the integrity of the financial and accounting systems or the quality of financial reporting. The Company continues its ongoing efforts to strengthen and develop the internal control system, noting that any internal control system—regardless of the soundness of its design and the effectiveness of its implementation—cannot provide absolute assurance. The Committee has no material observations regarding the integrity of the financial and accounting systems or matters related to the preparation of financial reporting.

Name	Position	Signature
Abdulrahman bin Ibrahim Al-Hudlaq	Audit Committee Chairman	
Sultan bin Ahmed Al-Shubaili	Audit Committee Member	
Rayan bin Omar Al-Mufadda	Audit Committee Member	
Abdulmalik bin Abdullah Al-Othaim	Audit Committee Member	



**External Auditor's Report on Contracts and Transactions with
Related Parties**



Limited assurance report on the Declaration submitted by the Chairman of the Board of Directors

To the shareholders of
Nofoth Food Products Company
A Saudi Joint Stock Company

We were engaged by the management of Nofoth Food Products Company (the "Company") to perform a limited assurance engagement on the Chairman's declaration of related party transactions for the year ended 31 December 2025 (Appendix 1 or the "Subject Matter"), prepared in accordance with the requirements of Article 71 of the Companies Law (the "applicable criteria"), which comprises transactions and contracts undertaken during the year in which members of the Board of Directors have direct or indirect interests.

Subject matter

The Subject Matter for our limited assurance engagement is the declaration prepared by the management of the Company and approved by the Chairman of the Board of Directors in accordance with the requirements of Article 71 of the Companies Law and provided to us.

Criteria

The applicable Criteria is the requirement of Article 71 of the Companies Law issued by the Ministry of Commerce which states that any member of the Board of Directors (the "Board") with any interests, both directly or indirectly, in the transactions or contracts made for the account of the Company shall declare such interests for the approval of the general assembly of the Company. The Board member must notify the Board of such interests and excuse himself in vote by the Board to approve such transactions or contracts. The Chairman of the Board will notify the general assembly of transactions and contracts in which a member of the Board has a direct or indirect interest.

Management's responsibility

Management is responsible for preparing the Subject Matter information in accordance with the applicable criteria and ensuring its completeness and accuracy. This includes designing, implementing, and maintaining internal controls relevant to the preparation and presentation of the Subject Matter information such that it 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 declaration 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.

Limited assurance report on the Declaration submitted by the Chairman of the Board of Directors (Continued)

To the shareholders of
Nofoth Food Products Company
A Saudi Joint Stock Company

Our responsibility (continued)

This standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Companies Law in the preparation of the declaration for the year ended 31 December 2025.

The procedures selected depend on our judgment, including the assessment of risks such as failure of systems and controls, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's compliance with the requirements of Article 71 of the Companies Law in the preparation of the declaration. Our procedures included examining, on a test basis, evidence supporting systems and controls in respect of the preparation of the declaration in accordance with the requirements of Article 71 of the Companies Law.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Summary of work performed

We planned and performed the following procedures to obtain limited assurance over the Company's compliance with the requirements of Article 71 of the Companies Law in the preparation of the declaration:

- Discussed with management the process for identifying and reporting related party transactions involving members of the Board of Directors;
- Obtained the accompanying declaration, including the details of all transactions and agreements entered into by any of the Board members of the Company, either directly or indirectly, with the Company during the year ended 31 December 2025;
- Reviewed the accompanying declaration, signed by the members of the Board of Directors, which indicates that certain directors disclosed actual or potential conflicts of direct or indirect interest in relation to transactions and/or agreements involving the Board member; and further that the concerned Board member did not vote on the related resolutions, in accordance with Article 71 of the Companies Law;
- Reviewed the consistency of the transactions and agreements included in the declaration with the disclosure in Note (12) to the audited financial statements for the year ended 31 December 2025; and
- On a sample basis, obtained supporting documentation, including contracts and relevant evidence, for selected transactions and contracts included in the accompanying declaration.

Inherent limitations

Our procedures regarding systems and controls relating to the preparation of the declaration in accordance with the requirements of the Article 71 of the Companies Law are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

Limited assurance report on the Declaration submitted by the Chairman of the Board of Directors (Continued)

To the shareholders of
Nofoth Food Products Company
A Saudi Joint Stock Company

Inherent limitations (continued)

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised), as endorsed in the Kingdom of Saudi Arabia. Consequently, the nature, timing and extent of the procedures outlined above for gathering sufficient appropriate evidence were deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Our procedures did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, as endorsed in the Kingdom of Saudi Arabia, and, accordingly, we do not express an audit opinion or a review conclusion in relation to the adequacy of systems and controls around the preparation of the declaration.

This conclusion relates only to the declaration for the year ended 31 December 2025 and should not be regarded as providing assurance as to any future dates or periods, as changes to systems or controls may alter the validity of our conclusion.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with the applicable requirements of Article 71 of the Companies Law in the preparation of the declaration of related party transactions for the year ended 31 December 2025.

Other Matter

The attached declaration (Appendix 1) is stamped by us for identification purposes only.

Restriction of use

This report, including our conclusion, has been prepared solely upon the request of the management of the Company, to assist the Company and its Chairman of the Board of Directors in fulfilling their reporting obligations to the General Assembly in accordance with Article 71 of the Companies Law. The report should not be used for any other purpose or to be distributed to or otherwise quoted or referred to, without our prior consent to any other parties other than the Ministry of Commerce, Capital Market Authority and the shareholders of the Company.

For Alzoman, Alfahad and Alhajjaj Professional Services

Zaher Abdullah Alhajjaj
Certified Public Accountant
License No. 562



Riyadh, Kingdom of Saudi Arabia

Date: 12 Shawwal 1447H

Corresponding to: 31 March 2026

Dear Shareholders of Nofoth Food Products Company

Greetings,

Pursuant to the provisions of Article (71), paragraph (1) of the Companies Law, and Article (21), paragraph (15) of the Corporate Governance Regulations issued by the Capital Market Authority, which require the Board of Directors to inform the General Assembly upon its convening of any business or contracts in which a Board member has a direct or indirect interest, we hereby submit to your esteemed Assembly a request for approval of such business and contracts.

We would like to confirm that these transactions have been conducted on the same terms applied to transactions with other parties, without any preferential advantages or conditions compared to the local market, as follows:

#	Contracting Party	Nature of Contract / Transaction	Contract Terms	Related Party	Relationship with the Contracting Entity	Relationship of the Related Party with Nofoth Food Products Company	Type of Interest	Contract Duration	Value of Transactions during 2025	Value of Transactions during 2026
1	Travel AlOula Tourism Co.	Provision of Airline Ticket Booking Services	No specific terms or preferential advantages	Ibrahim Abdullah Al-Amiqyan	Holds an ownership stake in the company	Board Member	Indirect	-	SAR 430,590	To be calculated at year-end, as the figures are variable
				Faisal Abdullah Al-Amiqyan	Holds an ownership stake in the company	Board Member	Indirect			
2	Musakhan Warq Enab Meals Establishment	Sales	No specific terms or preferential advantages	Ibrahim Abdullah Al-Amiqyan	Brother of the establishment owner	Board Member	Indirect	-	SAR 590,517	To be calculated at year-end, as the figures are variable
				Faisal Abdullah Al-Amiqyan	Brother of the establishment owner	Board Member	Indirect			
3	Abdullah Al-Omaiqan Real Estate Co.	Lease	No specific terms or preferential advantages	Ibrahim Abdullah Al-Amiqyan	Son of the company owner	Board Member	Indirect	Contract duration of two (2) years	SAR 1,263,708	(1,263,708) SAR
				Faisal Abdullah Al-Amiqyan	Son of the company owner	Board Member	Indirect			
4	Faza Food Co.	Lease	No specific terms or preferential advantages	Faisal Abdullah Al-Amiqyan	Chairman of Faza Food Company	Board Member	Indirect	One year	SAR 237,600	The contractual relationship ended upon the expiry of the contract term and was neither renewed nor extended
				Ibrahim Abdullah Al-Amiqyan	Brother of the Chairman	Board Member	Indirect			

Abdulmalik bin Abdullah Al-Othaim – Board Member

Faisal bin Abdullah Al-Omaiqan – Board Member

Ibrahim bin Abdullah Al-Omaiqan – Vice Chairman of the Board

Fahad bin Hamad Al-Duailej – Board Member

Rakan bin Hithal Al-Fayzi – Chairman of the Board



Statement of Competing Activities



Statement of Competing Activities with the Company's Business

Board Member Name	Company in Which a Competing Activity is Conducted	Company Activity	Member's Role in the Company
Faisal bin Abdullah Al-Omaiqan	Faza Food Company	Food Services/Products	Chairman of the Board of Directors of the Company



Summary of External Auditor Proposals



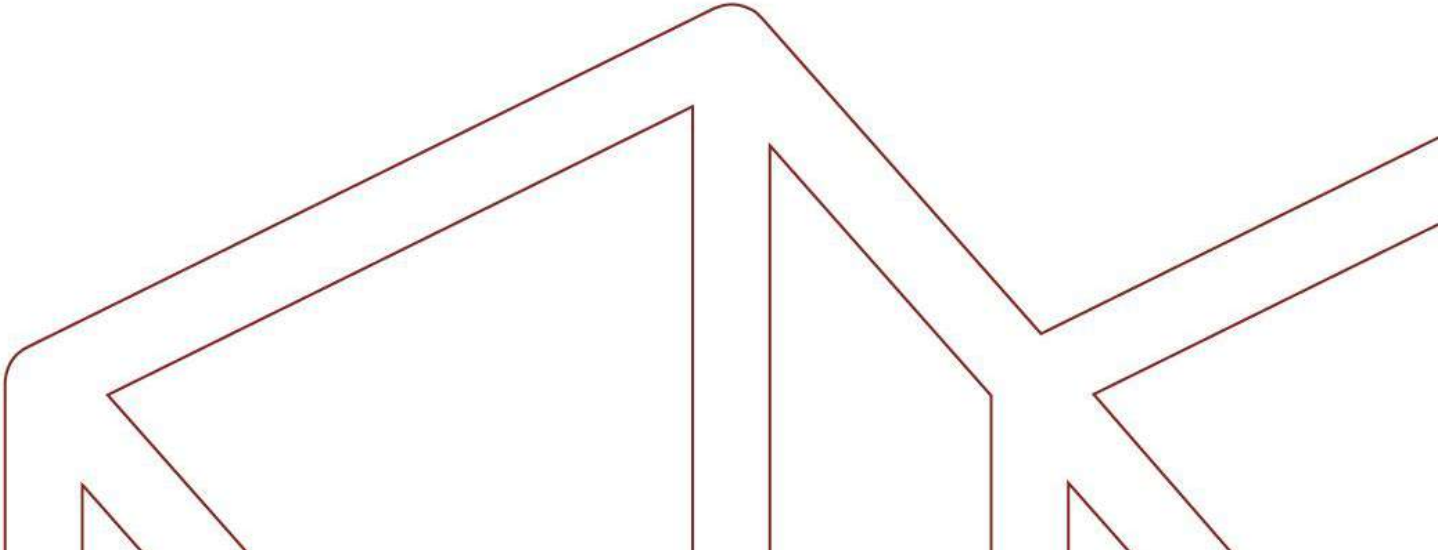
Details of the External Auditors' Proposals

No	Description	BDO Dr. Mohamed Al-Amri & Co.	Alzoman, Alfahad & Alhajjaj professional services	Crowe Solutions for Professional Consulting	KPMG
1	Audit and Review of the Annual Financial Statements for the Financial Year Ended 31 December 2026	315,000	275,000	250,000	785,000
2	Review Report on the Financial Statements for the Period Ended 30 June 2026	55,000	40,000	40,000	165,000
3	Review Report on the Financial Statements for the Period Ended 30 September 2026	55,000	40,000	40,000	165,000
4	Review Report on the Financial Statements for the Period Ended 31 March 2027	55,000	40,000	40,000	165,000
5	Disclosure Report on Related Party Transactions as at the End of the Financial Year 2026	20,000	25,000	20,000	60,000
6	Preparation and Filing of the Zakat Return for the Financial Year 2026	28,000	10,000	30,000	36,000
Total		528,000	430,000	420,000	1,376,000

Note: The Audit Committee recommended appointing Alzoman, Alfahad & Alhajjaj Professional Services.



**Amendments – Remuneration Policy for the Board of Directors,
Its Committees, and Executive Management**



Policy Provisions	Amendment
<p>Preamble</p> <p>This policy, titled “Remuneration Policy for the Board of Directors, Its Committees, and Executive Management,” has been prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), and based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H.</p> <p>This policy aims to establish clear standards for the remuneration of the Board of Directors of Nofoth Food Products Company, as well as members of its committees and senior executives, in line with the requirements of the Companies Law and the regulations of the Capital Market Authority.</p>	
<p>Article (1): Remuneration of Board Members and Meeting Attendance Allowance</p> <ol style="list-style-type: none"> 1. The Chairman of the Board shall be entitled to an annual remuneration of SAR 300,000 for each fiscal year. 2. Each Board member shall be entitled to an annual remuneration of SAR 150,000 for each fiscal year. 3. The Chairman and Board members shall be entitled to a meeting attendance allowance of SAR 3,000 per meeting. 4. A Board member may combine meeting attendance allowances with their Board membership remuneration and any additional compensation for extra duties, executive, technical, administrative, or advisory roles assigned within the Company, in addition to any remuneration received as a Board or committee member, in accordance with the Companies Law and the Company’s bylaws. 5. The Board shall determine the remuneration and meeting attendance allowance payable to the Secretary. 	

<p>6. Meeting attendance allowances shall be paid quarterly, while the fixed annual remuneration shall be paid after approval by the General Assembly of shareholders.</p>	
<p>Article (2): Remuneration of Audit Committee Members</p> <ol style="list-style-type: none"> 1. The Chairman of the Audit Committee shall receive an annual remuneration of SAR 50,000. 2. Each Audit Committee member shall receive an annual remuneration of SAR 40,000. 3. The Chairman and members shall receive SAR 2,000 per meeting as attendance allowance. 4. The Committee shall determine the remuneration of the Secretary unless determined by the Board. 5. Attendance allowances are paid quarterly, while annual remuneration is paid upon Board approval. 	
<p>Article (3): Remuneration of Nomination and Remuneration Committee Members.</p> <ol style="list-style-type: none"> 1. The Chairman shall receive SAR 50,000 annually. 2. Each member shall receive SAR 40,000 annually. 3. Attendance allowance is SAR 1,500 per meeting. 4. The Committee determines the Secretary's remuneration unless set by the Board. 5. Payment terms follow quarterly attendance allowances and annual remuneration after Board approval. 	
<p>Article (4): Remuneration of Executive Committee Members</p> <ol style="list-style-type: none"> 1. The Chairman shall receive SAR 50,000 annually. 2. Each member shall receive SAR 40,000 annually. 3. Attendance allowance is SAR 2,000 per meeting. 4. The Committee determines the Secretary's remuneration unless set by the Board. 5. Payment terms follow quarterly attendance allowances and annual remuneration after Board approval. 	
<p>Article (5): Executive Management Remuneration</p>	

<p>Annual remuneration for executive management shall be granted based on performance indicators and annual evaluation models.</p>	
<p style="text-align: center; color: green;">Added Clause</p>	<p>Article (6): Suspension or Recovery of Remuneration</p> <p>The Company may suspend or recover remuneration in the following cases:</p> <p>If remuneration was granted based on inaccurate or misleading information provided intentionally or due to gross negligence.</p> <p>If a member or employee exploited their position to obtain undue remuneration.</p> <p>If material errors are discovered in performance evaluation or financial results on which remuneration was based.</p> <p>If a regulatory or judicial authority determines that remuneration was granted in violation of laws or regulations.</p>
<p>Article (7): Disclosure of Remuneration:</p> <p>The Board of Directors shall:</p> <ol style="list-style-type: none"> 1. Disclose the remuneration policy and the mechanism for determining remuneration. 2. Disclose, accurately and transparently, in the Board report all remuneration granted to Board members and executive management, whether direct or indirect, without concealment or misrepresentation. 3. Clarify the relationship between granted remuneration and the approved policy, including any material deviations. 4. Provide detailed disclosure of remuneration paid to: <ul style="list-style-type: none"> o Board members o The top five executives, including the CEO and CFO o Committee members o Such disclosure shall be included in the Board of Directors' report. 	
<p>Article (8): Final Provisions</p>	



1. Any matters not addressed herein shall be governed by applicable laws and regulations.
2. This policy shall become effective upon approval by the Company's General Assembly.





**Remuneration Policy for the Board of Directors, Its Committees,
and Executive Management**

NOFOTH Product Food Co

Date of Approval by the General Assembly	
Version	2.0

Preamble

This policy, titled “Remuneration Policy for the Board of Directors, Its Committees, and Executive Management,” has been prepared in accordance with the provisions of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), and based on the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H.

This policy aims to establish clear standards for the remuneration of the Board of Directors of Nofoth Food Products Company, as well as members of its committees and senior executives, in line with the requirements of the Companies Law and the regulations of the Capital Market Authority.

Article (1): Remuneration of Board Members and Meeting Attendance Allowance

1. The Chairman of the Board shall be entitled to an annual remuneration of SAR 300,000 for each fiscal year.
2. Each Board member shall be entitled to an annual remuneration of SAR 150,000 for each fiscal year.
3. The Chairman and Board members shall be entitled to a meeting attendance allowance of SAR 3,000 per meeting.
4. A Board member may combine meeting attendance allowances with their Board membership remuneration and any additional compensation for extra duties, executive, technical, administrative, or advisory roles assigned within the Company, in addition to any remuneration received as a Board or committee member, in accordance with the Companies Law and the Company’s bylaws.
5. The Board shall determine the remuneration and meeting attendance allowance payable to the Secretary.
6. Meeting attendance allowances shall be paid quarterly, while the fixed annual remuneration shall be paid after approval by the General Assembly of shareholders.

Article (2): Remuneration of Audit Committee Members

1. The Chairman of the Audit Committee shall receive an annual remuneration of SAR 50,000.
2. Each Audit Committee member shall receive an annual remuneration of SAR 40,000.
3. The Chairman and members shall receive SAR 2,000 per meeting as attendance allowance.
4. The Committee shall determine the remuneration of the Secretary unless determined by the Board.
5. Attendance allowances are paid quarterly, while annual remuneration is paid upon Board approval.

Article (3): Remuneration of Nomination and Remuneration Committee Members

1. The Chairman shall receive SAR 50,000 annually.
2. Each member shall receive SAR 40,000 annually.
3. Attendance allowance is SAR 1,500 per meeting.
4. The Committee determines the Secretary's remuneration unless set by the Board.
5. Payment terms follow quarterly attendance allowances and annual remuneration after Board approval.

Article (4): Remuneration of Executive Committee Members

1. The Chairman shall receive SAR 50,000 annually.
2. Each member shall receive SAR 40,000 annually.
3. Attendance allowance is SAR 2,000 per meeting.
4. The Committee determines the Secretary's remuneration unless set by the Board.
5. Payment terms follow quarterly attendance allowances and annual remuneration after Board approval.

Article (5): Executive Management Remuneration

Annual remuneration for executive management shall be granted based on performance indicators and annual evaluation models.

Added Clause – Article (6): Suspension or Recovery of Remuneration

The Company may suspend or recover remuneration in the following cases:

1. If remuneration was granted based on inaccurate or misleading information provided intentionally or due to gross negligence.
2. If a member or employee exploited their position to obtain undue remuneration.
3. If material errors are discovered in performance evaluation or financial results on which remuneration was based.
4. If a regulatory or judicial authority determines that remuneration was granted in violation of laws or regulations.

Article (7): Disclosure of Remuneration

The Board of Directors shall:



1. Disclose the remuneration policy and the mechanism for determining remuneration.
2. Disclose, accurately and transparently, in the Board report all remuneration granted to Board members and executive management, whether direct or indirect, without concealment or misrepresentation.
3. Clarify the relationship between granted remuneration and the approved policy, including any material deviations.
4. Provide detailed disclosure of remuneration paid to:
 - Board members
 - The top five executives, including the CEO and CFO
 - Committee members
 - Such disclosure shall be included in the Board of Directors' report.

Article (8): Final Provisions

1. Any matters not addressed herein shall be governed by applicable laws and regulations.
2. This policy shall become effective upon approval by the Company's General Asse



Dividend Distribution Policy for the Years 2026, 2027, and 2028





Dividend Distribution Policy for the Years 2026, 2027, and 2028
Nofoth Food Products Company

Date of Approval by the General Assembly	2026 / 00 / 00
Version	1

Dividend Distribution Policy for the Years 2026, 2027, and 2028

Article (1): Preamble

This policy has been prepared based on the provisions of the Companies Law issued by Royal Decree No. (M/132) dated 01/12/1443H, its implementing regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (3-44-2026) dated 11/10/1447H (corresponding to 30/03/2026G), the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-5-2023) dated 25/06/1444H (corresponding to 18/01/2023G), and the bylaws of Nofoth Food Products Company.

This policy is issued based on the recommendation of the Board of Directors as announced on the website of the Saudi Exchange (Tadawul) regarding dividend distributions for the years 2026, 2027, and 2028, with the aim of regulating interim dividend distributions in a manner that achieves a balance between the interests of shareholders and the financial sustainability of the Company.

Article (2): Targeted Distributions.

The Company targets—subject to regulatory and financial controls—to distribute interim dividends on a quarterly basis as follows:

- Distribution of dividends of SAR 0.20 per share for the year 2026.
- Distribution of dividends of SAR 0.22 per share for the year 2027.
- Distribution of dividends of SAR 0.24 per share for the year 2028.

The above does not constitute a binding obligation, but rather represents a targeted approach subject to periodic review.

Article (3): Distribution Controls.

Dividend distributions shall be subject to the following:

1. Availability of distributable profits in accordance with the financial statements.
2. Availability of sufficient cash liquidity.
3. No adverse impact on the Company's financial solvency.
4. Compliance with the bylaws (including reserves).
5. Issuance of a resolution by the Board of Directors based on the authorization granted by the General Assembly.

Article (4): Additional Distributions.

The Company may distribute additional dividends upon achieving positive financial results, in accordance with the recommendation of the Board of Directors and the approval of the General Assembly.

Article (5): Amendment or Suspension of Distributions.

The Company may amend or suspend distributions in the event of:

- Changes in financial or operational conditions.
- Existence of obligations or investment opportunities.
- Issuance of regulatory requirements.

Article (6): Final Provisions:

1. This policy shall come into effect from the date of its approval by the General Assembly.
2. The provisions of the Companies Law, the Capital Market Law and their implementing regulations, and the Company's bylaws shall apply to all matters not expressly provided for in this policy.
3. This policy shall serve as a guiding reference for dividend distributions and shall not create a fixed obligation on the Company.